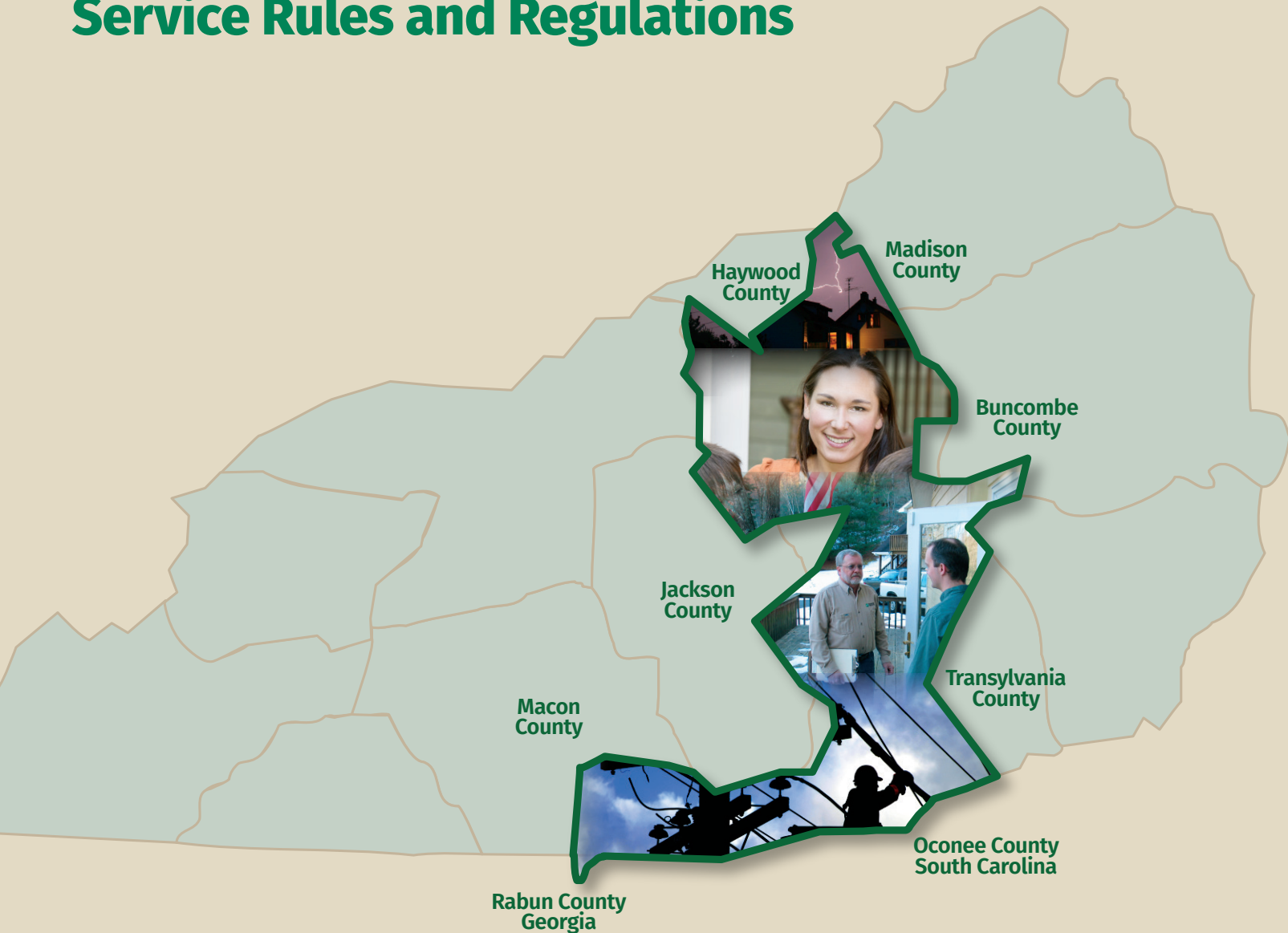


Service Rules and Regulations



***Your Trusted Source
for Energy and Information***



A Touchstone Energy® Cooperative



HAYWOOD ELECTRIC MEMBERSHIP CORPORATION SERVICE RULES AND REGULATIONS

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I. SECTION I - PURPOSE

- A. These Rules and Regulations apply to each and every consumer/member. They are a part of every contract for service made by the Cooperative, unless modified by special terms written therein, and govern all classes of service in concert with tariffs filed with the North Carolina Rural Electrification Authority and other regulations adopted by governmental agencies having authority.
- B. Haywood Electric Membership Corporation is a rural electric cooperative enterprise that is owned by its consumer/members, whose purpose is to provide quality services to its consumer/members.
- C. It is the intent and purpose of the service and extension policies to insure that all consumer/members of the Cooperative receive uniform and equitable consideration and treatment.
- D. The consumer/member is defined as the person or persons, partnership, corporation or other entity that has the legal responsibility for payment of the bill for service.
- E. A member in good standing is a member who has no more than two (2) late payments, no returned payments, and has not been disconnected for failure to pay in the preceding twelve (12) months.

II. SECTION II - APPLICATION FOR SERVICE

- A. Membership and Service

Each prospective consumer/member requesting electric service shall sign the Cooperative's Application for Membership, and supply the Cooperative with such credit references as may be requested. There is no membership fee.

- B. Right to Reject:

The Cooperative reserves the right to reject any application for service not available under its rate schedules, or which involves excessive cost, or which might affect the supplier of service to others, or for other good and sufficient reasons.

III. SECTION III - CLASSIFICATION OF CONSUMER/MEMBERS

- A. Service shall be classified for the purpose of determining the applicable rate schedule in accordance with the nature of the consumer/member's establishment.
- B. Residential Service shall be defined as service to a single private house, apartment, house trailer, flat or other living quarters with permanent foundation occupied by a person or persons constituting a distinct household. It shall include any private garage adjacent to, connected with and used exclusively by the resident. The residential rate shall not apply to the following types of establishments, service to which shall be classified as commercial: hotels, recognized rooming houses, clubs, orphanages, homes for the aged or indigent, tourist camps and cabins for transient guests, schools and churches, or where there are more than one distinct household being served through one meter.
- C. A Farm Service shall be defined as service to any building used primarily for agricultural purposes that are separately metered from the household service.

If three-phase service is required on the farm, it will be furnished in accordance with the applicable rate for three-phase service. In such cases, all farm and home usage may be included in the three-phase service, or if the consumer prefers, a separate service for single-phase may be installed.
- D. A Commercial Service shall be defined as service at a single point of connection, to any business enterprise (other than a farm), guest ranch, lodge, club, school, church, trailer court or any organization or institution. Service may be used for all purposes including lighting and power and will be furnished under the rate for Commercial Service. Commercial services will be reviewed by the Cooperative for determination of the need for an Agreement for Electric Service prior to connecting service.

- E. Change from one Rate Schedule to Another: If a consumer's operations are such that he may have a choice of two (2) or more rate schedules, he may have his choice of one of such schedules, provided that no consumer may be billed for a period of less than one year on any rate schedule.

IV. SECTION IV - ELECTRIC SERVICE AVAILABILITY

A. Application for Membership:

The Service Agreement between the Cooperative and its Members will consist of a Membership Application signed by Member and Cooperative (with security deposit, if required); Bylaws; all necessary right-of-way easements that are to be provided by the Member; current applicable rate schedule and riders; Load Management Agreement (if applicable); and current Service Rules and Regulations.

A supplemental written contract on a form provided by the Cooperative may be required.

The Cooperative's form of Application for Membership must be completed, signed and submitted. Applications for joint membership require the signature of each individual. A nonrefundable connection charge, as specified in the Schedule of Charges, will be required.

B. Security Deposit:

Residential:

A security deposit not exceeding the estimated total of three (3) average monthly charges where history is available will be collected in advance of service connection on residential accounts or at any subsequent time when the Cooperative determines that a deposit is needed to ensure payment of bills. Where history is not available the minimum deposit as specified in the schedule of charges will be collected in advance on residential accounts.

A Member, in good standing, that terminates service at one location and begins like service at another location within the Cooperative's service area may not be charged a security deposit for the service of the new location.

As an alternative to a deposit, the Cooperative may consider: a letter of reference stating that you have been a recent consumer of an electric utility and your payment record was satisfactory over the last twelve (12) months; (2) a guarantee payment of your bills up to the amount of deposit from a Member in good standing; or (3) satisfactory record with an established credit rating service acceptable to the Cooperative. Applicant may obtain the report or pay a credit reporting fee if the Cooperative obtains a report. (4) Applicant may choose to participate in the Member In Control prepay plan if eligible. The Cooperative will endeavor to fully explain all means of establishing credit.

The deposit will be refunded with interest upon request after a period of twelve (12) consecutive months during which the Member has fulfilled all Member obligations as a Member in good standing. Interest will be paid at the rate currently set by the Board of Directors. A deposit may be required at any time if the Member payment record falls below that of a Member in good standing.

Upon termination of the membership, the security deposit (if not already refunded) will be refunded or applied against any unpaid balance owed to the Cooperative.

Commercial:

All non-residential accounts must be secured by one of the following:

- A cash deposit not to exceed the estimated total of three (3) average monthly charges where history is available and the business is of the same type as the previous tenant. When history is not available or the type of business has changed the cooperative will determine the amount of the deposit needed to secure the service.
- An irrevocable Letter of Credit obtained by the member from a qualified bank or financial institution at the member's expense.
- A Surety Bond from a qualified bonding company or insurance company obtained by the member and provided to Haywood EMC at the member's expense.

Commercial deposits will be refunded with interest after a period of sixty (60) consecutive months of active service, during which the member has fulfilled all Member obligations as a Member in good standing. A security deposit may be required at any time if the Member payment record falls below that of a Member in good standing.

Upon termination of the membership, the security deposit (if not already refunded) will be refunded or applied against any unpaid balance owed to the Cooperative.

C. Additional Service Connections:

A Member may have any number of service connections under one membership. The Member may be obligated to pay, pursuant to the above Section IV.B., the applicable service security deposit for each additional service and will be obligated to pay for all electric demand and energy used on the premises at the Cooperative's applicable rates. A Member with more than one account is equally responsible for current payment of all accounts, and service may be denied for a new service for failure to pay on another account under the same Member. However, a Member applying for an additional service connection must make written application on a form provided by the Cooperative, complete a right-of-way easement, and pay any security deposit, contribution-in-aid-of- construction, and service charges as required by the Cooperative.

D. Reconnection for Intermittent Accounts

Residential:

For any residential meter disconnected and reconnected for the same Member (or immediate family) at the same location, a reconnect charge is required if reconnected within thirty (30) days. If the time between the disconnect date is greater than thirty (30) days the charge will be the reconnect charge plus a minimum bill as specified in the applicable rate schedule, for each month, or major portion thereof, that the meter remains disconnected, up to a maximum of twelve (12) months.

Commercial:

For any commercial meter disconnected and reconnected for the same Member (or related entity) at the same location where the time between the disconnection date is greater than thirty (30) days, the charge will be the reconnect charge plus a minimum bill as specified in the Agreement for Electric Service or the applicable rate schedule whichever is higher for each month, or major portion thereof, that the meter remains disconnected, up to a maximum of twelve (12) months. This charge is in addition to any security deposit or alternative deposit required.

E. Line Extensions and Expansions:

1. Terms and Conditions:

The Cooperative's overhead and underground distribution system will be extended to supply new consumers or expanded to increase capacity for existing consumer/members depending on availability and capacity.

Single-Phase - A maximum of \$2000, including the cost of the transformer and services, will be extended for single - phase line extension to a residence. For pumps, fence services, etc., the Cooperative will provide the first span or 300 feet, whichever comes first.

Three-Phase - All three-phase line extension costs will be individually evaluated. The amount of line extension extended to each account will be subject to the annual revenue estimated or calculated by the engineering department.

The calculation of estimated cost is based on the most recent work order costs.

Should the estimated construction cost of the line extension exceed the limits as outlined above, the consumer/member requesting service shall pay to the Cooperative the difference or contribution-in-aid. Payment for the amount of the contribution-in-aid shall be included in the agreement between the Cooperative and the consumer/member and shall not entitle the consumer/member to the usage of any electricity or other services in return. Payment must be made as a lump sum prior to commencement and construction.

When a base distribution system is provided for a land development project, the developer will be required to pay, prior to beginning construction, the total estimate of the backbone primary system. There will be no refund of this payment to the developer when service is installed to the individual.

2. Obligations and Extend:

The Cooperative's obligation to extend its distribution lines to supply new consumer/members will be dependent on the ability of the Cooperative to secure construction funds from the Rural Utility Services or from other sources.

3. Temporary Service:

(Carnivals, Special Events, and Services Under 120 Days)

Furnishing of temporary service is contingent upon available capacity at the point of delivery. Monthly billing shall be in accordance with the terms of the applicable schedule. The minimum billing period is one month.

Where it is necessary for the Cooperative, in order to supply service for a temporary service, to extend lines, install transformers, make enlargement of any part of its system, or do other work, the consumer/member shall pay in advance the estimated cost of removal. Credit for salvage value of material recovered will be made with the consumer/member initially or after termination of service at the option of the Cooperative.

F. Service to Security Lights:

Security light services will be extended under the applicable rate schedule.

Where the security light service requires the installation of one or more poles, the Member will be required to pay aid-in- construction for extra-added cost as noted on attached appendix.

When a security light requires maintenance due to vandalism, the Member may be required to pay the costs of repairs.

G. Metering Facilities:

The Cooperative normally provides and installs the meter and requires the Member to provide for an approved meter base and certain facilities to the meter base. Any meter installed at the request of the Member that would not have been installed as standard equipment will be considered an excess facility.

H. Electric Meters:

All meter bases shall be installed on an exterior surface as nearly as possible at eye level. Upon receipt of the request for service, the Cooperative will, upon request, survey the premises to be served and direct the placement for the meter in the most convenient and satisfactory location.

V. SECTION V - CONDITIONS OF SERVICE

A. General Conditions:

The Cooperative will supply electrical service to the Member after all of the following conditions are met:

1. The Member is in compliance with all aspects of the Service Agreement and agrees to be bound by the Cooperative's Articles of Incorporation, Bylaws and these Service Rules and Regulations.
2. The Member agrees to furnish without cost to the Cooperative all necessary easements and rights-of-way.
3. The Member agrees to have all streets, alleys, and driveway entrances graded to within six (6) inches of final grade and to have lot lines established before installation or extension of electrical service begins.
4. The Member agrees that the Cooperative will have right of access to Member's premises at all times for the purpose of reading meters, testing, repairing, removing, maintaining or exchanging any or all equipment and facilities which are the property of the Cooperative, or when on any other business between the Cooperative and the Member. In cases where it is reasonably necessary and cost effective, the Cooperative may use, without payment to the Member, the Member's premises for accessing neighboring property served by the Cooperative. However, the Member will have the opportunity to locate a right-of- way that is beneficial to all parties.
5. Any previous outstanding debts owed by the Member, or any other person residing at the Member's premises, to the Cooperative, for service at the member's premises, have been paid. Provision of service in no way conflicts with public authorities.
6. All Member wiring and equipment has met the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction.

7. The Member agrees to be responsible for any additional facilities, protective devices, or corrective equipment necessary to provide adequate service or prevent interference with service to the Cooperative's other Members. Such loads include, but are not limited to, those requiring excessive capacity because of large momentary current demands or requiring close voltage regulation, such as welders, X-ray machines, shovel loads, or motors starting across the line.
8. The Member agrees to be responsible for notifying the Cooperative of any additions to or changes in the Member's equipment, which might affect the quality of service or might increase the Member's demand.
9. The Member agrees that when multi-phase service is furnished, the Member will at all times maintain a reasonable balance of load between the phases. Three- phase motors with high-starting or fluctuating currents must be installed in accordance with the Cooperative's Rate Schedules and Riders and Rules and Regulations.

B. Standard Supply Voltages:

The Cooperative maintains one system of alternating current at a standard frequency of 60 hertz that is supplied throughout its system and within prudent utility practices. The Cooperative will determine the voltage, number of phases, and types of metering which will be supplied depending upon the Cooperative's facilities available and upon the character, size and location of the load to be served. The Member will consult the Cooperative before proceeding with the purchase or installation or wiring of equipment. To avoid misunderstanding, this information should be in writing from both the Member and the Cooperative. The service voltages described below are nominal, and variations permitted will be not less than 114 volts or more than 126 volts on a 120-volt basis.

Single-Phase, 2 Wire, 120 Volts

Three-Phase, 120/208 Volts

Single-Phase, 3 Wire, 120/240 Volts

Three-Phase, 120/240 Volts

Three-Phase, 240/480 Volts

Three-Phase, 277/480 Volts

Standard three-phase voltage for underground installations shall be 120/208 and 277/480. Other secondary voltages are available in special circumstances; however, written approval in advance is required in order to obtain other than the standard voltages listed above.

C. Service Interruptions:

The Cooperative does not guarantee continuous and uninterrupted service and will not be liable for loss or damage to any Member's equipment, belongings, real property, business losses or consequential damages caused by any failure to supply electric service or by any interruption or reversal of the supply of electric service, if such is due to any cause beyond the reasonable control of the Cooperative.

Such causes include, but are not limited to:

1. An emergency action due to an adverse condition or disturbance on the system of the Cooperative, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electric service to some consumers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
2. An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from federal, state, municipal, county or other public authority.
3. Making necessary adjustments to, changes in, or repairs on lines, substations, and facilities and in cases where, in the Cooperative's opinion, the continuance of service to consumer's premises would endanger persons or property.

The Member will notify the Cooperative immediately of any defect in service or of any trouble or irregularity to the electric supply.

Maintenance work on lines or equipment requiring service interruption will be done, as far as practicable, at a time that will cause the least inconvenience to the Members. The Members to be affected by such planned interruptions will be notified in advance, if practicable.

Service may be interrupted in accordance with an approved load-shedding plan.

D. Right-of-Way Maintenance:

The Member will grant to the Cooperative, and the Cooperative will maintain right-of-way according to its specifications with the right to cut, trim, and control the growth of trees and shrubbery located within the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of the Cooperative's line or system. When trimming the right-of-way, the Cooperative will remove debris at its expense from "clean and maintained" areas; that is, an area which is regularly maintained free of logs and brush, but not the removal of stumps. In other areas, right-of-way debris will be left in the right-of-way limit.

E. Power Factor:

The Member will at all times maintain a power factor at the point of delivery as close to one hundred percent (100%) as practicable. Where the overall power factor of the Member's load is less than ninety-five percent (95%) lagging, the Cooperative may require the Member to install at the Member's own expense equipment to correct the power factor, and may adjust the Member's billing demand as specified by the applicable rate schedule. The Cooperative reserves the right to measure the power factor any time.

F. Foreign Electricity, Parallel Service, Standby Generation:

The Member will not use the Cooperative's electric service in parallel with other electric service, nor will other electric service be introduced on the premises of the Member for use in conjunction with or as a supplement to the Cooperative's electric service, without prior written consent of the Cooperative.

Where approved standby and/or supplemental on-site generation is provided by the Member, parallel operation of the Member's generating equipment with Cooperative's system will not be allowed, without express permission of the Cooperative. The Member will install all protective devices specified in the National Electric Code, or the National Electric Safety Code, as applicable. A double-throw switch must be used to prevent possible injury to the Cooperative's personnel and equipment by making it possible for power to feed back into the main line from the emergency generator.

G. Qualifying Facilities and Independent Power Producers:

The Cooperative is required to comply with the Public Utility Regulatory Policies Act of 1978 (PURPA), along with rules and regulations promulgated under PURPA as they relate to qualifying facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric demand and energy to the Cooperative shall notify the Cooperative. The Cooperative will provide the owner/operator with its current rate as specified in the attached current applicable Rate Schedules and Riders.

Any contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative or the North Carolina Electric Membership Corporation (NCEMC). The Cooperative will assist the owner/operator in making initial contact with NCEMC. Also through a similar prior arrangement with NCEMC, all contracts for the sale of electric demand from an independent power producer (IPP) will be made between the owner/operator and NCEMC. The Cooperative will assist the owner/operator in making initial contact with NCEMC.

H. Line and Facilities Conversion and Relocation:

Upon request, the Cooperative will, consistent with prudent utility practice, relocate line, poles, and facilities. The Member will be required to pay in advance the cost of relocating the facilities. Any additional right-of-way necessary for relocation will be the responsibility of the Member to obtain.

At a Member's request, the Cooperative may convert existing overhead facilities to underground, provided that the Member pays the Cooperative for the cost incurred. Under most circumstances, the Cooperative will, upon request, raise or lower lines to afford a safe passage for buildings or equipment being moved. Parties making such requests will be required to pay the cost of the labor and any material used, plus an appropriate charge for transportation equipment. Also, such parties will be required to make a deposit, in advance, of the estimated cost to the Cooperative.

I. Energy Management Assistance:

The Cooperative will, at no charge, investigate, render advice and lend assistance needed for all reasonable requests of the Member pertaining to the Member's account, usage, bill, load management equipment, or energy conservation measures.

VI. SECTION VI - BILLING

A. Responsibility to Read Meter:

Meters will be read and bills rendered by the Cooperative. When a meter cannot be read on or about the scheduled date, the meter reading and corresponding use for the period will be estimated based on prior usage. Accounts billed on an estimated basis will be adjusted as necessary when actual readings are obtained. An explanation of the meter-reading process can be obtained from the Cooperative.

B. Due Dates and Failure to Pay:

Bills are due and payable upon receipt and are considered delinquent if payment is not received in the office by the close of business on the 25th day from the billing date. Members whose bills become delinquent will be charged a late payment charge not to exceed one and one-half percent (1.5%) per month or 5.00, whichever is greater. If the bill is still delinquent at the time the next month's bill is prepared, the next month's bill will show the previous month's account balance and state that service is subject to disconnection if not paid by the specified date. A card inserted in the bill will explain the reason why the Cooperative plans to disconnect the service, state the date after which the service may be disconnected and explain what you can do to keep the service from being disconnected. The disconnect notice will state that the Cooperative's office can be contacted prior to the disconnection date to discuss credit arrangements if you cannot pay the bill.

If after seven (7) days from the mailing of the disconnect notice, the account remains delinquent, the Cooperative will review the account to determine if the Member has taken necessary action to avoid disconnection.

The Cooperative may dispatch field personnel to read the meter and make the effort to notify the Member, receive payment, make satisfactory credit arrangements, agree to defer action because of death or illness, or disconnect. The field personnel may require payment of all past-due portions of the delinquent bill plus a field collection fee, as specified in the Schedule of Charges, or disconnect the service without further notice.

Members who have chosen to participate in the Member In Control prepay program must maintain a credit balance at all times. If a daily billing (Monday – Friday) results in a debit balance on the account, it will be immediately disconnected. Member must make a payment that results in a credit balance within the program requirements before reconnection will occur.

Members may request in writing that a copy of their bill be sent to a specified third party.

C. Multiple Services:

If a Member has more than one account, the Cooperative reserves the right to apply any payment made by the Member to any account owed to the Cooperative by the Member. All funds received will first be applied to any interest and penalty in the delinquent account(s) with the remaining funds to be applied against the electric service bill.

D. Bill in Dispute:

Failure to receive a bill does not exempt a Member from payment. A duplicate bill may be obtained from the Cooperative. Neither a dispute concerning the amount of a bill nor a claim or demand by the Member against the Cooperative will alter the normal requirements for payment. See Complaint Procedure in Section VIII.C. for resolution of disputed bills.

E. Method of Payment:

Payments may be made at either office of the Cooperative. Payments may be made in person; in the after-hours deposit facility; by mail (check or money order only); by bank draft or recurring credit card; by the automated pay by telephone system; or on our website or our mobile app.

A budget billing procedure is offered by the Cooperative for Members who request levelized payments throughout the year by completing and signing the Cooperative's Budget Billing Agreement.

F. Returned Checks:

Any Member whose check for payment of service is returned for insufficient funds will be notified immediately of their delinquent account. If payment is not made within three (3) days after the date of notification, service may be discontinued. If the Cooperative receives two (2) such checks from a Member in the previous twelve (12) month period, the Cooperative will require payment in the form of cash, credit card, or by money order. If a check given to avoid disconnection for non-payment is returned HEMC will attempt to contact the member by phone and service will be disconnected the next working day. For members on the Member In Control prepay program, the check will be charged back to the account along with the service charge. An attempt will be made to contact the Member by e-mail or phone call. Member must pick up the check by 10:00 a.m. the next day to avoid disconnection.

G. Correction for Errors:

Billing Adjustments – Adjustments to the electric bill due to inaccurate metering equipment, or other errors in meter reading or billing will be made promptly. The maximum period for which over or under billing will be adjusted is three (3) years. The Cooperative will issue immediate credit when it is responsible for over billing. The member shall pay immediately amounts due on adjusted billings. Outstanding balances may be added to future bills as past-due balances and collected in the same manner as other past-due bills. Notwithstanding the foregoing, payments to the Cooperative may be made in installments over the same period of time during which the error occurred.

When a meter stops or fails to register correctly, or if the calibration is found to be in error of more than plus or minus two percent (2%), the Member's account will be adjusted accordingly. The Cooperative will periodically test and inspect its meters.

A Member may request that a meter be tested. A report will be supplied to the Member within a reasonable time after the completion of the test. A meter test charge, as specified in the Schedule of Charges, will be imposed and refunded if the meter is found to be in error in excess of plus or minus two percent (2%). If the meter is found not to be tested in the past two (2) years, no charges will apply.

H. Unavoidable Cessation of Service by Member:

In the event the Member's premises is destroyed by fire, natural disaster, or other casualty, or the operation of its plant is shut down because of strike, natural disaster, or other cause beyond the Member's control, making a complete cessation of service, then upon written notice by the Member to the Cooperative within thirty (30) days thereafter, advising that the Member intends to resume service as soon as possible, any minimum charge, or guarantee occurring after such cessation of service for which the Member may be liable will be waived during the period of such cessation, and the contract will be extended for a corresponding period. The Member's obligation to pay for charges incurred before cessation will be postponed. Otherwise, the agreement for service will immediately terminate.

VII. SECTION VII – DISCONNECTION AND RECONNECTION

A. Disconnection of Service by Cooperative:

Service may be disconnected after notice has been given and reasonable time to comply has been allowed for noncompliance with the Bylaws of the Cooperative, the Service Agreement with the Cooperative, or any applicable federal, state or other local laws, regulations or codes, including, but not limited to, nonpayment and refusal of access to the Cooperative's meters or other facilities on the premises.

The Cooperative may disconnect service immediately and without notice for the following reasons:

1. Discovery of meter or load management equipment tampering or diversion of current.
2. Use of power for unlawful, unauthorized or fraudulent reasons.
3. By order of public authority.
4. Discovery of an electrical condition determined by the Cooperative to be potentially dangerous and eminently hazardous to life or property of the Cooperative or the public.
5. For repairs, emergency operations, unavoidable shortages, or interruptions in the Cooperative's supply source.
6. Introduction of foreign electricity on the premises without prior written consent.

Waiver of default - Any delay or omission on the part of the Cooperative to exercise its right to discontinue service, or the acceptance of a part of any amount due, will not be deemed a waiver by the Cooperative of such right if the Member continues to be or again becomes non-compliant with the Service Agreement.

The Member agrees to promptly notify the Cooperative in writing if there is someone in their household who is either chronically or seriously ill, disabled, or on an electrically operated life support system and if the Member desires special handling of the account in the event of failure to pay electric bills. A physician's statement verifying the condition is required.

The Member agrees to promptly notify the Cooperative with proper certification of special handling of the Member's account with respect to the Cold Weather Disconnection provisions in Section VII.B.

B. Cold Weather Disconnection:

With respect to bills rendered between December 15 and March 15 of every year and in the spirit of the policy considerations expressed by Congress in the Public Utility Regulatory Policies Act (PURPA) of 1978, the notice of proposed termination shall also contain a statement that no termination shall take place without the express approval of the Cooperative's Board of Directors and notification of the North Carolina Rural Electrification Authority if the Member can establish all of the following:

1. That a member of the Member's household is either disabled or 65 years of age or older.
2. That the Member is unable to pay for such service in full.
3. That the household is certified by the local Social Services office which administers the Energy Crisis Assistance Program or other similar programs to be eligible (whether funds are then available or not) to receive assistance under such programs.

The Cooperative may continue to charge interest on accounts that are subject to this provision. As provided in Section VII.A., the Member must provide advance notification and certification of meeting the requirements for special handling of accounts. Member premises that are certified by the local Social Services office may not participate in the voluntary Member In Control prepay program as a debit balance on the account after a daily billing will result in the automatic disconnection of service for that member.

C. Termination of Service by Member:

For termination of service, the Member should give a minimum of one (1) working day's notice prior to requested disconnection unless a written contract specifies otherwise.

A Member may voluntarily withdraw in good standing from membership under both of the following conditions:

1. Payment of any and all amounts due to the Cooperative, and cessation of any noncompliance with the membership obligations, all as of the effective date of withdrawal; and either removal to other premises not furnished service by the Cooperative, or ceasing to use any central station electric service whatever at any of the premises to which such service has been furnished by the Cooperative pursuant to the service agreement; and upon such withdrawal, the Member will receive a refund of the balance of any service security deposit held by the Cooperative after being applied to the Member's final bill.

VIII. SECTION VIII - COOPERATIVE AND MEMBER OBLIGATIONS

A. Approval and Cooperative's Board Authority:

The Cooperative's Board of Directors is the governing body and is the final authority for making and revising these Service Rules and Regulations. These Rules and Regulations and Rate Schedules are on file in the Cooperative's headquarters office, and such filing and publishing will constitute official notice to all Members on such changes. Failure of the Cooperative to enforce any of the terms of these Rules and Regulations will not be deemed as a waiver of its right to do so.

In case of conflict between any provision of the Bylaws and these Service Rules and Regulations, the Bylaws will prevail. In case of conflict between any provision of a Rate Schedule or Rider and of these Service Rules and Regulations, the Rate Schedule or the Rider will prevail.

The Rules and Regulations and Rate Schedules and any changes will be filed with the North Carolina Rural Electrification Authority and, additionally, pursuant to North Carolina law (GS 62-138(f)), with the North Carolina Utilities Commission.

B. Responsibility of Member and Cooperative:

Electric service is supplied by the Cooperative and purchased by the Member upon the express condition that after it passes the Point of Delivery it becomes the property of the Member to be used only as provided in the Service Agreement. The Cooperative will not be liable for loss or damage to any person, property, business losses or consequential damages whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electric service after it passes the Point of Delivery or for any loss or damage resulting from the presence, character, or condition of the wires or equipment of the Member or for the inspection or repair of the wires or equipment of the Member.

It is understood and agreed that the Cooperative is merely a supplier of electric service, and the Cooperative will not be responsible for any damage or injury to the buildings, motors, apparatus or other property of the Member due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Cooperative. The Cooperative will not be in any way responsible for the transmission, use or control of the electric service beyond the delivery point, except as it might apply to the use of load management programs.

In maintaining the right-of-way, the Cooperative will not be liable for damage to trees, shrubs, lawns, fences, sidewalks or other obstructions incident to the installation, maintenance or replacement of facilities, unless caused by its own negligence. All meters, service connections and other equipment furnished by the Cooperative will be, and remain, the property of the Cooperative. The Member will not interfere with, or alter, the Cooperative's meters, seals, or other property, or permit the same to be done by others than the Cooperative's authorized agent or employee. Damage caused or permitted by the Member to the Cooperative's property will be paid for by the Member.

No person or organization will install or attach any wire, sign(s) or other material or equipment to any of the Cooperative's poles, conductors or other fixtures, except with express written consent of the Cooperative.

To the extent that Members may require electrical service at a level of less variation allowed under the standard service, any additional equipment required by the Member to ensure the level of power quality will be at the Member's expense. The Cooperative will assist the Member in the technical development of the power quality electric service.

C. Complaint Procedure:

A full and prompt investigation will be made of all service complaints. The recommended order for handling quality-of-service or rate complaints is as follows:

1. File a complaint at the local Cooperative office and allow a reasonable time for investigation, advice, and action. If the results are not satisfactory, then:
2. File a complaint with the Cooperative Manager, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the Manager to act. If the results are still not satisfactory, then:
3. File a complaint with the North Carolina Rural Electrification Authority in Raleigh, 430 North Salisbury Street, Dobbs Building, Raleigh, North Carolina 27611, (919)733-7513. Allow reasonable time for the Authority to act, then:
4. If the results are still not satisfactory, file a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to schedule the item at a regular meeting. Allow reasonable time for the Board's orders on the matter to be carried out.

REVISION DATES:

Original Date: Dec. 14, 1966

Effective Date: Dec. 14, 1966

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Revised: October, 1983

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