



Service Rules & Regulations

8/1/2017



CENTRAL ELECTRIC MEMBERSHIP CORPORATION

SERVICE RULES AND REGULATIONS

Effective date: August 1, 2017

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SERVICE RULES AND REGULATIONS

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Membership Agreement

The Service Rules and Regulations, as part of the Service Agreement between Central Electric Membership Corporation (CEMC) and the Member, govern the supply and receiving of electric service. Membership is available to all persons within the service area of CEMC on a non-discriminatory basis as set forth in the Bylaws of CEMC. This document highlights the main points found in the Service Agreement and does not form a contract between CEMC and the Member. The Service Rules and Regulations are subject to modification or amendment by CEMC's Board of Directors.

As a Member of CEMC, you are both a customer and an owner. You have the right to vote for your Cooperative's Board of Directors. The Board of Directors sets the policies that determine how CEMC operates.

We take great pride in providing you with reliable electric service. We will endeavor to maintain at all times the quality and reliability of electric service that you expect and deserve; however, just as with any other electric power supplier, we cannot guarantee continuous and uninterrupted service.

The general summary of your rights to service are as follows:

1. You have the right to electric service if you establish satisfactory credit, provide requested identification, social security number and provide CEMC with necessary and reasonable access to your property for your electric service and that of neighboring properties. These shall include right-of-way easements granted to the cooperative for the purpose of extending and furnishing service to the Applicant or any other Cooperative member or for any other need of the Cooperative in constructing, operating and maintaining its electric system.
2. You have the right to establish your credit in any one of three ways: (1) a current Member In Good Standing can guarantee payment of your bills; (2) you may make a cash security deposit with CEMC or (3) you have the option to request that CEMC run an online credit report. Our information is received from a credit reporting service of CEMC's choice. The credit check takes into consideration many factors from your credit file to determine if a security deposit will be required. These factors range from your payment history to your credit limit. If there are any questions relating to your credit file, please contact Experian at 1-888-397-3742 to obtain a copy. The deposit decision is based on your credit rating. CEMC will endeavor to fully explain all means of establishing credit.
3. Any cash deposit will be non-interest bearing and will be refundable after twenty-four (24) consecutive months of maintaining the status of Member In Good Standing (no more than 2 delinquent payments, no returned checks, no disconnects, no meter tampering) for payment of your electric bills.

4. You may elect to prepay your electric power using Central Electric's FlexPay Program. (Refer to Supplemental FlexPay Service Agreement – Attachment 2)

5. You have 25 days after the billing date shown on your electric statement to pay your electric bill. After that, a late payment charge of the greater of \$5.00 or one and one-half percent (1.5%) of the delinquent amount will be added.

6. If you have not paid your previous bill, CEMC will notify you with the next month's bill that you have seven (7) days before your electric service can be disconnected for failure to pay your electric bill. A notice will be mailed to explain the reason CEMC plans to disconnect the service and also states the date after which the service may be disconnected. If you cannot pay the bill, the disconnect notice states that CEMC's office can be contacted prior to the disconnection date to discuss credit arrangements.

7. If someone in the member's household is chronically or seriously ill, is disabled, or is in need of continuous use of any electrically-operated life support system, then it is your responsibility to provide to CEMC (annually) a physician's written statement confirming this situation or circumstance.

In this situation, CEMC cannot guarantee that your electric service will not be interrupted. However, should your electric service be interrupted, CEMC will make every effort to restore your power as soon as possible. This in no way relieves you of the obligation for timely payment of your electric bill.

8. If CEMC plans to disconnect your electric service because you have not paid your electric bills and if you are unable to pay your account in full, you may ask for and discuss arrangements with CEMC. If you cannot pay your account in full, CEMC will not disconnect your service between December 15 and March 15 when the following three conditions exist:

- (1) There is a person 65 years or older or a disabled person in your household;
- (2) You are eligible and certified to receive energy assistance from the local social services department;
- (3) Information certifying the above has been received in the CEMC office at least 48 hours prior to the disconnection date.

It is the member's responsibility to furnish the above qualifying information. The North Carolina Rural Electrification Authority will be notified prior to the disconnection.

9. CEMC will not disconnect electric service after 4:00 p.m. on a Friday or on a weekend or a legal holiday for non-payment, excluding accounts enrolled in the FlexPay program.

10. All meters are the property of CEMC. Every effort is exerted to maintain a high standard of accuracy by routine meter testing, spot meter testing and by testing meters prior to re-installation.

No unauthorized person(s) shall alter, remove, or make any connection to or remove any disconnection from Cooperative's meter or service equipment. This will be considered meter tampering and violators will be subject to a charge as specified in the Appendix of Charges to cover investigation, trips and testing, repair and/or replacement of meter and/or service equipment. Violators are also subject to criminal prosecution. When work is being done for a member by a licensed electrician, the following guidelines are to be followed:

- A. CEMC will pull and reset meters at no charge for licensed electricians that notify CEMC of the work *before* it begins. If CEMC cannot respond in a timely manner, the electrician will have permission to pull the meter and make the work area safe until a CEMC representative arrives.
- B. If work requires a permit, we will request the permit number and will need proof of inspection before we reset the meter.
- C. In cases where someone is living in the home, we will connect power without inspection. However, the electrician has 3 business days to complete the required inspection and provide us with county approval. Failure to do so will result in disconnection of power.
- D. Electricians who pull meters *without* prior notification will incur an \$85.00 fee. This fee will be applied to the Member if the electrician fails to pay.

Upon Member's request, CEMC will test a meter and provide a report of the results. If the test indicates that the meter is not registering within the limits of 2 percent accuracy, the meter will be repaired or replaced without charge. However, if the meter is accurate within 2 percent, there may be a meter test fee as specified in the Appendix of Charges. If the meter is found to be 2 percent or more fast or slow, the member's bill will be re-computed to reflect a credit or debit, accordingly, on a monthly basis, reflecting the difference in kWh, either above or below 100% accuracy, retroactive to the time the consumer became a member, or 90 days prior to the date of the test, whichever is the shorter period.

If a meter stops or fails to register correctly, the member will be billed on an estimated consumption based on previous usage for past years and similar months of past years with the same equipment. Billing for equipment added without usage history will be determined by the connected load.

11. You will be offered a New Member Information Kit that will include the following:

- Membership Agreement
- Cooperative Bylaws
- Statement of Non-Discrimination (included in Bylaws)
- Rate Information
- Programs and Services information
- What to do in case of outage information

CEMC will send you, upon request and without charge, a copy of the Service Rules and Regulations, the applicable Service Rate and your billing information for the past twelve months.

12. An appropriate investigation will be made of all service complaints. The procedure for handling quality-of-service or billing complaints is as follows:

- A. File a written complaint at the local Cooperative office and allow reasonable time for investigation, advice and action.
- B. If the results of the local office investigation are unsatisfactory, file a written complaint along with the initial written complaint, naming local Cooperative personnel who handled the complaint to the General Manager. Allow reasonable time for the General Manager to act.
- C. If results are still not satisfactory, file your written complaint with the CEMC Board of Directors. Ordinarily, the Board meets once a month. Please allow reasonable time for the Board to meet, investigate and act on your complaint.
- D. If the results are still not satisfactory, file a written complaint with the North Carolina Rural Electrification Authority (NCREA), 4321 Mail Service Center, Raleigh, North Carolina 27699-4321, (919) 814-4696. Allow a reasonable time for the Authority to investigate and act.

13. You may request and have installed by CEMC, at your expense, types of service equipment that exceed what is normally supplied, provided that they meet the general conditions in the Service Rules and Regulations. If you need such services, please call us.

14. As a Member of this Cooperative, you will share in its operating margins, called Capital Credits, which are assigned in the Members' names. The refunding of the Capital Credits is at the discretion of the Board of Directors and depends on the overall financial condition of CEMC. You will be informed through CEMC's newsletter and website of any general retirements of capital credits.

15. Office and Service Hours:

CEMC's business office is located at 128 Wilson Road, Sanford, North Carolina.

The business office is open Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. (Drive-through window opens at 7:45 a.m.) Routine and regular service work is performed during these hours; service work for unusual conditions or circumstances may be arranged at other times upon request. Emergency outage service work is performed 24 hours a day, 7 days a week. Service personnel may be reached by calling (919) 774-4900, 1-800-446-7752 or call our toll free Automated Outage Reporting Service at 1-877-766-6769. Payments can be made 24 hours a day by phone at 1-866-488-5011.

Statement of Non-Discrimination

Central Electric Membership Corporation is an equal opportunity provider.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

The person responsible for coordinating this organization's non-discrimination compliance effort is the General Manager. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) Fax: (202) 690-7442; or

(3) Email: program.intake@usda.gov.

DEFINITIONS

Applicant - A Member or prospective Member who has applied for service.

Area Coverage - The public policy obligating CEMC to provide service, on a non-discriminatory basis, to all persons and entities desiring electrical service within the service territory assigned to CEMC.

Basic Facilities Charge – A recurring charge designed to recover CEMC’s customer- related costs, whether or not a member consumes electricity. This fee is designed to recover part of the cost of transformers, service wire, meter and other distribution assets that are required to physically deliver electricity to a member’s home.

Billing Period - The time period between two successive, scheduled meter readings.

Capital Credits - The amounts of CEMC's net operating margins allocated to individual members/patrons and returned on a periodic basis as determined by the Board of Directors.

Clean and maintained (right-of-way) - Right-of-way area that is regularly maintained free of logs and brush.

Cooperative - Central Electric Membership Corporation (CEMC)

Conservation - The practice of efficiently and effectively using electricity and avoiding wasteful consumption of electrical energy.

Delinquent bill - A bill for which payment has not been received in the office by close of business on the 25th day from the billing date.

Electric service - CEMC's legally-imposed duty of supplying electric service to an established point of delivery, in the form of an alternating current at nominal 60 cycles per second and of various nominal voltages.

FlexPay – CEMC’s prepaid account management program that allows its residential members to pay for power as it is used.

Foreign Electricity - Any electricity used by the Member that is obtained from a source other than CEMC. This includes, but is not limited to, power obtained from other power suppliers and customer-owned generators.

Member - Any person or legal entity who has applied for and been accepted into membership of CEMC for the purpose of receiving electric service.

Member In Good Standing - Any Member who has fulfilled all the obligations of Member for any and all accounts under the Member's name and who, within the previous twenty-four months, has had 1) not more than two delinquent payments 2) no involuntary disconnections, 3) no returned checks, and 4) no meter tampering violations.

Meter Tampering - Diversion of power or the unauthorized alteration or manipulation of CEMC's meter, wires, seals, or other apparatus in such a way as to prevent the meter from recording the amount of electric service supplied to the Member. (This is a criminal misdemeanor under law and subject to penalty to the member and affects the status of Member In Good Standing.) See Attachment 3 "Guidelines for Electricians"

NCEMC - North Carolina Electric Membership Corporation, located in Raleigh, North Carolina, is the wholesale supplier of electric energy for 25 Cooperatives in North Carolina. NCEMC is cooperatively-owned by the 25 Cooperatives in the same manner that Members receiving retail electric service from CEMC own CEMC.

Permanent - Buildings which have permanent foundations and permanent water and sewer facilities.

Person 65 years or older or Disabled - CEMC accepts the certification of the local county social services department as applied to the Energy Crisis Assistance Program.

Point of Delivery - The point at which responsibility for the electric service is transferred from CEMC to the Member. The Point of Delivery will be, unless otherwise specified, where CEMC's distribution system terminates in the delivery of electric service to the Member's wiring system. For overhead services, the Point of Delivery will be the weatherhead, and with underground services, the Point of Delivery will be the line side of the meter base; however, the Member may be required to provide and maintain certain facilities between CEMC's facilities and the meter.

Requested ID – Social Security number and one form of pictured ID such as drivers license, state ID, passport or green card.

Seasonal - Member facilities or premises which are active, in use or inhabited on a part-time basis, or only during certain months of the year.

Service Agreement - The agreement between CEMC and Member consisting of the following:

- Membership Agreement,
- Membership Application, signed by Member and Cooperative (with membership fee and security deposit, if required),
- CEMC Bylaws,
- All necessary right-of-way easements,
- Current applicable rate schedules and riders,
- Current Service Rules and Regulations,
- Board Policies affecting conditions of membership, service, rates or capital credits,
- All necessary rental agreements if applicable,
- Any/all requested identification;
- All necessary purchase agreements if applicable.

Service Voltage - The voltage at the point of delivery where the electric systems of the supplier and the residential user are connected. The Service Voltage is usually measured at the service meter base and allowable variations are usually expressed on a 120-volt basis.

Standard service connection - Unless otherwise stated or agreed by CEMC, the standard service connection will be single phase, 60 cycles per second electric service provided to the point of delivery at CEMC's standard supply voltages.

GENERAL SERVICE RULES AND REGULATIONS

100 ELECTRIC SERVICE AVAILABILITY

101 Application for Membership

The Service Agreement between CEMC and its Member will consist of the following:

- A. Membership Agreement,
- B. Membership Application, signed by Member and Cooperative (with membership fee and security deposit, if required),
- C. CEMC Bylaws,
- D. All necessary right-of-way easements,
- E. Current applicable rate schedule and riders,
- F. Current Service Rules and Regulations,
- G. Board Policies affecting conditions of membership, service, rates or capital credits,
- H. All necessary rental agreements if applicable,
- I. All requested identification,
- J. All necessary purchase agreements if applicable.

A supplemental written contract on a form provided by CEMC may be required from any applicant whose estimated demand is 50 kW or more.

CEMC's form of Application for Membership must be completed, signed and submitted and accompanied by the membership fee specified in the Appendix of Charges. Applications for joint membership require the signature of each individual. Neither the Membership nor the Service Agreement is transferable or assignable; however, capital credits may be transferred to CEMC or to another Member if authorized by the Member with a notarized signature. A non-refundable connection charge, as specified in the Appendix of Charges, will be required.

When two or more rate schedules and/or riders are available, CEMC will assist in the selection, but it is the Member's right and responsibility to determine which to select. Refer to the Appendix of Charges for descriptions of the available Rate Schedules and Riders.

102 Security Deposit

A. Residential Deposits

As provided herein, a non-interest bearing cash security deposit not exceeding the estimated total of the two highest monthly charges will be collected in advance of service connection or at any subsequent time when CEMC determines that such a deposit is needed to ensure payment of bills. A Member In Good Standing, that terminates service at one location and begins like service at another location within CEMC's service area, will not be charged an initial security deposit for the service at the new location.

As an alternative to a cash security deposit, CEMC will accept: (1) a guaranteed payment of your bills up to the amount of deposit from a Member In Good Standing; or (2) satisfactory record with an established credit rating service acceptable to CEMC. CEMC will endeavor to fully explain all means of establishing credit.

Cash deposits will be refunded after a period of twenty-four (24) consecutive months during which the Member has fulfilled all Member In Good Standing obligations as provided for in the Service Agreement. A cash deposit may be required at any time if the Member payment record falls below that of a Member In Good Standing.

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

B. Non-Residential Deposits

Deposits other than those described above will be required by special contract or when, as determined by CEMC, such deposit is necessary due to the type of service. Such deposit will be based upon the risk of a business enterprise, the reputation and history of the premises, the credit rating and the financial dependability of the Member.

C. FlexPay participation, for residential members, does not require a security deposit.

103 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 102, the applicable service security deposit for each additional service and will be obligated to pay for all electric demand and energy used on those premises at CEMC'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 another service location for failure to pay on another account in the name of the same Member. Any balance left unpaid will be applied to other active accounts under a Member's name and/or account number.

104 Area Coverage and Line Facilities

In providing area coverage service, CEMC will provide a standard service connection that requires no facilities or services in excess of those normally provided by or acceptable to CEMC. CEMC may require additional fees for line extensions beyond the limits as provided by Cooperative policy.

When a Member or an individual requests that CEMC supply electric service in a manner which requires equipment and facilities in excess of those which CEMC would normally provide, and CEMC finds it practical to do so, such excess equipment and facilities will be provided as excess facilities at a cost to the Member. Costs will be collected in advance through excess facilities charges and/or contributions-in-aid of construction as agreed upon by CEMC and the Member.

105 Construction Service

Electric service for use during building construction, which will subsequently receive permanent electric service from CEMC, will be provided under the standard applicable rate and the same conditions as electric service to permanent buildings. For construction service where CEMC will not furnish permanent service upon completion of building, construction service will be provided under the same conditions as specified in the section for Temporary Services.

106 Temporary Service

Temporary electric service for any use will be provided under standard applicable rate, plus a connect charge as shown in the Appendix of Charges. Service shall be extended upon payment by the member of the cost of installation and removal of facilities, less salvage. CEMC may require the charge, plus the estimated cost of electric service, to be paid in advance of construction of facilities for temporary service.

107 Extension Policy - Underground Service

The cooperative will extend underground service, upon request, to its consumers under the following conditions:

A. Service to new developments

CEMC will install underground distribution facilities for service to single residences and apartments in new developments where there is no existing overhead primary service, upon the following terms and conditions:

All charges are to be one-time, non-refundable contributions in aid of construction, payable in cash prior to construction, or by credit arrangements satisfactory to CEMC.

1. Where the average lot frontage per residence or apartment unit does not exceed 150 feet, service will be provided upon the owner/developer agreeing to pay a contribution as specified in the Appendix of Charges.
2. Where the average lot front footage per residence or apartment unit exceeds 150 feet, the owner/ developer shall pay, in addition to the above contribution, a contribution as specified in the Appendix of Charges per front foot in excess of the average of 150 feet per lot.

3. Where, due to rock conditions in the soil, as much as 5% of the trenching work cannot be accomplished by use of standard trenching methods, any excess cost occasioned by such conditions may be charged by CEMC to the owner/developer. Where there are other unusual conditions, such as high water table, which require installation procedures not normally used, the excess cost of such procedures may be charged by CEMC to the owner/developer.
4. In addition to the foregoing charges, the owner/developer will reimburse CEMC for the cost of installing and removing any temporary overhead facilities requested. If pavement has to be cut for underground facilities it will be at the expense of the developer. CEMC will not be held responsible for any damage or cost.
5. The owner/developer will furnish, without cost to CEMC, necessary easements and rights-of-way and will be required to initially cut and clear the same. The owner/developer will be required to have the rights-of-way and all streets, sidewalks and driveway entrances graded to final grade, and will have lot lines established, before construction of the electrical distribution system begins.
6. The type of construction and location of said facilities will be at the option of CEMC. Should the owner/developer desire changes in either location or type of construction, such installations will be made only upon the owner/developer agreeing to pay CEMC in advance the estimated additional cost incurred thereby.
7. CEMC in its sole discretion, shall have the option of placing transformers above ground, on pads of its specification and/or design; or underground, and in enclosures of its specification and/or design, as determined to be practicable.

8. Shrubs, trees and grass sod requiring protection during the installation of the underground service will be the responsibility of the owner/developer, and the owner/developer will hold CEMC and/or its subcontractors harmless against any claims for such damage. It will be the responsibility of the owner/developer to re-seed and/or maintain the trench cover.
9. When the owner/developer desires an underground service to be routed through unusual terrain or difficult locations such as under septic systems, porches, or other structures, the owner/developer will be responsible for paying all excess costs.
10. A non-refundable contribution in aid of construction will be charged on a per lot basis as specified in the Appendix of Charges for both new and extensions of underground subdivisions.
11. Where the service to an individual within an underground residential development will require the extension of primary lines, charges as specified in the Appendix of Charges for underground primary contribution will be assessed.

B. Areas with existing overhead primary

CEMC will furnish and install underground secondary services (service drops) in areas already being served with existing overhead primary service, upon the following terms and conditions:

All charges are to be one-time, non-refundable contributions in aid of construction, payable in cash prior to construction or by credit arrangements satisfactory to CEMC.

1. CEMC will install the service underground, upon the owner/developer agreeing to pay a non-refundable contribution as specified in the Appendix of Charges for standard underground service to meter base.

2. Where, due to rock or other unusual conditions in the soil, the trenching work cannot be accomplished by use of standard trenching methods, any excess costs occasioned by such conditions may be charged by CEMC to the owner/developer.
3. In addition to the foregoing charges, the owner/developer will be responsible for the cost of cutting through and replacing pavement.
4. The type of construction and the location of said facilities will be at the option of CEMC. Should the owner/developer desire changes in location and/or type of construction, such installations will be made only upon the owner/developer agreeing to pay CEMC the estimated additional costs to be incurred thereby.
5. Shrubs, trees and grass sod requiring protection during the installation of the underground service will be the responsibility of the owner/developer, and the owner/developer will hold CEMC and/or its subcontractors harmless against any claims for such damage. It will be the responsibility of the owner/developer to reseed and/or maintain the trench cover.
6. In the event the owner/developer requests underground primary distribution lines, the cost is specified in the Appendix of Charges for underground primary contributions.

C. Conversions of service drops

At the written request of an owner, CEMC will replace existing overhead service drops (insulated service wire) with underground service, upon the following terms and conditions:

1. The owner will be required to pay a conversion fee from overhead to underground as set forth in the Appendix of Charges.
2. Any expenses incurred in altering or relocating the consumer's service entrance facilities to accommodate the underground service drop, including local city and/or county electrical permit and inspection fees, shall be borne by the consumer.

D. Mobile Homes

Upon written request from an owner, CEMC will provide underground service to mobile home parks and individual mobile home locations as hereinafter set forth. A mobile home park must have installed water and sewer.

1. CEMC will install the service underground, upon the owner/developer agreeing to pay in advance a non-refundable contribution as specified in the Appendix of Charges for the standard underground service to meter base.
2. Where the service drop does require underground primary and secondary, a non-refundable contribution in aid of construction as specified in the Appendix of Charges for underground subdivisions and mobile home parks will be required by the developer in advance for each site available for service.
3. In addition to the foregoing, all of the provisions of subparagraphs 2 through 6 of paragraph B above ("Areas with existing overhead primary") shall apply to such installations.
4. Where unusual local wiring or electrical code requirements occasion extra costs in making the installation, such costs shall be borne by the applicant for service.
5. Individual mobile homes which are located on property owned by the applicant for service and which are permanently attached to water and sewer facilities and which have a permanent foundation shall be considered as individual residences and shall be treated on the same basis as individual residences.

108 Extension Policy - Overhead Primary

The Cooperative will extend overhead primary conductors provided the owner/developer agrees to pay in advance a contribution as set forth and specified in the Appendix of Charges.

109 Metering Facilities

Members applying for more than one class of service on the same premises will arrange their wiring so that each class of service can be metered separately. Regardless of ownership of the facilities, CEMC will have the right, at its option and at its own expense, to place demand meters, automated meter reading equipment, voltmeters, locking devices, or other instruments on the premises of the Member for the purpose of monitoring and maintaining the Member's service.

200 CONDITIONS OF SERVICE

201 General Conditions

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

- A. The Member is in compliance with all aspects of the Service Agreement and agrees to be bound by CEMC's Articles of Incorporation, Bylaws, Service Rules and Regulations and Board Policies, and by the provisions of this Membership Agreement.
- B. The Member agrees to furnish, without cost to CEMC, all necessary easements and rights-of-way for extending and furnishing service to the applicant or any other Cooperative member or for any other need of Cooperative in constructing, operating and maintaining the electric system.
- C. The Member agrees to have all streets, lanes and driveway entrances graded to within six (6) inches of final grade and have lot lines established before installation or extension of electrical service begins.
- D. The Member agrees that CEMC will have right-of-access to Member's premises and property 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 CEMC, or when on any other business between CEMC and the Member. In cases where it is reasonably necessary and cost effective, CEMC may use, without payment to the Member, the Member's premises and property for accessing neighboring property served by CEMC.
- E. Any previous outstanding debts owed to CEMC by the Member, or any other person residing in the Member's household, have been paid.
- F. Provision of electric service in no way conflicts with the statutes, ordinances, regulations and the like of public agencies or authorities.

- G. All Member wiring and equipment has met the requirements of the National Electrical Code and of CEMC, in addition to the specifications of any local authorities having jurisdiction. Proof of inspections required to meet local and state governmental standards of the premises' wiring will be made available by the Member upon request of CEMC.
- H. The Member has not connected, and agrees not to connect in the future, any motors or other equipment which are not suitable for operation with the character of the service supplied by CEMC or which adversely affects CEMC's equipment or the service to other Members. The Member is responsible for requesting from CEMC a determination of whether such equipment is suitable according to this section. Such determination will be made at no charge.
- I. The Member agrees to be responsible for any additional facilities, protective devices, or corrective equipment necessary to provide adequate service to the Member's loads or to prevent interference with service to CEMC'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 motor-starting across the line. In the event CEMC provides such additional facilities, protective devices, or corrective equipment, the additional cost may be borne by the member in addition to the applicable rate schedule. The additional cost will include the expenses of installation, operation, maintenance and amortization of required facilities.
- J. The Member agrees to be responsible for notifying CEMC of any additions to or changes in the Member's equipment or load which might affect the quality of service or might increase the Member's demand.
- K. 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 CEMC's Rate Schedule and Riders and Rules and Regulations. Installation of protective equipment to notify of and prevent motor damages or other losses from single-phasing (loss of one or more phases in a multi-phase service) is Member's responsibility.

- L. The Member agrees to promptly notify CEMC in writing if there is someone in their household who is either chronically or seriously ill, disabled or continuously using an electrically-operated life support system. This in no way relieves member of obligation to pay for electric service.
- M. The Member agrees to promptly notify CEMC, and provide proper certification for special handling of the Member's account, with respect to the Cold Weather Disconnection provisions in the Section for Disconnection and Reconnection. Not applicable to members participating in the FlexPay program.
- N. The member shall notify CEMC immediately in writing should his or her electric service be unsatisfactory for any reason or should there be any defects, trouble, accidents, or hazardous conditions that may adversely affect electric service.

202 Standard Supply Voltages

CEMC maintains one system of alternating current at a standard nominal frequency nominal of 60 cycles per second that is supplied throughout its system and within prudent utility practices. CEMC will determine the voltage, number of phases, and type of metering which will be supplied depending upon CEMC's facilities available and upon the character, size and location of the load to be served. The Member will consult CEMC before proceeding with the purchase, installation or wiring of equipment. To avoid misunderstanding, this information should be in writing from both the Member and CEMC.

The service voltages described below are nominal, and variations ordinarily permitted will be not less than 114 volts or more than 126 volts on a 120-volt basis.

Single Phase, 3 Wire,	120/240	Volts
Three Phase,	120/208	Volts
Three Phase,	120/240	Volts
Three Phase,	240/480	Volts
Three Phase,	277/480	Volts

*Single Phase, 2 Wire	7,200	Volts
*Three Phase, 4 Wire	7,200/12,470	Volts
*Single Phase, 2 Wire	14,400	Volts
*Three Phase, 4 Wire	14,400/24,900	Volts

*(These distribution voltages are dependent on the area location.)

There are a variety of circumstances, conditions, over which CEMC has no control - - e.g. lightning strikes -- which can cause voltage to surge or drop -- but that is not ordinarily the case.

It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

Action of the elements,
Service interruptions,
Loss of wholesale power supply,
Temporary isolation of system facilities,
Infrequent fluctuations of short duration,
Voltage control for load management purposes,
Other causes beyond the control of CEMC,
Lightning,
Addition of Member equipment without proper notification to CEMC,
Emergency operations, or
The operation of the Member's equipment.

203 Service Interruptions

CEMC does not guarantee 100% continuous service and will not be liable for loss or damage to any Member's equipment, real property, business or production 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 CEMC.

Such causes include, but are not limited to:

- A. An emergency action due to an adverse condition or disturbance on the system of CEMC, 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 of damage or 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.

- B. An Act of God, or the public enemy, or insurrection, riot, civil disorder, vandalism, fire, or earthquake, or an order from Federal, State, Municipal, County or other public authority.
- C. Making necessary adjustments to, changes in, or repairs on lines, substations, and facilities, and in cases where, in CEMC's opinion, the continuance of service to consumers' premises would endanger individuals or property.

The Member will notify CEMC immediately of any defect in service or of any trouble or irregularity in 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 most members. The Members to be affected by such planned interruptions will be notified, in advance, if practicable.

204 Right-of-Way Maintenance

The Member will grant to CEMC, and CEMC will maintain right-of-way according to its specifications with the right to cut, trim and control the growth of trees and shrubbery located both within or outside the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of CEMC's line or system.

Members who desire to have trees trimmed or cut which are close to Cooperative power lines and, in the opinion of CEMC, pose a possible hazard to the lines may request assistance from CEMC in cutting or trimming. CEMC will schedule such work at its convenience.

-For **scheduled/routine** maintenance of transmission and distribution lines, CEMC will maintain the existing right-of-ways and clear areas of work (removal of limbs and small trees that can be chipped and disposed of properly). Large trees will be cut into sections that can be handled by the property owner but will be left in the edge of the right-of-way for the property owner to dispose of.

-For **maintenance of distribution lines** (primary, secondary and/or service) which are member requested **that are not** considered scheduled/routine maintenance, CEMC will maintain the existing right-of-way but will **NOT** remove and clear the areas of work. It will be the property owners' responsibility to dispose of any limbs, debris, trees, etc. that CEMC has to cut to maintain proper safety and maintenance.

-For **new construction jobs** that require right-of-way clearing (also referred to as "green lines"), CEMC will clear the right-of-way needed to build the distribution lines (primary, secondary and/or service) but will **NOT** remove and clear the areas of work. It will be the property owners' responsibility to dispose of any limbs, debris, trees, etc. that CEMC has to cut to maintain proper safety and maintenance. Trees, limbs and/or debris will be left in the edge of the right-of-way for the property owner to dispose of.

-For **natural disasters, emergency conditions, storms and/or adverse conditions**, CEMC will clear the existing right-of-way in order to restore service to the member but will **NOT** remove and clear the areas of work. It will be the property owners' responsibility to dispose of any limbs, debris, trees, etc. that CEMC has to cut to maintain proper safety and maintenance.

-**New construction** jobs that need right-of-way clearing will be scheduled for Mondays. Scheduled/routine maintenance will be performed on Tuesday thru Thursdays. Customer requested maintenance will be scheduled with other right-of-way jobs in the service area to help reduce mobilization time for CEMC and contract crews unless they are of emergency status.

205 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 90 percent (90%) lagging, CEMC 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. CEMC reserves the right to measure the power factor at any time.

206 Foreign Electricity, Parallel Service, and Standby Generation

The Member will not use CEMC'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 CEMC's electric service, without the prior written consent of CEMC.

Where approved standby and/or supplemental on-site generation is provided by the Member, parallel operation of the Member's generating equipment with CEMC's system will not be allowed, without express written permission of CEMC. 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 CEMC's personnel and equipment by making it impossible for power to feed back into the main line from the emergency generator.

207 Qualifying Facilities and Independent Power Producers

CEMC is required to comply with the Public Utility Regulatory Policies Act of 1978 and 2006 (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 CEMC shall notify CEMC.

Contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and CEMC and NCEMC. CEMC can assist the owner/operator in making contact with NCEMC.

208 Line and Facilities Conversion and Relocation

Upon request, CEMC will, consistent with prudent utility practice, relocate lines, poles, and facilities. The Member will be required to pay in advance the non-betterment 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, CEMC may convert existing adequate overhead facilities to underground, provided that the Member pays CEMC for the cost incurred as provided in Section 107 of these Rules: Extension Policy - Underground Service.

Under most circumstances, CEMC 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 CEMC.

209 Energy Management Assistance

CEMC will 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, and energy conservation measures.

210 Member's Responsibility For Cooperative's Property

All meters, service connections, and other equipment furnished by CEMC shall be, and remain, the property of CEMC. The Member shall provide a space for, and exercise proper care, to protect the property of CEMC on his premises. In the event of loss or damage to CEMC's property arising from neglect of a member to care for same, the cost of necessary repair or replacements shall be paid by member, unless a written contract specifies otherwise.

211 POINT OF DELIVERY FOR ELECTRIC SERVICE

The point of delivery for electric service (POD) is the point at which responsibility for the electric service is transferred from CEMC to the member. The Cooperative reserves sole right to determine both the point of delivery as well as the physical location. With the exception of unusual conditions or circumstances, the Cooperative uses definitions from the NESC and NEC as well as RUS and accepted industry practice for determination of the POD.

The POD will change depending upon the type of construction, consumer, overhead or underground.

Residential

The POD for overhead service to a residence is the connection of the Cooperative's service conductors to the consumers' conductors at the weatherhead.

The POD for underground service to a residence is the source (line) side lugs in the meter base.

Commercial & Industrial

For commercial or industrial three phase accounts, the POD is at the sole discretion of the Cooperative. Generally, for pad-mounted transformers, the POD will be the secondary terminals of the transformer, with consumer providing the conductors from the secondary terminals of the transformer to their main disconnect panel(s). With overhead construction for service feeding from an overhead bank of transformers, the POD is at the location of the metering, with service conductors provided by either the Cooperative or the consumer.

With multiple or gang metering for residential housing, apartment complexes, condominiums or townhouses, for which underground construction will be used, the POD will be the connection to the source line lugs in a gang-type base or connection to the consumers' load conductors via block connectors.

300 BILLING

301 Monthly Meter Reading

Meter readings will be gathered and bills rendered each month by CEMC. When a reading cannot be obtained 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. Where the estimate is due to an obstacle, the removal of which is in the power of the member to whom such meter is assigned, and the account is estimated for two months, an employee will be specially dispatched for a reading. A charge as specified in the Appendix of Charges will be added to the consumer's electric service account for this service. Further explanation of the meter reading process can be obtained from CEMC.

302 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 of the greater of \$5.00 or one and one-half percent (1.5%) of the delinquent amount per month as specified in the Appendix of Charges. 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 with a disconnect date. A delinquent notice will be sent explaining the reason CEMC plans to disconnect the service, stating the date after which the service may be disconnected. The disconnect notice will state that CEMC's office can be contacted prior to the disconnection date to discuss credit arrangements if the bill cannot be paid in full.

If, after seven (7) days from the mailing of the disconnect notice, the account remains delinquent, a supervisor or designee within CEMC will review the account to determine if Member has taken the necessary action to avoid disconnection. A disconnect list late charge, as specified in the Appendix of Charges, will assessed and added, as a handling fee, for the overdue billing.

Failure to receive a bill will not entitle the consumer to any delay in paying the amount due beyond the date when the bill is due and payable. It is the Member's responsibility to inquire. CEMC will not be responsible for electric bills or payments thereof lost in the mail or paid to persons not in the employment of CEMC. Not applicable to members participating in the FlexPay program.

303 Multiple Services

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

305 Bill in Dispute

Failure to receive a bill does not exempt a Member from payment. A printed copy of the bill may be obtained from CEMC. Neither a dispute concerning the amount of a bill nor a claim or demand by the Member against CEMC will alter the normal requirements for payment. See Complaint Procedure in the section for Cooperative and Member Obligations regarding resolution of disputed bills (later in document).

306 Method of Payment

Payments are made through the office of CEMC. Payments may be made:

- in person,
- in the after-hours deposit facility,
- by mail (check or money order only),
- by bank draft,
- by credit cards, (limit one monthly credit card payment to no greater than \$1,000)
- by on-line services,
- by kiosk,
- by electronic check,
- by auto pay.

A budget billing procedure is offered by CEMC for Members who request leveled payments throughout the year by completing and signing CEMC's Budget Billing Agreement (See Attachment A).

307 Returned Checks

Any Member whose check for payment of service is returned for insufficient funds will be notified immediately and a returned check fee will be added to the Member's account as specified in the Appendix of Charges. Such charge will be up to the maximum allowed by North Carolina law. If the Member is in good standing, CEMC will attempt to notify the Member. The returned check fee and account will be considered to be delinquent, and the delinquent billing handled in accordance with section 302 Due Dates and Failure to Pay. If the Member is not in good standing and payment is not made within three days after the date of notification, service will be disconnected. If CEMC receives more than three such returned checks from a Member within a twelve-month period, CEMC may notify and subsequently refuse to accept further checks from that Member.

308 Corrections for Errors

Billing Adjustments - Adjustments to the electric bill due to inaccurate metering equipment, errors in meter reading or billing will be made promptly. CEMC will issue immediate credit when it is in error and the Member will be expected to pay any appropriate additional charges as billed. Payments to CEMC may be made in installments over the same period of time during which the error occurred, up to a twelve-month period.

If the interval during which the error occurred cannot be determined, then the billing adjustment will be based on an appropriate estimation of usage and/or demand for a given period of time. For Members having a demand of less than 50 kW, that period will not exceed 150 days. For Members having demand more than 50 kW, that period will not exceed 12 months.

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. CEMC will periodically test and inspect its meters.

A Member may request in writing that a meter be tested. A report will be supplied to the Member within a reasonable time after the completion of the test. If member requests meter tested more than once within twenty-four months, a meter test charge, as specified in the Appendix of Charges, will be imposed. Such charge will be refunded if the meter is found to be in error in excess of plus or minus two percent (2%).

309 Credit

At the discretion of CEMC, credit may be extended to Members in accordance with the following standards:

- A. When it is determined that enforcement of policy will constitute an undue hardship in relation to the amount of the delinquent bill, and that extension of credit for a fixed time, or arrangement for installment payment of the bill, will not unduly impair CEMC's ability to effectuate final collection of the bill; or
- B. When the Member involved establishes to the satisfaction of CEMC that the Member's failure to pay the bill has resulted from a mistake on CEMC's part or a mistake for which the Member was not responsible; or
- C. When the involved bill is a final bill covering service to a farm, home, or other residential structure and the main building thereof has been destroyed by fire not caused by act of arson on the part of the Member or the Member's family; or
- D. When disconnection of service might impose immediate danger to the Member or other persons due to illness or some hazardous condition, or when the household is immediately and directly affected by death of an immediate family member residing in that residence.
- E. Not applicable to members participating in the FlexPay program.

310 Unavoidable Cessation of Service by Member

In the event a Member's premises is destroyed by fire, natural disaster, or other causation, or the operation of its plant is shut down because of strike, fire, natural disaster, or other cause beyond the Member's control, making a complete cessation of service, then upon written notice by the Member to CEMC 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 with interest. Otherwise, the agreement for service will immediately terminate.

311 Resale of Power

Members shall not directly nor indirectly resell electric energy for any purpose. Members shall not divert electric energy to other premises or use it for purposes other than those permitted by Bylaws, Service Rules and Regulations of CEMC, and by State or local laws, rules and codes.

312 Unpaid Balances

- A. CEMC reserves the right to obtain a credit report to enable collection of unpaid balances.
- B. In the event an unpaid balance has been transferred to the bad debt file, a service charge, as specified in the Appendix of Charges, must be paid in advance to remove the charge from the bad debt file.
- C. Unpaid balances will be transferred to active accounts. If an active account is not available, unpaid balances will be filed with a collection service. Legal action through the court system may also be initiated to recover unpaid amounts.

400 DISCONNECTION AND RECONNECTION

401 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 CEMC, the Service Agreement with CEMC, the Membership Agreement or any applicable Federal, State or other local laws, regulations or codes, including, but not limited to, nonpayment and refusal of access to CEMC's meters or other facilities on the premises.

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

- A. Discovery of meter or load management equipment tampering or diversion of current.
- B. Use of power for unlawful, unauthorized or fraudulent reasons.
- C. By order of public authority.
- D. Discovery of an electrical condition determined by CEMC to be potentially dangerous and eminently hazardous to life or property of CEMC or the public.
- E. Repairs, emergency operations, unavoidable shortages, or interruptions in CEMC's supply source.
- F. Introduction of foreign electricity on the premises without prior written consent.

A service charge, as specified in the Appendix of Charges, will be applied to account and paid prior to reconnection for such disconnects.

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

A charge as specified in the Appendix of Charges may be applied for all disconnect trips, whether an actual disconnect takes place or not.

402 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 CEMC's Board of Directors and notification of the North Carolina Rural Electrification Authority if the Member can establish all of the following:

- A. That a member of the Member's household is either disabled or 65 years of age or older.
- B. That the Member is unable to pay for such service in full.
- C. That the household is certified by the local social service 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.
- D. Not applicable to members participating in the FlexPay program.

CEMC may continue to charge interest on accounts that are subject to this provision. As provided in General Conditions in the Section for Conditions of Service, the Member must provide advance notification and certification of meeting the requirements for special handling of accounts.

403 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by CEMC for any reason, service may be reconnected under the following conditions:

- A. The conditions causing the disconnection are corrected.
- B. Payment has been made for the cost of repair or replacement of CEMC's meter, or any other properties, if tampered with or otherwise damaged or destroyed.

- C. Members must verbally or in writing agree to show identification in order to reconnect power.
- D. Where the service has been discontinued for non-payment of a bill, meter tampering, unauthorized or illegal use of power, CEMC will have the right to refuse service to the same Member or to any other applicant who is a member of the Member's household until the infraction is corrected, credit is re-established by the Member and all applicable accounts have been paid.
- E. Member has agreed to comply with reasonable requirements to protect CEMC against further infractions.
- F. A nonpay reconnection fee and/or any other applicable service charges and security deposits, as specified in the Appendix of Charges, have been paid.
- G. If a reconnection is made after normal business hours, a charge above the regular connect charge will apply as specified in the Appendix of Charges.
- H. Occasionally, after normal business hours, a disconnected service may be reconnected on promise to pay by noon of the following business day. Failure to keep the promise of pay by appointed time will result in immediate disconnection without requirement of notice.

404 Termination of Service by Member

For termination of service, the Member should give a minimum of one 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:

- A. Payment of any and all amounts due CEMC, 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 CEMC, or ceasing to use any central station electric service whatsoever at any of the premises to which such service has been furnished by CEMC pursuant to the service agreement; and
- B. Upon such withdrawal, the Member will receive a refund of the balance of the membership fee and of any service security deposit held by CEMC after being applied to the Member's final bill.

405 Billing Multiple Dwelling Units

When more than one residential house, mobile home, apartment, or more than one housekeeping unit in a residential house or any combination of these is served through the same meter, the kWh in each of the energy blocks (in the applicable rate schedule) will be multiplied by the number of individual dwelling units served.

406 Extension of Credit

CEMC may deviate from its policy on cutoffs for delinquent bills only in accordance with the standards of credit as found in Section 309 Credit.

407 Meter and Equipment Tampering

No unauthorized person may tamper with the Cooperative's meter or facilities or divert power as defined in "Meter Tampering" definition. No unauthorized persons, such as you the Member, contractors, service professionals, or anyone who works for a professional may alter or remove a Central EMC meter, cut or remove a Central EMC meter seal, remove load management equipment or other service equipment, or make any connections to Central EMC electric meters. No unauthorized person may reconnect to CEMC's service supply or remove any disconnection from service supply, for any reason. Member is subject to a charge as specified in the Appendix of Charges. In addition, the member is also subject to criminal prosecution and civil penalties pursuant to North Carolina General Statute §14-151. Before any electrical work is performed, the member must contact the Central EMC office at 1-800-446-7752.

Guidelines for Licensed Electricians

- A. CEMC will pull and reset meters at no charge for licensed electricians that notify CEMC of the work *before* it begins. If CEMC cannot respond in a timely manner, the electrician will have permission to pull the meter and make the work area safe until a CEMC representative arrives.
- B. If work requires a permit, we will request the permit number and will need proof of inspection before we reset the meter.
- C. In cases where someone is living in the home, we will connect power without inspection. However, the electrician has 3 business days to complete the required inspection and provide us with county approval. Failure to do so will result in disconnection of power.
- D. Electricians who pull meters *without* prior notification will incur an \$85.00 fee. This fee will be applied to the Member if the electrician fails to pay.

500 COOPERATIVE AND MEMBER OBLIGATIONS

501 Approval and Cooperative's Board Authority

CEMC'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 CEMC's headquarters office, and such filing and publishing will constitute official notice to all Members of changes to such Rules or Schedules. Failure of CEMC 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.

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

502 Responsibility of Member and Cooperative

Electric service is supplied by CEMC 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. CEMC 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 CEMC is merely a supplier of electric service, and CEMC 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 CEMC. CEMC will not be in any way responsible for the transmission, use or control of the electric service beyond the Point of Delivery, except as it might apply to the use of load management programs.

In maintaining the right-of-way, CEMC 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 CEMC will be, and will remain, the property of CEMC. The Member will not interfere with, or alter, CEMC's meters, seals, or other property, or permit the same to be done by others than CEMC's authorized agent or employee. Damage caused or permitted by the Member to CEMC'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 CEMC's poles, conductors or other fixtures, except with express written consent of CEMC.

To the extent that Members may require electric 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. CEMC will assist the Member in the technical development of the power quality electric service.

503 Complaint Procedure

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

- A. File a complaint at the local Cooperative office and allow reasonable time for investigation, advice, and action. If the results are not satisfactory, then:
- B. File a complaint with CEMC General Manager, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the General Manager to act. If the results are still not satisfactory, then:

- C. File a written complaint with CEMC 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. If the results are still not satisfactory, then:

- D. File a complaint with the North Carolina Rural Electrification Authority at 4321 Mail Service Center, Raleigh, North Carolina 27699-4321, (919) 814-4696. Allow reasonable time for the Authority to act.

Appendix of Charges

As a new Member, you may sign up for service at our office or by telephone. Initially, you will be required to pay a \$5.00 Membership Fee. A security deposit may also be requested based on an estimated two months of highest use.

As an alternative to a cash deposit, CEMC will accept 1) a credit report generated at CEMC (at the consumer's request) that will demonstrate payment record satisfactory to meet Central Electric's standards or 2) a guarantee payment of your bills up to the amount of the deposit from a Member in good standing, or 3) voluntary participation in the FlexPay Program to avoid deposit and eliminate late fees.

The following is a list of other charges that could apply to your account depending on the service requested and payment of your account.

Effective August 1, 2017

Existing Services

Overhead to underground\$250.00

Overhead primary up to 1000 feet*No charge

In excess of 1,000 feet\$8.00/foot

*must have septic system and permanent inspection in place

Standard underground service to meter base\$185.00

Underground primary contribution up to 1,000 feet*\$1.00/foot

In excess of 1,000 feet\$9.00/foot

*must have septic system and permanent inspection in place

New Developments/Mobile Home Parks

Underground subdivision lot contribution (non-refundable).....\$75.00

Average lot frontage in excess of 150 feet.....\$1.00/foot

New Service Connection

In office\$15.00

Out of office\$30.00

After business hours.....\$80.00

Special meter reading trip\$30.00

Late payment charge: 1.5% of delinquent amount; Minimum charge

Minimum charge\$5.00

Disconnect list late charge\$10.00

Returned check	\$30.00
Meter test	\$30.00
Bad debt file service charge	\$15.00
Nonpay reconnect fee: during business hours	\$60.00
Nonpay reconnect fee: after 5:00 p.m. business hours	\$110.00
Trip charge: during business hours	\$30.00
Trip charge: after 5:00 p.m. business hours	\$80.00
Cut meter seal.....	\$50.00
Meter tampering: 1st offense.....	\$250.00*
Meter tampering: 2nd offense.....	\$500.00*
*plus estimated kilowatt-hour use	
Arrangement fee - 3 day extension.....	\$10.00
Arrangement fee - 6 day extension.....	\$20.00
Advanced meter opt-out option – One-time charge of \$50.00 to change the meter, plus a monthly fee of \$30.00 to read the meter	

Upon request, a complete copy of the Service Rules and Regulations will be provided without charge.

FlexPay Appendix of Charges

Existing Services

Overhead to underground	\$250.00
Overhead primary up to 1000 feet*	No charge
In excess of 1,000 feet.....	\$8.00/foot
Standard underground service to meter base	\$185.00
Underground primary contribution up to 1,000 feet*	\$1.00/foot
Underground primary in excess of 1,000 feet.	\$9.00/foot

*must have septic system and permanent inspection in place

New Developments/Mobile Home Parks

Underground subdivision lot contribution (non-refundable).....	\$75.00
Average lot frontage in excess of 150 feet	\$1.00/foot

New Service Connection

In office.....	\$15.00
Out of office.....	\$30.00
Special meter reads	\$30.00
Returned check	\$30.00
Meter test	\$30.00
Bad debt file service charge	\$15.00
Cut meter seal	\$50.00
Meter tampering- 1st offense	\$250.00*
2nd offense.....	\$500.00*

*plus estimated kilowatt-hour use

Upon request, a complete copy of the Service Rules and Regulations
will be provided without charge.

Revised 8/2017

ATTACHMENT 1

Budget Billing Attachment

Date _____

Account Number _____

Budget Billing Amount _____

I authorize, Central Electric Membership Corporation to place my account on the Budget Billing program.

I understand and agree that I will be billed and will pay the exact amount listed above every month for eleven months with a review month occurring on the twelfth month.

I understand and agree that the amount listed above is an estimate based on the previous 12 months electricity consumption; however, my monthly statement will indicate my actual metered usage for the month, and actual amount for that usage.

I will be responsible for any amount (given the consumption amount is greater than the estimate over the 12-month period) on the review month bill. I understand that Central Electric Membership Corporation agrees to credit my review month bill by any money that I have overpaid.

Furthermore, I understand and agree that my account will be removed from the Budget Billing program if my account is delinquent two times in a twelve month period. If I am removed from budget billing, I understand that my next bill will be a review bill with any outstanding money becoming due immediately.

Signature _____

For Office Use Only

Date form received _____

Budget Billing activation _____

CEMC Representative _____

ATTACHMENT 2A

FlexPay Sign-up Form

Name: _____

Account #: _____

Connection Date: _____

Alert Information

**Alerts automatically go out at 8 a.m. each day*

Low Balance Threshold: _____

Mobile #: _____

Mobile Service Provider: _____

**Required for text messaging alerts*

Alternate Phone #: _____

Email: _____

CEMCPower.com login

Account #: _____

Password: _____

Alerts (check all that apply):

	Mobile Text	Mobile Voice	Alternate Voice	Email
Payment Confirmation				
Service Disconnected				
Service Reconnected				
Low Balance Threshold				
Balance and Usage				
High Usage: \$ _____				
Pending Auto Disconnect				

ATTACHMENT 2B

Account # _____

Supplemental FlexPay Service Agreement

As a FlexPay member, the normal security deposit is not required. Standard membership fees and connect fees apply and will be collected as well as a prepayment of \$65.00 at the time of application. This \$65.00 will be applied as a credit toward future energy use.

If I am an existing customer, I understand that when my account is converted to FlexPay, my existing deposit, if any, will be applied toward my outstanding balance with the remaining credit applied to my FlexPay service. All fees and unbilled energy must be paid before an account can be converted from postpaid to FlexPay.

Payments can be made in any amount; however, service disconnected due to a credit deficit will require payment of any outstanding balance and a minimum of \$20.00 for service to be restored. This \$20.00 will be credited toward future energy use.

I understand that I will not receive a monthly billing statement. My account history- usage- charges and payment will be available via the internet or through an Interactive Voice Response System (IVR). The web site will also allow me to modify my notification settings. I understand that I am responsible for managing and up-dating the notification settings on my FlexPay account. I understand it is my obligation to know and/or to determine the amount of my credit balance at any time.

In the event of a returned check, the check will be immediately charged back to the account with a returned check fee. If this puts the account in the negative, service will be disconnected within 24 hours.

I understand that at any time I may elect to convert my account to a standard (postpaid) service. At such time the Cooperative may require full payment of a security deposit as a condition of continued service.

Service terminated at the request of the consumer will receive a refund of any remaining credit on the account.

I understand the difference of credit rules for FlexPay and postpaid standard service. I certify that I have read this agreement (or had it read to me) and that I agree to these rules as well as all service rules and regulations and am requesting to establish FlexPay electric service from Central Electric Membership Corporation.

Signature: _____ Date _____

I understand that enrolling in the HighRate program at Central Electric Membership Corporation is at my discretion. I understand that my electric service will be subject to immediate disconnection any time my account does not have a credit balance and disconnection will be made by a remote service switch installed at the meter. I understand that I will not receive any "Notice of Disconnection" prior to any disconnection for a negative HighRate balance. I understand that HighRate accounts are not eligible for payment arrangements and energy assistance payments will be credited to my account once the payment is received by CEMC. I understand that medical conditions, being over 65 years of age, and/or inclement weather will not postpone disconnection.

Signature: _____ Date _____

ATTACHMENT 2C

Account # _____

FlexPay Agreement Summary

- \$100.00 initial payment - \$65.00 credit toward electric use will be required to start a FlexPay account
- A disconnection will occur once the account balance falls below a zero balance
- Disconnections will be made by a remote service switch installed on the meter
- Disconnected accounts inactive for a period of at least 10 days will be final billed. At that time, a \$100 initial payment - \$65 credit toward electric use – plus any owed balance will be required to reconnect service
- No arrangements will be given on FlexPay accounts
- If account is disconnected for a negative balance, the negative balance plus a minimum credit balance of \$20.00 will be required in order to restore service; nonpayment disconnect and reconnect fees are not charged on FlexPay accounts
- No monthly statement will be issued for FlexPay accounts; low balance threshold alerts can be setup to notify of low balance, this will also serve as the pending disconnection notice
- It is the responsibility of the member to update balance alert information
- Balances and daily activity can be obtained by logging into the customer portal at *www.cemcpower.com* or by calling *1-866-488-5011*
- Returned checks are charged back to the account immediately upon return and any negative balance incurred will become subject for immediate disconnection
- Postpaid accounts can be converted to a FlexPay account by establishing a \$65.00 credit balance on the account; any deposit, billed, and unbilled charges will be applied toward account
- Deposit can be paid at any time to convert to a postpaid account
- A minimum deposit of \$ _____ will be required to convert to a postpaid account; all deposits are based on the two highest monthly charges
- Credit balance at time of disconnection will be refunded directly to the member
- Member initials _____ Service Rep initials _____

ATTACHMENT 3

Guidelines for Licensed Electricians

- A. CEMC will pull and reset meters at no charge for licensed electricians that notify CEMC of the work ***before*** it begins. If CEMC cannot respond in a timely manner, the electrician will have permission to pull the meter and make the work area safe until a CEMC representative arrives.
- B. If work requires a permit, we will request the permit number and will need proof of inspection before we reset the meter.
- C. In cases where someone is living in the home, we will connect power without inspection. However, the electrician has 3 business days to complete the required inspection and provide us with county approval. Failure to do so will result in disconnection of power.
- D. Electricians who pull meters ***without*** prior notification will incur an \$85.00 fee. This fee will be applied to the Member if the electrician fails to pay.