

CARTERET-CRAVEN ELECTRIC MEMBERSHIP CORPORATION

MOREHEAD CITY, NORTH CAROLINA

Service Rules and Regulations

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100. SERVICE AVAILABILITY

101. COOPERATIVE MEMBERSHIP

Receipt of electric service from Carteret-Craven Electric Membership Corporation by any natural person, firm, association, corporation, business trust, partnership, or body politic constitutes membership in the Cooperative. The member shall agree to purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative unless and except to the extent the Board of Directors may in writing waive such requirement, and to be bound by the Cooperative's Certificate of Incorporation and Bylaws, and all Rules, Regulations and Rate Schedules.

102. JOINT COOPERATIVE MEMBERSHIP

Any two (2) individuals joined in a legal relationship, other than a partnership or other business entity, may be accepted into joint membership by requesting service from the Cooperative in both of their names, or if one of them is already a member, convert such membership into a joint membership.

103. MEMBERSHIP IDENTIFICATION

All those requesting service will be asked to provide identification satisfactory to the Cooperative before service requests can be completed.

104. SERVICE SECURITY DEPOSITS

104.1 RESIDENTIAL SERVICES

Satisfactory arrangements must be made regarding a service security deposit before connecting temporary or permanent electric service to a residence, apartment, condominium, mobile home, travel trailer, or any other unit or building used primarily for living quarters. The Schedule of Charges and service location history will be used to determine the maximum amount of the deposit. This deposit is in addition to the required connection fee.

The service security deposit may be waived if the member desiring electric service furnishes one of the following:

1. A satisfactory credit report from another electric utility which has furnished electric power to the applicant for the most recent twelve-month period, a satisfactory report from a nationally recognized credit reporting agency, or a previously satisfactory record.
2. Another Cooperative member, having been a member of the Cooperative for a period of at least 12 months, with a credit rating of "A" may provide a notarized guarantee contract, assuring payment of any unpaid balance left owing on the account of the applicant at time of disconnection. Applicant will be charged a guarantee contract fee as listed in the Schedule of Charges.

3. Proof of payment for the most recent 12-month period on an established account with the Cooperative maintaining an “A” credit rating.
4. Recommendation by the Cooperative’s Chief Executive Officer/General Manager or his or her designee that the deposit be waived.

When it is determined that a service security deposit is not needed to assure payment of bills and a deposit is not collected prior to service connection or if the deposit has been refunded, the member must make timely payment of monthly bills. Should the account be subject to disconnection for non-payment, the member may be required to pay a service security deposit in the amount as required by this policy for an original connection of service.

104.2 OTHER THAN RESIDENTIAL

Satisfactory arrangements must be made regarding a service security deposit before connecting any electric service.

Other deposit requirements may be set on the basis of a written contract, or when the Cooperative determines that a higher deposit is necessary due to extraordinary circumstances. See Schedule of Charges for the amount of the deposit.

In determining the need for service security deposits, and in fixing the amount of such deposits, the Cooperative will give careful consideration to the following factors:

1. Type of service requested or required
2. Risks involved in a new or continuing enterprise
3. Proposed use of facilities
4. Credit rating of applicant as determined by a satisfactory report from a nationally recognized credit reporting agency
5. Recommendation by the Cooperative’s Chief Executive Officer/General Manager or his or her designee that the deposit be waived.

When it is determined that a service security deposit is not needed to assure payment of bills and a deposit is not collected prior to service connection, or if the deposit has been refunded, the member must make timely payment of monthly bills. Should the account be subject to disconnection for non-payment, the member may be required to pay a service security deposit in the amount as required by this policy for an original connection of service.

104.3 REFUNDING OF DEPOSITS

A service security deposit will be refunded with interest under the following conditions:

1. After a period of 36 consecutive months of service during which the customer has established satisfactory credit (as defined in this Section) in the most recent 12 months, or

2. As provided for in a written contract for service, or
3. Upon termination of service, less any amounts the member may then owe to the Cooperative, or
4. Upon such conditions as may be established by the Cooperative with respect to service risks of similar or the same character, whichever may be applicable.

Satisfactory credit is defined as:

- a. No more than one delinquent payment, and
- b. No check which was not honored upon presentation for payment, and
- c. No disconnection of service for non-payment.

The rate of interest paid shall be set at the beginning of each year and will be the current passbook savings rate at the cooperative's primary bank.

A service security deposit is non-transferable and must remain with the account on which it is paid. If a customer has other accounts with unsatisfactory credit, the service security deposit may be retained until all accounts held in the same name have satisfactory credit.

A service security deposit collected prior to July 1, 2004 will be refunded upon the customer's request after 12 months if the customer has no more than two delinquencies in the preceding 12 months.

Service security deposits shall not be required for electric service to any public authority such as Federal, State, County, and Municipal Bodies, provided that the electric service is used exclusively by the public authority.

105. PREPAY SERVICE

Prepay service is an optional payment plan available to Carteret-Craven Electric Cooperative members that allows residential members to pay in advance for their electricity usage. There are no deposits, late fees or disconnect/reconnect fees charged to prepay accounts.

Participation in prepay service requires the member to maintain a positive balance on the account to pay for electricity used each day.

Prepay service is available to most standard residential 120/240 volt, 200-amp single phase electric accounts where the electric service is metered by an advanced meter with remote disconnect capability. Prepay service may not be available in all areas of the cooperative's service territory and may not be available to all members. The cooperative will determine eligibility upon request.

Prepay accounts are subject to automatic disconnection if an account's daily balance falls below zero (0). Therefore, prepay cannot be used for account programs that require a conventional post-pay account. These programs include, but are not limited to, budget

billing, bank or credit/debit card automatic drafts, time-of-use, ERC loans, qualified facilities' purchased power, and/or contract payments. In addition, members on the medical priority list cannot enroll in the prepay service. Members who want to participate in these programs will need to maintain their current conventional post-pay account or convert their prepay account to a conventional post-pay account.

Members electing to participate in prepay service must register their electric account online at the cooperative's PowerPay24 website or mobile app and must agree to be bound by the terms and conditions of prepay service as outlined in this service rule or as may be required by the cooperative from time to time.

105.1 ESTABLISHING SERVICE

New members may open a pre-pay account, and current members may opt to convert their existing conventional post-pay account to a prepay account. Existing deposits will first be applied to prepay fees, unbilled usage and account balances. Any remaining amount will be applied as a credit to the prepay account to be used to pay for future electricity usage. The prepay account must have a new account minimum balance as listed in the Schedule of Charges.

A deferred payment plan, up to a maximum of \$300, may be arranged for members converting to prepay if they do not have an existing deposit or if the existing deposit is not sufficient to cover the combined total of current unbilled usage and existing account balance, and/or if an old debt has been found to be owed. Fifty percent (50%) of each payment made on a prepay account will be applied to the deferred payment plan and the remainder to the prepay account balance until the deferred amount is paid in full.

If a member seeks to convert from prepay to a conventional post-pay account, all applicable fees and deposits as indicated in the Service Rules and Regulations will apply, and any balance on the prepay account must be paid in full before converting to the conventional post-pay account.

Member participation in prepay service does not establish a credit rating with the cooperative. Therefore, the prepay account cannot be used to determine a member's creditworthiness when establishing a conventional post-pay account.

105.2 BILLING

Prepay account charges will be calculated daily. These charges will include electricity use as well as other applicable charges and fees for prepay service. Prepay accounts do not receive a paper statement. Daily prepay account information, including account balance, usage, charges and applied payments/adjustments, will be available online at the cooperative's PowerPay24 website and mobile app.

105.3 NOTIFICATIONS

The cooperative will normally send notifications to the member using the method(s) of communication selected by the member. The notifications will begin when the account usage and balance reach specific thresholds, measured by the number of days remaining based on average electricity usage, and/or when the account balance falls below a certain

amount. Default thresholds are in place at the time of initial sign-up, but the member may opt to change the thresholds at any time online at the cooperative's PowerPay24 website or mobile app. Other notifications include payment confirmation and account status.

Members shall choose the notification methods at the time of initial sign-up. At least one notification method must be chosen for a prepay account, but two notification methods are recommended to avoid a single point of communication failure.

Members must provide a working cell phone number to receive text messages or an active email account to receive email notices. Charges for text messages from the member's cell phone service provider are the member's responsibility.

It shall be the member's responsibility to update phone numbers and email addresses for notification purposes online at the cooperative's PowerPay24 website or mobile app. If phone numbers and email addresses are not correct, notifications will not be received, and service may be disconnected without any other notice.

The cooperative will attempt to notify prepay account members of possible disconnection due to insufficient balance but prepay account members are ultimately responsible for monitoring their account's balance. Low Balance, Pending Disconnection, and other notifications will be provided by the Cooperative whenever reasonably possible, but transmission and receipt of the notifications cannot be guaranteed. It shall be the member's responsibility to monitor their prepay account usage and balance and to determine when a payment is necessary to prevent disconnection.

Payments can be made by credit card, debit card or electronic check through the cooperative's PowerPay24 website or mobile app, or by phone. Payments can also be made in person at any cooperative office during normal working hours, 8 a.m. to 5 p.m., M-F, excluding holidays.

Agency assistance payments or payments from other third parties will be applied to prepay accounts only after payment is received. Pledges will not be accepted. Alternative payment arrangements and credit extensions will not be allowed on prepay accounts. Some agencies may choose not to provide assistance to members participating in the prepay service option. Members should confirm with any third party that is expected to make payments that a prepay account is acceptable. The cooperative will not be responsible for coordinating or facilitating assistance or other third-party payments.

When the member pays his or her account by check, whether presented in person, through the mail or electronically, the member agrees that the cooperative may charge and collect processing fees as listed in the Schedule of Charges for checks on which payment has been refused by the member's bank. If the returned item was presented via the cooperative's PowerPay24 website or mobile app, a returned check fee and electronic returned item fee as listed in the Schedule of Charges will be charged. Returned checks and associated fees will be charged to the prepay account immediately. The member will receive notification of the total amount charged to the prepay account for the returned item by the method(s) chosen by the member. If the adjustment for the returned item causes the prepay balance to fall below \$0, the member will also receive

notification that the service is subject to disconnection. Once a check has been returned on a prepay account, checks will not be accepted as payment on the account for a period of at least 12 months.

105.4 DISCONNECTION

Maintaining a positive account balance is the only way to prevent disconnection of service for a prepay account.

Prepay accounts will be subject to disconnection when the balance falls below \$0.

Disconnection can occur any day of the week, including weekends and holidays.

Disconnected prepay accounts will not be reconnected until the account balance is brought to the required minimum balance, as listed in the Schedule of Charges.

Restoration of electric service for prepay accounts will usually occur within thirty (30) minutes, but may take longer, particularly if factors outside of the cooperative's control prevent reconnection. If service is not restored within thirty (30) minutes, the member should notify the cooperative immediately.

If service is disconnected and payment is made to restore service, the member accepts all responsibility for ensuring no safety hazards exist (for example, members should make sure stove burners are off, irons are off, etc.) before making their payment to be reconnected.

The Member, on behalf of the member and member's family members, guests, employees, agents and invitees, hereby irrevocably, unconditionally, and forever releases, acquits, quitclaims, and discharges the Cooperative and its members, directors, employees, agents, successors and assigns, of and from any and all charges, actions, complaints, causes of action, claims (including, but not limited to, any claims for punitive damages, attorney's fees, and costs), liabilities, obligations, controversies, damages, suits, proceedings, expenses, and demands of any kind or nature whatsoever, known or unknown, suspected or unsuspected, whether arising out of contract, tort, strict liability, or otherwise, based upon, arising out of, related to, or connected in any way with (a) the Cooperative's installation, inspection, maintenance or use of any remote disconnect meter, and (b) any damage to the member's property or injury to persons (including death) arising out of or connected with any disconnection or reconnection of any service through a prepay account, except in cases of the Cooperative's gross negligence or intentional misconduct.

If a prepay account contains a balance of zero (0) or less for at least five (5) business days, the account will be closed, and a final bill calculated. The member will be responsible for any remaining balance. For credit balances on closed accounts, a refund check will be mailed to the last billing address on file. Members moving to another address should make a request for their prepay service to be disconnected to prevent continuing charges to their prepay account and to provide a forwarding mailing address for any refund.

200. LINE EXTENSION POLICIES

The following Service Rules and Regulations (SRR) shall apply to requests for line extensions, facility relocations, and overhead to underground conversions under typical construction conditions.

Every effort has been made to cover the vast majority of requests that may be received by the Cooperative relating to these issues. However, on occasion, situations may arise that are outside the realm of these policies, such as where in the sole opinion of the Cooperative construction design and installation of facilities may be considered non-typical or where a reasonable return on investment is not anticipated. The Cooperative will consider such requests, and, if in the opinion of the Cooperative, the request will not cause the Cooperative future problems, the request shall be granted after satisfactory arrangements have been made for payment of a contribution in aid of construction (CIAC).

Note: Line extension cost quotations will be valid for no longer than 90 days.

Generally, CIAC charges for requests that are outside the realm of these policies will be calculated based on an engineering estimate. The Cooperative, at its discretion, may collect a deposit in advance to pay for the costs of performing engineering estimates for proposed construction or facility relocation. If a deposit is required to perform an engineering estimate, the deposit will be applied toward the CIAC if the requested construction or facility relocation proceeds. Otherwise, the engineering estimate deposit will be forfeited by the requesting party to offset the expenses incurred in performing the engineering estimate.

CIAC charges will be calculated to the highest possible degree of accuracy using all known facts to compute the estimate. Once the estimate is complete, the Cooperative will proceed with the requested construction. The Cooperative normally requires a CIAC and/or other charges to be paid in advance.

During the construction of a job or project for which an engineering estimate was provided and advance payment was paid, the Cooperative will accumulate actual costs. The Cooperative will bill or refund, as appropriate, the difference between the estimated and actual costs after the total cost of the project has been determined.

The owner or developer will hold the Cooperative and/or its subcontractors harmless from all costs and claims for damages or injury (including death) and including reasonable attorney's fees. It will be the responsibility of the owner or developer to re-seed and/or maintain the trenchcover.

The Cooperative will review the SRR as needed to keep abreast of current economic and market conditions. The policies, practices, and Schedule of Charges contained herein are subject to change without notice.

201. OVERHEAD EXTENSION POLICY

Upon application for electric service, the Cooperative will furnish and install overhead primary and secondary service within its service area, or where allowed by law, to new developments, to permanent residential dwellings, and to commercial, industrial, or public buildings.

Prior to the installation of the Cooperative's electric facilities, the owner, member, or developer will furnish, without cost to the Cooperative, necessary easements and rights-of-way and will be required to initially cut and clear the same as specified by the Cooperative. If requested by the owner, member, or developer, the Cooperative will clear the rights-of-way of vegetation if the requesting party pays in advance all estimated costs including labor, equipment fees, and materials associated with the clearing. The owner, member, or developer will have lot lines established and staked, the right of way cleared of vegetation and other obstructions, and the project prepared to final grade before construction of the permanent electrical system begins.

The type of construction and location of said facilities will be at the option of the Cooperative. Should the requesting party desire changes in either location or type of construction, and if the Cooperative agrees to the requested changes, such installations will be made only upon the owner, member, or developer consenting to pay the Cooperative any estimated additional costs incurred in advance.

The Cooperative will construct its facilities to meet or exceed existing minimum standards of the latest edition of the National Electrical Safety Code, the Rural Utility Service's Construction Specification Manuals, and any other applicable codes or standards that exist at time of construction. The facilities will be designed using sound engineering principles and practices. Facilities will also be operated in accordance with sound engineering principles and practices.

Facilities will be extended after the Cooperative is in possession of any required rights-of-way easements and satisfactory arrangements have been made for payment of any applicable CIAC. All agreements for these services shall be reduced to writing and will be provided under the following additional terms and conditions:

201.1 NEW OVERHEAD DEVELOPMENTS

1. Backbone System: Where single phase or multiphase overhead backbone distribution primary and secondary extensions are requested through planned subdivisions, the owner or developer shall pay a CIAC for each lot served and per foot of cable as listed on the Schedule of Charges. Satisfactory arrangements must be made for the payment of these charges before construction begins. This charge is in addition to any other charges required by the Service Rules and Regulations (SRR).
2. Undeveloped Areas: When the owner or developer requests overhead primary distribution systems that necessitate the installation of underground cables through, by, or across areas that have not been subdivided into lots and offered for sale, the Cooperative may charge, in advance, a per foot charge for the distance required.

Such charge is specified in the Schedule of Charges. This charge is in addition to any other charges required by the SRR.

3. **Conduit Installation:** Where the owner or developer of a subdivision with overhead primary facilities elects to have underground services under a road and the underground line extensions will be installed subsequent to paving, the Cooperative will provide the conduit at the per foot cost listed on the Schedule of Charges.

The owner or developer shall, at his or her own expense, install the conduit to meet the specifications provided by the Cooperative. The Cooperative will provide a layout showing where the conduit must be installed. In the event the owner or developer requests the Cooperative to install the conduit prior to the installation of the underground service, the requesting party shall pay a CIAC equal to the total estimated cost of the conduit installation. In all cases, the owner or developer will be responsible for tamping the trench to adequate compaction prior to paving. In the event that conduit is not installed prior to paving, the owner, member, or developer will be required to pay all costs incurred in boring under or cutting through and replacing pavement within the development or project. The costs for boring are included in the Schedule of Charges. These charges are in addition to any other charges required by the SRR.

201.2 **PERMANENT RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL BUILDINGS**

1. **Primary Extensions:** When necessary, the Cooperative will furnish and install single phase or multiphase overhead primary distribution facilities to provide service where the distance is too great for secondary service. The owner, member, or developer shall pay a CIAC for the overhead primary distribution line extension at the per foot charge listed on the Schedule of Charges.

2. **Secondary Extensions:** The Cooperative will furnish and install a single phase or multiphase overhead secondary service after satisfactory arrangements have been made to pay the CIAC listed on the Schedule of Charges. These charges are in addition to any other charges required by the SRR.

- a. **Permanent Secondary Service Extensions – Up to 150 Feet in Length:**

For services to permanent residential dwellings as well as permanent commercial, industrial or non-residential where the total length of service does not exceed 150 feet, the owner, member, or developer must pay a CIAC listed on the Schedule of Charges and will not pay a per foot charge.

- b. **Permanent Secondary Service Extensions – Greater than 150 Feet in Length:**

For services to permanent residential dwellings as well as permanent commercial, industrial or non-residential where the total length of service exceeds 150 feet, the owner, member, or developer must pay a CIAC listed on the Schedule of Charges. A per foot charge will apply for the portion of the secondary extension that exceeds 150 feet.

c. Additional Poles:

Where the Cooperative must install more than one pole to provide service, the owner, member, or developer must pay a CIAC listed on the Schedule of Charges for each pole in excess of one pole.

201.3 OVERHEAD TEMPORARY SERVICE

Upon application for electric service, the Cooperative will extend temporary overhead distribution facilities. A temporary service supplies electricity for less than a 24-month continuous period, where the facilities installed for this service will not be needed to serve other accounts in the near future. A temporary service connect fee will be charged in accordance with the Schedule of Charges. This charge is in addition to any other charges required by the SRR. Temporary services will be furnished and installed under the following terms and conditions:

1. Temporary Secondary Service Extensions – Up to 75 Feet in Length:

The Cooperative will extend up to 75 feet of temporary overhead 120/240-volt triplex service for construction of buildings, homes, or other structures. The temporary service will be provided under standard applicable rates and temporary service-connect fees. The member is responsible for ensuring that their temporary service pole is sufficiently braced and of sufficient height to meet the clearance requirements of the National Electric Safety Code, and other applicable state and local codes. The party requesting temporary service is responsible for clearing the rights-of-way of vegetation and other obstacles.

Where the Cooperative must install an additional pole or poles to provide a temporary service that is equal to or less than 75 feet in length, the owner, member, or developer must pay a CIAC based on the total estimated cost of setting the pole(s) added to the estimated cost of retiring the pole(s) less any salvageable materials. These charges are in addition to any other charges required by the SRR.

2. Temporary Primary and/or Secondary Service Extensions – Greater than 75 Feet in Length: The Cooperative will extend and furnish temporary overhead primary and secondary electric lines in excess of 75 feet to buildings, construction projects, asphalt plants, carnivals, fairs, temporary facilities, or other non-permanent installations. A CIAC will be based on the total estimated line extension cost added to the estimated cost of retiring the facilities less any salvageable materials.

201.4 OVERHEAD FACILITY RELOCATION

The Cooperative, upon the request of a property owner, member, or developer, will consider relocating existing overhead facilities. Any relocation of facilities will be analyzed with a view to better the Cooperative's system and to not cause the Cooperative future problems. Betterment of the electric system occurs when, in the sole judgment of the Cooperative, the proposed change results in needed repair or improvement that provides easier maintenance, repairs, replacement, or reconstruction of the facility, and, in the sole judgment of the Cooperative, the economic return of the project justifies the investment in the facility relocation. The

owner, member, or developer making the request for relocation will be responsible for all costs incurred that do not result in betterment of the electric system, for obtaining all necessary rights-of-way, and for all costs associated with cutting and clearing the rights-of-way of vegetation or other obstructions. If the Cooperative agrees to the relocation as requested, the party requesting the relocation will make arrangements for payment of the total estimated non-betterment costs before the relocation begins.

201.5 STRUCTURES AND EQUIPMENT MOVING

The Cooperative, where practicable and upon request, will raise or lower lines to afford safe passage for structures or equipment being moved. Parties making such requests will be required to pay the total costs of the work performed. The parties will be required to make an advance deposit of the total estimated costs. The Cooperative will perform a final accounting of the costs, and either bill or refund the difference between the actual and estimated costs.

202. UNDERGROUND EXTENSION POLICY

Upon application for electric service, the Cooperative will furnish and install underground primary and secondary service within its service area, or where allowed by law, to new developments, permanent residential dwellings, and to commercial, industrial, or public buildings.

Prior to the installation of the Cooperative's electric facilities, the owner, member, or developer will furnish, without cost to the Cooperative, necessary easements and rights-of-way and will be required to initially cut and clear the same. Lot lines must be established and staked, the right-of-way cleared of vegetation and other obstructions, and the project prepared to final grade before construction begins. The owner, member, or developer is responsible for identifying, locating, and exposing all privately-owned below ground facilities and obstructions prior to the installation of the underground electric facilities. The Cooperative will not be responsible for damage to any privately-owned underground facilities that are not identified, located, and exposed prior to the installation of the underground electric lines.

Where, due to conditions in the soil, as much as 5 percent of the trenching work cannot be accomplished by the use of standard trenching machines and techniques, excess costs incurred by such conditions may be charged by the Cooperative. The excess charge for abnormal trenching is specified in the Schedule of Charges. Where there are other unusual conditions, such as high water or unusual local wiring or electrical code requirements which require installation procedures and materials not normally used, the excess cost of such procedure may be charged by the Cooperative. These charges are in addition to any other charges required by the SRR.

Additional charges may be made by the Cooperative to defray the expense of constructing temporary overhead facilities installed at the request of and to accommodate the owner or developer through, by, or into areas that will ultimately be served by underground facilities. The CIAC will be based on the total estimated line extension cost, plus the estimated cost of retiring the facilities, less any salvageable materials. These charges are in addition to any other charges required by the SRR. The type of construction and location of facilities will be at the option of the

Cooperative. Should the owner or developer desire changes in either location or type of construction, and provided that the Cooperative agrees that the requested changes will not present future problems, such installations will be made only upon the owner or developer agreeing to pay to the Cooperative the estimated additional cost incurred. These charges are in addition to any other charges required by the SRR.

The Cooperative will construct its facilities to meet or exceed the then existing minimum standards of the latest edition of the National Electrical Safety Code, the Rural Utility Service's Construction Specification Manuals, and any other then existing applicable codes or standards that exist at the time of construction. The facilities will be designed and operated using sound engineering principles and practices.

Where the owner, member, or developer wishes to pave roads, driveways, or other areas prior to the installation of the underground distribution facilities, the Cooperative will provide conduit and a layout showing where the conduit must be installed. The owner or developer, at his or her own expense, will be required to install the conduit under roads or other paved areas to meet the specifications provided by the Cooperative. In the event that the owner or developer requests the Cooperative to install the conduit prior to the installation of the underground service, the requesting party shall pay a CIAC equal to the total estimated cost of the conduit installation. In all cases, the owner or developer will be responsible for tamping the trench to adequate compaction prior to paving. In the event that conduit is not installed prior to paving, the owner, member, or developer will be required to pay all costs incurred in boring under or cutting through and replacing pavement within the development or project. The costs for boring are included in the Schedule of Charges. These charges are in addition to any other charges required by the SRR.

Protection of shrubs, trees, and grass sod during the installation of the underground facilities will be the responsibility of the owner or developer.

The owner or developer will be required to pay all required deposits and costs incurred in boring under or cutting through and replacing pavement within the development. The costs for boring are included in the Schedule of Charges. This charge is in addition to any other charges required by the SRR.

All agreements for these services shall be reduced to writing and will be provided under the following additional terms and conditions.

202.1 NEW UNDERGROUND DEVELOPMENTS

1. Backbone System: Where single phase or multiphase underground backbone distribution extensions are requested through planned subdivisions, the owner or developer shall pay a CIAC for each lot served and per foot of cable as listed on the Schedule of Charges. Satisfactory arrangements must be made for the payment of these charges before construction begins. This charge is in addition to any other charges required by the SRR.

2. Undeveloped Areas: When the owner or developer requests underground primary distribution systems that necessitate the installation of underground cables through, by, or across areas that have not been subdivided into lots and offered for sale, the Cooperative may charge, in advance, a per foot charge for the distance required. Such charge is specified in the Schedule of Charges. This charge is in addition to any other charges required by the SRR.

202.2 PERMANENT RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL BUILDINGS

1. Primary Extensions: When necessary, the Cooperative will extend underground primary distribution facilities to provide service where the distance is too great for secondary service. A CIAC is required for underground primary extensions. The underground primary extension charge per foot is listed on the Schedule of Charges. This charge is in addition to any other charges required by the SRR.
2. Secondary Extensions: The Cooperative will furnish and install a single phase or multiphase underground secondary service after satisfactory arrangements have been made to pay the CIAC listed on the Schedule of Charges. These charges are in addition to any other charges required by the SRR.

202.3 UNDERGROUND TEMPORARY SECONDARY SERVICE

Temporary underground service will be provided only when the source of power for the temporary service will originate from previously installed underground electric distribution facilities. A temporary service provides electric service for less than a 24-month continuous period where the facilities installed for this service will not be needed to serve other permanent accounts in the near future. Upon application for electric service, the Cooperative will extend up to five feet of temporary underground 120/240-volt service. The owner, member, or developer is responsible for ensuring that a temporary service pole is within five feet of an existing pad-mounted transformer or secondary hand hole suitable for providing such service. The temporary service will be provided under standard applicable rates and connect fees.

In the event the owner, member, or developer requests an underground temporary service extension greater than five feet in length, the requesting party shall pay a CIAC equal to the total estimated cost, including labor and material, of the underground extension plus the temporary service connect fee listed on the Schedule of Charges. This fee is in addition to any other charges required by the SRR.

202.4 OVERHEAD TO UNDERGROUND CONVERSION

1. OH to UG Residential Secondary Services
 - a. When the owner, member, or developer requests that an overhead secondary service previously installed for a permanent residence be removed and replaced

with a new secondary underground service, and when there has been no increase in the member's service requirements that necessitate an upgrade to the existing overhead service conductors, the requesting party will pay to remove the existing overhead service. The underground service will be installed in accordance with the applicable sections of the Underground Extension Policy. This charge is in addition to any other charges required by the SRR.

- b. When it becomes necessary for the Cooperative to change overhead service wires because of an increase in the owner's service requirements, the charge to remove the existing overhead service may be waived, and upon the request of the owner the new service may be installed underground. The underground secondary service will be installed in accordance with the applicable sections of the Underground Extension Policy. This charge is in addition to any other charges required by the SRR.

2. OH to UG Non-Residential Secondary Services

- a. When the owner, member, or developer requests that an overhead secondary service previously installed to serve a permanent building be removed and replaced with a new secondary underground secondary service, and when there has been no increase in the member's service requirements that necessitate an upgrade to the existing overhead service conductors, the requesting party will pay to remove the existing overhead service. The underground service will be installed in accordance with the applicable sections of the Underground Extension Policy. This charge is in addition to any other charges required by the SRR.
- b. When it becomes necessary for the Cooperative to change overhead service wires because of an increase in the owner's service requirements, the charge to remove the existing service may be waived, and upon the request of the owner, the new service may be installed underground. The underground secondary service extension will be governed by the applicable provisions of the Underground Extension Policy.

3. OH to UG Primary Distribution Lines

When the owner, member, or developer requests that an existing overhead primary line be replaced with primary underground cable, and provided that the Cooperative agrees that the requested changes will not present future problems, the requesting party will make satisfactory arrangements to pay the total estimated costs of removing the existing facilities, plus the total estimated costs including labor and materials of installing the facilities underground. The value of salvaged materials will be credited to the costs, and the final billing will be adjusted as necessary. This charge is in addition to any other charges required by the SRR.

202.5 UNDERGROUND RELOCATION

1. UG Secondary Service: Upon request, the Cooperative may agree to relocate an

underground service. Any expenses incurred in relocating an underground electric service due to the owner's, member's, or developer's alteration in their service entrance facilities and/or meter base, or to accommodate any other request for the underground secondary service drop being relocated, shall be borne by the requesting party. The CAIC for underground service relocation are listed on the Schedule of Charges. This charge is in addition to any other charges required by the SRR.

2. UG Primary: Upon request, the Cooperative may agree to relocate an existing underground primary line. Any expenses incurred in relocating or extending an underground electric primary line due to the owner's alteration in their service entrance facilities and/or meter base, or to accommodate any other request for the underground primary line being relocated, shall be borne by the requesting party. Relocation will begin once satisfactory arrangements have been made by the owner, member, or developer to pay the total estimated cost of the relocation including labor and materials. This CAIC is in addition to any other charges required by the SRR.

203. SECURITY LIGHTING

The Cooperative will furnish, install, operate, and maintain the lighting equipment to provide a member outdoor lighting after satisfactory arrangements have been made to meet the requirements of the Cooperative's Service Rules and Regulations. Lighting equipment includes the lamp, luminaire, bracket attachment, control device, poles and necessary wiring.

The Cooperative will maintain the lighting equipment, including lamp replacement, at no additional cost to the member. Lamp replacement and other service or maintenance shall be performed during regular business hours as soon as practical after notification is made to the Cooperative by the member that the service has been interrupted.

Lighting equipment shall remain the property of the Cooperative, including poles or property installed when the member makes a non-refundable contribution-in-aid-of-construction (CIAC) payment. CIAC charges are defined in the Cooperative's Service Rules and Regulations Schedule of Charges.

Lighting equipment shall be placed only on property owned by the member requesting service unless the landowner specifically agrees to the installation. The requesting member shall grant the Cooperative all permits and authorities, including a free and continuous right-of-way necessary to construct and operate the lighting system. The Cooperative will only install lighting equipment at locations which are accessible to the Cooperative's service trucks and equipment. The right-of-way shall remain open and accessible to the Cooperative.

The Cooperative reserves the right to discontinue any lighting where excessive lamp and fixture replacements are required due to vandalism. The member agrees to use due diligence to protect the lighting equipment from damage and pay to the Cooperative all expenses resulting from the member's deliberate damage. The

member agrees to notify the Cooperative immediately of any such damage to the lighting equipment or any failure of the lighting equipment.

The Cooperative reserves the right to discontinue any lighting where adjoining property owners have complained about excessive light trespass.

1. Connecting Existing Lights

When a residential, commercial, or town member applies for an existing light to be reconnected, the member will not be required to pay an initial CIAC charge or sign a contract. The member will be charged a monthly fee for the appropriate light type per the Cooperative's current rate schedule.

2. New Light on Existing Facilities

When a residential, commercial, or town member applies for a new light to be installed on an existing pole, there will be no initial CIAC charge. The member will be required to sign a contract for one year and pay a monthly fee for the appropriate light type per the Cooperative's current rate schedule. If the light is removed or disconnected within an unexpired contract period, the member will be billed the remaining amount due. The amount due is the monthly light rate times the remaining months of the contract.

3. New Light Requiring New Overhead Line Extension

When a residential, commercial, or town member applies for a new light to be installed which will require a new overhead line extension (pole and conductor), the member will be charged a monthly fee for the appropriate light type per the Cooperative's current rate schedule, an initial CIAC charge, and be required to sign a contract for one year. If the light is removed or disconnected within an unexpired contract period, the member will be billed the remaining amount due. The amount due is the monthly light rate times the remaining months of the contract. The initial CIAC charge will consist of a one-time non-refundable set-up fee to offset the cost of extending overhead facilities. If a member requests a decorative fixture installed on a decorative pole, and it is not a part of an approved subdivision rate as defined in the Cooperative's current rate schedule, the member will also be charged an additional CIAC charge. The additional CIAC charge is the cost difference between the decorative fixture on a decorative pole and the Cooperative's standard lighting fixture mounted on a wood pole.

4. New Light Requiring New Underground Line Extension

When a residential, commercial, or town member applies for a new light to be installed which will require a new underground line extension (pole and underground conductor), the member will be charged a monthly fee for the appropriate light type per the Cooperative's current rate schedule, an initial CIAC charge, and be required to sign a contract for two years. If the light is removed or disconnected within an unexpired contract period, the member will be billed the remaining amount due. The amount due is the monthly light rate

times the remaining months of the contract. The initial CIAC charge will consist of a one-time non-refundable set-up fee and a per foot charge for underground secondary conductor. The CIAC charge offsets the cost of extending underground facilities.

If a requested light requires primary underground conductor for the sole purpose of the lighting service, the member will pay an additional CIAC charge. The additional CIAC charge is the total cost for the primary underground installation. If a member requests a decorative fixture installed on a decorative pole, and it is not part of an approved subdivision rate as defined in the Cooperative's current rate schedule, then the member will be charged an additional CIAC charge. The additional CIAC charge is the cost difference between the decorative fixture on a decorative pole and the Cooperative's standard lighting fixture mounted on a wood pole.

5. Large Commercial Lighting Projects

The Cooperative reserves the right to charge an additional CIAC fee when a member requests a commercial lighting project, which at the sole judgment of the Cooperative, will require additional resources over and above those required by the average lighting system.

The additional CIAC charge may include but is not limited to engineering design cost and specialized fixtures, poles, brackets, and control devices that are not included the Cooperative's normal stock.

6. Town and Roadway Lighting Projects

The Cooperative reserves the right to charge an additional CIAC fee when a town requests a lighting project, which at the sole judgment of the Cooperative, will require additional resources over and above those required by the average lighting system. The additional CIAC charge may include but is not limited to engineering design cost and specialized fixtures, poles, brackets, and control devices that are not included the Cooperative's normal stock.

All lighting requested to be located in the North Carolina Department of Transportation's (NCDOT) right-of-way shall be approved the NCDOT and meet its lighting standards and specifications.

7. Relocation of Existing Lighting Systems

The Cooperative reserves the right to charge total cost, which includes retirement, installation, and overhead when a member requests the Cooperative's lighting equipment be relocated, and the relocation does not result in betterment of the Cooperative's electric system. Betterment of the electrical system occurs when, in the sole judgment of the Cooperative, the proposed change results in needed repair or improvement that provides easier maintenance, repair, replacement, or reconstruction of the facility, and, in the sole judgment of the Cooperative, the economic return of the project justifies the investment in the facility relocation.

300. SERVICE INTERRUPTIONS

The Cooperative does not guarantee continuous and uninterrupted electric service and will not be liable for loss or damage to any member's equipment caused by failure to supply electricity or by any interruption or reversal of the supply of electricity if due to any cause beyond the reasonable control of the Cooperative.

The member shall notify the Cooperative promptly of any defect in service or of any trouble or irregularity to the electric supply.

Whenever service is to be interrupted for work on lines or equipment, the work will be planned to be done at a time, as far as practical, which will cause the least in-convenience to the member. The member to be affected by such interruptions shall, if practical, be notified in advance.

301. STANDARD SUPPLY VOLTAGES

One system of alternating current, 60 cycles per second, is supplied throughout the Cooperative's system.

This voltage, number of phases, and type of metering, which will be supplied, depends upon the Cooperative's facilities available and upon the character, size, and location of the load to be served. Therefore, the member shall consult the Cooperative before proceeding with the purchase or installation of wiring or equipment. To avoid misunderstanding, this information should be in writing.

The standard secondary voltages described below are nominal and are subject to a plus or minus five (5) percent variation.

Single Phase, 2 Wire, 120 Volts 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

The standard primary voltages described below are nominal and are subject to a plus or minus seven and one half (7- 1/2) percent variation.

Single Phase, 2 Wire, 7200 Volts Three Phase, 4 Wire

7200/12470 Volts

It will not be considered an infringement when voltages outside of the prescribed limits are caused by any of the following:

1. Action of the elements
2. Service interruptions.
3. Temporary separation of parts of the system from the main line.
4. Infrequent fluctuations not exceeding five (5) minutes duration
5. Other causes beyond the control of the Cooperative

302. DELIVERY POINT AND SEPARATE METER FOR EACH RESIDENCE OR BUILDING

In general, only one service drop will be installed to serve a building. Two houses used as family residences shall not be served through one meter. Two or more separate living units or apartments in the same building must each be separately metered. Businesses that provide short term overnight accommodations to paying tenants such as hotels, motels, or bed and breakfast establishments may be served through one meter.

303. STANDBY POWER

No electric power sold by the Cooperative shall be used as reserve or standby service, or in any way in conjunction with any service of power, without the Cooperative's prior written consent. Emergency generating equipment owned by member must be so installed as to disconnect automatically from the Cooperative's system providing protection for Cooperative employees.

304. SUPPLEMENTAL WRITTEN CONTRACT

A supplemental written contract on form provided by the Cooperative may be required from any applicant whose estimated demand is 50 kW or more and will be required from any applicant to which extension of service agreement is applicable.

305. LOCATION OF ELECTRIC SERVICE

The Cooperative has the right in rendering service to member to install poles, lines, transformer, or other equipment on member's property, and to locate delivery point and meter thereon, as the Cooperative decides this should be done, considering, among other things, economics of construction, adequacy of electric service and beautification.

306. ADDITIONAL SERVICE CONNECTION

A member may have any number of connections under one membership. However, members requiring additional service must make application for such and pay the required fees and charges.

307. NON-STANDARD SERVICE

Member shall pay the cost of any special installation necessary to meet his particular requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

308. OFFICE AND SERVICE HOURS

The Cooperative's main office is located at 1300 Hwy 24, Newport (west of Morehead City), North Carolina. The Cooperative has branch offices at 450 McCotter Blvd., Havelock, North Carolina, and at 849 Island Rd., Harkers Island, North Carolina. Regular office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. The branch office hours may vary to meet local needs. Regular service hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Service work is performed during regular work hours only, except for unusual conditions or circumstances. Emergency work is performed from these offices 24 hours a day, 7 days a week, and the Cooperative can be contacted by calling (252) 247-3107 at any time of day or night.

400. RATE CLASSIFICATION

The Cooperative has established Rate Schedules which define the different rate classifications and are made available to members upon request.

500. MEMBER RESPONSIBILITIES

501. READING OF METERS

Cooperative personnel shall be responsible for reading the meters for all members. All meters will normally be read monthly. It shall be the responsibility of each member to provide access to the meter for meter reading purposes. In the event the Cooperative is unable to obtain a meter reading, the account shall be estimated for that month and adjusted to the actual usage in a subsequent month.

502. MEMBER TO GRANT EASEMENTS TO COOPERATIVE IF REQUIRED

Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easements or rights-of-way over, on, and under such lands owned by the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

503. WIRING OF PREMISES

Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the North Carolina Fire Insurance Underwriters Association and of the Cooperative. Each member shall be responsible for and shall indemnify the Cooperative and any other person against injury, loss or damage resulting from any defect in or improper use of, or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises.

504. RIGHT OF ACCESS

Cooperative's identified employees shall have right of access to member's premises at all

reasonable 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.

505. NOTICE OF TROUBLE

Member shall notify Cooperative immediately should his electric service be unsatisfactory for any reason, or should there be any defects, trouble, accidents, or hazardous conditions that may adversely affect his electric service.

506. ADDITIONAL EQUIPMENT FOR SPECIAL LOADS

The member must furnish the additional facilities, protective devices, or corrective equipment necessary to provide adequate service and prevent interference to the Cooperative's other members – if the member's load characteristics make this necessary. Such loads include, but are not limited to, those requiring excessive capacity because of the large momentary current demands or requiring close voltage regulation such as welders, x-ray machines, motor starting across the line, etc. In the event the Cooperative provides such additional facilities, protective devices, or corrective equipment, the additional cost will 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.

507. MULTI-PHASE SERVICE

When multi-phase service is furnished, the member will at all times maintain a reasonable balance of load between the phases.

508. POWER FACTOR CORRECTION

Where the overall power factor of the member's load is less than 85 percent lagging, the Cooperative may require the member to install at his own expense, equipment to correct the power factor. The Cooperative reserves the right to measure the power factor at any time.

509. MEMBER'S RESPONSIBILITY FOR PROPERTY OWNED BY COOPERATIVE

All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. Member shall provide a space for, and exercise proper care, to protect the property of the Cooperative on his premises. In the event of loss or damage to Cooperative's property arising from neglect of member to care for same, the cost of necessary repairs or replacement shall be paid by member.

600. BILLING PAYMENT, DISCONNECTION FOR CAUSE, PENALTIES

601. METER ISSUES

601.1 METER TESTING

All meters are the property of the Cooperative. Every effort is exerted to maintain a high standard of accuracy by routine meter testing and spot meter testing. No persons, except the employees of the Cooperative, shall alter, remove, or make any connections to the Cooperative's meter or service equipment without prior approval. Upon request and after

agreeing to pay a test fee, as listed on the Schedule of Charges, the Cooperative will have the meter tested by a private firm and will mail the member a report. If the meter is found to be faulty and does not test 98 percent accurate, the meter test fee will be returned, and the member's bill will be adjusted in accordance with terms outlined in Policy 1007.

601.2 STOPPED METERS

If the meter stops or fails to register correctly, the member will be billed on an estimated usage based on usage during past months or similar month of past years for the period it is determined the meter was stopped.

601.3 METER CONSTANTS

In the event a meter constant is found to be incorrect, the Cooperative may adjust the member's bill for the period of time it is determined the meter constant was incorrect, not to exceed the terms outlined in Policy 1007.

602. BILLING DATES – DUE DATES – SERVICE CHARGES

Bills are prepared and mailed each month with each billing being prepared for those meters in a predetermined portion of the service area. Each billing period is based on approximately 30 days of electric usage. Bills are due and payable when rendered and become delinquent if not paid within the time allotted to each billing.

When the member fails to pay the bill, the delinquent amount will appear as a past due amount on the following bill.

Members' accounts will be subject to disconnection without further notification.

Failure to receive a bill shall not exempt member from payment of a bill or service charge.

If an account is delinquent, a Delinquent Service Charge, as listed in the Schedule of Charges, will be added to the account.

For each extension granted to a member for a delinquent balance, an Extension Service charge, as listed in the Schedule of Charges, will be added to the account. The charge will appear on the next electric bill and will be due and payable on the due date of that bill.

Where the member pays his or her bill or deposit by check, whether presented in person, through the mail, or electronically, the member agrees that the Cooperative may charge and collect processing fees, as listed on the Schedule of Charges, for checks on which payment has been refused by the member's bank.

When a check received in payment of a bill for electric service or deposit is returned by the bank as invalid, the account will be debited for the amount of the check plus the appropriate handling fees and new or additional deposit amounts required in accordance with the Cooperative's deposit policy. The member will be notified by letter that the amount of the check is due immediately to avoid disconnection of service. Extensions will not be given to make payment for returned checks. The member will be placed on a cash only basis for payment and the Cooperative will no longer accept a personal check as payment for electric service for a period of 12 months. Exceptions to cash only requirement may be made at the Cooperative's discretion.

When a delinquent account balance forces field collection or disconnection by a Cooperative employee, all applicable fees will be charged in accordance with the

Schedule of Charges, including, but not limited to, a Field Service Charge, for each visit. If the Cooperative is authorized to reset a meter disconnected for non-payment and this is done outside of regular working hours, or on days the Cooperative is closed, the Cooperative will collect in addition to the delinquent bill and other applicable charges, an overtime charge as listed in the Schedule of Charges.

If it becomes necessary to bring legal action against a member in order to collect delinquent accounts, the member will also be responsible for any court costs and reasonable attorney fees.

Payments may be paid by mail or in person during office hours at either the main office in Morehead City, North Carolina, or the branch office. Payments may be made at any time at the depositories located at the Cooperative offices or at any location designated by the Cooperative. Members' bills may also be paid by authorized bank drafts executed by the Cooperative, by use of any major bankcards that have been approved for acceptance by the Cooperative's financial institution, or by any other means designated by the management of the Cooperative.

603. METER TAMPERING

603.1 UNAUTHORIZED CONNECT

When it is determined through verification and investigation by the Cooperative that a service has been connected/reconnected by anyone other than Cooperative personnel and without authorization by the Cooperative, but not with intent to steal electricity from the Cooperative, a Meter Tampering fee as listed in the Schedule of Charges will be required, in addition to payment for any electric usage, and payment of an adequate deposit for the account.

603.2 THEFT OF ELECTRICITY

When it is determined through verification and investigation by the Cooperative that a service has been by-passed, jumped out, or altered in any way to avoid registering usage for the obvious and deliberate intent of stealing electricity from the Cooperative, a Meter Tampering fee as listed in the Schedule of Charges will be required, in addition to payment for any stolen usage, and payment of an adequate deposit for the account. At the Cooperative's discretion, violations may lead to prosecution.

603.3 HAZARDOUS CONDITIONS

Upon the discovery of a condition considered to be an immediate danger to life and health, either by verification by Cooperative personnel, and/or by verification and written request of an electrical inspector, the service will be disconnected immediately and without prior notice.

Upon disconnection, the member will be notified by phone and/or mail of the date the service was disconnected, the reason for the disconnection and the procedure to get the service reconnected. The service will be reconnected upon correction of infractions and receipt of an approved electrical inspection, if required.

603.4 VIOLATION OR NONCOMPLIANCE

Service may also be disconnected immediately and without prior notice for a violation of and/or non-compliance with any applicable federal, state, or local laws, regulations, and

codes, or for non-compliance with By-laws, Rules and Regulations of the Cooperative.

604. EXTENSION OF CREDIT

The Cooperative may deviate from its policy on disconnection for non-payment. The Cooperative will evaluate special circumstances, and applicable fees may be waived.

605. GENERAL CONDITIONS FOR MEMBER WITHDRAWAL

1. A member may voluntarily withdraw in good standing from membership upon compliance with the generally applicable conditions set forth following:
Payment of any and all amounts due the Cooperative, and cessation of any non-compliance with his membership obligations, all as of the effective date of withdrawal, and either
Removal to other premises not furnished services 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 his membership.
2. Upon such withdrawal, the member shall be entitled to refund of any service security deposit plus interest then held by the cooperative.

606. ACCOUNT CONNECTION CHARGE

A connect charge, as listed in the Schedule of Charges, shall be paid for connecting an account with electric power. This service charge applies to new accounts being connected for the first time or accounts being reconnected, other than disconnection for non-payment. When the connection of an account only requires the placement of or reading of a meter, same day service can be guaranteed by payment of a premium service charge, as listed in the Schedule of Charges. These charges are in addition to any other applicable charges, fees, or unpaid bills.

When a member dies and a family member or an administrator of the estate applies for the service, the connect fee shall be waived if the electric accounts involved are closed and opened with the last billed reading and if no field visit is required.

607. OVERTIME CHARGE

Overtime is charged for any authorized services rendered outside of regular working hours, and days the Cooperative may be closed, other than outage caused by trouble on distribution equipment. The overtime charge, as listed in the Schedule of Charges, will be in addition to the other fees and service charges.

608. EQUALIZER PAYMENT PLAN

The Equalizer Payment Plan is available upon request for members who desire to pay an equalized monthly amount for residential electric usage. The amount of the Equalized Payment Plan will be based on the average usage for the number of months the member has been at the service location or the previous twelve (12) months, whichever is less. The member may request to be removed from the Equalizer Payment Plan at any time. The Cooperative may remove a member from the Equalizer Payment Plan if:

1. Delinquent more than twice during any twelve- month period.
2. Service is disconnected for non-payment or meter tampering.

3. Checks are returned for two (2) consecutive months, or three (3) checks are returned during a 12-month period.

609. LOAD MANAGEMENT PROGRAM

The Cooperative shall provide and install, as available to qualified members, a Load Management Control Device at no cost. The device will be installed for the purpose of controlling peak KW load, resulting in savings of purchased power cost to the Cooperative and its members. The device is not intended to alter the lifestyle or cause inconvenience to the member. If the results prove to be unsatisfactory, the device will be removed at the member's request.

The Cooperative will review the Load Management Program as needed to keep abreast of current economic and market conditions. The policies and practices pertaining to the Load Management Program contained herein are subject to change, modification, or termination without notice.

Load Management Devices may be installed on rental or owner-occupied residences. Qualification of new dwellings shall be based on calculated consumption. The following criteria must be met:

1. The premises must have a central air-conditioning system, and
2. Projected on a history of minimum average usage of 800 kWh per month or a 4-month average of not less than 750 kWh per month for the months of June through September or
3. A water heater with a capacity of not less than 30 gallons, and
4. Minimum usage of not less than 500 kWh per month for 6 months of the most recent 12-month period, or projected usage of not less than this.

Load Management incentives are outlined in the Cooperative's Rate Schedules.

610. ENERGY RESOURCES CONSERVATION PROGRAM

ERC loans require payment of a loan-processing fee and a credit report fee as listed in the Schedule of Charges. If the member's loan application is approved, closing fees as listed in the Schedule of Charges will also apply.

As of March 2002, ERC loan billing statements may be included on the member's electric bill as long as the member requests this service and the Cooperative agrees. In the event of a partial payment of the combined ERC loan bill and the electric bill, payments will be applied to the ERC loan before being applied to the electric bill. In such cases, the electric account may be treated as delinquent and will be treated according to the Cooperative's applicable policies and procedures dealing with nonpayment of accounts.

611. ENERGY AUDITS

The Cooperative will perform Energy Audits for any residential dwelling, or for commercial buildings under 2000 square feet. Audits will be performed for a fee and are available to non-members as well members of the Cooperative. Audits will be performed after satisfactory arrangements have been made for payment of the appropriate Energy Audit fee as outlined in the Schedule of Charges.

Members, who have audits conducted for the purpose of improving the energy efficiency of their residence or business, may receive a 50% refund of their Energy Audit fee, if in

the opinion of the Cooperative, a significant portion of the recommended improvements is implemented within 12 months. The member must request the refund and Cooperative personnel will return to the service location to evaluate the improvements.

612. TRIP COST RECOVERY

The Cooperative is committed to providing excellent customer service. Cooperative employees are dispatched to provide services for member/owners in response to requests by these individuals or their agents. When the Cooperative makes a trip where it cannot perform the services requested as a result of inaccurate information being provided, a Field Service Charge may be applied. If repeated trips are made for a member/owner or agent, the Cooperative may charge up to three times the Field Service Charge. The Field Service Charge is defined in the Schedule of Charges.

700. SCHEDULED OUTAGES

Although the greater part of the Cooperative's line maintenance and repair work is done with lines energized, there exist requirements for outages due to some work on the line. Such work shall be done, as far as possible, at a time, which will cause the least inconvenience to members.

The members to be affected by such interruptions shall, if practical, be notified in advance.

800. POWER USAGE AND PRODUCTION

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 the by-laws, rules, and regulations of the Cooperative, and by state or local laws, rules, and codes.

801. COGENERATION AND SMALL POWER PRODUCTION

Installation of generation equipment by small power producers to be interconnected, other than defined in section 802, will be considered on a case-by-case basis.

802. INTERCONNECTION FOR SMALL RENEWABLE POWER PROJECTS

On August 27, 2007, Carteret-Craven Electric Cooperative adopted the Public Utility Regulatory Police Act of 1978 (PURPA) Interconnection Standard as amended by the Energy Policy Act of 2005. The standard offers interconnection for member-owned generation pursuant to such policies, practices, agreements, and rates as the cooperative determines are appropriate and reasonable.

1. General Provisions: The member-generator shall provide the electrical interconnection on its side of the metering equipment and bear total cost of the interconnection. The Cooperative will make such modifications to the Cooperative's system as are reasonably necessary to accommodate the facility, also at the member-generator's expense. The cost for such modifications is due in advance of construction.
2. Safety and System Protection Requirements: The Member-generator shall ensure, at its own expense that the Facility includes all equipment necessary to meet applicable safety, power quality, and interconnection requirements, as specified in

the “Standard Interconnection Agreement for Carteret-Craven Electric Membership Corporation.” The member-generator shall not commence parallel operation of the facility until the Cooperative has inspected the facility, including all interconnection equipment, and issued a written approval for its operation.

3. Fees and Charges:
 The Member-generator will bear total costs for all Cooperative owned and maintained facilities constructed and/or installed by Cooperative to accommodate the interconnection and safe operation of Member's Generator in parallel with Cooperative's electric system in accordance with Section 900, Subsection X. in the Schedule of Charges of the Service Rules and Regulations.

900.

Carteret-Craven Electric Cooperative
 SCHEDULE OF CHARGES

I. OVERHEAD

A. New Developments

1	Backbone	Per lot	\$658.00
	One-phase system	Per foot	\$2.63
	Multiphase system	Per foot	\$4.68
2	Extensions through Undeveloped Areas		
	One-phase system	Per foot	\$5.39
	Multiphase system	Per foot	\$7.45

B. Permanent Residential Dwellings

1	Primary Extensions		
	One-phase system up to 1000 ft.		\$1.32
	One-phase system beyond 1000 ft.	Per foot	\$5.39
	Multiphase system	Per foot	\$7.40
2	Secondary Service Extensions		
	All permanent overhead residential services		\$100.00
	One phase beyond normal POD	Per foot	\$1.32
	Multiphase beyond normal POD	Per foot	\$2.22
	Additional pole beyond normal POD	Each	\$294

C. Permanent Commercial, Industrial, or Non-residential

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1	Primary Extensions		
	One-phase system up to 1000 ft.		\$1.32
	One-phase system beyond 1000 ft.	Per foot	\$5.41
	Multiphase system up to 700 ft.		\$3.64
	Multiphase system beyond 700 ft.	Per foot	\$7.40
2	Secondary Service Extensions		
	All permanent overhead non-residential services		\$100
	Single phase beyond 150 ft.	Per foot	\$1.32
	Multiphase beyond 150 ft.	Per foot	\$2.22
	Additional pole in excess of one	Each	\$294.00

D. Temporary Service – Residential, Commercial, or Industrial

1	Secondary service up to 75 feet		
	Connect fee		\$100
	Additional pole	Each	\$294.00
2	Primary or secondary extensions more than 75 feet		
	Connect fee		\$100
	Line extension and retirement charge		Total cost

II. UNDERGROUND

A. New Developments – Typical Construction

1	Backbone System		
	Cost per lot		\$1,410.00
	Secondary cable	Per foot	\$2.64
	Single-phase primary cable	Per foot	\$4.02
	Multiphase	Per foot	\$12.06
2	Extensions through undeveloped areas		
	Single-phase system	Per foot	\$12.06
	Multiphase	Per foot	\$16.07

B. Permanent Residential, Commercial, or Industrial Buildings

1	Primary Extensions		
	Single-phase cable	Per foot	\$5.99

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	Multiphase cable	Per foot	\$12.06
2	Secondary Extensions		
	Cost per service drop		\$203.00
	Single-phase cable	Per foot	\$4.02
	Multiphase cable	Per foot	\$5.29
	Secondary Pedestal	Each	\$137.52
	Secondary Connector	Each	\$37.61
	Three-Phase Concrete Pad	Each	Actual Cost

C. Temporary Service Connect Fee – 5 feet maximum \$100.00

D. Abnormal Trenching

1	Hand trenching	Per foot	\$19.98
2	All others	Per foot	Actual cost

E. Boring under Streets and Driveways Actual cost

F. Underground Service Relocation

1	Up to 15 feet		
	Underground splice	Each	\$6.58
	Hand trenching	Per foot	\$19.98
	Additional cable	Per foot	\$5.99
2	More than 15 feet		Total Cost

III. OVERHEAD TO UNDERGROUND CONVERSIONS

A. Residential Secondary Service

1	No load added		
	Existing overhead service retirement		\$139.00
	Underground service	\$4.02 per foot plus	\$203.00
2	Load added which requires an OH Service Conductor Upgrade		
	Existing overhead service retirement		No charge
	Underground service	\$4.02 per foot plus	\$203.00

B. Non-residential Secondary Service

1	No load added		Total Cost
2	Load added which requires an overhead service conductor upgrade		
	Existing overhead service retirement		No charge

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	Single-phase service	\$4.02 per foot plus \$203.00
	Multiphase service	\$5.17 per foot plus \$203.00

IV. CONDUIT

1	2-inch PVC	Per foot	\$1.32
2	2 ½-inch PVC	Per foot	\$2.03
3	4-inch PVC	Per foot	\$3.36
4	4-inch steel	Per foot	\$14.56

V. DEPOSITS

1. Residential: The greater of \$250 or the highest estimated power bill for 2 ½ months of service.
2. Other than residential: The greater of \$250 or the highest estimated power bill for 2 ½ months of service.
3. Temporary service for contractors: \$25.00

VI. SERVICE FEES

1	Connect		\$15.00
2	Field service charge – Field Service Rep		\$30.00
	Field service charge – two-man service crew		\$75.00
	<i>Delinquent disconnect, delinquent reconnect, delinquent field extension, delinquent field collection</i>		
3	Delinquent service charge	The greater of \$5 or 1.5%	
4	Extension service charge	The greater of \$5 or 1.5%	
5	Meter Test		\$45.00
6	Overtime – Field Service Representative		\$55.00
	Overtime – two-man service crew*		\$140.00
7	Premium Service – Field Service Representative		\$30.00
	Premium Service – two-man service crew		\$75.00
8	Returned check		\$35.00
9	Guarantee contract fee		\$10.00
10	Residential credit check fee		\$10.00
11	Other than residential credit check fee		\$25.00

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12	Trip cost recovery – Field Service Representative		\$30.00
	Trip cost recovery – two-man service crew		\$75.00

VII. ERC LOAN FEES

1	Energy audit		\$100.00
2	Loan processing fee under \$3,000		15.00
3	Loan processing fee over \$3,000		43.00 ¹
4	Closing fee under \$3,000		76.00 ¹
5	Closing fee over \$3,000		142.00 ¹
1	<i>Board-authorized changes to be made as necessary to reflect actual fees.</i>		

VIII. ENERGY AUDIT FEES

1	Member only walk-through (no equipment sized)		No charge
2	Members (with equipment sized)		\$100.00
3	Members (equipment sized from building plans)		150.00
4	All non-member audits		\$300.00

IX. METER TAMPERING FEES

1	Unauthorized connect		\$50.00
2	Theft of electricity		200.00
	<i>Board-authorized changes to be made as necessary to reflect actual fees.</i>		

X. RENEWABLE POWER PROCESSING FEES

1	Under 25 kW		\$100.00*
2	Under 100 kW		250.00*
	<i>*Additional interconnection fees will apply.</i>		

XI. SECURITY LIGHTING – Extension for Residential

Commercial or Town

A. Overhead extension

1	Set-up fee		\$62.00
2	Contract term		One year

B. Underground extension

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1	Set-up fee		\$127.00
2	Secondary cable	Per foot	\$1.56
3	Primary underground cable		Total cost
4	Contract term		Two years