

SERVICE RULES AND REGULATIONS

Of French Broad Electric Membership Corporation

100 ELECTRIC SERVICE AVAILABILITY

101 Application for Service

Any applicant shall sign a written application for membership and pay any consumer deposit that may be required by the Cooperative. In this application, applicant shall agree to purchase from the Cooperative all central station electric energy used on premises and to be bound by the Cooperative's Certificate of Incorporation and Bylaws and all rules, regulations, and rate schedules established pursuant thereto.

A supplemental written contract on form provided by Cooperative may be required from any applicant whose estimated demand is 50KW or more and may be required from any applicant to which extension of service beyond 1000 feet is applicable under Section No. 103.

There will be a service charge for meters installed during normal working hours in the amount of \$25*. For meter installation requested after normal working hours, there will be an additional charge of \$50*.

The Cooperative has the right to refuse service if it is determined that the person seeking service is attempting to evade payment of a past-due account or assisting someone else evading a past-due account.

102 Consumer Deposits

Each member served under residential rates shall deposit a minimum deposit of \$500 per account. Management may require an additional deposit where prior experience indicates that a customer is considered a credit risk. In lieu of any deposit, an approved letter of good credit from the previous supplier of electricity indicating a prompt payment record over the past twelve months may be accepted, or another member in good standing may have the service connected in his name and accept responsibility for payment of the bill, or a written agreement may be obtained from the property owner that he will guarantee payment by putting the account in his name.

Commercial consumers that make application under the regular commercial rate and not under special contract may be required to pay a deposit based upon the greater of \$500 or the estimated amount of two month's power bill when in full operation.

Deposits other than those described above may be required by special contract or when, as determined by the Cooperative management, 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, and the financial dependability of the member.

Consumer deposits shall be refunded with interest to members who pay their bill on time for 12 consecutive months. The interest rate will be based on the passbook savings rate in effect at local banks and will be adjusted January 1 of each year.

When service is disconnected for any reason, the consumer deposit, if not already refunded, will be refunded or applied against any unpaid balance owed to the Cooperative.

103 General Extension Policy

A. Permanent Dwelling. It is the desire and intention of the Cooperative to make electric service available to all permanent residences in its service area consistent with sound business practice and proper management. The Cooperative considers a permanent residence to be a fixed, permanent dwelling connected to an inspected and approved septic and water systems. System studies have shown that the average line extension to a residential primary dwelling costs the Cooperative \$7,500. Therefore, in an effort to keep utility line extension costs affordable to each member requesting electrical service, the Cooperative will grant a credit of up to \$7,500 towards the construction of an overhead / underground line extension. This construction will take place along the most feasible route determined by the Cooperative. The member will pay any additional costs associated with a more expensive route. If the line extension exceeds \$7,500 in estimated cost, the member requesting such service will pay in advance an aid to construction for the line extension costs above \$7,500. An additional credit of up to \$1,500 may be granted for a right of way maintenance credit if the customer chooses primary underground construction to their residence.

In all cases other than a permanent residence, a credit up to \$1000 will be given to a new line extension and the member will be responsible for all additional costs and will pay such in advance. The Cooperative retains ownership of all facilities and retains the right to serve other members from these facilities and to tap these facilities to serve other members.

The member will provide the Cooperative with all necessary right-of-way easements for said construction.

In the event the meter is not connected at the time of electrical service is made available, a minimum billing will be sent to the member for such service.

B. Underground Subdivision. A subdivision is defined as a tract of land which is divided into multiple parcels to be sold as individual lots. The Cooperative strives to provide the developer of this property adequate electrical service to each lot. Since each development is unique in its design and layout, the Cooperative will determine the cost to provide adequate electrical service to each individual lot the developer desires to serve. These costs will include all the materials necessary and will be an aid to construction, due and payable by the developer before the Cooperative installs any part of the service. Labor to install these facilities will be provided; however, the overhead extension policy of 1000 feet is not applicable within a subdivision. The Cooperative retains ownership of all facilities and retains the right to serve other members from these facilities and to tap these facilities to serve other members. The developer will provide the Cooperative with all necessary right-of-way easements for said construction in addition to any aid to construction costs.

104 Temporary Service

A. Temporary service for construction of buildings or other establishments which will receive permanent service from the Cooperative upon completion will be provided under standard applicable rate and under same conditions as construction to permanent building or establishment as specified in Section No. 103, General Extension Policy.

1. Where permanent service will be underground secondary, the Cooperative reserves the right to require that temporary service will be taken at the Cooperative's last pole.

2. Where permanent service will be provided underground, the Cooperative reserves the right to refuse to provide temporary service utilizing the underground secondary conductor, if management determines that it would be unsafe to do so.

B. Temporary service for construction projects where Cooperative will not furnish permanent electric service (such as carnivals, fairs, etc.) will be furnished under standard applicable rates, upon receipt of contribution in aid to construction and/or facilities extension charge equal to twice the estimated labor and other costs in constructing the line plus the cost of any unsalvageable material.

105 Service Connection

The Cooperative has the right, in rendering service to member, to install poles, lines, transformers, 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 and adequacy of electric service.

All conductor provided by Cooperative will be of sufficient ampacity to carry the anticipated load taking into consideration transformer ampacity, diversity, and distance from the transformer to the load. Any additional ampacity required of the member's wiring that is required by state or local government or excessive length beyond the control of the Cooperative shall be the responsibility of the member.

In general, only one service drop will be installed to serve a building. The service must be installed at a point acceptable to the Cooperative. The Cooperative reserves the right to refuse connection to a service if it has not been placed at a location specified by the Cooperative. The Cooperative assumes no liability beyond the point of connection at the member's wiring. Service conductors, meters, and other Cooperative equipment shall not be connected or disconnected by electrical contractors or others. If such connection is made by unauthorized persons, the service will be subject to immediate disconnection without notice to the member. The Cooperative will not be liable for any loss or damage resulting either from unauthorized connection of service or from consequent disconnection of the service by the Cooperative.

The Cooperative will provide and install the meter and requires the member to purchase and install an approved meter base.

The Cooperative will provide current transformer metering for anticipated demands that exceed 100KW as determined by the Cooperative.

On an existing dwelling where the meter is located inside of the building prior to November 24, 1992, the account may be pole metered at the Cooperative's discretion and expense.

Permanent service connection will be made when the following conditions are met:

1. Signed Application for Service.
2. Payment of deposit, if required.
3. Payment of any previous amounts owed to the Cooperative, if applicable.
4. Completion of any Supplemental Written Contract or Agreement, if required.
5. Payment of any required aid to construction.
6. Executed right-of-way easements.
7. Proof of inspections required to meet local and state governmental standards.

A. Overhead Service Connection. The point of delivery for overhead service shall be at the member's weatherhead. All wiring on the load side of the weatherhead shall be the sole responsibility of the member and shall be wired in accordance with the National Electrical Code and comply with all local and state government permits and regulations.

The point of attachment of a service drop to a building should be at least 15 feet above ground where practicable, but shall in no case be less than 12 feet or more than 25 feet. The point of attachment shall be at a height to permit the service drop to be installed with a minimum clearance of 20 feet over public roads, streets, or alleys, 18 feet over private driveways and 18 feet over space accessible to pedestrians only. Clearances as required by the National Electrical Safety Code and the National Electrical Code shall be maintained between communication wires and electrical wires. The member shall provide and maintain a safe substantial support for the Cooperative's service wires and in no case will the Cooperative be responsible for the condition of any member's building to which the wires are attached. Houses, buildings, mobile homes, etc., having a low roof may require an extension support above the roof in order to provide the necessary clearances. Where rigid conduit is used for the extension support, it shall have a minimum diameter of two (2) inches and shall not extend over three (3) feet and six (6) inches above the roof and shall be sufficiently anchored.

B. Underground Service Connections

1. New Secondary Service (120 to 600 volts). The Cooperative will, at the member's option, install underground secondary electric service from its primary facilities to provide electric service to any new premise, provided the member agrees to provide his own trenching and back-filling which will meet the specifications of the Cooperative, and the member will provide the Cooperative with all necessary easements, rights-of-way, franchises, and permits for the installation of such underground facilities or system. This is not applicable for three phase service, Large Power Service, or single wide metal frame mobile homes.

2. Meter Located on House or Building. Point of delivery shall be at the top lugs of the meter base. It shall be the responsibility of the member to have the meter base and all wiring on the load side of the meter base to be wired in accordance with the National Electrical Code and comply with all local and state government permits and regulations.

3. Pole-metered Underground Service to House or Building. If a member chooses to locate his meter on a pole, the point of delivery shall be at the weatherhead of the pole meter. It shall be the responsibility of the member to provide the wire, mast, and weatherhead for the pole meter, to provide and install the secondary wiring to the house or building, and to have the electrician connect the underground secondary cable in the meter base and the house in accordance with the National Electrical Code and all state and local government permits and regulations.

C. Primary Service Connections. If a member desires to take service at primary voltage, all substation structures and or vaults and all substation electrical equipment shall be installed, owned and maintained by the member. It is the responsibility of the member to make or to pay for the primary feeder line from the bottom of the disconnect switches on the pole to the substation or vault. All equipment shall comply in all respects with the National Electrical Code, National Electrical Safety Code, and Cooperative specifications.

D. New Primary Service (Above 600 Volts). At the discretion of the Cooperative and upon the request of the member or property owner, the Cooperative may install new primary electric service facilities underground, provided the member or property owner agrees to execute an "Agreement for Primary Underground Electric Service" and to make advance payment of aid to construction for the difference in cost between overhead and underground facilities, open all ditches to a depth specified by the Cooperative, provide proper bedding of the ditch bottom if required, backfill ditch after cable has been installed, and provided the member and/or property owner will provide the Cooperative with all necessary easements, rights-of-way, franchises, and permits necessary for the installation of the underground facilities. In the event the Cooperative has to make an additional site visit due to the opened ditch not meeting the Cooperative specifications, a \$150* service fee may be charged for each additional visit. Nothing in this section shall preclude the provisions of Section 103 (General Extension Policy).

E. Transformer Vaults. Where conditions are such that it is necessary to install transformers within a building on the member's premises, the member will provide a suitable vault, with approved locks and keys available to Cooperative personnel, enclosure or space as specified by the Cooperative, to house the transformer and accessories. Vaults shall be located so as to be easily accessible for installation, maintenance, and removal of apparatus and should have the entrance on the outside of the building. Transformer vaults shall contain only the transformers and their auxiliary equipment. The member's secondary fuses, switches, circuit breakers, and the Cooperative meters shall not be installed in the transformer vaults.

F. Service to Mobile Homes. The Cooperative will provide a service pole near the mobile home and allow the member to place his meter base, service mast, and disconnect device on this pole. The point of delivery shall be at the weatherhead of the member's service mast, located on that pole. It shall be the responsibility of the member to provide all wire and wiring on the load side of the weatherhead point of delivery in accordance with the National Electrical Code and all local and state government permits and regulations.

G. Additional Service Connection. A member may have any number of connections under one membership. However, member applying for additional service connection may be required to sign a written application on form provided by Cooperative and an additional deposit may be required.

H. Non-standard Service. Member shall pay the cost of any special installation necessary to meet the particular requirement for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practice, including items such as capacitors, motor protection devices, grounding and bonding, and computer isolation equipment. The Cooperative will assist the member in the technical development of high quality electric service.

I. Multiple Classes of Service. 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.

J. High Demand Service. Members who add Electric Tankless Hot Water Heaters or other electrical devices which mandate that the cooperative's electrical facilities be upgraded, including but not limited to service wires and transformers, shall be responsible for the entire cost of such upgrades. See Section 311.

106 Advance Notice For Service

Any person desiring service where facilities already exist will be expected to give the Cooperative at least a 48-hour advance notice. In the event construction is required to provide service, a minimum of ten days advance notice is required provided there is no difficulty in the member securing the right-of-way easement or materials.

107 Continuity of Service

The Cooperative shall use reasonable diligence to provide and maintain service, but in case of cessation, deficiency, variation of voltage, or any other failure or reversal of the service, resulting from acts of God, public enemies, accidents, strikes, riots, wars, failure of equipment, repairs, orders of Court, or other acts beyond the reasonable control of the Cooperative, it shall not be liable for damages, direct or consequential, resulting from such interruption or failure.

It is the policy of the Cooperative to notify the members, if practicable, when it becomes necessary to have a scheduled interruption that affects a large number of members and to schedule the interruption only when necessary and, if possible, at the convenience of the members. Please notify the Cooperative and update phone numbers and contact information.

108 Standard Supply Voltages

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

The 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 5 percent variation on a 120-volt basis:

- Single phase, 2-wire, 120 volts
- Single phase, 3-wire, 120/240 volts
- Three phase, 4-wire, Wye, 120/208 volts
- Three phase, 4-wire, Delta, 120/240 volts
- Three phase, 4-wire, Delta, 240/480 volts
- Three phase, 4-wire, Wye, 277/480 volts

The standard primary voltages described below are nominal and are subject to a plus or minus 5 percent variation on a 120-volt basis:

- *Single phase, 2-wire, 7200 volts
- *Three phase, 4-wire, 7200/12470 volts
- *In some areas, insulation levels must meet requirements for 14400/24900 volts.

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

- a. action of the elements
- b. service interruptions
- c. temporary separation of parts of the system from the main system
- d. infrequent fluctuations of short duration
- e. addition of member equipment without proper notification to the Cooperative
- f. emergency operations
- g. the operation of the member's equipment
- h. other causes beyond the control of the Cooperative.

200 CLASSES OF SERVICE

201 Primary Residential Service

This service is applicable to members for residential and farm use, supplied through one meter to each individual installation. The capacity of individual motors served through this Schedule shall not exceed 15 horsepower. This rate shall apply to members' who only have one account with French Broad Electric or have multiple accounts that can be classified as dwellings or any account using greater than 1,200 kWh per year. Applicable on a permanent year-round basis. This service is applicable to members for all legal uses in the home and on the farm on a permanent year round basis. Buildings or facilities incidental to farm or residential use may be billed from a single meter, meter pole, or individual meters at the option of the member.

In multi-family residential buildings, each family unit must be individually metered unless the monthly rental charge includes cost of electric service, in which case the billing will be under the applicable Small Commercial or Large Power rate.

When the member has a residence and business on the same meter, the member may be billed under the Small Commercial Rate.

202 Secondary Residential Service

This service is applicable to any home or apartment that is occupied for a period totaling not more than nine months per year. Meters will be read in accordance with Section No. 402A. Applicable to members for residential and farm use, supplied through one meter to each individual installation. The capacity of individual motors served through this Schedule shall not exceed 15 horsepower. This rate shall apply to non-dwelling and non-commercial accounts and to members who have a primary residential account and consistently uses 1,200 kWh per year or less. Applicable on a permanent year-round basis.

203 Small Commercial Service

This service is applicable to all commercial members, including public schools, churches, and fraternal organizations, that have a billing demand of less than 50KW. A member who has a residence in a commercial establishment and is billed through one meter may be under this rate.

204 Large Power Service

This service is applicable to members having a billing demand of 50 KW or more for at least nine months out of the previous twelve months.

205 Sell Excess Generation Rate

This service is applicable for residential customers that have an alternative power source for the generation of electric power and a Residential account with the Cooperative and contract with the Cooperative to sell excess generated capacity and energy to the Cooperative. Such alternative power sources could be solar, micro-hydro, fuel cell, wind, biomass or other not in excess of 20 kW, which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. This rate schedule is not available for commercial, industrial, emergency or standby generation service.

206 Security Lights

This service is applicable to all members and provides for the installation, normal maintenance and power for a 175 Watt mercury vapor luminaire. The light will be billed on the applicable rate schedule in effect at that time. There will be a \$25* service charge for a connect or reconnect of each security light. If more than one wooden pole is necessary to install the light there will be, at the discretion of management, either an aid to construction cost to cover the additional construction expenses incurred or an additional charge of \$175 per pole per month may be charged.

207 Street Lighting Service

This service is applicable to towns, municipalities, and other organizations desiring street lighting services utilizing standard FBEMC outdoor lighting fixtures. Such lighting will be billed under the applicable rate schedule in effect. There will be an aid to construction cost to cover unusual construction expenses to provide this service.

208 Net Metering Service

This service is applicable to any residential home which may have an alternative power source for continuous use to supply some or most of the electrical needs of the home. Such alternative power sources could be solar, micro-hydro, fuel cell, wind or other. This rate is not available for commercial, industrial, or standby generation service. This rate schedule is also not available for small power producers under the Public Utilities Regulatory Act (PURPA). Meters will be read and billed in accordance with Section No. 402. This rate is limited to 50 members.

209 Residential Generation Service

This service is applicable for residential customers that have an alternative power source for the generation of electric power and a Residential account with the Cooperative and contract with the Cooperative to sell generated capacity and energy to the Cooperative. Such alternative power sources could be solar, micro-hydro, fuel cell, wind, biomass or other not in excess of 20 kW, which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. This rate schedule is not available for commercial, industrial, emergency or standby generation service. A separate interconnection agreement will be required prior to meter installation.

210 Commercial Generation Service

Applicable for commercial customers that have an alternative renewable power source for the generation of electric power and a commercial account with the Cooperative. Such alternative power source could be solar, micro-hydro, fuel cell, wind, biomass, or other which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. The minimum rated generation capacity for this rate shall be 10 kW. This rate schedule is not available for standby generation service. A separate interconnection agreement will be required prior to meter installation.

211 Residential Detent Meter Generation Service

Applicable for residential customers that have an alternative power source for the generation of electric power and a Residential account with the Cooperative and who desire to use a single meter solution. Such alternative power sources could be solar, micro-hydro, fuel cell, wind, biomass or other not in excess of 20 kW, which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. This rate schedule is not available for commercial, industrial, emergency or standby generation service.

212 Energy Efficiency Rider

Service supplied under the Cooperative's retail rate schedules are subject to energy efficiency adjustments for demand-side management and energy efficiency programs that the Cooperative implemented after January 1, 2007 and has been approved by the North Carolina Utilities Commission (NCUC). The energy efficiency adjustments are not included in the Cooperative's retail rate schedules and therefore, will be applied to the bill as calculated under the applicable rate.

213 Renewable Energy Portfolio Standard Rider

Service under this Rider is applicable to all retail consumers of the Cooperative for the recovery of the Cooperative's incremental costs associated with meeting their Renewable Energy Portfolio Standard (REPS) pursuant to North Carolina General Statute 62-133.8 and NCUC Rule R8-67. This Rider is not for resale service. The provisions of the Schedule with which this Rider is used are modified only as shown herein. Service rendered under this Rider is subject to the provisions of the Cooperative's Service Rules and Regulations on file with the state regulatory commission.

214 Small Commercial Sell Excess Generation Rate

Applicable for small commercial customers that have an alternative power source for the generation of electric power and a small commercial account with the Cooperative and contract with the Cooperative to sell excess generated capacity and energy to the Cooperative. Such alternative power sources could be solar, micro-hydro, fuel cell, wind, biomass or other not in excess of 30 kW, which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. This rate schedule is not available for residential, industrial, emergency, or standby generation service.

215 Electric Vehicle Charging Station Rate

This rate is applicable for members who choose to install up to a total of 60 EV Level 2 chargers on this rate. These chargers will be installed by the member and work shall be performed by a qualified and licensed contractor.

300 MEMBER RESPONSIBILITIES

301 Easements and Rights-of-way

It is the member's responsibility to furnish without cost to the Cooperative all easements and rights-of-way necessary for the construction, operation, maintenance, or relocation of the Cooperative's facilities.

302 Wiring of Premises

All member wiring and equipment should meet the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction. Proof of inspections required to meet local and state governmental standards of the premise's wiring shall be made available by the member.

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

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

303 Right of Access

The member agrees that the Cooperative will have right of access to member's premises at all times for the purpose of reading meters, testing, repairing, removing, maintaining or exchanging any or all equipment and facilities which are the property of the Cooperative, or when on any other business between the Cooperative and the member.

304 Notice of Trouble

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

305 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 large momentary current demands or requiring close voltage regulations, such as welders, X-ray machines, shovel loads, motor starting across the line, etc.

306 Multi-Phase Service

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 have FBEMC approved reduced voltage starting equipment.

307 Power Factor Correction

The member will at all times maintain a power factor at the point of delivery as close to one hundred (100%) percent as practicable. Where the overall power factor of the member's load is less than 90 percent lagging, the Cooperative may require the member to install, at the member's own expense, equipment to correct the power factor, and may adjust the member's billing demand as specified by the applicable rate schedule. The Cooperative reserves the right to measure the power factor at any time.

308 Cooperative Property

All meters, service connections and other equipment furnished by the Cooperative will be, and will remain, the property of the Cooperative. The member will not interfere with or alter the Cooperative's meters, seals, or other property, or permit the same to be done by anyone other than the Cooperative's authorized agent or employee. Damage caused or permitted by the member to the Cooperative's property will be paid for by the member.

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

No person, except the employees of the Cooperative, shall alter, remove, or make any connections to Cooperative's meter or service equipment.

309 Termination of Service by Member

For termination of service, the member should give a minimum of two working days' 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 the Cooperative, and cessation of any noncompliance with the membership obligations, all as of the effective date of withdrawal; and either removal to other premises not furnished service by the Cooperative, or ceasing to use any central station electric service whatever at any of the premises to which such service has been furnished by the Cooperative pursuant to the application for service and/or supplemental written contract; and

B. Upon such withdrawal, the member will receive a refund of the balance of any consumer deposit held by the Cooperative after being applied to the member's final bill.

310 Cold Weather Disconnection Certification

The member agrees to promptly notify the Cooperative with proper certification of special handling of the member's account with respect to the Cold Weather Disconnection provisions in Section No. 406.

311 Additions/Changes to Member's Equipment

The member agrees to be responsible for notifying the Cooperative of any additions to or changes in the member's equipment which might affect the quality of service or might increase the member's electrical demand.

400 BILLING, PAYMENT, DISCONNECTION FOR CAUSE

401 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 by testing meters prior to re-installation. If a member desires to have a meter checked or tested, there will be a fee of \$50* charged in advance for the meter test. After receipt of payment, the Cooperative will test the meter and render a written report of the test to the member. If the test results indicate that the meter is registering over the legal limit of 2 percent fast, the member's test fee will be refunded and appropriate adjustments made to his account. If the meter tests within the legal limit, the Cooperative will retain the test fee to offset the expense of testing the meter. If the meter stops or fails to register correctly, the member will be billed on an estimated consumption based on previous usage of past months and similar months of past years. Automated electronic meters with radio transmitters are used to record member's demand and energy usage and this information is transmitted electronically to the Cooperative. Outage information is also transmitted to the Cooperative and this data is used to assist in restoration efforts. Members are required to have an automated electronic meter provided by the Cooperative on each electric account.

402 Billing and Payment

A. Billing Methods. Bills may be received through the following methods:

1. U.S. Mail
2. Electronically via e-mail

B. Billing Dates. All meters, except for accounts that are classified as seasonal, will be read by the Cooperative's automated meter reading system on an approximate 30-day cycle and bills will be rendered within 5 working days following the meter reading. Meters for seasonal accounts will be read at least annually and adjustments made on the billing if necessary.

C. Due Dates. 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 due date as specified on the bill. Members whose accounts remain unpaid 15 days after the due date on the bill will be subject to the collection and disconnection procedures of the Cooperative.

D. Late Fees. A late fee will be assessed to any account with a past due amount. This fee will be 1.5% of the total past due amount with a \$2.50 minimum amount and will be compounded monthly.

E. Method of Payment. Payment may be made by any of the following methods:

1. U.S. mail.
2. In person at the Main Office in Marshall, NC, or the District Offices located in Burnsville and Bakersville, NC, or at the Greene County Bank in Hot Springs, NC.
3. Night deposit box at either the Marshall, Burnsville and Bakersville office locations.
4. Online bill payment through the cooperative's website.
5. Bank draft.
6. Visa, MasterCard or Discover through the cooperative's website or by phone.

F. Collection and Disconnection Procedure. The Cooperative desires to assist all members with past-due bills to bring their accounts into current status. Members are encouraged to contact the Cooperative about their past-due bills before collection and disconnection procedures are carried out as described in Section 402.B. Appropriate arrangements for the payment of past-due bills may be made prior to disconnection of service under Section 402.B. All electric bills rendered by the Cooperative will have the appropriate provisions of Notice of Late Payment Fees and Disconnection of Service for Non Payment clearly printed on them and will serve as the member's Notice of Late Payment Fees and Disconnection of Service for Non Payment. This will be the member's only notice and includes the full amount past due. In the event that the entire past due amount is not paid after the due date on the notice and the amount is not subject to a written extension of credit approved by the District Manager, electric service will be disconnected without further notice. If service is disconnected for nonpayment, a deposit will be required in order to have the service reconnected. Members with past due bills may request information from FBEMC about appropriate agencies and organizations that may be able to assist the members in the payment of their past-due bills. FBEMC will advise members requesting such information about such agencies and organizations that are known to FBEMC.

G. Reconnect Fees and Past Due Amounts. If member is disconnected for failure to pay his or her bill, in addition to all monies owed the Cooperative including current due amounts, a reconnection fee will be charged. This reconnection fee shall be \$25* during regular working hours and \$50* after normal work hours. In addition to the reconnect fee, the member shall be responsible for the normal \$25* service charge. Failure to receive a bill in no way exempts a member from these terms and conditions. In the event disconnection results from discovery of meter tampering, a service repair or replacement fee of \$100* for a first offense or \$200* for a second offense and a charge for estimated unmetered power will be charged in addition to the other reconnect fees provided in this section. Upon a third offense, the Cooperative will have the right to refuse service to the member indefinitely.

H. Correction for Billing and Meter Reading Errors. The Cooperative will render a corrected bill when an error in billing or reading of meter has been made.

I. Returned Check Policy. Where the member pays his bill by check, bank draft, or electronic check, whether presented in person or through the mail, the member agrees that the Cooperative may charge and collect a processing fee, not to exceed \$30, for checks on which payment has been refused by the payor bank.

Anyone writing such checks shall be notified immediately and a charge of \$30 shall be added to their account. It is a violation of North Carolina law to present checks of insufficient funds, and anyone doing so is subject to immediate disconnection and possible prosecution. If the Cooperative receives such a check from a person, the Cooperative can refuse to accept further checks from that person.

J. Waiver of Default. Any delay or omission on the part of the Cooperative to exercise its right to discontinue service, or the acceptance of a part of any amount due, will not be deemed a waiver by the Cooperative of such right if the member continues to be or again becomes non-compliant with the terms of these Service Rules and Regulations.

403 Disconnection of Service by Cooperative

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

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

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

C. In the event The Cooperative discovers that a member is assisting another member in evading a past due bill, The Cooperative has the right to transfer the total past due amount to the existing member's account. This amount is due in full within 10 business days or the existing member's service can be disconnected. The Cooperative will attempt to notify the member of this infraction however, once evasion is discovered, the only recourse for the existing member is full payment of the amount owed to avoid an interruption in service.

404 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative for reasons listed in the previous section, service may be reconnected under the following conditions:

A. Where the service has been discontinued for non-payment of a bill, meter tampering, unauthorized or illegal use of power, the Cooperative will have the right to refuse service to the same member, or to anyone assisting that member in evading a past-due account, until the infraction is corrected, credit is reestablished by the member and all applicable monies owed to the Cooperative have been paid.

B. Correction of infraction.

C. Payment for any unmetered electricity if applicable.

D. Payment of appropriate reconnection fees and service charges.

E. Member must agree to comply with reasonable requirements to protect Cooperative against further infractions.

F. Member shall pay for any and all damages to Cooperative property as specified in Section No. 308.

405 Extension of Credit

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

A. When it is determined by management that enforcement of the disconnection for nonpayment provisions of Section 402.B will constitute an undue hardship in relation to the amount of the delinquent bill or that extension of credit for a time, not to exceed 90 days beyond the due date of the oldest unpaid bill will not unduly impair the Cooperative's ability to effectuate final collection of the bill; or

B. When the member involved establishes to the satisfaction of the Cooperative that his/her failure to pay the bill has resulted from some mistake on the Cooperative's part or some 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 account and the main building thereof has been destroyed by fire not caused by act of arson on the part of the member or his family; or

D. When to disconnect 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 a death.

406 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, no termination shall take place without the express approval of the Cooperative's Board of Directors and notification of the North Carolina Rural Electrification Authority if the member can establish all of the following:

- 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.

The member must provide advance notification and certification of meeting the requirements for special handling of accounts.

500 GENERAL

501 Office Hours

The Cooperative's main office is located at 3043 Highway 213 in Marshall, North Carolina, mailing address P.O. Box 9, Telephone (828) 649-2051 and 1-800-222-6190 which is a toll-free line for North Carolina and Tennessee incoming calls to the Marshall office. The Cooperative has a district office in Burnsville, North Carolina, Telephone (828) 682-6121, and in Bakersville, North Carolina, Telephone (828) 688-4815. Office and normal service hours are from 8 a.m. to 4:30 p.m., Monday through Friday. Service work is performed during normal work hours only, except for unusual conditions or circumstances. Emergency work is performed from these offices 24 hours a day, 7 days a week.

502 Other Services Available to Members

The Cooperative will investigate all reasonable requests by the member pertaining to his electric service, his power bill and the addition of electrically operated equipment.

The Cooperative will provide energy advice and evaluate proposed building plans and specifications and make general recommendations for heating and cooling systems, including insulation levels and weather stripping.

Cooperative personnel are available to present programs on electrical safety, conservation, energy usage, etc., to schools, civic organizations, and other groups upon request.

503 Charges Other Than for Electric Service

The Cooperative shall expect all other accounts to be paid in full upon the rendering of proper invoice. In the event an account is not paid within thirty days from the date of the original invoice, proper action shall be instituted for the collection.

504 Line and Facility Relocation

Upon request, the Cooperative will consider relocating lines, poles and facilities upon agreement and payment of the non-betterment cost of such relocation. Any additional right-of-way necessary for relocation will be the responsibility of the member to obtain.

Under most circumstances, the Cooperative will, upon request, raise or lower lines to afford a safe passage for buildings or equipment being moved. Parties making such requests will be required to pay the cost of labor and any material used, plus an appropriate charge for transportation equipment. Also, such parties will be required to make an advance deposit to the Cooperative of the estimated cost.

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

506 Right-of-Way Maintenance

Members shall grant to the Cooperative adequate right-of-way to provide service with the right to cut, trim, and control the growth of trees, shrubbery, and other vegetation located within the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of said line or system. The Cooperative may leave the trees, brush, and other vegetation where it has fallen except that the Cooperative will endeavor to remove material in a yard, walkway, driveway or roadway and from fences or streambeds.

Members who desire to have trees trimmed or cut which are close to Cooperative power lines and could be a possible hazard to the lines, in the opinion of the Cooperative, may contact their nearest district office and request assistance from the Cooperative in cutting or trimming. The Cooperative will schedule such work at its convenience.

507 Foreign Electricity, Parallel Service, and Standby Generation

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

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

508 Qualifying Facilities and Independent Power Producers

The Cooperative is required to comply with the Public Utility Regulatory Policies Act of 1978 (PURPA), along with rules and regulations promulgated under PURPA as they relate to qualifying facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric demand and energy to the Cooperative shall notify the Cooperative. Any contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative.

509 Complaint Procedure

A full and prompt investigation will be made of all service complaints. The recommended order for handling quality of service or bill 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 the Cooperative Manager, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the Manager to act. If the results are still not satisfactory, then:
- C. File a complaint with the North Carolina Rural Electrification Authority at 4321 Mail Service Center, Raleigh, North Carolina 27699, Telephone (919) 733-7513. Allow reasonable time for the Authority to act, then:
- D. If results are still not satisfactory, file a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to schedule the item at a regular meeting. Allow reasonable time for the Board's orders on the matter to be carried out.

510 Approval and Cooperative's Board Authority

The Cooperative's Board of Directors is the governing body and is the final authority for making and revising these Service Rules and Regulations. These Rules and Regulations and all rate schedules are on file in the Cooperative's general office, and such filing and publishing will constitute official notice to all members on such changes. Failure of the Cooperative to enforce any of the terms of the 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 rider will prevail.

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

511 Bylaws

A copy of the bylaws is furnished to each member.

Adopted November 24, 1992
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