

**ALBEMARLE ELECTRIC MEMBERSHIP CORPORATION
SERVICE RULES
AND
REGULATIONS**

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DEFINITIONS

In the event of any differences in the definitions as set forth herein and the Cooperative's Bylaws, the Bylaws control.

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

Area Coverage – The public policy obligating the Cooperative to provide service, on a nondiscriminatory basis, to all persons and entities desiring electrical service within a service territory assigned to the Cooperative.

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

Capital Credits – The amounts of the Cooperative's net margins allocated to individual members and returned on a periodic basis as determined by the Board of Directors.

Class 200 Amp Underground Backbone System – Underground primary distribution facilities rated to carry less than 200 amps of electrical current and all underground secondary facilities installed to provide service within a development.

Class 600 Amp Underground Backbone System – Underground primary distribution facilities rated to carry up to 600 amps of electrical current and all underground secondary facilities installed to provide service within a development.

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

Cooperative – Albemarle Electric Membership Corporation.

Conservation – The practice of efficiently and effectively using electric generating and transmitting facilities while avoiding wasteful consumption of electrical energy.

Debt Management Plan – A billing arrangement available to some Members who have an overdue balance and utilize the AEMC FlexPay Billing Method. Under the Debt Management Plan, 30% of each prepayment will be applied to the overdue balance until it is eliminated.

Delinquent Bill – A bill for which payment is not received in the Cooperative's office by the close of business on the 20th day from the billing date.

Development – A development is a subdivision of land that consists of more than six lots.

Electric Service – The Cooperative's legally imposed duty of supplying to an established point of delivery electrical energy service in the form of an alternating current at a frequency of 60 cycles per second at various voltages.

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

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Letter of Credit – A Letter of Credit must be from a utility that provided electric service less than six (6) months ago. It must state that the customer received service for at least twelve (12) consecutive months and that within their last twelve (12) months of service they had no more than one delinquency, no involuntary disconnections, and no returned checks.

Member – Any person or legal entity who has applied for and been accepted into membership with the Cooperative for the purpose of receiving electric service or who receives electric service from the Cooperative.

Member in Good Standing – A Member in Good Standing is a Member who after twenty-four (24) months, has never had a violation of power theft; has fulfilled all obligations for any and all accounts held in the Member's name; and, within the previous consecutive twelve (12) months, has had not more than one delinquent billing, no involuntary disconnections, and no returned checks.

AEMC FlexPay Billing Method – A billing arrangement under which a Member is required to pay for electricity prior to its use. Under the AEMC FlexPay Billing Method, the Member bears responsibility for monitoring the account to ensure sufficient amounts have been paid in advance to ensure an adequate supply of electricity to the premises, and no bills for electric energy consumed are generated. The AEMC FlexPay Billing Method is available only to those Premises served under the Residential Service Rate, and the billing arrangement requires installation of a remote disconnect collar. A Member wishing to utilize the AEMC FlexPay Billing Method must pay a connect fee, a security deposit, and the minimum electricity purchase as set forth in Appendix 2, Schedule of Charges.

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

Primary Extensions – Overhead lines or underground facilities installed to serve an electrical load rated at greater than 600 volts.

Point of Delivery – The point at which ownership of the electric service is transferred from the seller to the buyer. The Point of Delivery will be, unless otherwise specified, where the Cooperative's wiring system ends and the Member's wiring system begins. On overhead services, the Point of Delivery will be the weatherhead, and on underground services, the Point of Delivery will be the line side of the meter base; however, the Member may be required to provide and maintain certain facilities between the Cooperative's facilities and the meter.

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

Secondary Extensions – Overhead or underground facilities installed to serve an electrical load rated at 600 volts or less.

Service Agreement – The agreement between the Cooperative and Member consisting of the following:

- A. Membership Application, signed by Member and the Cooperative (together with connect fee and, if required, security deposit);
- B. Bylaws;
- C. All necessary right-of-way easements;
- D. Current applicable rate schedules and riders;

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- E. Load management agreement (if applicable); and
- F. Current Service Rules and Regulations.

All documents comprising the Service Agreement are available for review at the Cooperative's business office.

Service Voltage – The voltage at the Point of Delivery. The Service Voltage is usually measured at the service meter base or entrance switch and allowable variations are usually expressed on a 120-volt base.

Standard Billing Method – The default billing option, which requires a Member to pay for electricity after it has been delivered to the member. A monthly bill is generated for each billing period.

Standard Service Connection – Unless otherwise stated or agreed by the Cooperative, the standard service connection will be single phase, 60 cycles per second electric service provided to the Point of Delivery at the Cooperative's standard supply voltages.

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STATEMENT OF NONDISCRIMINATION

Albemarle Electric Membership Corporation is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call toll free (866) 632-9992 (voice) or (800) 877-8339 (TDD) or (866)377-8642 (relay voice users). USDA is an equal opportunity provider and employer.

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ELECTRIC SERVICE AVAILABILITY

100 Application for Membership

The Member must complete, sign, and submit the Application for Membership and Service Agreement, which shall be accompanied by a non-refundable connect fee as designated in Appendix 2, Schedule of Charges. Applications for joint membership require the signature of each individual. The Application for Membership and Service Agreement are attached hereto as Appendix 3. The Application must be completed before using, receiving, or purchasing any Cooperative service or, at a minimum, immediately upon using, receiving, or purchasing any Cooperative service. In addition to the Application for Membership and Service Agreement being available at the Cooperative's headquarters, the written Application can be transmitted by facsimile or electronically, if technology is so available. The Membership is not transferable or assignable; however, Capital Credits may be transferred to the Cooperative or to another Member.

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

When two or more rate schedules and/or riders are available, the Cooperative will assist in the selection, but it is the Member's right and responsibility to determine which to select. Refer to the Appendix 1 for descriptions of the available Rate Schedule and Riders.

101 Establishment of Credit and Security Deposit

A. For Standard Billing Method:

1. A Member has the right to establish credit in one of three ways: (1) by possessing a satisfactory credit history, as determined by an established credit reporting service acceptable to the Cooperative; (2) by making a cash deposit, which is a security deposit, with the Cooperative; or (3) by providing an acceptable Letter of Credit from a previous electric utility. The Cooperative will endeavor to fully explain all means of establishing credit. Such deposit will be based upon the risk of a business enterprise, the reputation, and history of the premises, or the credit rating and the financial dependability of the Member. If a member does not have established credit history, the cooperative may accept a guarantor signature of a Member in Good Standing in lieu of a deposit.
2. A security deposit for residential Members shall be computed on a sliding scale based upon the credit report. Security deposits are outlined in Appendix 2, Schedule of Charges. A Member in Good Standing terminating service at one location and seeking to commence like service at another location within the Cooperative's service area will not be charged a security deposit for service at the new location.
3. The security deposit for commercial Members may be on a sliding scale based upon the credit report. Security deposits are outlined in Appendix 2, Schedule of Charges. The security deposit will be collected in advance of service connection or at any subsequent time when the Cooperative determines that such a deposit is needed to ensure payment of bills.
4. Deposits other than those described above will be required by special contract or when, as determined by the Cooperative, such deposit is necessary due to the type of service.
5. After being a Member for at least twenty-four (24) months, and upon request by the Member, the security deposit will be refunded to Residential Members in the form of a credit on the Member's electric bill if the Member has remained a Member in Good Standing and fulfilled all obligations of being a Member. Additional deposits may be required at any time if the Member payment record falls below that of a Member in Good Standing.
6. If a Member wishes to convert to the AEMC FlexPay Billing Method, the final balance remaining after any security deposit amount has been applied to any past due balance may, in the sole

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discretion of the Cooperative, be transferred to a Debt Management Plan and/or the AEMC FlexPay Billing Method security deposit.

7. Upon termination of membership, any remaining security deposit or other credit will be applied against any unpaid balance owed to the Cooperative. Thereafter, any remaining amounts will be refunded to the Member.

B. For AEMC FlexPay Billing Method:

1. A Member choosing the AEMC FlexPay Billing Method must pay the security deposit set forth in Appendix 2, Schedule of Charges.
2. The security deposit shall remain in force until the meter is disconnected or the AEMC FlexPay Billing Method is terminated, and the security deposit will be returned if no amounts are due the Cooperative at that time. Otherwise, the security deposit will be applied to the past due amount, and the balance will be returned to the Member.

102 Additional Service Connections

A Member may have any number of service connections under one membership. The Member may be obligated to pay, pursuant to Section 302, a security deposit for each service and will be obligated to pay for all electric demand and energy used on the premises at the Cooperative's applicable rates. A Member with more than one account is equally responsible for current payment of all accounts, and service may be denied for a new service for failure to pay on another account of the same Member.

103 Area Coverage and Line Facilities

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

When a Member or an individual requests that the Cooperative supply electric service in a manner requiring equipment and facilities in excess of those the Cooperative would normally provide, and the Cooperative finds it practical to do so, such excess equipment and facilities will be provided as excess facilities at the cost of the Member. Costs will be collected through excess facilities charges and/or contributions-in-aid of construction as agreed upon by the Cooperative and the Member. Further, after the facilities for electric service have been provided by the Cooperative, if, through no fault of the Cooperative, such facilities must be reconstructed, the Cooperative may charge and the Member must pay for any such excess work.

104 Metering Facilities

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

Members applying for more than one class of service on the same premises will arrange their wiring so that each class of service can be metered separately.

Regardless of ownership of the facilities, the Cooperative will have the right, at its option and at its own expense, to place demand meters, voltmeters, locking devices, or other instruments on the premises of the Member for the purpose of monitoring and maintaining the Member's service.

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105 Line Extensions – Overhead or Underground

The following procedures 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 where construction design and installation of equipment to facilities may be considered non-typical as determined by the Cooperative. In these cases, the Cooperative will consider such requests and if in the opinion of the Cooperative the request is in the best interest of the membership, the request shall be granted after satisfactory arrangements have been made for payment of any contribution in aid of construction deemed necessary, by the Cooperative.

Generally, contribution in aid of construction 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 in advance a deposit to pay for the costs of performing engineering estimates for proposed construction or facility relocation. In those cases that a deposit is required to perform an engineering estimate, the deposit will be applied toward the contribution in aid of construction charges if the requested construction or facility relocation proceeds. Otherwise, the engineering estimate deposit will be forfeited by the requesting party in order to offset the expenses of calculating the estimate by the Cooperative.

The contribution in aid of construction charges will be calculated to the highest possible degree of accuracy using all known facts to compute the estimate. Once the estimate is complete and satisfactory arrangements have been made to pay the contribution in aid of construction charges, the Cooperative will proceed with the requested construction.

During the construction of a job or project for which an estimated advance payment was paid, the Cooperative will accumulate actual costs and upon completion of construction the Cooperative will bill or refund the applicant, as appropriate, for the difference between the estimated and actual costs.

The Cooperative will review The Service Rules and Regulations as needed to keep abreast of current economic and market conditions. The policies, practices, and contribution in aid of construction charges contained herein are subject to change without notice.

A. 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. 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 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 making satisfactory arrangements to pay the Cooperative any additional cost incurred thereby.

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

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Specification Manuals, and any other then existing applicable codes or standards. The facilities will be designed by using sound engineering principles and practices as the same exist at time of construction. 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 contribution in aid of construction charges. All agreements for these services shall be reduced to writing and will be provided under the following additional terms and conditions:

1. New Overhead Developments

- a. Installation of the electric distribution facilities will be installed in accordance with the Schedule of Charges contained within the Service Rules and Regulations.
- b. Undeveloped Areas: When the owner or developer requests a permanent primary distribution system to a parcel subdivided into lots which necessitates the installation of overhead primary conductors through, by, or across areas that have not been subdivided into lots and offered for sale, the Cooperative may charge, in advance, the additional costs incurred to reach the subdivided area. This charge is in addition to any other charges required by the Service Rules and Regulations.
- c. 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 may provide the conduit and the owner or developer, shall at his or her own expense, install the conduit to meet the specifications provided by the Cooperative. The conduit charge per foot is listed on the Schedule of Charges in Appendix 2. 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. These charges are in addition to any other charges required by the Service Rules and Regulations.

2. Permanent Residential, Commercial, and Industrial Buildings

- a. 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 contribution in aid of construction charge for the overhead primary distribution line extension at the per foot charge listed on the Schedule of Charges.
- b. Secondary Extensions: The Cooperative will furnish and install a single phase or multiphase overhead secondary service to the normal point of delivery after satisfactory arrangements have been made to pay the contribution in aid of construction charges listed on the Schedule of Charges. The normal point of delivery for overhead service will be on the outside wall of the end of the building nearest to the source of the Cooperative's facilities entering the member's premises or at a location designated by the Cooperative.

The Cooperative will provide secondary service to a location other than the normal point of delivery if the requesting party makes satisfactory arrangements to pay the additional cost. The cost for each additional pole is included on the Schedule of Charges. These charges are in addition to any other charges required by the Service Rules and Regulations.

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3. Other Than Planned Developments or Permanent Buildings

Requests for line extensions to small or intermittent loads such as garages, well pumps, electric fences, and the like will be constructed after any contribution in aid of service, deemed necessary by the Cooperative to make the extension economically feasible, has been paid.

4. Overhead Temporary Service

Upon application for electric service, the Cooperative will extend temporary overhead distribution facilities. A temporary service is a service to provide electric service for less than a twenty-four (24) month continuous period where the facilities installed for this service will not be needed to serve other accounts in the near future. Temporary services will be furnished and installed under the following terms and conditions:

- a. Temporary Secondary Service Extensions – Up to 75 Feet in Length: The Cooperative will extend up to seventy-five (75) feet of temporary overhead 120/240 volt triplex service for construction of buildings, homes, or other structures which upon completion will receive permanent electric service from the Cooperative. 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, Rural Utility Service, and other applicable state, and local codes. The party requesting the temporary service extension is responsible for clearing the right-of-way of vegetation and other obstacles.

Where the Cooperative must install an additional pole or poles in order to provide a temporary service that is equal to or less than 75 feet in length, the owner, member, or developer must pay a contribution in aid of service charge 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 Service Rules and Regulations.

- b. 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 seventy-five (75) feet to buildings, construction projects, asphalt plants, carnivals, fairs, temporary facilities, or other non-permanent installations on the basis of its standard applicable rates and temporary service connect fees as soon as satisfactory arrangements have been made for any facilities extension deposit and payment of any contribution in aid of construction. The contribution in aid of service charge will be based on the total estimated line extension cost added to the estimated cost of retiring the facilities less any salvageable materials.

5. 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 benefit all members of the Cooperative. Betterment of the electric system occurs when, in the sole opinion of the Cooperative, the proposed change or project results in needed repair or improvement in the location of a facility so as to afford easier maintenance, repairs, replacement, or reconstruction of the facility and, in the sole opinion 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 which 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.

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6. 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. Those making such requests will be required to pay the total costs of the work performed and a deposit will be required, in advance of construction, equal to the total estimated costs. Upon completion of the work, the Cooperative will perform a final accounting of the costs, and either bill or refund the difference between the actual and estimated costs.

B. 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 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 occasioned by such conditions may be charged by the Cooperative. 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 Service Rules and Regulations.

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 contribution in aid of service charge will be based on the total estimated line extension cost added to the estimated cost of retiring the facilities less any salvageable materials. These charges are in addition to any other charges required by the Service Rules and Regulations.

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 the Cooperative agrees that the requested changes will benefit the membership, such installations will be made only upon the owner or developer agreeing to pay to the Cooperative the estimated additional cost incurred thereby. These charges are in addition to any other charges required by the Service Rules and Regulations.

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. The facilities will be designed by using sound engineering principles and practices as the same exist at time of construction. Facilities will be operated in accordance with sound engineering principles and practices.

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Where the owner, member, or developer wishes to pave the roads, driveways, or other areas prior to the installation of the underground distribution facilities, the Cooperative may provide conduit. The conduit charge per foot is listed on the Schedule of Charges in Appendix 2. This is in addition to any other charges required by the Service Rules and Regulations. The Cooperative will also provide 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 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. These charges are in addition to any other charges required by the Service Rules and Regulations.

Protection of shrubs, trees, and grass sod during the installation of the underground facilities will be the responsibility of the owner or developer, and the owner or developer will hold the Cooperative and/or its subcontractors harmless from all costs and claims for damages. It will be the responsibility of the owner or developer to re-seed and/or maintain the trench cover.

The owner or developer will be required to pay all costs incurred in boring under or cutting through and replacing pavement within the development. Payment of these charges must be made before construction begins. This charge is in addition to any other charges required by the Service Rules and Regulations.

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

1. New Underground Developments

- a. 200 Amp Backbone System: Where single phase or multiphase 200 Amp underground backbone distribution extensions are requested through planned subdivisions, the owner or developer shall pay a contribution in aid of construction cost per foot of cable and conduit as listed on the Schedule of Charges in Appendix 2. 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.
- b. 600 Amp Backbone System: Where single phase or multiphase underground backbone distribution extensions are requested through planned subdivisions, which at the sole judgment of the Cooperative, will require underground primary facilities rated above 200 amps to serve the future load, the owner or developer may be required to pay a contribution in aid of service. This type of construction is non-typical. In these cases, the Cooperative will consider such requests and if in the opinion of the Cooperative the request is in the best interest of the membership, the request shall be granted after satisfactory arrangements have been made for payment of any contribution in aid of construction deemed necessary by the Cooperative.
- c. Undeveloped Areas: When the owner or developer requests an underground primary distribution system which service necessitates 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 the additional cost incurred. This is in addition to any other charges required by the Service Rules and Regulations.

2. Permanent Residential, Commercial, and Industrial Buildings

- a. Primary Extensions: When necessary, the Cooperative will extend underground primary distribution facilities to provide service to a meter where the distance is too great for secondary service. A contribution in aid of construction charge is required for underground

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primary extensions. The underground primary extension charge and conduit charge per foot is listed on the Schedule of Charges in Appendix 2. This is in addition to any other charges required by the Service Rules and Regulations.

- B. 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 contribution in aid of construction charges listed on the Schedule of Charges in Appendix 2. This is in addition to any other charges required by the Service Rules and Regulations.

3. Other than Planned Developments or Permanent Buildings

Requests for line extensions to small or intermittent loads such as garages, well pumps, electric fences, and the like will be constructed after any contribution in aid of service, deemed necessary by the Cooperative to make the extension economically feasible, has been paid.

4. 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 is a service to provide electric service for less than a twenty-four (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 (5) 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 contribution in aid of construction charge equal to the total estimated cost, including labor and material, of the underground extension. This is in addition to any other charges required by the Service Rules and Regulations.

5. Overhead to Underground Conversion

- a. OH to UG Secondary Services: When the owner, member, or developer requests that an overhead secondary service previously installed to serve a permanent residence be removed and a new secondary underground service installed, the owner will pay a contribution in aid equal to the estimated cost to retire the overhead service and to install the underground service. This is in addition to any other charges required by the Service Rules and Regulations and the installation of the underground secondary service will be governed by the provisions of the appropriate sections of the Underground Extension Policy.
- b. OH to UG Primary Distribution Lines: When the owner, member, or developer requests that an existing overhead primary line be replaced with primary cable, and the Cooperative agrees that the requested changes are in the best interest of the membership, 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 upon completion of the work. This is in addition to any other charges required by the Service Rules and Regulations. The installation of the underground cable will be governed by the provisions of the Underground Extension Policy.

6. Underground Relocation

- a. 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

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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. This is in addition to any other charges required by the Service Rules and Regulations.

- b. 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 contribution in aid of construction charge is in addition to any other charges required by the Service Rules and Regulations.

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CONDITIONS OF SERVICE

200 General Conditions

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

- A. The Member is in compliance with all aspects of the Application and Service Agreement and agrees to be bound by the Cooperative's Articles of Incorporation and Bylaws and these Service Rules and Regulations and applicable law.
- B. The Member agrees that the Cooperative will have right of access to the 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.
- C. The Member shall pay for all outstanding debts on the Member's accounts and for all Cooperative services for which the Member used, received, or purchased and such debts for others in the Member's household.
- D. Provision of service in no way conflicts with any covenants, public rights of way, easements, rules, regulations, or federal, state, or local statutes or ordinances.
- E. All Member wiring and equipment has met the requirements of all applicable federal, state, and local electrical codes, including the National Electrical Safety Code, as well as all requirements of the Cooperative, and the Member has provided the Cooperative with proof that all required inspections have been completed and approved by the corresponding authorities.
- F. The Member has not connected, and agrees not to connect in the future, any equipment which is not suitable for operation with the character of the service supplied by the Cooperative or which may adversely affect the Cooperative's equipment or its ability to service other Members.
- G. The Member agrees to be responsible for any additional facilities, protective devices, or corrective equipment necessary to provide adequate service or prevent interference with service to the Cooperative's other Members. Situations that may require such equipment include, but are not limited to, equipment requiring excessive capacity because of large momentary current demands or requiring close voltage regulation, such as a welder, X-ray machine, shovel load, or motor starting across the line.
- H. The Member agrees to notify the Cooperative of any additions to or changes in the Member's equipment that could affect the quality of service or increase the Member's demand significantly.
- I. The Member agrees that when multi-phase service is furnished, the Member will at all times maintain a reasonable balance of load between the phases. Three-phase motors with high-starting or fluctuating currents must be installed in accordance with the Cooperative's Rate Schedule, Riders, and Rules and Regulations.
- J. The Member agrees to promptly notify the Cooperative in writing when someone in the household is on an electrically-operated system, including a life support system, dependent on electrical power where the interruption of such power supply could affect the health and safety of an individual. The member should advise the Cooperative when special handling of such an account is needed for the health and safety of an individual. This could involve someone who is seriously or chronically ill, or disabled. Upon request by the Cooperative, the Member will provide medical confirmation of the

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needs to enable the Cooperative to reasonably accommodate the needs. Further, upon request, the Cooperative will share information with Members or local agencies or institutions which may be able to offer or provide energy crisis assistance.

201 Power Theft

- A. Power theft is the diversion of power or the unauthorized alteration or manipulation of the Cooperative's meter, wires, seals, or other apparatus in such a way as to prevent the meter from recording under seal the amount of electric service supplied to the Member. (This is a misdemeanor under North Carolina law and subject to penalty and affects Member in Good Standing status.) (ADD GS)
- B. In the event of power theft, the Member shall be assessed a fee as set forth in Appendix 2, the Schedule of Charges, together with any applicable fees for service calls, repairs, parts and equipment, locking devices, installation, or equipment the Cooperative may deem necessary to protect its interests. Such Member may also be required to pay an additional security deposit. Note that, as a result of the additional administrative burden on the Cooperative, the fee for power theft after the first such event increases.
- C. In the event of first-time power theft, the meter will be re-booted by our service personnel and sealed with a wring-off seal. All power theft events after the first occurrence will result in removing the meter and de-energizing the meter base.

202 Standard Supply Voltages

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

The service voltages described below are nominal, and variations permitted will be not less than 112 volts or more than 128 volts on a 120-volt service.

Single Phase	3 Wire	120/240 Volts
Three Phase	4 Wire	120/208 Volts
Three Phase	4 Wire	120/240 Volts
Three Phase	4 Wire	277/480 Volts
Single Phase	2 Wire	7200 Volts
Three Phase	4 Wire	7200/12470 Volts

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

- A. Action of the elements;
- B. Service interruptions;
- C. Temporary separation of parts of the system from the main system;

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- D. Infrequent fluctuations of short duration;
- E. Voltage control for load management purposes;
- F. Addition by the Member of equipment without proper notification to the Cooperative;
- G. Emergency operations;
- H. The operation of the Member's equipment; or
- I. Other causes beyond the control of the Cooperative.

203 Service Interruptions

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

Causes beyond the reasonable control of the Cooperative include, but are not limited to:

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

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

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

204 Right-of-Way Maintenance

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

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

205 Power Factor

The Member will at all times maintain a power factor at the point of delivery as close to one hundred percent (100%) as practical. Where the overall power factor of the Member's load is less than 95 percent (95%), 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.

206 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 the Cooperative's personnel and equipment by making it less likely for power to feed back into the main line from the emergency generator.

207 Qualifying Facilities and Independent Power Producers

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

Any contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative or North Carolina Electric Membership Corporation (NCEMC). NCEMC is located in Raleigh, North Carolina, and is the wholesale supplier of electric service for Cooperatives in North Carolina. The Cooperative will assist the owner/operator in making initial contact with NCEMC.

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

208 Energy Management Assistance

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

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BILLING

300 Responsibility to Read Meters

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

301 Due Dates and Failure to Pay for Standard Billing Method

Bills are due and payable upon receipt and are considered delinquent if payment is not received in the Cooperative's business office by the close of business on the 20th day following the billing date appearing on the Member's invoice. Members whose bills become delinquent will be charged a late payment fee as outlined in Appendix 2, Schedule of Charges. If the bill remains delinquent at the time the subsequent month's bill is prepared, that bill will show the amount past due and state the date on which the service may be disconnected. The member can contact the Cooperative's office prior to the disconnection date to discuss credit arrangements if the Member cannot pay the bill.

If the account remains delinquent after fifteen (15) days following the mailing of an invoice containing the notice of disconnection, which is the next month's regular bill, a supervisor within the Cooperative will review the account to determine if the Member has taken the necessary action to avoid disconnection. As a result of the continuing increased administrative expense to the Cooperative, accounts that are placed on the Disconnect List shall be assessed a fee as outlined in Appendix 2, Schedule of Charges.

After the bill with the disconnection date has been mailed and it has been determined the Member has not taken steps to avoid disconnection, the Cooperative may either dispatch field personnel, receive payment in the office, make satisfactory payment arrangements, agree to defer action because of death or illness, or disconnect the Member's electrical service. The field personnel, if dispatched, may leave a courtesy note for first-time members on the disconnect list including a field service fee, as specified in Appendix 2, Schedule of Charges, or disconnect the service without further notice. No payments will be accepted in the field. The service may also be remotely disconnected by office personnel. For each disconnection, the Member shall pay the charge as set forth in the Appendix 2, Schedule of Charges. If reconnection occurs, a reconnection fee shall be paid by the member as specified in Appendix 2, Schedule of Charges. In addition, an appropriate security deposit may be required.

302 Multiple Services

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

303 Bill In Dispute

Failure to receive a bill does not exempt a Member from payment. A duplicate bill may be obtained from the Cooperative. Neither a dispute concerning the amount of a bill nor a claim or demand by the Member against the Cooperative will alter the normal requirements for payment. See Complaint Procedure in Section 502 for resolution of disputed bills.

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304 Payments

Payments may be made at the Cooperative's headquarters or in other payment stations to the extent those are later developed, by any of the following methods:

- A. in person;
- B. in the after-hours deposit facility;
- C. by mail (check or money order only);
- D. on-line;
- E. automatic draft; or
- F. by any other method as deemed appropriate by the Cooperative's Board of Directors.

The following forms of payment are acceptable to the Cooperative:

- A. cash (only if the payment is made in person);
- B. bank draft;
- C. money order;
- D. credit or debit card (Visa or MasterCard only), and for payments less than one thousand dollars (\$1,000); or
- E. any other form of payment deemed acceptable by the Cooperative's Board of Directors.

Payments received after 3:30 p.m. on a workday are considered as after-hours payments and will be treated accordingly.

A billing procedure is offered by the Cooperative for Members who request levelized payments throughout the year. Members desiring the same should complete and sign the Cooperative's Levelized Billing Agreement.

305 Returned Checks

Any Member whose check is returned due to insufficient funds or a closed or otherwise nonexistent account will be notified immediately and a returned check fee, as outlined in Appendix 2, Schedule of Charges, will be added to the Member's account. If payment is not made within seven (7) days after the date of the notice that the check has been dishonored, service will be discontinued. However, if the Member's account is delinquent and past the non-pay disconnect date, the returned check along with the returned check fee, will be considered part of the delinquent balance and the service may be disconnected immediately without notification. If the Cooperative receives two or more dishonored checks from a Member, the Cooperative may refuse to accept further checks on that account within a 24-month period.

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306 Correction for Errors

Adjustment to the electric bill due to inaccurate metering equipment, errors in meter reading, or errors in billing will be made promptly. The Cooperative will issue immediate credit when it has over billed the Member, and the Member, if under billed, will be expected to pay any additional charges. In the event of an under billing, payments to the Cooperative may be made in installments over the same period of time during which the billing error occurred.

The Cooperative periodically tests and inspects its meters, with no charge to the Member. When a meter stops or fails to register correctly, or if the calibration is found to be in error of more than plus or minus two percent ($\pm 2\%$), the Member's account will be adjusted accordingly.

A Member may request that a meter be tested. A report will be supplied to the Member within a reasonable time after the completion of the test. A Meter Test Charge, as outlined in Appendix 2, Schedule of Charges, will be imposed for member-requested tests. However, this Meter Test charge shall be refunded if the testing confirms an error in excess of plus or minus two percent ($\pm 2\%$).

307 Credit

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

- A. When it is determined that enforcement of the Cooperative's billing policies will constitute an undue hardship in relation to the amount of the delinquent bill, and that extension of credit for a fixed time, or arrangement for installment payment of the bill will not unduly impair 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 the Member's failure to pay the bill has resulted from a mistake on the Cooperative's part or a mistake for which the Member was not responsible; or
- C. When the involved bill is a final bill and the main building thereof has been destroyed either by fire, not caused by arson, or an act of God; or
- D. When the household is immediately and directly affected by a death.

308 AEMC FlexPay Billing Method

A Member that chooses the AEMC FlexPay Billing Method will not receive a bill for electricity used at the premises, and the Member will assume full responsibility for paying for electricity in advance as well as for monitoring the account's electricity usage. Member may opt for courtesy alerts to be either emailed or texted when the credit balance falls below a selected amount. However, failure to receive these alerts will not exempt the service from being disconnected. In the event that the balance falls to zero or below, automatic disconnection may occur, seven days a week.

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DISCONNECTION AND RECONNECTION

400 Disconnection of Service by Cooperative

Service may be disconnected for noncompliance with the Bylaws of the Cooperative, Service Rules and Regulations of the Cooperative, the Application and Service Agreement with the Cooperative, or any applicable Federal, State or other local laws, regulations or codes, including, but not limited to, nonpayment for services, failure to maintain a prepaid credit balance above zero for accounts utilizing the AEMC FlexPay Billing Method, or refusal of access to the Cooperative's meters or other facilities on the premises after notice has been given and reasonable time to comply has been allowed.

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

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

401 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative, service may be reconnected under the following conditions:

- A. The conditions causing the disconnection are corrected and electrical inspections have been received by the Cooperative when required.
- B. Payment has been made for the cost of repair or replacement of the Cooperative's meter or any other properties, if tampered with or otherwise damaged or destroyed.
- C. Where the service has been discontinued for non-payment of a bill, failure to maintain a prepaid balance above zero for accounts utilizing the AEMC FlexPay Billing Method, power theft, unauthorized or illegal use of power, the Cooperative will have the right to refuse service to the same Member or to any other applicant who is a member of the Member's household or who has used or received the benefit of electricity for which payment has not been received, until the infraction is corrected, credit is reestablished by the Member and all applicable accounts have been paid.
- D. The Member has agreed to comply with reasonable requirements to protect the Cooperative against further infractions.
- E. A reconnection fee and/or any other applicable service charges and security deposits, as outlined in Appendix 2, Schedule of Charges, have been paid.

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402 Termination of Service by Member

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

A Member may voluntarily withdraw in good standing from membership under 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 and Service Agreement; and
- B. Upon such withdrawal, the Member will receive a refund of any service security deposit held by the Cooperative after being applied to the Member's final bill.

403 Waiver of Default

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

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COOPERATIVE AND MEMBER OBLIGATIONS

500 Cooperative's Board Authority

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

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

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 (OS 62-138(f)), with the North Carolina Utilities Commission.

501 Responsibilities of Member and Cooperative

Electric service is supplied by the Cooperative and purchased by the Member upon the express condition that, after it passes the Point of Delivery, it becomes the obligation of the Member to be used only as provided in the documents as set forth within the Application and Service Agreement, including the Bylaws and these Service Rules and Regulations. The Cooperative will not be liable for loss or damage to any person, property, or business, or for any direct 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, electronic equipment, or other property of the Member due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Cooperative. The Cooperative will not be in any way responsible for the transmission, use or control of the electric service beyond the delivery point, except as it might apply to the use of load management programs.

In maintaining the right-of-way, the Cooperative will not be liable for damage to trees, shrubs, lawns, fences, sidewalks or other obstructions incident to the installation, maintenance or replacement of facilities, unless caused by its own negligence.

All meters, service connections and other equipment furnished by the Cooperative will be, and 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 others than the Cooperative's authorized agent or employee. Damage caused or permitted by the Member to the Cooperative's property will be paid for by the Member.

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

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To the extent that a Member may require electric service at a level of less variation than that allowed under the standard service, any additional equipment required by the Member to ensure the required level of power quality will be at the Member's expense.

502 Complaint Procedure

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

- A. File a complaint at the Cooperative headquarters and allow reasonable time for investigation, advice, and action.
- B. If the results are not satisfactory, then file a complaint with the Cooperative's Executive Vice President providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the EVP to act.
- C. If the results are not satisfactory, then file a written complaint with the Cooperative's 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.
- D. If the results are not satisfactory, then file a complaint with the North Carolina Rural Electrification Authority, 4321 Mail Service Center, Raleigh, North Carolina 27699-4321, (919) 733-7513. Allow reasonable time for the Authority to act.

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APPENDIX 1

STANDARD RATE CLASSIFICATIONS

The following classifications are subject to change. Any additions, deletions or other modifications to Appendix 2, Schedule of Charges will be published to the members in a manner authorized by the Board of Directors and in accordance with the Cooperative's Bylaws and any applicable federal, state and laws.

Single-Phase General Service – Schedule SD

Service under this schedule is available for electric service in all territory served by the Cooperative, where the consumer takes service at one delivery point through one kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable to all single-phase consumers having load requirements which do not exceed a demand of 50 kW such as residences, apartments, churches, schools, small commercial businesses, temporary, and seasonal services. (Three-phase residential consumers with less than 50 kVA of transformer capacity that were served under Schedule A on December 1, 1977, may continue to be served under this rate schedule. However, at such time in the future that these services are disconnected and reconnected, or transferred to another consumer, this rate schedule shall not apply.)

Three-Phase General Service – Schedule T

Service under this schedule is available for electric service in all territory served by the Cooperative, where three-phase lines currently exist and the consumer takes service at one delivery point through one kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable to all single-phase consumers having demands in excess of 50 kW, and three-phase consumers whose registered demand has not exceeded 75 kW in any two or more of the preceding 12 months, or 100 kW in any one of the preceding 12 months. At the Cooperative's option, a contract may be required for service under this Schedule.

Three-Phase Large Power Service – Schedule LP

Service under this schedule is available for electric service in all territory served by the Cooperative, where three-phase lines currently exist and the consumer takes service at one delivery point through one kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable to three-phase consumers whose registered demand has exceeded 75 kW in two or more of the preceding 12 months, or 100 kW in one of the preceding 12 months, and whose average demand has not exceeded 1,000 kW in the preceding 12 months. At the Cooperative's option, a contract may be required for service under this Schedule.

Three-Phase Large Commercial Service – Schedule LCS

Service under this schedule is available for electric service in all territory served by the Cooperative, where three-phase lines currently exist and the consumer takes service at one delivery point through one

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kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable to new three-phase consumers whose registered average demand is anticipated to exceed 1,000 kW in the next twelve months or existing three-phase consumers whose average demand has exceeded 1,000 kW in the preceding 12 months. A contract for electric service may be required for service under this Schedule.

Curtable Service Rider – Rider CSR

This Rider is available as a companion schedule on a voluntary basis to any Consumer with a verifiable curtable load of at least 25 kW and is taking service under the Cooperative's Three-Phase Large Power Service or Three-Phase Large Commercial Service schedules.

The provisions of the Cooperative's Three-Phase Large Power Service and Three-Phase Large Commercial Service schedules are modified only as shown within this Rider.

Irrigation Time-Of-Day Service – Schedule I-TOD

Service under this schedule is available for electric service, single-phase or three-phase, in all territory served by the Cooperative, where the consumer takes service at one delivery point through one kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable, on a voluntary basis, to seasonal farm irrigation service. Consumers taking service under this schedule must agree to be billed under this schedule for a minimum of twelve consecutive months.

Athletic Field Lighting Service – Schedule AF

Service under this schedule is available for electric service, single-phase or three-phase, in all territory served by the Cooperative, where the consumer takes service at one delivery point through one kilowatt-hour meter. Service under this schedule is subject to the Cooperative's established Service Rules and Regulations.

This schedule is applicable to school and recreational associations for the purpose of lighting athletic fields.

Outdoor Security Light Service – Schedule OL

Service under this schedule is available in all territory served by the Cooperative, subject to the Service Rules and Regulations of the Cooperative.

This schedule is applicable to any member of the Cooperative who contracts for outdoor light service.

Wholesale Power Cost Adjustment – Schedule WPCA

The Wholesale Power Cost Adjustment clause (WPCA) is applicable to all electric service supplied under the Cooperative's Retail Rate Schedules.

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The Cooperative may implement a Wholesale Power Cost Adjustment charge at such time as its actual or projected cost of power from its wholesale suppliers exceeds or is less than the cost of purchased power recovered in the Cooperative's retail rate schedules.

NC GreenPower Rider – Rider GP-1

This Rider is available on a voluntary basis in conjunction with any of the Cooperative's Schedules for a Consumer who contracts with the Cooperative for a block or blocks of electricity produced from Renewable Resources provided through the NC GreenPower Program.

The maximum number of consumers served under this Rider shall be determined by the maximum number of blocks of electricity available through the NC GreenPower Program.

NC GreenPower Rider – Rider REN-1

This Rider is available on a voluntary basis in conjunction with any of Cooperative's nonresidential service schedules for a Consumer who contracts with the Cooperative for a minimum of 100 blocks of electricity produced from Renewable Resources provided through the statewide NC GreenPower Program.

The maximum number of customers served under this Rider shall be determined by the maximum number of blocks of electricity available through the NC GreenPower Program.

Qualifying Facilities Purchased Power – Schedule QF

Available only to members located in the Cooperative's service territory which have qualifying facilities fueled by trash or methane derived from landfills, hog waste, or poultry waste, or other generating facilities contracting to sell generating capacity not in excess of 200 kW, which are interconnected directly with the Cooperative's 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.

Renewable Energy Portfolio Standard Rider – Rider REPS-1

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 Standard Portfolio (REPS) pursuant to North Carolina General Statute 62-133.8 and NCUC Rule R8-67.

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APPENDIX 2

SCHEDULE OF CHARGES

Standard Billing Method Fees

Security Deposit (residential) ¹ Standard Billing Method .. up to \$450.00 or two months' estimated bill	
Late Payment – Standard Billing Method	\$5.00 or 1.5% of delinquent amount, if greater
Normal Disconnection & Field Service – Standard Billing Method.....	\$50.00 per occurrence
Normal Reconnect – Standard Billing Method	\$50.00
(8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays)	
Normal Reconnect – Standard Billing Method	\$125.00
(4:00 p.m. to 10:00 p.m., Monday through Friday or 8:00 a.m. to 10:00 p.m. on weekends & holidays)	

AEMC FlexPay Billing Method Fees

Initial Minimum Electricity Purchase – AEMC FlexPay Billing Method	\$50.00
Security Deposit – AEMC FlexPay Billing Method	\$25.00
Monthly Service Charge – AEMC FlexPay Billing Method.....	\$5.00
Reconnect – AEMC FlexPay Billing Method	Must bring minimum credit balance up to \$50.00

Other Fees

Connect Fee.....	\$50.00
Security Deposit (commercial).....	up to \$1,000 or two months' estimated bill, if greater
Returned Check	\$25.00
Special Disconnection ²	\$100.00 per occurrence
Special Reconnect ²	\$100.00
(8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays)	
Special Reconnect ²	\$200.00
(4:00 p.m. to 10:00 p.m., Monday through Friday or 8:00 a.m. to 10:00 p.m. on weekends & holidays)	

¹ If good credit is maintained for 24 months in accordance with rules and regulations, and upon request by the Member, the security deposit will be refunded to the Member in the form of a credit on the Member's electric bill.

² Special Fees cover instances that require personnel, equipment or procedures other than "normal" services (i.e. 1st class lineman, bucket truck) due to higher risks, safety issues, 3-phase service, etc.

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Reconnect (10:00 p.m. to 8:00 a.m.)	\$350.00
Meter Test Charge Upon Member’s Request ³	\$50.00
Power Theft Fee (1 st offense)	\$250.00
Power Theft Fee (subsequent violations)	\$500.00
Disconnect Notice Listing	\$3.50

OVERHEAD CHARGES

Overhead Secondary Service	\$55.00
Additional Pole.....	\$200.00
Single Phase Overhead Primary (1000 feet or less) per foot	\$0.00
(> 1000 ft.) per foot	\$2.75
Multi Phase Overhead Primary (300 feet or less) per foot	\$0.00
(> 300 ft.) per foot	\$4.50

UNDERGROUND CHARGES

Individual

Underground Secondary Service per <u>trench</u> foot	\$3.00
Conduit per foot	\$1.00
Underground Primary Facilities per <u>trench</u> foot	\$4.00
Conduit per foot	\$1.00

Development

Underground Development (200 Amp) per <u>cable</u> foot	\$4.00
Conduit per foot	\$1.00

SECURITY LIGHTS

Underground Cable (100 <u>trench</u> feet or less)	\$50.00
(> 100 ft.) <u>cable</u> per foot	\$1.00

The above fees and charges are subject to change. Any additions, deletions or other modifications to the Schedule of Charges will be published to the members in a manner authorized by the Board of Directors in accordance with the Cooperative’s Bylaws and any applicable federal, state, and local laws. An up-to-date list of the schedule of charges is always available from your Cooperative headquarters upon request. All underground charges must be paid in advance of work and are subject to applicable taxes.

³ Such meter test charge will be refunded if the meter’s margin of error is greater than 2%.

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APPENDIX 3

MEMBERSHIP AGREEMENT

These Service Rules and Regulations, as part of the Service Agreement between Albemarle Electric Membership Corporation and the Member, govern the supply and receiving of electric service. Membership is available to all persons within the service area of the Cooperative on a non-discriminatory basis as set forth in the Bylaws of the Cooperative. This document highlights the main points found in the Service Agreement and does not constitute a contract between the Cooperative and the Member.

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

We take great pride in providing you with quality service. We will endeavor to maintain at all times the quality service that you expect and deserve; however, we cannot guarantee continuous and uninterrupted service.

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

A. All Members

1. You have the responsibility to notify the Cooperative, in writing, if there is someone in your household who is either chronically or seriously ill, disabled, or on an electrically operated life support system. In that case, you may have the right to special handling of your account should your service become subject to disconnection for your failure to pay your electric bills. You may be required to provide the Cooperative with a statement from a physician relating to the electrical needs of the ill or disabled individual.
2. You have the right to have the Cooperative test your electric meter for accuracy and to have a report of the test results given to you. A fee, as outlined in Appendix 2, Schedule of Charges, will be charged, in advance, for the testing. The fee will be refunded if the meter is found to be outside acceptable accuracy limits.
3. You will be offered a New Member orientation including, but not limited to, explanation of Cooperative principles, bylaws, rates, meter reading, reporting power failures, and statements of nondiscrimination and conservation practices when you are accepted for membership in the Cooperative.
4. The Cooperative will send you, upon request and without charge, a copy of your account payment and billing information for the past twelve months.
5. A full and prompt investigation will be made of all service complaints. The recommended order for handling quality-of-service or billing complaints is as follows:
 - a. File a complaint at the local Cooperative office and allow reasonable time for investigation, advice, and action.
 - b. If results are not satisfactory, you should file a complaint with the Cooperative's General Manager, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the Manager to act.
 - c. If the results are still not satisfactory, then file a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to act.
 - d. If results are still not satisfactory, file a complaint with the North Carolina Rural Electrification Authority in Raleigh, 4321 Mail Service Center, Raleigh, North Carolina 27699-4321, (919) 733-7513. Allow reasonable time for the Authority to act.

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6. You may request and have installed by the Cooperative, at your expense, types of service that exceed what is normally supplied, provided that they meet the general conditions in the Service Rules and Regulations. If you need such services, please call us.
- B. As a Member of this Cooperative, you will share in its margins. Your share of the margins is called Capital Credits. The refunding of the Capital Credits is at the discretion of the Board of Directors.
- C. Members under the Standard Billing Method
1. You have the right to electric service if you establish and maintain satisfactory credit and provide the Cooperative with necessary and reasonable access to your property with respect to matters pertaining to your electric service and that of neighboring property.
 2. You have the right to establish your credit in any one of three ways: (1) you may make a cash deposit with the Cooperative, (2) you possess a satisfactory credit history, as determined by an established credit reporting service acceptable to the Cooperative, or (3) you may provide an acceptable Letter of Credit from a former electric utility. The Cooperative will endeavor to fully explain all means of establishing credit.
 3. Any cash deposit you make will be refundable in the form of a credit on the Member's electric bill upon request after twenty-four (24) consecutive months of maintaining Member in Good Standing status.
 4. You have 20 days after the billing date shown on your electric bill to pay your electric bill. After 20 days, the bill will be considered past due.
 5. If you have not paid an amount within 20 days of the billing date shown on your power bill, the Cooperative will notify you on your subsequent power bill that you have fifteen (15) days to pay the past due amount before your electric service will be disconnected for failure to pay. This notice will state the date after which service may be disconnected.
 6. The Cooperative will not disconnect electric service after 4:00 p.m. on a Friday or on a weekend or a legal holiday for non-payment.
- D. Members under the AEMC FlexPay Billing Method
1. You have the right to electric service if you make prepayments as set forth in Appendix 2, Schedule of Charges, maintain a positive cash balance on your account, and provide the Cooperative with necessary and reasonable access to your property with respect to matters pertaining to your electric service and that of neighboring property.
 2. Your security deposit will be credited to your final bill after the meter is disconnected. Any remaining credit will be refunded to you by check.
 3. Automated disconnection will occur at any time, seven days a week, if your credit balance falls to zero or below.

Office and Service Hours:

The Cooperative's business office is located at 125 Cooperative Way, Hertford, North Carolina 27944.