RULES AND REGULATIONS
GOVERNING THE ~~RENDITION~~PROVISION OF ELECTRIC SERVICE
BY WESTERN CAROLINA UNIVERSITY ~~TO ITS CUSTOMERS~~

Foreword

These Rules and Regulations are adopted to ensure the safe, reliable, and equitable delivery of electric service to all customers of Western Carolina University (hereinafter "University"). They incorporate industry best practices, align with the National Electrical Safety Code, and comply with applicable requirements of the North Carolina Utilities Commission (NCUC). These rules are designed to protect both the University and its customers, establishing clear expectations for service delivery, use, and payment.

1. SERVICE CONTRACTS:

(a) Description - A contract for electric service between Western Carolina University (hereinafter called the "University") and a Customer shall consist of

(1) The University's form of application for the supply of electricity, when signed by the Customer and accepted by the University;

(2) the applicable Rate Schedule; and

(3) these Rules and Regulations and all changes, revisions, alterations therein or substitutions therefor lawfully made.

(b) Application of Rules and Regulations - All Service Contracts in effect at the time of approval hereof or that may be entered into in the future are made expressly subject to these Rules and Regulations and any changes therein, substitutions therefor, or additions thereto lawfully made.

(c) Conflicts - In case of conflict between any provision of a Rate Schedule and of these Rules and Regulations, the provisions of the Rate Schedule shall prevail.

(d) Transfer of contract - A Contract between the University and the Customer may not be assigned or transferred by the Customer.

(e) Suspension of Contract at Request of Nonresidential Customer - In the event a Customer is prevented from using service ~~on account~~because of a complete disability of Customer's ~~plant~~facilities, University will maintain service facilities ready for immediate resumption of service for a period ~~of~~ not to exceed six (6) months without charge to Customer, provided Customer agrees to an extension of the Contract in force for a period equal to the length of disability but not to exceed six (6) months. If, during the period of suspension of the Contract, the Customer desires to use electricity in a lesser amount than the minimum provided under the Contract, it will be supplied and billed under the University's Rate Schedule applicable to such use.

(f) Cancellation of Contract at the Customer's Request - If the property of the Customer shall have become disabled so as to prevent the use of any service or energy under the Contract, the Customer shall have the ~~privilege of cancelling~~right to cancel the Contract upon written notice to the University if given within sixty (60) days of such disability, provided the Customer shall pay to the University:

(1) all unpaid charges under the applicable Rate Schedule accrued to the time the cancellation was requested, and

(2) the pro rata irrecoverable cost incurred by the University in the initial installation and subsequent removal of all facilities in connection therewith. ~~initial installation and subsequent removal of all facilities in connection herewith.~~

(g) Termination or Suspension of Contract by the University~~--~~– The University, in addition to all other legal remedies, may either terminate the Contract or suspend delivery of electricity to the Customer for

(1) any default or breach of Contract by the Customer;

(2) fraudulent or unauthorized use of electricity or use in such manner as to bypass the University's meter; or

(3) failure to pay bills, as permitted by Rule R12-8 of the North Carolina Utilities Commission relating to discontinuance of service for nonpayment of bills. A dispute as to the amount ~~of~~owed does not entitle the ~~bill shall not justify~~ Customer ~~in refusing~~to refuse to pay the bill when due. If within ~~a~~ ten (~~1O) day period~~10) calendar days following payment of a disputed bill, written notice is received at the University's office that the bill is in dispute, stating the amount and reasons for dispute, the University will forthwith investigate such complaint, and if the investigation ~~shall disclose~~discloses that ~~Customer has a just~~Customer's claim~~,~~ is correct, the University will make proper refund or credit on the next monthly bill of any amount so found to have been billed in error.

(4) in case of a condition on the Customer's side of the point of delivery (a) actually known by the University to be or which the University reasonably anticipates may be dangerous to life or property, or (b) which may cause impairment of the University's service to other Customers. No such termination or suspension, however, will be made by the University without eight (8) days' written notice delivered to the Customer personally or by mail to the last address known to the University, stating in what particular the Contract has been violated. No notice shall be given in instances set forth in (2) and (4) (a) above.

Failure of the University to terminate the Contract or to suspend the delivery of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the University's right later to resort to such remedy to address any such ground then existing or which may subsequently occur.

Any suspension of the delivery of electricity by the University, or termination of the Contract ~~upon~~for any ~~authorized grounds~~allowed reason, shall in no way relieve the Customer of his liability to pay for electricity supplied.

(h) Reconnection Fee - A charge ~~of $25.00~~ will be made for restoring service after the cause for any suspension of service by the University has been corrected~~ when such restoration~~. The Reconnection Fee amount is ~~made during normal business hours, being 8 a.m. to 5 p.m., Monday through Friday, excluding holidays. A minimum charge of $75.00 will be made for restoring service at times other than normal business hours, including weekends and holidays.~~set forth in the University's Rate Schedule MS. These charges apply also to the transfer of ~~seNice~~service from one residency or business to another ~~within~~served by the electrical distribution system.

2. CONDITIONS OF SERVICE:

(a) Requirements of Customer - The University is not obligated to supply electricity to the Customer unless and until

(1) The University's form of application for the supply of electricity is signed by the Customer and accepted by the University;

(2) in cases where it is necessary to cross property of Customer or others to deliver electricity to Customer, the Customer conveys or causes to be conveyed to University, without cost to University, a right-of-way or ~~easement satisfactory to University across such property for the construction, maintenance and operation of University's lines and facilities necessary to the delivery of electricity by University to Customer, provided, however, in the absence of formal conveyance University nevertheless shall be vested with an easement over Customer's premises, authorizing it to do all things necessary to the construction, maintenance and operations of its lines and facilities for such purposes; and~~blanket easement, by formal conveyance or by implied easement of necessity, as set forth in Section 18 of these Rules; and

(3) any inspection certificates or permits that may be required by law ~~in the local area~~ are furnished to the University.

(b) Customer Request for Relocation of Equipment - Should Customer elect to have the University change any lines or apparatus, the location of which was originally made with the consent of the Customer or prior owner(s), the Customer shall defray the expense of such changes. All privileges incident to the original location shall apply to the new location.

(c) Indebtedness ~~-~~– The University may refuse to furnish electric service to any applicant or Customer who at the time is indebted to the University for service previously supplied to such applicant or Customer or any other member of his household or business in any area served by the University, except that an applicant for residential service shall not be denied service for failure to pay such indebtedness for classes of nonresidential service.

(d) Electric Line Extension ~~-~~– The University will make overhead extensions to existing lines and install transformers, meters, and other materials~~, etc.,~~ necessary to ~~render~~provide service to the Customer beyond the University's existing lines ~~of University~~

~~to such points as will provide sufficient~~ when the anticipated continuing revenue ~~to justify such extensions; or, in lieu of~~is sufficient to justify the extension. When the anticipated continuing revenue~~.~~ is insufficient to justify the extension, the Customer may be required to advance all or a portion of the cost of ~~such~~the service ~~connections, which~~connection. Such advance may be refunded to the Customer, in whole or in part ~~as determined by~~, based on the extent to which, in the opinion of the University, the ~~earnings~~revenue generated from ~~the~~ service ~~so performed~~provided through the line extension and the ~~length of the~~anticipated term of service ~~may~~are sufficient to justify~~; or~~ the cost of the extension.

Alternatively, the University may require a non-refundable ~~contributions~~contribution in aid of construction or ~~guarantees~~a guarantee of revenue from a Customer or ~~a~~ group of Customers~~, as may be~~ when necessary to justify ~~such~~an overhead line extension. The University shall provide any applicant required to pay a contribution in aid of construction with a calculation and description of the actual cost of the contribution ~~in aid of construction~~ to be paid by the applicant for the service.

Terms of payment by the Customer ~~to cover costs of~~ for service ~~connections~~ connection costs or revenue guarantees shall be ~~made in accordance with specific agreements in writing to be~~established through a written agreement entered into ~~prior to acceptance by~~before the University ~~of Customer's~~accepts the Customer's application~~.~~ for service.

The University shall not be obligated to construct or own ~~any~~an overhead line ~~extensions~~extension or other facilities to provide ~~any~~electric service to a Customer ~~with electricity,~~when the cost of ~~which shall exceed~~the extension or facilities exceeds four (4) times the continuing annual revenue reasonably ~~to be~~ expected by the University ~~for any such overhead line~~from the extension, unless the Customer ~~contracts~~agrees to ~~cover~~pay a ~~part~~portion of the costs ~~of service,~~ in accordance with one of the methods ~~contained~~provided herein~~.~~

(e) Residential Electric Line Extensions - Normally, notwithstanding the provisions specified in (d) above, the University will make single phase overhead line extensions to the "permanent residence" of any "permanent resident" located on property owned by the Customer under the following conditions:

(1) A "permanent resident" is defined as a Customer who dwells in the connected residence not less than ten (10) months in each calendar year and who continues receiving electric service as a Customer for twelve (12) months of each calendar year.

(2) A "permanent residence" is defined as the dwelling house of a "permanent resident~~."~~." An individual trailer which has the wheels removed, is set on a permanent masonry foundation with permanent underpinning, has a connection to sewer or septic tank, and is used as the dwelling place of a "permanent resident" will be considered a "permanent residence." Trailers

which do not meet all of the above requirements will be considered temporary.

If the "permanent residence" is located within 1,000 feet (airline distance) of a hard top, gravel or stone surface road maintained by the State of North Carolina or within 1,000 feet of a previously constructed overhead primary distribution line (not covered by an effective revenue guarantee contract), University will extend service without cost to such Customer except that the Customer may be required to secure rights- of-way on property of Customer or others without cost to University or to assist University in obtaining rights-of-way.

If the location of the "permanent residence" is more than 1,000 feet (airline distance) from such a road and more than 1,000 feet (airline distance) from a previously constructed overhead primary distribution line, University may require each Customer to be served by the line extension to execute a minimum revenue guarantee contract to remain in effect for ten (10) years from the date service is tendered. However, the University may terminate such contracts earlier if it finds that the total revenue from the line extension is sufficient to justify the extension cost. The University may also establish a minimum amount of revenue guarantee ~~under which it may waive~~that could result in its waiving its right to require a contract to be executed.

The total minimum revenue guarantee for such a line extension for each complete year shall be one-tenth of the total "construction cost" of the actual extension in excess of the first 1,000 feet. However, if the permanent residence is located within 2,000 feet (airline distance) of such a road, the length of line extension in excess of 1,000 feet to be used in determining the minimum revenue guarantee shall be understood to mean the airline distance from the road less 1,000 feet or the actual line extension distance from the nearest previously constructed primary distribution line on which no minimum guarantee revenue contract is effective, less 1,000 feet, if this would result in a lower guarantee. Total "construction cost" shall be understood to mean the actual cost to University of surveying, easements for rights-of-way, tree trimming, payments to contractors for services performed, all cost of labor (including average fringe benefits), construction equipment, material and other equipment chargeable to and necessary to construct the line extension, and all other costs properly chargeable to and against the line extension, excluding transformers, service drops and meters. University may, for the purpose of standardization, establish standard construction costs ~~which shall not exceed, in any event, the most~~based on recent ~~average cost~~actual costs of ~~construction of such lines in~~constructing similar facilities in comparable areas within the University's service territory~~, in which case the term "construction cost" as used herein will be understood to mean the~~. Such standard ~~cost thus established.~~costs may include reasonably allocable direct and indirect administrative and overhead costs associated with the construction of line extensions and shall be reviewed periodically to reflect current costs.

Customers to be served by such extensions shall guarantee payments to University at the end of each calendar year equal to the amount, if any, by which each Customer's share of the total minimum revenue guarantee exceeds the total of his monthly payments received for service billed in accordance with University's service regulations and rate schedules or any revisions thereof approved or ordered by properly constituted authorities. If service is available for less than twelve (12) months in any calendar year, the guarantees for that year-end payment shall be reduced proportionally. Nothing herein contained shall, however, preclude one or more Customers from assuming more than his pro rata share of such guarantee if agreeable to the University.

Each Customer initially contracting for service from such a line extension shall guarantee, from the date service is tendered, his pro rata share of the total minimum revenue guarantee applicable to each section of the line extension to be jointly used with other Customers plus one hundred percent of said guarantee applicable to each section of said extension required for serving the Customer alone. The total minimum revenue guarantee to be allocated to each section of said extension shall be in the ratio of the length of that section to the total length of said extension (excluding the first 1,000 feet) times the total "construction cost" of the entire extension (excluding the first 1,000 feet).

Additional Customers will be connected to such an extension or to further extensions thereof only under the same terms and conditions as would apply were the extensions being constructed for all Customers. Except for the minimum revenue guarantee from each new Customer applicable to jointly used sections previously constructed, contracts to extend service will terminate simultaneously with the termination date of the first contract covering construction of the original extensions. ~~Prior~~Pre-existing contract guarantees still in effect on such jointly used sections will be reduced to reflect each additional guarantee of revenue.

The University will make overhead line extensions to residences which meet all of the requirements stipulated above for "permanent residences," other than the ten (10) months per year occupancy and twelve (12) months per year service requirements, under the same terms and conditions as those for "permanent residences" except that a minimum revenue guarantee agreement may be required if the residence is located more than 500 feet from a previously constructed primary distribution line and the total "construction cost" used in computing the minimum revenue guarantee shall ~~be understood to~~ include the total cost of the line extension from a previously constructed primary distribution line.

(f) Agreement Personal; Assignment – The rights which accrue to the Customer are personal and shall not be transferred or assigned by the Customer without written consent of the University.

3. TEMPORARY OR EMERGENCY SERVICE:

The University will furnish temporary or emergency service only when the Customer pays to University, in advance, an amount sufficient to cover the ~~entire irrecoverable~~estimated cost of making such service available and the subsequent removal ~~thereof. The cost will be~~
~~$25.00 for a one span~~ of the temporary ~~single phase service connection.~~facilities. The cost of ~~longer extensions or three phase service connections will be individually estimated. After twelve (12) months of service, Customer will receive credit toward a refund of~~ temporary service connections shall be based on the University's estimated cost of labor, equipment, materials, and other direct and indirect costs ~~at a rate of 25% of charges paid each month for electric service under the applicable rate schedule. Refunds of accumulated credits will be made at the end of~~reasonably attributable to the installation and subsequent ~~calendar years until the entire amount is refunded or until the service is discontinued. University may refund the~~ removal of the temporary service ~~charges earlier if it determines the service is permanent.~~. Temporary service requiring line extensions, three-phase service, or other special facilities shall be individually estimated based on the facilities and work required to provide service.

4. DEPOSITS:

The University may, at any time, require of any Customer or applicant a cash deposit to secure the payment of charges for power used under the applicable Rate Schedule ~~pursuant to~~, consistent with the processes and protections in Commission Rule R12-4. Even though University is not a "Public Utility" and is subject to the Utilities Commission in matters of rates only, the University ~~rules for collection of Customer deposits~~ shall ~~be as provided in~~follow Chapter 12 of the rules and regulations of the North Carolina Utilities Commission ~~establishing uniform rules for all public utilities for the collection of Customer's deposits.~~with regards to Customers' deposits. The University~~, upon~~ may require an increase or allow a decrease in said deposit if changes occur in the consumption of the Customer. Deposits may be refunded after one year if the customer has maintained a satisfactory payment history, including timely payment of bills and no disconnections for nonpayment. The University may refund a deposit at any time and, when service is discontinued, shall endeavor to locate the Customer and refund the deposit, together with any accumulated interest, less any unpaid bills. However, the deposits shall cease to bear interest when service is discontinued, and the University has tendered or endeavored to tender to the Customer their original deposit plus interest. Upon request, the University shall ~~furnish a copy of such rules to the~~provide an applicant or Customer from whom a deposit is required ~~and such copy will contain the name, address, and telephone number of the North Carolina Utilities Commission.~~with a copy of the applicable deposit rules.

5. USE OF ELECTRICITY:

(a) Power Only for Customer's Use - University will furnish electricity to the Customer for use only for the Customer's own purposes specified in and in accordance with the Contract. No electricity supplied by University may be ~~sold~~resold directly on a metered or unmetered basis by Customer to lessees, tenants, or others, and under no circumstances may Customer or other person or concern install or maintain any meter for the purpose of metering electricity supplied with the object of rendering a bill therefor, except where the Customer is a certificated public utility which purchases power solely for the purpose of resale. Electricity supplied to an owner may be in turn furnished to a tenant or occupant only when included as part of the rent with no variation on account of the quantity of electricity furnished; otherwise, electricity ~~may~~must be supplied by the University direct to each tenant through the University's individual meter.

(b) Extensions by Customer- Customer shall not, without the written ~~assent~~consent of the University, connect his installation to lines which cross over or under any public or semi-public space in order to supply electricity purchased through one meter to his adjacent properties. Such written ~~assent~~consent may be given only in instances where such adjacent properties are operated as one integral unit under the same name and ~~proprietorship~~ownership, and for carrying on parts of the same business, and where a separate type of business is not involved.

(c) Multiple Points of Delivery - Should any Customer's conditions require more than one point of delivery, a separate contract and meter with corresponding billing will be required for each delivery point. The delivery point shall be the point of delivery of electric service as designated in the Service Application and Contract.

(d) Service Voltage - Unless otherwise specified in the applicable Rate Schedule the ~~Voltage~~voltage supplied will be provided in accordance with Utilities Commission Rule R8-17. However, at the discretion of the University, and upon agreement with the Customer, service may be delivered at non-standard voltages.

6. LOW POWER FACTOR ADJUSTMENT:

Customer shall use the service in such manner that the power factor shall be maintained as near unity as practical, and to that end shall select, install, maintain, and operate its power-using equipment. Should the Customer's power factor for any month be less than 85% the University will increase the demand used for billing purposes by multiplying the maximum measured demand in kilowatts for the month by 0.85 and dividing by the power factor for the month.

7. CONTRACT DEMAND:

(a) Definition - The Contract Demand shall be the maximum KW of demand as from time~~-~~-to~~-~~-time determined in accordance with the provisions of the applicable Rate Schedule that ~~composes a~~is incorporated as part of the Contract between the University and the Customer, but shall not be less than the KW demand specified in the Customer's application. When the actual demand exceeds the currently effective contract demand, such actual demand will become the contract demand, unless within sixty (60) days the University requests the Customer to reduce such actual demand. If the University is unable, due to inadequacy of facilities then employed for the benefit of the Customer, to continue the supply of such increase, the Customer will, when requested within sixty (60) days' period, reduce ~~his~~its demand to conform to the existing contract demand or such amount in excess thereof as the University may specify in writing, which amount will then be the contract demand. If the Customer desires to take service in excess of the amount so specified by the University, the University will advise the Customer under what conditions such excess may be supplied.

(b) Load Increases - If the Customer increases ~~his~~its load without oral or written notice to an ~~appropriate~~authorized University employee, and without receiving the University's consent, and such unauthorized increase causes loss of or damage to the University's facilities, the cost of making good such loss or repairing such damage shall be paid by the Customer.

8. POINT OF DELIVERY:

The point of delivery is the point where the University's service conductors are connected to the Customer's conductors or as specified below under (a), (b), (c), and (d). The Customer shall do all things necessary to bring his service conductors to such a point of delivery for connection to the University's service conductors and he shall maintain his said conductors in good order at all times. Unless otherwise stipulated in the service contract, the point of delivery shall be located as follows:

(a) In cases of a connection of the University's overhead service conductors to the Customer's overhead service conductors, such point of delivery shall be on the outside of the wall of the Customer's building where the University's service conductors may be conveniently extended and anchored.

(b) In ~~case~~cases of connection of the University's overhead service conductors to the Customer's underground service conductors, such point of delivery shall be at a place on the University's nearest pole if such is suitable for such service. If in the opinion of the University the Customer's conduit extending up the University's pole might be hazardous due to special equipment owned by the University which is located thereon, the University may require the Customer to furnish a special pole to which the University will extend its service and make connection as in section (a) above.

(c) In cases where ground type substation is installed by the University to supply electricity to the Customer, the point of delivery shall be at a place to be designated by the University on its substation structure.

(d) Where special circumstances make it impracticable for the point of delivery to be located as stated under (a), (b), and (c) above, then it shall be at a place selected or approved by the University and, when ~~so done~~installed, the Customer shall bring ~~his~~its service conductors ~~too~~to and maintain them at such place.

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9. INSTALLATIONS:

(a) By University- The University shall install, own, operate, and maintain all lines and equipment located on its side of the point of delivery. It shall also furnish and install the necessary meter and meter transformers~~".Where~~, where necessary for metering the electricity used, though such meter will usually be located on the Customer's side of the point of delivery. However, if special conditions require it, the meter may be located on the primary side of the power transformers.

(b) By Customer ~~-~~– The Customer shall install, own, operate, and maintain all lines, service conductors, and equipment, exclusive of the University's meter, meter transformers and meter base on the Customer's side of the point of delivery, and the Customer will be the owner and have exclusive control thereof as well as of all electricity after it passes the point of delivery, except as restricted under "5" above, "Use of Electricity." Except under special circumstances, the University's meter will be located on the Customer's side of the point of delivery, and when it is to be so located the Customer must make suitable provisions in his wiring for the convenient installation of the type of meter the University will use, and at a place suitable to the University. Where a socket type meter is to be used, the University, upon application from the Customer, will furnish to the Customer (but ~~retaining~~retain ownership of) a meter base which will be installed by the Customer at his expense. The Customer shall not utilize any equipment, appliance, or device which tends to adversely affect the University's supply of service to, or the use of service by, the Customer or others.

The Customer shall not install gaseous discharge lighting with a power factor of less than 90% lagging. When polyphase service is supplied by the University, the Customer shall control ~~his~~its use so that ~~his~~its load will be maintained in reasonable electrical balance between the phases at the point of delivery. The Customer shall install and maintain devices adequate to protect his equipment against irregularities on the University's system, including devices to protect against single phasing.

(c) Access to Premises - The duly authorized agents of the University shall have the right of ingress and egress to and on the premises of the Customer at all reasonable hours for the purpose of reading meters, inspecting the University's wiring and apparatus, changing, exchanging, or repairing its property on the premises of the Customer and to remove such property at the time of, or at any time after suspension of service or termination of the Service Contract.

(d) Protection ~~-~~– The Customer shall protect the University's wiring and apparatus on the Customer's premises and shall permit no one but the University's agents to handle same. In the event of any loss of, or damage to such property of the University caused by or arising out of ~~carelessness~~intentional acts, negligence, neglect, or misuse by the Customer, ~~his~~its employees, invitees, or agents, the cost of making good such loss or repairing such damage shall be paid by the Customer.

10. CONTINUANCE OF SERVICE AND LIABILITY THEREFOR:

(a) Service Continuity- The University does not guarantee continuous service but shall use reasonable diligence to provide an uninterrupted supply of electricity, and ~~having used reasonable diligence~~ shall not be liable to the Customer for damage, for failure, or for interruptions or suspension of the same. The University reserves the right to suspend service without liability on its part at such times and for such periods and in such manner as it may deem necessary

(1) for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, or

(2) in cases where, in its opinion, the continuance of service to the Customer's premises would endanger persons or property.

(b) Responsibility for the Customer's Installation ~~-~~– The Customer assumes sole responsibility for and shall indemnify, defend, and hold the University harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property, including personal injury or property damage to Customer and his employees on account of defective construction, wiring, or equipment, or improper or ~~carless~~negligent use of electricity on Customer's side of the point of delivery.

(c) Interruptions - The University shall not be liable for damages due to interruptions of service or ~~pamages~~damages to equipment resulting either directly or indirectly from strikes, labor ~~trouble~~unrest, accidents, ~~litigation, U.S., State or municipal interference~~acts of God, wildfire, war, terrorism, governmental action, or for any cause not due to its ~~neglect~~negligence or beyond its control. The cause or causes producing such actions or omissions shall be removed with all reasonable diligence on the part of the University.

11. GOVERNMENT RESTRICTIONS:

The delivery date, quantity, and type of electricity to be supplied by the University are subject to changes, restrictions, curtailments, or complete suspensions by the University as may be deemed by it to be necessary or advisable

(a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction,

(b) on account of any emergency or shortage due to war, terrorism, pandemic, or catastrophe, or during the duration thereof, all without liability on the part of the University.

12. CREDIT CODE CLASSIFICATION:

The University hereby establishes the credit code classifications with respect ~~of~~to its Customers as set out hereinafter:

Credit Code 1 - Customers with "Credit Good"

A Customer of the University who has been such for at least the immediately preceding six (6) consecutive month period will be assigned a Credit Code 1 if that Customer's history with the University for that six~~-~~-month period reflects:

(1) that such Customer has been delinquent in paying the University no more than two (2) of the bills rendered to that Customer during that six (6) month period;
(2) that Customer has not been sent one (1) or more cut-off notices during that six (6) month period;
(3) that the University within that six (6) month period has not disconnected service to the Customer for nonpayment of amount due to the University from that Customer; and

(4) that the Customer has not tendered to the University, within that six (6) month period, any check which was not timely and duly paid when presented to the bank upon which it was drawn for insufficient ~~fund~~funds or any other similar reason.

New Customers will be assigned a Credit Code 1 classification if proof of the good credit of such Customer is submitted to the University by that Customer and found satisfactory by the University. In the absence of this submission by the Customer, the Customer shall be placed in Credit Code 2 for the first six (6) month period of service by the University and reclassified in accordance with criteria at the end of that six (6) month period. Likewise, a Customer assigned a Credit Code 1 will be reclassified to Code 2 or Code 3 when such Customer fails to meet the requirements of Credit Code 1.

Credit Code 2 - Customer with "Credit Not Good" or "Credit Unknown"

A Customer of the University who has been such for less than the immediately preceding six (6) month period and who has not submitted to the University proof satisfactory of good credit shall be assigned a Credit Code 2 classification until the Customer has been such for six (6) consecutive months and his history with University for such period entitles him to a Credit Code 1 classification or until the Customer history for a subsequent six (6) month period entitles him to such, at which time such reclassification shall be made.

Any Customer (unless assigned to Credit Code 3 classification) whose history reflects any of the following shall be assigned to Credit Code 2:

(1) that Customer has been delinquent in paying the University three (3) or more bills rendered to the Customer during that six (6) month period;
(2) that Customer has received one or more cut-off notices during that six (6) month period;
(3) that the University has within that six month period disconnected service to the Customer for nonpayment of amounts due to the University; or
(4) that Customer has tendered to the University within that six (6) month period a check which was not timely and duly paid when presented to the bank upon which it was drawn.

Credit Code 3 - Special Action Code

A Customer whose account requires special monitoring may be placed in this classification. This classification shall include Customers with a history of electric current diversion and who shall be subject to immediate disconnection upon any repetition of that offense. This Code shall also include any Customer with whom, because of undue hardship (such as illness or death), special credit arrangements have been made by the University allowing such Customer to deviate from the otherwise applicable payment, billing, or disconnection rules and procedures. Accounts shall be placed on or removed from Credit Code 3 classification only at the Manager's discretion.

13. BILLING AND DISCONNECTION RULES, PROCEDURES AND SCHEDULES

Except to the extent contrary to or inconsistent with the terms of this section, the University hereby adopts and incorporates by reference rules, procedures, and schedules found in ~~compliance with~~ Chapter 12 of the North Carolina Utilities Commission Rules and Regulations (“Chapter 12”), now and as they may be amended, relating to billing of its Customers and disconnection of University service to Customers set out in this part. These rules, procedures, and schedules supersede ~~any on file with the Commission on the date of this filing which~~those in Chapter 12 that are in conflict with the provisions hereof. The General Rules and Definitions set out in (a) of this part and the Rules, Schedules, and Procedures set out in (b) of this part apply to all Customers of the University.

(a) General Rules and Definitions

(1) Each bill of the University to the Customer for retail electric service shall be "past due" and "delinquent" if not paid within the twenty-five (25) day period immediately following the date of that bill. The date of a bill for the foregoing purposes shall not be earlier than the date on which the bill is mailed by the University to the Customer. A bill of the University shall be paid within said twenty-five (25) day period if payment of the amount due the University from the Customer billed is delivered to the business office of the University during regular business hours before 5:00 p.m. on the 25th day of said period, unless such 25th day is a Saturday, Sunday, or legal holiday, in which event the payment will be accepted until 5:00 p.m. the next business day.

(2) Payment by the Customer of a bill ~~of~~from the University within the twenty-five (25) day period in which it is due will either apply towards maintaining or improving the credit code classification then assigned by the University to the Customer.

(3) The University shall disconnect and discontinue provision of electric service to the Customer for nonpayment by ~~such~~the Customer in accordance with the provisions of the Schedule and Procedures set out in (b) of this part. All schedules set out in (b) of this part assume that the bill in question is

rendered prior to or on the first day of the month. If the actual mailing date is advanced, all other dates will be advanced accordingly.

(4) Failure to receive a statement will not entitle the Customer to any delay in paying the amount due beyond the date when the bill is due and payable.

(b) Billing and Disconnection Rules, Schedules, and Procedures

Credit Code 1	
Schedule	**Procedure**
Bill mailing day of initial month	Bill mailed
Bill mailing day of the succeeding month	Second bill mailed with prior balance added.
Bill mailing day of the third month (Day 1)	Third bill mailed with prior balance added and including reminder notice
Day 8	Office efforts to contact delinquent customer
Day 15	Disconnect notice mailed. Seven days allowed to make credit arrangements
Day 25	If no action is taken by customer, Manager approves final disconnect order
Day 27	Customer may be disconnected
Credit Code 2	
Schedule	**Procedure**
Bill mailing day of initial month	Bill mailed
Bill mailing day of the succeeding month	Second bill mailed with prior balance added.
Day 15	Disconnect notice mailed. Seven days allowed to make credit arrangements
Day 25	If no action is taken by customer, Manager approves final disconnect order
Day 27	Customer may be disconnected
Credit Code 3	
Disconnect notices will be sent only by action of the Manager.	

14. FINANCE CHARGE ON DELINQUENT OR PAST DUE BALANCES

For all Customers, the University shall impose a finance charge at the rate of 1% per month on all past-due or delinquent balances of such Customers. Such finance charges shall be applied and revealed in a manner consistent with the provisions of Utilities Commission Rule R12-9(d).

15. FEE TO BE CHARGED CUSTOMER FOR TENDERING A "BAD CHECK" TO THE UNIVERSITY

~~University shall charge any Customer of University a fee of twenty-five dollars ($25.00) for each bad check tendered to University on payment of account.~~ A "Bad Check" shall mean any ~~which~~tendered check, attempted electronic funds transfer, other form of payment by the Customer to the University that is not duly honored or paid by the bank upon which it is drawn ~~when check is presented for payment~~, including but not limited to any ~~check~~tendered payment drawn upon insufficient funds or nonexistent account. The University shall charge any Customer of the University a "Bad Check fee" for each such Bad Check in the amount set forth in the University's Rate Schedule MS.

16. DEPOSIT WHICH MAY BE OBTAINED BY UNIVERSITY FROM A "SEASONAL CUSTOMER"

Any Customer of the University from which deposits may be required by the University under the provisions of Utilities Commission Rules R12-2 and R12-3~~, which Customer~~ and who receives his or her largest bills from the University seasonally (such as a Customer who uses electricity for heating) may be considered a "Seasonal Customer" for ~~the~~ purposes of determining the amount of deposit which the University may require from such Customer in accordance with Utilities Commission Rule R12-4. The deposit collectible from any such Customer shall not exceed one-half (1/2) of the estimated charge for service by the University to the Customer for the season involved. For purposes of this provision, the heating season shall be the calendar months October through March.

17. Vacated Premises

The Customer will notify the University before vacating the premises served under the agreement as herein provided, and will pay upon presentation all bills due under all agreements or contracts.

18. Rights-of-Way / Easements

As a condition of receiving service, the Customer shall at all times furnish the University a right of way and blanket easement over and across Customer's property, satisfactory to the University, to do all things necessary for the construction, maintenance and operation of the University's lines and facilities necessary or incidental to the provision of service, including ingress, egress, and access to its lines and facilities, including by service vehicles, and the necessary clearing of vegetation for such purposes. The Customer shall also provide satisfactory locations for metering equipment and other facilities necessary for the provision of service. In the absence of formal, recorded conveyance, consideration for University's provision of service shall include Customer's granting an implied blanket easement by necessity over Customer's property for such purposes as set forth herein.

The University may change the location of the right-of-way upon the Customer's request and may require the Customer to bear the expense of the change. The change will not be made where it will interfere with or jeopardize the University's service, either to the Customer requesting the change, or to any other Customer or Customers. All rights and privileges of the University incident to the original location shall apply to the changed location. The University's obligation to supply service is dependent upon the University securing and retaining all necessary easements and rights-of-way, privileges, franchises, or permits for the delivery of such service. The University shall not be liable to the Customer for any failure to deliver services due to the University's inability to secure or retain such rights-of-way, easements, privileges, franchises, or permits.

19. Attachments to Structures

No equipment or facilities owned by the Customer or others may be attached to poles, equipment, or other structures owned by the University, except where such attachments are part of another utility system and are subject to the terms of a joint-use agreement, or, except where the University has otherwise approved such attachment.

20. Extra Facilities

At the request of the Customer the University will furnish, install, own, and maintain facilities which are in addition to those necessary for delivery of service at one point, through one meter, and at one voltage within the applicable rate schedule. Such added facilities requested by the Customer shall be termed "Extra Facilities" and subject to additional charges. The Extra Facilities charge shall be determined by the University using current cost data. The Customer shall contract with the University for payment of Extra Facilities charges in advance of installation.

(a) Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous premises, and there shall be no exemption from any of the other provisions of these Service Regulations.

(b) "Extra Facilities" shall consist of such of the following as may be required: voltage regulators, circuit breakers, switches, capacitors, duplicate service, transformers, substations, connecting lines, redundant feeds, off-site facilities or other equipment installed for the exclusive use of the contracting Customer, other than facilities which the University would furnish to the Customer without cost under its standard form of contract.

Extra meters and associated equipment necessary to record demand and energy at the voltage delivered to the Customer shall be considered Extra Facilities. Upon mutual agreement between the Customer and the University, demand and energy may be metered at primary voltage, without compensation for transformer loss, and without inclusion of any part of the metering cost as an extra facility. When extra facilities furnished include a voltage regulator, metering equipment shall be installed on the University side of the regulator, or if this is not feasible, the meter shall be compensated so as to include registration of the regulator losses.

A single service entrance per building, located by the University, shall be considered standard. Facilities requested by the Customer to furnish service at either more than one delivery point on the premises or at more than one voltage, or both, will be considered Extra Facilities.

(c) The facility to be supplied shall be University-standard overhead distribution equipment to be installed only on the University side of the point of delivery.

(d) A monthly "Extra Facilities Charge" based on a percentage for the installed cost of the facilities shall be billed to the Customer in addition to the billing for energy, or for demand plus energy, in accordance with the University's applicable rate schedule. The percentage used in determining the monthly "Extra Facilities Charge" is set forth in the University's Rate Schedule MS.

(e) The "installed cost of extra facilities" used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer's request, and the installed cost of the facilities that the University would furnish without cost to the Customer under its standard form of contract.

The installed cost of extra facilities shall be the original cost of material used, including spare equipment, if any, plus applicable labor, transportation, stores, taxes, engineering, administrative, overhead, and general expenses, all of which may be reasonably estimated if actual costs are not known. The original cost of materials used is the current fair market value of the equipment at the time the equipment is installed, whether said equipment is purchased new or procured out of inventory.

(f) The University shall have the option of refusing requests for extra facilities if, in its discretion, the requested facilities are not feasible or may adversely affect the University's service to other Customers.

(g) Effective March 1, 2027, contracts containing the Extra Facilities clause shall have a minimum original term of 10 years to continue from year-to-year thereafter and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.

(h) In the event that an existing extra facility must be modified or replaced, whether or not such modification or replacement is requested by the affected extra facility Customer, then the installed cost of extra facilities on which the monthly Extra Facilities Charge is based shall be the installed cost of existing equipment, plus the installed cost of new additions, less the installed cost of equipment removed. The installed cost of existing equipment shall be the same installed cost used for said equipment immediately prior to the modification or replacement. The installed cost of new additions shall be the current fair market value of said new additions at the time the new additions are installed. The installed cost of equipment removed shall be the same installed cost used for said equipment immediately prior to removal.

21. Interconnection and Customer Generation

The Customer shall not use the University's electric service in parallel with other electric service, nor shall other electric service be introduced on the premises of the Customer for use in conjunction with or as a supplement to the University's electric service, without the written consent of the University. Non-utility owned generation systems may be allowed to interconnect pursuant to the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter "Interconnection Procedures") as approved by the North Carolina Utilities Commission, and upon entering into a contract for such service under an applicable rate schedule and/or rider.

Service is available under the SPP Demand, SPP No Demand, and SPP-Fixed Rates for installed customer generation systems and equipment that comply with the provisions outlined in the Interconnection Procedures.

Prior to the installation of Customer-owned generation, the Customer shall be responsible for notifying the University of its intent and shall allow the University access to its premises to ensure proper installation which will prevent backfeeding to the University's facilities. The University shall have the right to disconnect Customer's service until Customer's generation installation is in accordance with safe operating practices.