

SAND MOUNTAIN ELECTRIC COOPERATIVE

SCHEDULE OF RULES AND REGULATIONS

- 1) Application for Service. Each prospective customer desiring electric service shall be required to sign the Cooperative's standard form of application for service. Additionally they shall be required to furnish all personal information needed by the Cooperative in order to establish their identity and credit rating.
- 2) Membership. Everyone wishing to receive service from SMEC shall be required to purchase a membership in the Cooperative.
- 3) Deposit. A deposit or suitable guarantee approximately equal to twice the average monthly bill shall be required of any customer before electric service is supplied. SMEC will pay interest on all deposits. Interest will be added to the deposit amount held by the Cooperative. Upon termination of service, deposit and interest will be applied to all unpaid bills of the customer, and if any balance remains after such application is made, said balance shall be refunded to customer. Additional information on deposits can be found in policies 11-22 and 11-22A.
- 4) Point of Delivery. The point of delivery is the point, as designated by the Cooperative, on customer's premises where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by customer at no expense to the Cooperative.
- 5) Customer's Wiring Standards. All wiring of customer must conform to the Cooperative's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.
- 6) Inspections. The Cooperative shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with the Cooperative's standards; but such inspection or failure to inspect or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of the Cooperative's rules, or from accidents which may occur upon customer's premises.
- 7) Underground Service Lines. Customers desiring underground service must bear a portion of the additional cost incurred for supplying said service. Specifications and terms for such construction will be furnished by the Cooperative when service is requested.
- 8) Customer's Responsibility for the Cooperative's Property. All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. Customer shall provide a space for and exercise proper

care to protect the property of the Cooperative on its premises, and, in the event of loss or damage to the Cooperative's property arising from neglect of customer to care for same, the cost of the necessary repairs or replacements shall be paid by customer.

- 9) **Right of Access.** The Cooperative's identified employees shall have access to customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to the Cooperative. Failure to allow such access may result in service being terminated.
- 10) **Billing.** Bills will be rendered monthly with a discount date of not less than 15 days after billing date. Failure to receive the bill will not release the customer from payment obligation. Should bills not be paid by the due date specified on the bill, a late payment fee shall be added to the total amount due. The fee shall be five percent for the first \$400.00 past due and one percent for the remaining past due. Once the account is past due by more than 15 days it is subject to disconnect. Additional information can be found in policies 11-6 and 11-7.
- 11) **Discontinuance of Service.** The Cooperative may refuse to connect or may discontinue service for the violation of any of its rules and regulations, or for violation of any of the provisions of the Schedule of Rates and Charges, or of the application of customer or contract with customer. The Cooperative may discontinue service to customer for the theft of current or the appearance of current theft devices on the premises of customer. The discontinuance of service by the Cooperative for any causes as stated in this rule does not release customer from his obligation to the Cooperative for the payment of minimum bills as specified in application of customer or contract with customer. Additional information on termination of service can be found in policy 11-33.
- 12) **Connection, Reconnection, and Disconnection Charges.** The Cooperative may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting or reconnecting service, or disconnecting connections and reconnections that are performed after normal office hours, or when special circumstances warrant.
- 13) **Termination of Contract by Customer.** Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days' written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve customer from any minimum or guaranteed payment under any contract or rate. Additional information on termination of service can be found in policy 11-33.
- 14) **Service Charges for Temporary Service.** Customers requiring electric service on a temporary basis may be required by the Cooperative to pay all costs for connection and

disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary constructions, and the like.

- 15) Interruption of Service. The Cooperative will use reasonable diligence in supplying current, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.
- 16) Shortage of Electricity. In the event of an emergency or other condition causing a shortage in the amount of electricity for the Cooperative to meet the demand on its system, the Cooperative may, by an allocation method deemed equitable by the Cooperative, fix the amount of electricity to be made available for use by customer and/or may otherwise restrict the time during which customer may make use of electricity and the uses which customer may make of electricity. If such actions become necessary, customer may request a variance because of safety and welfare. If customer fails to comply with such allocation or restriction, the Cooperative may take such remedial actions as it deems appropriate under the circumstances including temporarily disconnecting electric service and charging additional amounts because of the excess use of electricity. The provisions of the Section entitled Interruption of Service of this Schedule of Rules and Regulations are applicable to any such allocation or restriction.
- 17) Voltage Fluctuations Caused by Customer. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Cooperative's system. The Cooperative may require the customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.
- 18) Additional Load. The service connection, transformers, meters, and equipment supplied by the Cooperative for each customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of the Cooperative. Failure to give notice of additions or changes in load, and to obtain the Cooperative's consent for same, shall render customer liable for any damage to any of the Cooperative's lines or equipment caused by the additional or changed installation.
- 19) Standby and Resale Service. All purchased electric service (other than emergency or a standby service) used on the premises of customer shall be supplied exclusively by the Cooperative, and customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
- 20) Notice of Trouble. Customer shall notify the Cooperative immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity.

- 21) **Non-Standard Service.** Customer shall pay the additional cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.
- 22) **Meter Tests.** The Cooperative will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. The Cooperative will make additional tests or inspections of its meters at the request of customer. If tests made at customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in customer's bill, and the Cooperative's standard testing charge will be paid by customer. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in customer's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by the Cooperative.
- 23) **Relocation of Facilities.** The Cooperative may, if practical, at the request of the customer, relocate or change existing facilities and/or equipment. In those cases the customer shall reimburse the Cooperative for the actual cost of the relocation including appropriate overheads. However, the Cooperative will take into consideration any system improvements that may benefit the Cooperative and reduce the charge to the customer by that amount.
- 24) **Policies and Guidelines.** The Cooperative will reasonably inform and make available to consumers upon application for service and anytime upon request information on:
- (a) Cooperative By-Laws
 - (b) Current service policies
 - (c) Current rates applicable to such consumer and a written and/or oral explanation of the rate schedule.
 - (d) The members deposit balance including earned interest.
- See policy 11-32 for additional information.
- 25) **Consumer kWh usage.** Upon request a consumer will receive a statement of such consumer's monthly kWh consumption for the prior 12-month period. There is no charge for this service. See policy 11-32 for additional information.
- 26) **Rate change notification.** Consumers shall be notified of any change in SMEC's rates at least 30 days prior to implementation of such change. Notification will be by publication in the AREA magazine and/or local news media and/or electronic media. Method(s) for notification will be chosen based on attempting to reach the majority of consumers in SMEC's service area. See policy 11-32 for additional information.
- 27) **Scope.** This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Cooperative, and applies to all service received from the Cooperative, whether the service is based upon contract, agreement, signed application,

or otherwise. A copy of this schedule, together with a copy of the Cooperative's Schedule of Rates and Charges, shall be kept open to inspection at the offices of the cooperative.

- 28) **Revisions.** These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, shall have the same force as the present Rules and Regulations.
- 29) **Conflict.** In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.
- 30) **Policies.** All policies related to customer service, service practices and rates will be available for SMEC members to review on the Cooperatives website at www.smec.coop and at the Cooperative's headquarters in Rainsville, Al. during regular business hours. See policy 11-32 for additional information.

Approved: March 24, 2015