

## 1. APPLICABILITY

- (a) These Service Regulations apply to all services provided by Company under its Rate Schedules, subject to the jurisdiction of the Commission, and are adopted for the mutual protection of both the Customer and Company. They provide standards for Company's practices, promote safe and adequate service to the public, and establish a reasonable basis for meeting the public's demands for natural gas service.
- (b) The rates, terms and other conditions, and rules and regulations stated in this Tariff are subject to change upon Company's application to the Commission and approval of such application by the Commission, or upon order of the Commission, in the manner prescribed by law at any time. In the event of such change, the new rates, terms and conditions, and rules and regulations prescribed by the Commission will apply to Service received hereunder from the date such change is made effective. Customer agrees to accept and be bound by all such rates, terms and conditions, and rules and regulations in connection with such Service, which are now or may hereafter be filed with, or issued or promulgated by, the Commission or other governmental bodies having jurisdiction thereof.
- (c) If a conflict exists between these Service Regulations and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The rules and regulations of the Commission shall govern in the event of a conflict with these Service Regulations.

## 2. DEFINITIONS

For the purposes of this Tariff, the following capitalized terms shall be defined as follows:

- (a) "Account" means Service provided to any Person at a single location on a single Rate Schedule.
- (b) "Applicant" means any Person applying for Service.
- (c) "British Thermal Unit" or "BTU" means the amount of heat required to raise the temperature of one pound of water from 58.5° to 59.5° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (d) "BTU Factor" means the factor used to convert a volume of Gas measured in Cubic Feet into Therms or Dekatherms, as applicable.
- (e) "CIAC" means a non-refundable cash contribution in aid of construction made by a Customer to Company to defray the cost of construction of Excess Facilities installed by Company to provide Service to that Customer.
- (f) "City Gate" means point(s) where Gas is delivered to Company's system.
- (g) "Commission" means the North Carolina Utilities Commission, which regulates gas utilities operating within the State of North Carolina, including Company.
- (h) "Company" means Public Service Company of North Carolina, Incorporated, doing business as Dominion Energy North Carolina, a natural gas utility operating under the jurisdiction of the Commission.
- (i) "Company Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.
- (j) "Cubic Foot" or "Cubic Feet" is the volume of Gas that occupies one cubic foot at a temperature of 60° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (k) "Customer" means any Account being supplied Service by Company.
- (l) "Customer Facilities" means any piping, appliances, Gas burning devices, regulating, or other Facilities located downstream of the Delivery Point.
- (m) "Customer Usage Tracker" is the mechanism in Rider C that tracks and trues up variations in average per customer usage from levels approved in Company's last general rate case for residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 125, 127, and 140.

- (n) "Dekatherm" or "Dt" means the unit of energy equivalent to 10 Therms, or 1,000,000 British Thermal Units.
- (o) "Delivery Point" means the physical point in the Gas delivery system where Customer Facilities meets the outlet of Company's Meter Assembly.
- (p) "Emergency Service" means Service made available to a Customer subject to curtailment as provided in Rider A of this Tariff.
- (q) "Excess Facilities" means Gas Service Lines and Mains totaling in excess of 200 feet or any additional Company Facilities required to provide Service at a pressure in excess of the applicable pressure set forth in Section 15 of these Service Regulations or to provide Service using a Farm Tap.
- (r) "Facilities" means all infrastructure to deliver natural gas.
- (s) "Facilities Charge" means a fixed amount billed each month to cover the basic cost of providing Service regardless of the amount of Gas used.
- (t) "Farm Tap" means a connection to a high pressure (above 60 pounds per square inch gauge) Main including Facilities to reduce the delivery pressure to supply Service to one or more Customers.
- (u) "Feasibility Test" means an economic test performed by Company which compares the net present value of the cost of certain Company Facilities to the anticipated net present value of the revenue to be received by Company from Service through those same Company Facilities.
- (v) "Force Majeure" means any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of sabotage or terrorism, war, blockades, insurrections, riots, epidemics, landslides, unusual conditions of weather or temperature, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage of or accidents to Company Facilities, supplier's or transporter's Facilities, Customer Facilities, lines of pipe, or Company's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries from Company's supplier(s) or transporters as a result of force majeure under the supplier(s) Gas purchase contracts, inability to obtain rights of way, franchises, permits, materials, Facilities, supplies, or an inability to obtain an unlimited supply of gas from Company's supplier(s), inadequate delivery pressure from Company's transporters, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of Company and/or its supplier(s), transporters or the Customer and which by the exercise of due diligence either Company and/or its supplier(s), transporters or the Customer is unable to prevent or overcome.
- (w) "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by Company.
- (x) "Gas Quality Standards" means the quality standards, specifications, and other requirements pertaining to Renewable Gas as set forth in Appendix B to these Service Regulations.
- (y) "Gas Service Line" means the pipeline owned by Company that runs between a Main and a Meter.
- (z) "Integrity Management Tracker" means the mechanism in Rider E that tracks capital costs of integrity management projects between rate cases and recovers such costs from residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180.
- (aa) "Main" means a gas pipeline other than a Gas Service Line, owned, operated or maintained by Company, which is used for the purpose of transmission or distribution of Gas.
- (bb) "Meter" or "Meter Assembly" means any of Company's meter, regulator, piping, valves, vents, relief valves, gauges, and/or other apparatus, including automated or remote meter reading devices, used to measure, communicate, and control flow or pressure of Gas.
- (cc) "Person" means an individual, partnership, corporation, trust, governmental agency, or other association.

- (dd) "Premises" means the land or real estate, including buildings and other appurtenances thereon, where a Customer receives Service.
- (ee) "Rate Schedule" means the portion of the Tariff on file with and approved by the Commission that sets forth the rates, charges, terms, and conditions for each category of Service offered by the Company under this Tariff.
- (ff) "Renewable Gas" means gas that is capable of combustion in appliances or facilities, that is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources, and that is intended to act as a substitute for natural gas. Renewable Gas includes but is not limited to, biogas, biomethane, landfill gas, and any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources.
- (gg) "Residence" means any single or multiple family residence, condominium, townhouse, mobile or modular home, or apartment that is individually metered and has Gas used for any domestic usage such as space heating, air conditioning, water heating, cooking, or any other residential usage.
- (hh) "Service" means the delivery, and all other activities incidental to the delivery, of Gas by Company to a Customer at its Delivery Point.
- (ii) "Service Regulations" means the Company's service regulations, including appendices, on file with and approved by the Commission as they may be amended from time to time. Service Regulations were formerly called Rules and Regulations.
- (jj) "Tariff" means the Company's tariff, including the Summary of Rates and Charges, Rate Schedules, Riders, and Service Regulations, as revised from time to time.
- (kk) "Therm" means the unit of energy equivalent to 100,000 BTUs.
- (ll) "Transportation Pooling Agreement" means an agreement executed by Company and a Customer or a Customer's agent that details the procedures to be followed when a Customer obtains an independent supply of Gas and arranges to have the Gas delivered to the City Gate. The required form of the Transportation Pooling Agreement is Appendix A to these Service Regulations.
- (mm) "Unauthorized Gas" means the quantity of Gas received by a Customer subject to curtailment and not authorized for Emergency Service by Company, as provided in Rider A of this Tariff.

### 3. AGREEMENT

- (a) Company shall not be required to provide Service unless and until application for Service has been made and any charges for Excess Facilities have been paid by Customer to Company. When no charges or potential charges for Excess Facilities are involved, an Applicant's application for Service and Company's acceptance may be oral. In the absence of a written agreement, such agreement shall be conclusively presumed to exist if Gas is made available by Company for use by Customer or on the Customer's Premises. Service will be supplied pursuant to Company's standard service agreement, the applicable Rate Schedule(s), these Service Regulations, and the rules, regulations, and orders of the Commission.
- (b) Company's obligations to provide Service and the Customer's obligations upon receipt of Service are set forth in the applicable provisions of Chapter 62 of the North Carolina General Statutes; the applicable rules, regulations, and orders of the Commission; the applicable Rate Schedule(s); these Service Regulations; and any written application or other document executed by Company and Customer pertaining to such Service.
- (c) Copies of the Rate Schedules and these Service Regulations are available from Company. Upon Customer request, Company will provide Customer with a copy of the applicable Rate Schedule(s), these Service Regulations, any written application for Service, and all or other documents executed by Company and Customer pertaining to such Service. No promise, statement, or representation by any Company employee, agent, or representative, or by any other Person, shall bind Company to provide Service, or to change the terms and conditions upon which Service will be provided, unless the same is in writing and is executed by an authorized Company representative and Customer; no amendment, change, or modification to any such document shall be effective unless in writing and signed by an authorized Company representative and Customer.

#### **4. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT; DEPOSITS**

(a) Establishment and Reestablishment of Credit:

- (1) Before the commencement of Service, the Applicant (whether a former Customer or not) must satisfactorily establish credit in accordance with Commission Rule R12-2. An Applicant for residential Service shall not be denied Service for failure to pay bills for any non-residential Service.
- (2) If the conditions of Service or the basis on which credit was originally established have materially changed, Company may require a Customer to reestablish credit in accordance with Commission Rule R12-2.
- (3) If a disagreement arises with respect to the establishment or reestablishment of credit with Company it shall be the Applicant's or Customer's right to have this problem reviewed and acted upon by Company's supervisory personnel. If unresolved after that review, then the Applicant or Customer shall have the right to have the problem reviewed by the Commission pursuant to Commission Rule R12-7.

(b) Deposits:

- (1) Company may require payment of a cash deposit prior to establishing or reestablishing Service to an Applicant or a Customer in accordance with the provisions of Commission Rules R12-2 through R12-4.
- (2) Interest on deposits will be paid in accordance with Commission Rule R12-4.
- (3) Deposits will be refunded in accordance with Commission Rule R12-5.

#### **5. DENYING OR DISCONTINUING SERVICE**

(a) Company shall have the right to discontinue Service or to deny Service for any of the following reasons:

- (1) Company determines that a hazardous condition exists;
- (2) Service to Customer adversely affects Company Facilities or Service to other Customers;
- (3) Company Facilities have been tampered with;
- (4) The unauthorized use of Gas by Customer;
- (5) Any material misrepresentation made by Customer or refusal to provide identification in connection with the application for Service;
- (6) Any material breach of these Service Regulations or any terms and conditions of the applicable Rate Schedule(s) or service agreement(s), or any violation of any statute, or any order, regulation, or rule of the Commission or any governmental agency;
- (7) Customer's failure to fulfill Customer's agreements and contractual obligations for Service subject to regulation by the Commission;
- (8) Customer's failure either to establish or reestablish satisfactory credit pursuant to Commission Rule R12-2;
- (9) Customer's failure to permit Company reasonable access to Company Facilities and/or Customer Facilities;
- (10) Nonpayment of bill pursuant to Commission Rules R12-8 and R12-10;
- (11) Customer's failure to furnish such Customer Facilities, permits, certificates, and/or rights-of-way as required by Company as a condition to obtaining or continuing Service; or
- (12) Customer Facilities are installed or are in use on Customer's Premises which permits the Gas to be used without passing through the Meter(s), which prevents or interferes with the measuring of the Gas by the Meter(s), or which interconnects fuel systems supplied on separate Rate Schedules.

- (b) **Prior Indebtedness:** Company reserves the right to deny service to any Applicant who is found to be indebted to Company for Service previously furnished to that Applicant at any Premises served by Company until satisfactory arrangements have been made for the payment of all such indebtedness. Further, where the Service has been discontinued to a Premises for nonpayment, Company shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility services. Company may require reasonable proof of identity of the Applicant as a condition to providing Service.
- (c) **Discontinuing Service:**
- (1) Company may discontinue or suspend Service without notice to Customer under the following circumstances:
- i. In the event of a condition determined by Company to be hazardous;
  - ii. In the event of Customer use of equipment in such a manner as to adversely affect Company equipment or Company service to others;
  - iii. In the event of tampering with the equipment furnished and owned by Company; or
  - iv. In the event of unauthorized use.
- (2) For any reason not listed in 5(c)(1) above and not otherwise addressed in Commission Rules R12-8 and R12-10, Company shall give Customer at least 10 days written notice that Service is subject to termination. This notice of proposed termination shall, at a minimum, contain the following:
- i. A clear explanation of the reasons which underlie the proposed termination;
  - ii. The date of the proposed termination, which shall not be less than 10 days from the date of issuance of such notice;
  - iii. Statements advising how Customer can avoid termination; and
  - iv. Statements advising Customer that Customer should first contact Company with any questions, and that in cases of dispute, a proposed termination action may thereafter be appealed informally to the Commission either by calling the Public Staff-North Carolina Utilities Commission, Consumer Services Division at (919) 733-9277 or toll free at 1-866-380-9816 or by appearing in person or by writing the Public Staff-North Carolina Utilities Commission, Consumer Services Division, 4326 Mail Service Center, Raleigh, NC 27699-4326.
- (3) Customer is entitled to personal contact prior to termination as detailed in Commission Rule R12-10(i), and Customer retains all rights as detailed in the Commission Rules, with special attention to Rules R6-16, R6-17, R12-8, and R12-10.
- (d) **No Liability for Discontinuing or Denying Service:** Company shall have no liability to Customer or to any other Person for any damages incurred as a result of the discontinuance or denial of Service to the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

## **6. RECONNECTION TERMS AND FEES**

- (a) Where Service has been discontinued at Customer's request and reconnection of Service is requested by the same Customer at the same Premises within one (1) year after the date of discontinuance, a reconnection fee shown in the Summary of Rates and Charges of Company's Tariff shall be charged.
- (b) All reconnections that require more than one hour to complete will be billed the applicable reconnection rate per hour shown in the Summary of Rates and Charges of Company's Tariff.
- (c) In cases where Service is discontinued for nonpayment of bills, Customer shall do the following before Company is obligated to restore Service:
- (1) pay the arrears portion of the bill in full;
  - (2) reestablish credit in accordance with Commission Rule R12-3;

- (3) pay a reconnection fee shown in the Summary of Rates and Charges of Company's Tariff.

## **7. ACCESS TO CUSTOMER PREMISES**

Customer shall grant to Company the right of ingress and egress to, over, across, and through Customer Premises, for any and all purposes associated with the Service or the exercise of any and all rights under the Rate Schedule, service agreement, or these Service Regulations. Customer authorizes Company's representatives to enter Customer Premises to inspect Customer lines and appliances that use Gas, and to install, read, inspect, test, maintain, repair, or remove any or all of Company Facilities. Customer agrees that if a condition exists on Customer Premises, which, in Company's sole opinion, is dangerous to Company's representatives or Company Facilities, and/or prevents reasonable access to Company Facilities, Company may remove or relocate Company Facilities at Customer's sole expense.

## **8. RIGHT-OF-WAY**

- (a) Company shall not be required to extend its Facilities for the purpose of rendering Service to the Customer until satisfactory rights-of-way, easements, or permits have been obtained from government agencies and property owners, at Customer expense, to permit the installation, operation, and maintenance of Company Facilities. Customer in requesting or accepting Service thereby grants Company, without charge, necessary rights-of-way and privileges for Company Facilities on, along, across, and under property controlled by Customer to the extent that such rights-of-way required or necessary to enable Company to supply Service to the Customer and Customer also grants Company the right to continue or extend Company Facilities on, along, across, or under property, with necessary rights to serve other Customers. Customer shall maintain such right-of-way so as to grant Company continued access to Company Facilities by Company personnel, vehicles, and other power-operated equipment. Customer's application for Service and acceptance of such Service from Company shall be deemed to grant to Company an implied right-of-way on, along, across, and under the Premises, if Customer has not executed a written right-of-way agreement as requested by Company. Company shall not be liable to Customer for any failure to provide Service because of Company's inability to secure or retain such rights-of-way.
- (b) Customer may make full use and enjoyment of the Premises included within the right-of-way granted by this Section 8 in any manner not inconsistent with the use and purposes of the Premises by Company; provided, however, that Customer, its heirs, successors, and assigns, shall not construct, nor permit to be constructed, any house, structure, or obstruction, nor impound any water, nor permit any water to be impounded, on or over the right-of-way, and Customer, its heirs, successors, and assigns, further agrees that Customer, and its heirs, successors, and assigns, will not change the grade over the pipeline(s) in any manner which will reduce or increase the depth of the pipeline(s). Customer shall also furnish suitable space and satisfactory protection for Company Facilities installed on the Premises.

## **9. VACATED PREMISES**

Customer shall notify Company at least twenty-four (24) hours before vacating the Premises served and will pay upon presentation all bills due for Service provided to the Premises. Company shall have no liability to Customer or to any other Person for any damages incurred as a result of Customer vacating the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

## **10. NON-ASSIGNABILITY**

Customer's rights to Service and rights provided under any service agreement are personal and shall not be transferred or assigned by Customer without the prior written consent of Company, which Company, in its sole discretion, may refuse to grant.

## **11. INTERRUPTIONS**

Except where interruptions of Service are permitted by Company's Tariff or in accordance with Commission Rule R6-19.2, Company shall make reasonable efforts to avoid interruptions of Service. If interruptions occur for any reason, Company shall restore Service within the shortest time practical under the conditions. Company shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such failure or interruptions of Service.

## **12. ACTION TO MAINTAIN SYSTEM INTEGRITY**

If Company, in its sole discretion, determines that it is necessary to curtail or interrupt Service to maintain the integrity of its system or to provide for its or the public's safety, Company shall have the right to curtail or interrupt delivery of Gas to any Customer. Company shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such curtailment or interruptions of Service.

## **13. EMERGENCY USES**

It is expressly understood and agreed that Company does not furnish uninterruptible Service for pumping water, emergency power generation, or any other emergency use. If Customer uses Gas for emergency uses, Customer, at all times, shall maintain a standby supply of energy so that it shall not be necessary to rely on Gas during a time of emergency. Company shall not be liable, in any event, to any Customer, any inhabitants of any municipal Customer, or any other Person, for any loss or injury of or to property or persons occasioned by, or resulting directly or indirectly from, the failure of any fire protection or other emergency apparatus to operate, whether said failure shall be due to any act or omission of Company or otherwise.

## **14. INTERCONNECTIONS**

If Company supplies Service to Customer under more than one of the Rate Schedules in this Tariff, Customer shall not use the higher priority Service as a standby for any lower priority Service, nor shall Customer install, or permit to be installed, any interconnection between the fuel lines supplying Gas delivered under separate Accounts.

## **15. PRESSURE**

Company will generally provide Gas at a pressure of approximately 0.25 pounds per square inch gauge ("psig"). Company and Customer, however, may mutually agree upon a higher pressure at which Gas may be provided. Company shall supply only one delivery pressure per Account. In no event shall Company be required to furnish Gas to Customer at a pressure exceeding two (2) psig for residential Service, or five (5) psig for all other classes of Service, except to the extent that Company has agreed to do so in writing.

## **16. METERS AND OTHER COMPANY FACILITIES; RELOCATION OF COMPANY METERS AND FACILITIES; INTERFERENCE OR TAMPERING WITH COMPANY PROPERTY**

- (a) **Meters:** Company shall furnish, install, and maintain on Customer's Premises a Meter or Meters of suitable capacity and design to measure the quantity of Gas used by Customer, and such Meter or Meters shall be and remain the property of Company. Customer shall (i) provide suitable space for Meters and other Company Facilities, (ii) protect all of Company Facilities from damage or injury, and (iii) permit no Person other than Company's representative or agent, or a person otherwise lawfully authorized, to disturb or remove the same; and Company's representatives are hereby expressly authorized to enter Customer Premises at all hours to inspect Customer lines and appliances that use Gas, and to read, inspect, maintain, repair, or remove Meters and other Facilities. References to Meters do not apply to Rate Schedule No. 115, Unmetered Lighting Service.
- (b) **Other Facilities:** Company shall also furnish, install, and maintain all other Company Facilities required to provide Service. Company shall have the right, at its option and at its own expense, to place additional Company Facilities on the Premises for billing, testing, system monitoring, or other purposes related to the provision of Service. If Company elects to install remote or automated Meter reading devices, Customer shall cooperate with Company to effect installation of any power, phone, or other service to the Meter site. Customer shall also provide suitable site(s) for any required communication antennas, batteries, and/or solar panels. If Company installs an excess flow valve at the Customer's request, all costs of installation shall be borne by the Customer. All Company Facilities shall be and remain the sole property and sole responsibility of Company, regardless of whether the Customer was required to make a CIAC and regardless of whether the Customer is responsible for the cost of installing such facilities.
- (c) **Meter Tests:** Company shall have the right to test its Meters and Company Facilities periodically. Customer shall provide adequate access, including vehicle access, to allow for testing of Facilities.
- (d) **Failure or Inaccuracy of Meter:** In case of any failure or inaccuracy of a Meter, Customer's bills for the period of such failure or inaccuracy shall be calculated in the manner provided in Commission Rule R6-15.

- (e) Relocation of Company Facilities and Rights-of-Way: Company may change the location of Company Facilities and rights-of-way upon Customer's request, but Customer shall bear the expense of the change; provided, however, no change will be made where it will interfere with or jeopardize Company's Service, either to Customer requesting the change or to any other Customer(s). All privileges of Company incident to the original location shall apply to the new location. When a Meter is relocated at Company's option, all expense in connection with such change shall be borne by Company. If the relocation is made at Customer's request, all expense will be borne by Customer. If a change in the right-of-way is made, Customer shall be subject to the restrictions set forth in Section 8 of these Service Regulations with respect to the new right-of-way.
- (f) If Service is discontinued, Company shall have the right to remove all Company Facilities from Customer's Premises. Such removal shall be at Company's sole expense.

#### **17. INTERFERENCE WITH COMPANY PROPERTY**

Customer shall not interfere with, alter, or remove Company Facilities, or permit the same to be done by others unless authorized in writing by Company. Damage or loss to Company Facilities caused or permitted by Customer shall be paid by Customer. When unauthorized use of Service is discovered, Company may discontinue Service and Customer shall be required to pay for the estimated unauthorized usage and the costs of inspection, investigation, disconnection, and reconnection before Service is restored.

#### **18. UNSAFE CONDITIONS**

If Customer creates an unsafe condition for Company Facilities, all expenses to correct the condition shall be borne by Customer. Unsafe conditions include, but are not limited to, erecting structures, and planting trees or bushes over or in close proximity to Company Facilities.

#### **19. BILLING**

- (a) Bills: Bills for Service shall be rendered and paid monthly. Company or its agent shall read Meters, and Company shall render bills monthly on a cycle basis of approximately thirty (30) days. Facilities Charges shall not be prorated unless a billing adjustment is being made that covers more than forty-five (45) days of Service that has been previously provided and billed. Rate changes occurring from general rate cases and purchased gas adjustment proceedings shall be implemented on a "service rendered" or prorated basis.
- (b) Payment: All bills are due when rendered and are payable by mail, bank draft, other electronic means, or at authorized payment centers. Residential bills become past due twenty-five (25) days after the billing date. All other bills become past due fifteen (15) days after the billing date. If any bill is not paid before becoming past due, a late payment charge of 1% per month will be applied at the next billing date to the balance in arrears and thereafter until the amount due is paid. This charge is applicable to all Customers and all classes of Service.
- (c) Returned Check Charge: A charge equal to the approved state charge for returned items set forth in North Carolina General Statutes § 25-3-506 and shown in the Summary of Rates and Charges of Company's Tariff shall be imposed for checks or drafts tendered on Customer's account and returned to Company.
- (d) Valid Billing Address: Company will deliver to Customer a monthly bill of the amount due to Company by mailing the bill by first class mail to the mailing address furnished by Customer or by electronic billing when agreed to by Company and Customer. Customer will be responsible for keeping Company informed of the proper billing address. If Customer fails to do so, delivery to the Premises address shall be deemed delivery to Customer. Failure to receive a bill will not entitle Customer to any extension of time for payment beyond the past due date. For a Customer that receives bills electronically, notices regarding rate or Service changes, account status, or other matters shall also be provided electronically.
- (e) Past Due Balance: If Company, with good cause, determines a likelihood that Customer cannot pay the outstanding Gas bill, and Customer's deposit, if one has been provided, does not provide Company with adequate security, Company may accelerate the past due or delinquent date and proceed with disconnect procedures under Commission Rule R12-8 by issuing a written statement of cause to Customer and filing a copy of such statement with the Commission.



- (f) Estimate: If a Meter is not read for any reason at the regular reading date, Company may estimate the amount of Service used by Customer to that date by referring, where possible, to Customer's consumption for a similar prior period. Company will bill Customer on the basis of that estimated use and will make any necessary adjustment on the bill when the Meter is next read.
- (g) Multiple Meters: Company does not allow the combining of Meters for purposes of billing unless the design of the metering facilities requires the use of multiple Meters. Company will set an additional Meter when requested to do so by Customer, and Customer bears all costs of such installation. When Company provides an additional Meter, it establishes a separate Account, and Customer is responsible for paying a separate Facilities Charge and separate billing through the steps of the Rate Schedule, if applicable. Some current Customers receiving Service as of October 7, 1994, have been allowed to combine Meters for billing purposes. Company will grandfather these Accounts by coding them in its Customer database to allow them to remain as combined Accounts at their current locations and in their present configurations. If, in the future, additional Meters are set for these Customers, new Accounts will be established for such additional Meters and Customer will not be allowed to combine Service provided by such Meters with the existing Accounts.
- (h) Offsets Against Bills: No claim which Customer has, or may claim to have, against Company shall be offset or counterclaimed against the payment of any sum of money due Company by Customer for Service(s) provided. All sums due Company shall be paid in accordance with the terms of the bill, these Service Regulations, and the service agreement regardless of such claim.
- (i) Equal Payment Plans for Residential and Commercial Customers:
  - (1) An equal payment plan is available to any Customer receiving residential or commercial Service whose Account has not been removed from an equal payment plan for late payment of a bill within the previous three (3) months.
  - (2) At the request of an eligible Customer, Company will estimate Customer's bills for the next twelve (12) months based on actual consumption during the previous twelve (12) months (adjusted for normal weather), Company's currently approved margin rates, an estimated purchased gas adjustment factor for the upcoming twelve (12)-month period, and applicable fees and taxes. If Customer has an outstanding balance, the balance will be added to the estimated annual amount. Customer's monthly payment under the equal payment plan will be calculated by dividing the estimated annual billing amount by twelve (12).
  - (3) At the end of the twelve-(12) month period, Customer's bill will be recalculated based on actual consumption during the period and compared to Customer's payments under the equal payment plan. Any underage may be paid by Customer or added to the estimated annual amount used to calculate Customer's monthly payments for the next twelve (12) months, at Customer's election, and any overage will be deducted from the estimated annual amount. Unless otherwise requested, Customer will remain on the equal payment plan during the next annual period with a new monthly payment based upon the factors set forth above.
  - (4) Company may adjust Customer's monthly payment under the equal payment plan as necessary to avoid a large balance in Customer's Account.

## 20. FORCE MAJEURE

In the event either Company or its transporter or supplier or Customer is unable, wholly or in part, by reason of Force Majeure to carry out its obligations, other than to make payments for the Service received, it is agreed that on giving notice of such Force Majeure as soon as possible after the occurrence of the cause relied on, then the obligations of Company or Customer so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Person affected, and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Person affected thereby.

## 21. POSSESSION OF GAS; GAS QUALITY AND MEASUREMENT

- (a) Customer agrees that Company is responsible only for Service to the Delivery Point, and Company shall not be liable to Customer or any of Customer's agents, contractors, or employees, or to any Person(s) whomsoever, for any loss, damage, or injury to any Person(s) or property resulting from the Gas or its use after it leaves Delivery Point. Customer shall assume all risks downstream of the Delivery Point, except when caused by the exclusive gross negligence or willful acts of the employees of Company.
- (b) Company shall not be responsible for the transmission, use, or control of Gas beyond the Delivery Point. Company shall not be liable for any loss, damage, or injury to Person(s) or property whatsoever, accruing or resulting in any manner, from the receipt, use, or discontinuance of the use of the Gas beyond the Delivery Point, defective Customer Facilities, or any cause not resulting from the direct, exclusive gross negligence or willful acts of Company.
- (c) All Gas delivered to Company's system is subject to the quality specifications of the interstate transporter's Federal Energy Regulatory Commission-approved tariff, except that Renewable Gas shall be subject to the Gas Quality Standards. As such, Company shall have no liability for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESALE IS HEREBY DISCLAIMED AND WAIVED.** Company shall further have no responsibility to process, condition, or otherwise modify Gas delivered to its system for transmission or sale to Customers. It is Customer's sole responsibility to install, adjust, maintain, and operate its Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to Company.
- (d) Company shall measure all Gas in Cubic Feet and convert the volume of gas measured to Therms or Dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU Factor. The BTU Factor shall be based on the weighted average BTU content of Gas entering Company's system for the days of Customer's billing cycle.

## 22. REPORTS OF LEAKS

Customer shall give immediate notice to Company when any leakage of Gas is discovered or suspected. Customer agrees not to use any potential source of ignition such as flame, electrical source, or other igniting medium, in the proximity of escaping Gas, which could ignite such Gas. Company shall not be liable for any leakage of Gas, or any damage or loss arising out of, or caused by, any leakage of Gas, except when due to the exclusive gross negligence or willful acts of the employees of Company.

## 23. EXTENSION OF SERVICE; CIAC

- (a) Company will extend Mains along the route selected by Company in streets that are at an established final grade and will install Gas Service Lines (measured from the Premises' property line to the Meter on Customer's Premises) for distances totaling up to 200 feet without charge to Customer. Company will perform a Feasibility Test and may require a CIAC to reimburse Company for the cost of a Main extension/Gas Service Line installation totaling in excess of 200 feet and any other Excess Facilities necessary to extend service if the anticipated revenue does not produce a reasonable return on the total cost of such Excess Facilities.
- (b) If Excess Facilities are required, Company shall perform a Feasibility Test to determine whether these additional facilities will require Customer to pay a CIAC.
- (c) A CIAC may be required for Facilities located at a point other than that selected by Company or deviating from the route selected by Company.
- (d) If a Feasibility Test is required, Company shall also calculate the estimated cost of the Main and Service Line in excess of the 200 feet for which no CIAC is required for new Customers occupying existing structures. For proposed new sub-divisions, the allowance for extensions of Mains and Service Lines will be considered only for existing structures that plan to use Gas at the time the Main is to be extended. Any CIAC shall be the lesser of (i) the CIAC calculated in the Feasibility Test, or (ii) the full cost of extending the lines beyond the initial 200-foot Main and Service Line allowance. The Feasibility Test shall include all costs directly associated with the Service extension.

- (e) Notwithstanding Paragraphs (a) and (d) above, Company shall perform a Feasibility Test to determine whether a CIAC is required for all extensions of Service when the Applicant's/Customer's request for Service does not include the use of Gas for either central space heating or water heating. Failure to install or utilize Gas Facilities as agreed upon within ninety (90) days of the time of Facilities extension may result in the Customer being charged for the cost of Company Facilities and installation, if Customer has been given written notice that such Customer may be charged for the cost of Company Facilities and installation if Gas is not used within ninety (90) days.
- (f) Location of Privately Owned Structures. Customer shall locate privately owned structures such as septic tanks, drain lines, water lines, and sprinkler systems prior to Company installing a Gas Service Line to Customer's Premises. Company and its contractors, if any, are not responsible for damages to privately owned facilities that are not adequately located.

#### **24. FARM TAP SERVICE**

- (a) Whenever an Applicant requests Service which can only be supplied from a high pressure (above 60 pounds per square inch gauge) Main, Company, subject to the results of a Feasibility Test, may tap the Main, install regulating Facilities, and extend its Facilities to the Delivery Point on Customer's Premises. Customer will provide Company with all necessary rights-of-way (including a station site) on its Premises at no expense to Company as set forth in Section 8 of these Service Regulations and shall execute a written right-of-way as requested by Company. Whether a CIAC is required of Customer prior to the installation of such Facilities shall be determined by the results of the Feasibility Test.
- (b) For a Farm Tap Customer, a Feasibility Test shall be performed which includes all costs less an allowance for Main and Gas Service Line required to serve Customer as provided in Section 23 of these Service Regulations.
- (c) Charges for Service shall be billed on the applicable Company Rate Schedule. All other terms and conditions of the applicable Company Rate Schedule(s) apply to Customers receiving Service using a Farm Tap.

#### **25. CUSTOMER FACILITIES**

- (a) An Applicant shall supply Company a list of Customer Facilities located on the Premises which may increase Customer's load to enable Company to determine the feasibility of providing Service. Company shall provide information concerning the availability of Service (including whether Company can serve the increased load), delivery pressure, Meter location and size, and other information which may be pertinent to the installation.
- (b) Customer Facilities must be installed and maintained in accordance with the manufacturer's instructions, approved installation standards, and the requirements of applicable local, state, and federal agencies. All Customer Facilities shall be maintained by, and be the sole responsibility of, Customer and/or the owner of the Premises.
- (c) If Customer Facilities have the potential to create a vacuum, back pressure, or any other condition, which, in Company's sole opinion, could cause operating difficulties on Company's system, a device meeting Company's specifications must be installed and maintained by Customer at Customer's sole expense to protect fully and completely Company's system.
- (d) Customer shall not introduce and/or store any flammable or combustible material within close proximity to a Gas appliance or other Facilities.

#### **26. REQUESTS TO INCREASE LOAD OR PRESSURE**

Customer shall make a request to Company and receive Company's permission before increasing Gas loads or pressure and before changing the purpose for which Customer uses Gas. The request shall specify, at a minimum, the name of Customer, type of Service needed, estimated monthly Gas consumption, required delivery pressure, and the date needed. If, in Company's sole opinion, it has the capability to provide the additional or changed Service without interfering with its ability to provide Service to its other Customers, Company shall allow Customer to increase Customer's load and/or pressure or to change the purpose for which Customer uses Gas. A CIAC may be required depending on the nature of the request.

**27. EXCAVATION NEAR COMPANY FACILITIES**

Customer shall inform Company of any excavation activities near Company Facilities located on Customer's Premises by calling North Carolina 811, Inc. at 811 or 1-800-632-4949 not less than three (3) working days nor more than twelve (12) working days prior to such activities. Customer will give a similar notice to Company prior to any additions or changes in Customer's Premises over, under, or near Company Facilities. Any damages incurred or losses of Gas resulting from any such activity shall be billed to, and paid by, Customer.

**28. PROHIBITION AGAINST RESALE OF GAS**

Customer shall not directly or indirectly sell, resell, assign, or otherwise transfer Gas to any Person unless such transfer is pursuant to a contract or franchise acceptable to Company and, if required, approved by the Commission. This prohibition against resale shall not apply to sales of Gas: (i) to housing authorities which, on October 1, 1996, purchased Gas or received authorization to purchase Gas from Company for resale to the residents of such housing authorities; (ii) resold as a vehicular fuel; (iii) to providers authorized to resell Gas pursuant to Chapter 24 of the Commission's Rules and Regulations; or (iv) as otherwise authorized by the Commission.

**29. TAXES**

Customer is responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of Service by Company to the Customer, including any excise or sales tax. Customer is also responsible for the payment of any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel.

**30. NON-WAIVER**

No delay or failure of Company to exercise any right or remedy provided by these Service Regulations, the Rate Schedules, the service agreement, or other documents controlling the terms of Service shall impair any such right or remedy, nor shall it be construed to be a waiver of any breach or default, or an acquiescence therein of any similar breach or default subsequently occurring. No waiver shall be valid unless it is in writing and signed by the party against which it is sought to be enforced. Any written waiver will be effective only to the extent specifically set forth.