

# Lexington Utilities Customer Service Policy Manual



28 West Center Street  
Lexington NC 27292

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# Lexington Utilities Customer Service Policy Manual

**Part I          Customer Service**

**Part I-A        Identity Theft Prevention Policy**

**Part II          Electric**

**Part III         Water/Wastewater**

**Part IV         Natural Gas**

# Customer Service

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## **1) STATEMENT OF POLICY**

The City of Lexington desires to treat its Citizens and Customers in a fair and non-discriminating manner. In order to recognize the distinct needs and requirements of each Customer and to provide some uniformity of service, the City has adopted this Customer Service Policy Manual, hereinafter referred to as “the Manual”. This most recently adopted version of Customer rules and regulations contained in this policy will serve as a reasonable response to Customer needs while meeting the requirements of good business practices for the City.

## **2) AUTHORITY**

The enactment of standard utility policies requires the approval of the Lexington Utilities Commission and the City Council of the City of Lexington. As fee schedules, rates and other specific policies are updated, it will be the responsibility of the City Manager or his/her designee to make sure the Manual is revised.

## **3) SCOPE**

- A. The Manual is not meant to be all-inclusive but offers direction and guidance for the City Manager and employees of the City. The policies contained in the Manual may be adopted by the Lexington Utilities Commission and the City Council for all Customers of the City.
- B. The intent of the Manual is to provide the Customer, the utility, the building trades, and the employees of the City a helpful guide and uniform procedures for providing utility service.
- C. Employees of the City have been empowered and well-trained to use these policies to deliver high quality service to Customers. Employees are expected to deal with each decision with empathy and understanding, and to listen carefully to the needs and requirements of the individual Customers. Ultimately, the City Manager is the final authority on these policies. However, every Customer has the right to appeal that decision before the Lexington Utilities Commission.

- D. These are not meant as a substitute for personal initiative on the part of employees. It will serve as a guide for reasonable response to Customer needs while meeting the requirements of good business practices on the part of the City.

#### **4) APPLICATION OF THESE POLICIES**

- A. The Manual applies to every Customer or applicant for utility service. Copies of the Manual are available at the City's offices.
- B. The Manual may be revised, amended, supplemented, or otherwise changed from time to time by action of the Lexington Utilities Commission and the City Council. Customers are encouraged to seek answers to any questions by contacting the Customer Service Department.
- C. As detailed in other ordinances, the City intends to adhere to all rules and regulations of the National Pipeline Safety Act, American National Standards Institute (ANSI) and the Institute of Electrical and Electronic Engineers (IEEE) entitled the "National Electrical Safety Code (NESC)". Further, all operations are prefaced upon safety for the public and employees alike. Safety guidelines are detailed in the City of Lexington's safety manual as amended.
- D. The City is not responsible for any damage caused by turning on City Utility Services.

#### **5) DEFINITIONS**

Certain words as used in these Utility Regulations and Policies shall be understood to have the following meanings:

##### **Apartment Complex**

Apartment complex shall mean separate building or group of buildings especially designed and constructed to house more than two (2) families in each separate building.

**Applicant**

Any person, group of persons, association, partnership, firm or corporation requesting water, wastewater, natural gas, or electric service from the City.

**City**

Where the word City appears herein, it shall mean the government and utilities operations of the City of Lexington, North Carolina.

**Coated and Wrapped Pipe**

Coated and wrapped pipe is iron or steel pipe, which has been thoroughly cleaned, painted with asphalt, epoxy coating or pitch and wrapped with burlap, asbestos felt or other suitable protective covering.

**Commercial Area**

Commercial area shall mean an area designated for commercial use only.

**Commercial Customer**

Any Customer engaged in the business of selling or reselling goods and services whose building is served by a single meter. This includes all Customers other than residential or industrial.

**Commission**

The Lexington Utilities Commission of the City of Lexington, North Carolina as defined in Article VII, Section 7.2 of the City's Code of Ordinance.

**Condominium**

Condominium shall mean a duplex apartment or apartment complex where each apartment is owned by separate individuals rather than a single owner.

**Customer**

Any person, group of persons, association, partnership, firm or corporation purchasing water, wastewater, natural gas, or electric service from the City.

**Delivery Point**

The point where the City's facilities for supplying services are connected to the Customer's facilities for receiving the service from the City.

**Developer**

A person or firm who develops real estate; one that improves and subdivides land and sells lots or houses thereon.

**Disconnect/Reconnect Fee**

Fee charged to recover any of the costs associated with the Disconnect/Reconnect event.

**Disconnect/Reconnect Event**

Any of the series of services required in performing the disconnect of service associated with non-payment of utility bills. Those services include but may not be limited to the creation of a service order, review of and scheduling of work for City crews, field visit to the location for the purpose of disconnecting service, making courtesy contact, or reconnecting service.

**Duplex Apartment**

Duplex apartment shall mean a separate building consisting of two apartments especially designed and constructed to house two (2) families.

**House Piping**

House piping is the natural gas pipe from the natural gas meter outlet to the gas burning appliances.

**Industrial Area**

Industrial area shall mean an area designated for industrial use only.

**Industrial Complex**

Industrial complex shall mean a separate building or group of separate buildings under the control of a single management firm used for the express purpose of manufacturing.

**Industrial Customer**

Any industry listed under Division D, Manufacturing, of the Standard Industrial Classification Manual, published by the office of the Management and Budget of the United States Government will be defined as an Industrial Customer.

**Large Water Main**

A large water main shall be any water main six (6) inches or larger in diameter.

**Line Extension Agreement**

Line extension agreement is a contract entered into by the City and a developer or Customer concerning the extension of main or mains to the property or properties of a developer or Customer for the purpose of providing utility service or services to the developer or Customer.

**Master Meter**

Master meter shall mean a single meter used to measure the consumption of a group of separate buildings rather than measuring each building individually.

**Meter Location**

This is the point on the Customer's building or premises where the City's meter or metering equipment is located.

**Natural Gas Service Line**

Service line is the natural gas pipe from the natural gas system's main to the meter location.

**On Site Facilities**

On site facilities are those distribution facilities installed wholly on private property that are totally owned and maintained by the property owner. These facilities include mains, service taps, service lines, but not the meter, which remain the property and responsibility of the City.

**Outfall Line Extension**

An outfall line shall be any wastewater line eight (8) inches or larger in diameter. Extension shall mean extending any utility line to connect into the main distribution or collector lines.

**Owner**

One to whom property belongs.

**Person**

Person means natural person, firm, association or corporation.

**Rate Schedules**

Rate schedules are rates charged to each Customer for service rendered.

**Residential Area**

Residential area shall mean an area designated for single-family or duplex apartments only.

**Residential Customer**

Any Customer living in a building used exclusively for a residence, whether single family, apartment and/or condominium, where each building, apartment or condominium is separately metered.

**Service Agreement**

Any contract between the Customer and/or the City stating the terms under which service is rendered.

**Service Deposit**

An amount of money the Customer is required to pay the City prior to obtaining service.

**Service Drop**

The service drop is the set of conductors from the overhead electrical distribution facilities to the point of attachment on the building being served.

**Service Line**

The service line is the electric, water, wastewater or natural gas line from the distribution main to the Customer's point of connection.

**Service Voltage**

Service voltage is the voltage supplied to the Customer's service equipment by the City.

**Wastewater Collector Line**

Wastewater collector line is that portion of the wastewater collection system that collects the wastewater from service lines and transports the wastewater to larger collection lines or outfall lines.

**Wastewater Service Tap**

Wastewater service tap shall mean the actual physical connection of the wastewater service line at the wastewater collector to the Customer's point of connection as determined by the City.

**Shopping Center**

Shopping center shall mean a structure consisting of several separate buildings separated by approved firewalls, occupied by several separate businesses engaged in the resale of goods and services usually in separate building and managed by the owners of the businesses rather than the owner of the building.

**Single-Family Dwelling**

Single-family dwelling shall mean a separate building constructed for the express purpose of housing one family.

**Single Management**

Single management shall exist when all functions of an enterprise are under the control of a single entity such as a person, partnership, or corporation.

**Supplier  
(Reserved)**

**Tap Fee**

Tap fee shall be a standard fee required from all applicants prior to making any connections for utility service.

**Temporary Service**

Temporary service applies only to the electric service and is a single phase, 120/240 volt service for construction sites.

**Trailer Park and/or Mobile Home Park**

Shall mean premises where one or more mobile homes are parked for living or sleeping purposes, or where spaces or lots are set aside or offered for sale or rent for use by mobile homes for living or sleeping purposes including any land, building, structure, or facility used by occupants of mobile homes on such premises.

**Water Main**

Water main is that portion of the water from a source to the area of ultimate use.

**Water Service Tap**

Water service tap shall mean the actual physical connection of the service line to the water main and also that portion of the service line from the water main to the Customer's point of connection as determined by the City.

**6) CONFLICT**

Provisions of a special contract or tariff between the City of Lexington and a Customer will take precedence over these policies.

**7) PART OF ALL CONTRACTS**

These policies are part of all oral and written contracts for providing and receiving utility service from the City provided, however, subject to applicable law, parties to a contract

may, by making specific written reference thereto exclude all or any part of these policies from their contract.

**8) NO PREJUDICE OF RIGHTS**

Although the City and its Customers may not always exercise the rights specified in these policies or available to them by law, that does not prevent the City or the Customer from exercising those rights at a later time.

**9) OFFICE AND SERVICE HOURS**

The City of Lexington Customer Service Department is located downtown in City Hall at 28 West Center Street in Lexington, NC. The City is open from 8am to 5pm Monday through Friday except for City holidays. Service work for unusual conditions may be arranged at other times upon request. The “drive-thru” window is open from 8am to 5pm weekdays at the same location.

Emergency service restoration work is performed 24 hours a day, seven days a week by calling (336) 248-2337.

**10) APPLICATION AND AGREEMENT FOR SERVICE**

- A. The City reserves the right to require the applicant, before any utility service is delivered, to execute an application and agreement for the purchase of utility service in the form used by the City. Whether or not a written application and agreement is executed by the Applicant, by accepting the utility service, the applicant agrees to be bound by the applicable schedule of rates and terms and conditions as from time to time are in effect.
- B. The application may be completed through an authorized City employee or information may be provided via telephone or Internet.
- C. The Customer will provide photo identification, phone number, Social Security number, Federal Tax ID number in the case of a business account, SIC code, deed, rental

receipt, contract for sale, list of appliances and fuel types in the home, and sign the application.

## 11) CUSTOMER DEPOSITS

- A. **Need for a Deposit:** City employees are charged with the responsibility of prudent management of City finances. A deposit for utility services is collected as security so all bills will be paid in full by their due date. City employees realize that most Customers pay their bills in full and on time; however the City seeks to protect the good paying Customers from the detriment of un-collectible accounts by other Customers. Ideally, only those Customers who “earn” the right to pay a deposit would be required to secure their accounts. Since City employees cannot know in advance which Customers will pay promptly and which ones will not, reasonable and uniformly applied deposits may be necessary. A service security deposit will be collected before any service is connected when City’s employees determine that a deposit may be needed to assure payment of a Customer’s bill. Options for Customer deposits are available. Deposits will be held for a minimum of twelve (12) months after which time accounts with a credit rating of excellent will qualify for a refund of their deposit.
- B. **Determining the Deposit:** In determining the need for a security deposit, and in fixing the amount of the deposit, the City will use the most current suggested deposit levels as approved by the Lexington Utilities Commission and City Council and will give careful consideration to the following factors:
1. The current services will be in the name of the Customer(s) with a prior debt.
  2. Type of service requested.
  3. Risk involved in a new business enterprise.
  4. History of the involved premises.
  5. Overall credit rating of the Customer.
  6. Utility credit rating of the Customer with the City or another utility.
  7. History of connects, disconnects and reconnects at the subject premises or for the subjected Customer (For residential Customers, a twelve (12) month history of service with the City is required. A twenty-four (24) month history is required for commercial Customers.)

8. Any other factor, which bears on the Customer's financial responsibility.
- C. **Two Month Standard:** A deposit guaranty of an amount up to two (2) months utility service may be required as determined by the City.
- D. **Residential Customer Deposit Alternatives:**  
Any person who must pay a deposit for residential utility service may:
1. Pay an initial cash deposit. (See Fee Schedule)
  2. Supply a letter of credit history demonstrating good credit with the City.
  3. Obtain a guarantor who has excellent credit with Lexington Utilities for one year. The guarantor will be responsible for the total bill if the Customer does not pay his bill. The guarantor will be notified by the City of an impending disconnection.
- E. **Deposit for Short Term Service:** Any person who must pay a deposit for non-residential utility service may:
1. Pay an initial cash deposit equal to two (2) months average, estimated bill.
  2. Supply a surety bond equal to the amount specified as the deposit, valid for a two-year period and written by an insurance company authorized to do business in North Carolina. The City of Lexington upon review of the account may require the surety bond be extended until termination of service.
  3. Provide a letter of credit history with the account in the name of the owner of a sole proprietorship. The letter of credit history must be from another electric utility showing good credit.

## 12) CREDIT HISTORY

The City will maintain a confidential credit history on all Customers based on payment of utility bills. A Customer's credit history shall be classified "excellent" unless the Customer has appeared on the delinquent list though not necessarily cut-off, during any preceding twelve (12) month period. If the Customer has appeared on the delinquent list during any preceding twelve (12) month period, a credit history of "good, fair or poor" shall be recorded. The delinquent list will be prepared each month by the City from Customers who fail to pay utility accounts by the final payment date.

### 13) DEPOSITS AND SERVICE DISCONNECT

- A. **Credit History:** Notwithstanding the initial deposit fee described in the City's existing fee schedule, any Customer, residential, commercial, or industrial, whose payment history becomes "anything less than excellent" may be required to pay such deposit in order to protect the City from loss of revenue, which deposit shall be held for twelve (12) months and refunded only as specified above.
  
- B. **Future Deposits:** Any Customer whose service is involuntarily terminated for non-payment, meter tampering, or other reasons will be required to pay a deposit, or an additional deposit, as specified in the above paragraphs, prior to reconnection of service. This includes all Customer accounts. The future deposit may be at a higher level based upon experience with the account, but it may not exceed two twelfths of the estimated yearly charge for that account.
  
- C. **Payment Options:** Contact with a City utility employee prior to disconnection is always preferable to making arrangements after service is involuntarily interrupted. Payment options may be available prior to disconnection, which will save the Customer from additional higher deposit amounts and additional fees.

### 14) ACCEPTANCE OF FINANCIAL RESPONSIBILITY FOR UTILITY BILLS

Where a Customer of the City has a good pay history with the City for at least one (1) year and desires to accept financial responsibility for utility bills of a new Customer, the deposit requirement of the new Customer will be waived, subject to the proper execution of the City's "Acceptance of Financial Responsibility for Utility Bills" form.

### 15) INSPECTIONS

- A. The City will be obligated to provide service to an applicant only when the following conditions shall have been met:

1. The applicant's utility service connection shall have been made in accordance with the terms and conditions of this Manual.
  2. The City has received from the Applicant, or if the City so elects, has obtained for itself a certificate signed by the local building inspection authority having jurisdiction certifying that the facilities on the premises of the Applicant have been installed in compliance with the requirements of all applicable building codes and such other requirements as may be fixed by such authority. All fees or other charges required to be paid in connection with the issuance of such certificates shall be borne by the Applicant. Where there is no such local inspection authority, the City may require the delivery by the Applicant to the City of an agreement duly signed by the owner and tenant of the premises authorizing the connection of the services on the premises to the City's system and assuming all liability and risk which may result from the connection. Regardless of whether such an agreement is executed, the applicant by accepting service assumes all such liability and risk.
- B. Any changes in, or additions to, the original equipment or appliances of an Applicant or Customer must be installed in compliance with the requirements of all applicable building codes and such other requirements as may be fixed by the local inspection authority having jurisdiction.
- C. In no event shall the City be under any obligation to inspect the equipment or appliances of an Applicant or Customer.

## **16) PRIOR DEBTS**

- A. The City may refuse to furnish new service to an applicant who is indebted to the City for service previously furnished at any address in the City service region.
- B. The City may also refuse to provide service to an applicant requesting service at an address where the owner of those premises is delinquent in paying the account at that address. If however, the delinquent Customer is not the owner of the premises to which the services were delivered, payment of the delinquent account may not be required before providing services at the request of a new and different tenant or occupant of the

premises. This restriction will be subject to some interpretation if more than one tenant is occupying premises and such tenants attempt to request, receive and not pay for service. In such event the new and different tenant or occupant requirement may not be met. This prohibition on termination of service will also not apply if the premises are occupied by two or more tenants, with the service measured in the same meter. (i.e. a duplex apartment does not have to supply one apartment if the other apartment would benefit by using one meter that serves both apartments).

## **17) METERING AND BILLING**

- A. When meters are installed by the City to measure the consumption used by its Customers, all charges for consumption used, except certain minimum and basic facilities charges, shall be calculated from the readings of such meters.
- B. The monthly base facility charge will be in addition to the charges of utilities in accordance with the applicable rate schedule.
- C. When one or more transformers are installed at one delivery point by the City for the City's convenience to supply electricity to a single Customer at one nominal voltage, the City reserves the right, where it desires for its own purposes because of the amount of electricity or characteristics required, to meter the electricity on the City's side of the transformer or transformers and adjust for losses.
- D. Meters in service may be tested by the City, or any other lawfully constituted authority having jurisdiction. When, as a result of such a test, a meter is found to be more than 2% fast or slow because of incorrect calibration, the City may re-bill the Customer for the correct amount as calculated for a period of not more than sixty (60) days.
- E. Whenever it is found that, for any reason other than calibration, the metering apparatus has not registered the true amount of electricity that has been used by the Customer, billing adjustments will be made in accordance with North Carolina Utilities Commission Rule R8-44 (Appendix G), basically as follows:
  - 1. If the Customer has been overcharged, the City will refund the excess amount without interest to the Customer or credit the Customer's account with that

amount. If the time frame of the mistake can be determined, the utility should credit the account for that entire interval, provided that the applicable statute of limitations is not exceeded. If the time frame of the problem cannot be determined the utility should refund the excess amount charged without interest during the previous twelve (12) months. If the exact amount for excess charge cannot be determined, the utility should estimate the amount due. If an overcharged Customer owes a past due balance to the City, the utility may deduct that past due amount from any refund or credit due the Customer. If an overcharged Customer owes the City on another account, the City will apply the credit to that past due account.

2. If the utility has undercharged a Customer for utility service, the City will collect over the same amount of time as the undercharge, provided that the applicable statute of limitations is not exceeded. If the period of time over which the undercharge occurred cannot be determined, the City will estimate the amount due. In most instances, the City will limit its collection period to the twelve (12) months before the undercharge was discovered.
3. If an undercharge has occurred because of tampering or bypassing a meter or because of other fraudulent or willfully misleading action of the Customer, the City can ask for the overdue amount in a lump sum and seek such other remedies as are permitted by law.

## **18) RATE SCHEDULES**

- A. The City, upon request will provide any Applicant or Customer with a copy of the rate schedules and terms and conditions under which service is supplied.
- B. Upon request, investigation will be made and assistance will be given to the Customer in selecting the rate most favorable to his condition and to determine whether the rate under which he is being billed is the most advantageous. Where the Customer qualifies for two or more rates, the choice of rate lies with the Customer. The City does not guarantee that the Customer is always being served under the most favorable rate. Any such change by a Customer shall only be prospective in nature and apply only to subsequent billing periods after giving notice to the City. The City, however, does not guarantee that each Customer will be served under the most favorable rate at all times,

and will not be responsible for notifying the Customer of the most advantageous rate. Not more than one change from one optional rate to another will be made within any twelve (12) month period for any Customer. When a change is made from one optional rate to another no refund will be made of the difference in charges under different rates applicable to the same class of service, except for the trial period previously noted.

## **19) PAYMENTS**

- A. The uninterrupted supply of utility services by the City is contingent upon payment of all charges due from the Customer, in accordance with this Manual.
- B. The City will render bills to the Customer at regular intervals. Bills are due and payable upon receipt.
- C. Bills are payable at the office of the City or to any collector or collection agency duly authorized by the City, except that, when discontinuance of service for non-payment has been made, payment must be made at the Customer Service Department in City Hall. Payments shall be made without regard to any set off or counterclaim whatsoever.
- D. The City reserves the right to apply any payment or payments made by the Customer in whole or in part to any account due to the City by the Customer in connection with the furnishing of utility service.

## **20) OPTIONS IN BILLING PAYMENTS**

To serve the needs of Customers, the City offers many optional bill payment methods including an equal payment plan, bank draft plan, and acceptance of debit or credit cards, each of which are described in the following pages.

## **21) EQUAL PAYMENT PLAN**

- A. The purpose of this plan is to spread the cost of utility service as evenly as possible on a monthly basis over an annual period and to assist Customers with home budgeting.

Billing under this plan will not result in any greater or lesser payments to the City than would be the case with customary monthly billings.

1. **To Qualify for the Equal Payment Plan:** A Customer who is an excellent credit Customer may elect to use the equal payment plan. Accounts should be paid in full prior to beginning the equal payment plan.
  2. **Late Payments:** If a Customer is late in paying the Customer's monthly bill, the Customer may be removed from the equal payment plan.
  3. **Rate Increases:** When an electric rate increase is approved, the equal payment amount may increase by the same percentage.
  4. **Termination of Equal Payment Plan:** The agreement remains in effect until the Customer or the City decides to end the payment option.
  5. **Settle Up:** If at the end of the 11<sup>th</sup> month of the plan, the actual charges are greater than that which has been paid, the 12<sup>th</sup> month will include the routine payment along with the actual balance due. If during the same period, the actual charges are less than that which has been paid, a credit will be issued to the Customer.
- B. The City reserves the right to request a payment adjustment conference with the Customer between anniversary dates if it appears that the amount billed and the amount paid will vary by a substantial amount.

## 22) **BANK DRAFT PLAN**

- A. Bank drafts offer Customers the option of having their bank accounts drafted on a set day of the month. This relieves the Customer from having the possibility of lost or late payments and saves a trip to the City office or the cost of an envelope and stamp.
- B. The draft date will be a minimum of ten (10) calendar days past the bill date. This will allow the Customer time to verify or question the Customer's bill.
- C. The Customer should supply the City with a VOIDED check or deposit ticket. This gives the City the necessary account number, routing number, and other information for the purpose of drafting the Customer's account.

- D. Only excellent credit rating Customers will be eligible for this program. Any draft returned by the bank because of insufficient funds or a closed account will be treated as a returned check. If two drafts are returned by the bank because of insufficient funds or a closed account the Customer will be dropped from the bank draft program. To the extent permitted by North Carolina law, the Customer shall reimburse the City for all charges or fees, if any, imposed upon the City by the bank because of insufficient funds or a closed account of the Customer.

### **23) ACCEPTANCE OF DEBIT/CREDIT CARDS**

- A. The City will accept the following bank debit or credit card for bill payments or fees:
- MasterCard
  - Visa
- B. The City will accept a debit/credit card for payment in person or by phone and will verify each debit or charge account with the issuing bank. Any debit or credit payment request rejected for insufficient credit or a closed account will be treated as a returned check and the Customer will be dropped from the debit/credit card program. To the extent permitted by North Carolina law, the Customer shall reimburse the City for all charges or fees, if any, imposed upon the City by the bank because of insufficient credit or a closed account of the Customer.

### **24) MEDICAL ALERT PROGRAM**

- A. The Customer has the responsibility of notifying the City if there is someone in the Customer's household who is either:
1. Chronically or seriously ill or
  2. On a life support system (heart, lung, etc.)
- B. The Customer must provide a letter or certification from a doctor or hospital advising of the above condition. These letters will be reviewed and brought up to date each year by a designated employee in the Customer Service Department. A Customer who complies with these notification procedures will have a white seal placed on the

Customer's meter to designate the Customer's household contains a chronically ill or life support Customer.

- C. The Customer has the responsibility to carefully handle the Customer's account so that service will not be interrupted for failure to pay. With the medical alert designation, the City will make a good faith effort to make personal contact with the Customer or member of the Customer's household before service is terminated.
- D. The City will make a good faith effort to maintain power to the residence of a life support patient. However, due to conditions beyond the control of the City and its employees (storm damage, loss of generation, etc.), electric power cannot be guaranteed one hundred percent of the time. Each Customer listed with the Medical Alert program should have a back-up plan for movement of the life support patient if the City is unable to restore power in the length of time which is acceptable or crucial to the patient's well-being.

## **25) OTHER COLLECTION LOCATIONS**

For convenience, the City may establish other collection locations where Customers may pay bills. From time to time those locations and the entities with whom the City has partnered with may change. For a complete listing of optional payment sites please contact Customer Service. The following sites will always be available:

Night deposit at City Hall

Drive-thru window at City Hall

## **26) RIGHT OF ACCESS**

The City shall have the right of access to the Customer's premises at all reasonable times for the purpose of reading its meters and removing its property, and for any other proper purpose in connection with supplying and maintaining service. The City shall have the right to discontinue the supply of service without notice if said access, at any time, is denied.

## 27) METER TESTING FACILITIES AND EQUIPMENT

- A. The City will provide for and have available such laboratory, meter testing shop, standard meter and instruments, and such other equipment and facilities as may be necessary to make the test required by these Terms and Conditions.
- B. Testing instruments and standards may be tested and certified by any approved standardizing laboratory.

## 28) REQUEST FOR TEST

Meter test requested by Customers will be made as follows:

- A. Upon written request by a Customer, the City will test the utility meter in accordance with the Special Terms and Conditions of the particular utility.
- B. The Customer, or his representative, may be present when his meter is tested.
- C. Upon request, a written report of the results of the test will be made to the Customer within ten (10) days after the completion of the test.

## 29) EXISTING INSTALLATION SERVICES

Existing installations, including maintenance replacements, which complied with prior service regulations, need not be modified to comply with these regulations except as may be required for safety reasons by the administrative authority.

## 30) EXTENSIONS OF TIME FOR PAYMENT OF BILLS

- A. **Customer Request:** All requests must be made by the person (or his authorized, legal representative) in whose name the account is opened.

- B. **In Person:** It is preferable that the Customer makes the request in person at the Customer Service Department or by calling Customer Service.
- C. **Agreement:** If payment of any installment is not made by the specified time, service will be disconnected without further notice and all amounts due to Lexington Utilities will be due and payable before reconnection.
- D. **Optional Customer Assistance:** Customers being assisted by the Department of Social Service and Local Crisis Intervention Center in Davidson County are exceptions to this policy. Resource agencies providing Customer assistance in paying utility bills include but are not limited to:
  - Davidson County Community Action
  - Job Training & Employment
  - Positive Wellness Alliance
  - Salvation Army

### 31) **TERMINATION OF SERVICE**

- A. **Request for Discontinuance of Service:** When a Customer desires to discontinue service twenty-four (24) hours advance notice should be given to the City. The Customer will be responsible for all service usage up to and preceding the final reading by City personnel. Upon discontinuance of service and payment of final bill any Customer deposits held will be refunded in accordance with the City's Customer Deposit Policy. Any Customer requesting discontinuance of service will inform the City of the location and date service is to be disconnected and the forwarding mailing address for the final bill.
- B. **Deposits Applied:** After an account has been closed by either Customer request or demand of the City, all funds (including deposits, refunds, load management credits, and overcharge credits) will be applied first against amounts owed the City on the closed account. Remaining funds will then be used against the amounts owed on any other accounts the Customer may have with the City. When those accounts have been cleared, a check for the remainder of the account will be issued to the Customer for any net credit.

- C. **Final Bill:** A Customer's final bill will be mailed in a timely manner to encourage collection and Customer understanding.
- D. **Involuntary Discontinuance of Service:** Normal involuntary disconnection procedures may be waived the first time an excellent credit Customer appears on the disconnect list. The Customer may be notified of the one time waiver. In addition to those reasons specified previously, the City may discontinue utility service for one or more of the following reasons:
1. Failure of the Customer to pay utility bills, deposits as required or to increase deposits as required in the section for Establishing and Billing for Services, of this policy.
  2. Upon discovery of meter tampering including bypassing the meter or altering its function.
  3. Failure of the Customer to permit City Employees access to their meters at all reasonable hours. Locked gates, loose dogs, parking cars over meters, etc., are violations of City policy.
  4. Use of any utility for unlawful reasons.
  5. Discovery of a condition that is determined to be hazardous or unsafe.
  6. Reselling any utility.
- E. **Reinstatement:** When it becomes necessary for the City to discontinue utility service for any of the reasons listed in Part I Section 31 of this Manual, service will be reinstated only after payment of (1) all bills for service then due, (2) any deposit required by Part I Section 11 of this Manual, (3) the reconnection fee in effect at the time of discontinuance of service (4) the unlawful or unsafe conditions have been corrected.
- F. **Multiple Locations:** If a Customer is receiving service at more than one location, service at any or all locations may be discontinued if bills for service at any one or more locations are not paid within the time specified by Part I Section 19 of this Manual, however that residential service shall not be discontinued for non-payment of bills for other classes of service.

### **32) DISCONNECTION DURING EXTREME WEATHER**

- A. The City may not exercise its right to disconnect service for non-payment of any bill when the safety and well-being of a Customer is at stake. For that reason, disconnections for nonpayment may not be conducted on any extremely cold winter day (below 32 F all day long) or extremely hot summer day (100 F all day long).
- B. If a Customer's bill remains unpaid on the next business day, the disconnection for non-payment may then occur. The delay in disconnection for non-payment will not preclude the City from disconnection at a future date and does not change the Customer's liability for payment of all bills and fees.
- C. The Customer is encouraged to contact the City in advance of disconnection to make payment arrangements, especially where severe weather hardships may occur.

### **33) CUSTOMER'S RIGHTS PRIOR TO DISCONTINUANCE OF SERVICE**

- A. It is the policy of the City to discontinue utility service to Customers by reason of non-payment of bill only after notice and a meaningful opportunity to be heard on disputed bills. Reasonable opportunity is defined as the period of time from the issuance of the bill until the date of potential disconnection. Customers are entitled to receive a second notice on an overdue utility bill. This notice may come in the form of a phone call, a written letter or note, or a door hanger complying with applicable law. This notice must be given ten (10) calendar days prior to cut off.
- B. If any Customer disputes the accuracy of his/her bill, they have a right to a hearing at which they may be represented in person or by any other legal representative and may present, orally or in writing, their complaint and contentions.
- C. Anyone desiring a hearing may contact the Director of Customer Service or his or her designee at City Hall, 28 West Center St., Lexington, NC, telephone (336) 243-2489. Hearings are scheduled during normal business days and hours. The Director of Customer Service or his or her designee has authority to make a final determination on the Customer's complaint and the authority to order service not be discontinued. The

Customer will be notified in a timely manner of the results of any investigation regarding a hearing and of any resulting determination regarding adjustment or cut off. All grievances must be heard and addressed by the hearing officer prior to an item appearing before the Lexington Utilities Commission. A City employee may be authorized as the hearing officer for Customers. As such, that official would be authorized to hear concerns and complaints, settle disagreements, and reconnect any Customer disconnected for non-payment or other reason while the concern is investigated, as that official deems necessary. If a Customer elects to appeal the decision of the Director of Customer Service or his or her designee, then the appeal should be heard by the City Manager or his or her designee. An appeal of this decision can be made to the Lexington Utilities Commission. A request to appear before the Lexington Utilities Commission should be made at least two (2) weeks prior to the scheduled meeting date. The decision of the Lexington Utilities Commission is considered to be final. Any appeals from this level should be handled in the General Court of Justice Superior Court Division of Davidson County.

#### **34) PAYMENT REQUIREMENTS FOR UTILITY SERVICES**

- A. If any bill is not paid within seventeen (17) days of the billing date, a second notice bill will be mailed stating that the service will be terminated unless the bill is paid by a specified date.
- B. Any Customer disputing the correctness of his bill shall have a right to a hearing as described and set forth in Part I Section 33 of this Manual.
- C. Request for delays or waiver of payment may not be entertained. Only questions of proper and correct billing will be considered.

#### **35) METER TAMPERING**

N.C. General Statutes 14-159.1 prohibits tampering with utility meters as follows:

- A. It shall be unlawful for any unauthorized person to alter, tamper with or bypass a meter which has been installed for the purpose of measuring the use of electricity, natural gas

or water or knowingly to use electricity, natural gas or water passing through any such tampered meter or to use electricity, natural gas or water after bypassing a meter provided by an electric, natural gas or water supplier for the purpose of measuring and registering the quantity of electricity, natural gas or water consumed.

- B. Any meter or service entrance facility found to have been altered, tampered with, or bypassed in a manner that would cause such meter to inaccurately measure and register the electricity, natural gas or water consumed or which would cause the electricity, natural gas or water to be diverted from the recording apparatus of the meter shall be prima facie evidence of intent to violate and of the violation of this Section by the person in whose name such meter is installed, or the person or persons so using or receiving the benefits of such un-metered, un-registered or diverted electricity, natural gas or water.
- C. Any person violating any of the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than five hundred dollars (\$500.00) or imprisoned not longer than two (2) years, or both fined and imprisoned, in the discretion of the court.
- D. Whoever is found in a civil action to have violated any provisions hereof shall be liable to the electric, natural gas or water supplier in triple the amount of losses and damages sustained or five hundred dollars (\$500.00), whichever is greater.
- E. Nothing in this act shall be construed to apply to licensed contractors while performing usual and ordinary services in accordance with recognized customs and standards.
- F. The minimum penalty for meter tampering shall be actual damages or the fee described as set forth in the City's existing fee schedule.

### **36) RESPONSE TO INSUFFICIENT FUNDS**

- A. The City will only accept cash, certified check, debit/credit card or money order from any Customer having had two insufficient funds or closed accounts, in connection with

returned checks, automatic drafts, or credit card payments within any one (1) year period.

- B. Upon receipt of the first returned check or other insufficient funds notice, the Customer will be informed of and given a copy of the written policy.
- C. Upon receipt of the second returned check or other insufficient funds notice, the Customer will be advised that all bills must be paid in cash and will be given another copy of the written policy.
- D. Cash payments, certified checks, debit/credit cards or money orders only will be accepted by the City from the Customer for the ensuing year as a result of insufficient funds payments. After the one (1) year period ends, if another insufficient fund or closed account notice is received all future bills must be paid in cash. Notice to the Customer of a returned check, other insufficient funds, credit or closed account notice will be made by telephone if possible.
- E. If not possible, a door hanger or written memo will be released on the day the check or other insufficient funds or credit notice is received.
  - 1. To the extent permitted by North Carolina law, a charge is added to the Customer's bill because of each returned check, closed account or other insufficient funds or credit notice.
  - 2. The Customer's account will be charged for returned checks, closed account, other insufficient funds or credit notice, and will be subject to regular collection policies for delinquent accounts.
  - 3. All returned checks, other insufficient funds, or credit or closed account notice and receipt of cash, certified check or money order for payment will be recorded by the City. The City may pursue other remedies available for returned checks, closed accounts or insufficient funds or credit by a Customer.

### **37) DISCONNECTION FOR PRIOR DEBTS**

The City can disconnect Customers with prior debts only if:

1. The current service is in the name of the Customer(s).
2. The Customer has been delinquent for ten (10) days and the City has notified the Customer of their intent to disconnect and has given the Customer reasonable time to respond.

### **38) TRANSFER OF SERVICE**

Customers may transfer service from one location to another as long as any bills are not past due. The remaining amount owed and any fees from a previous service may be transferred to the new account. If the Customer has an account that is past due, the Customer will be required to pay that amount before the account can be transferred. Previous deposits will be applied to any amount past due, and a new deposit may be required to set up the new account.

### **39) UNIQUE RIGHTS AND RESPONSIBILITIES**

- A. The Customer shall be liable for the cost of repairs or damage to the City property on the Customer's premises resulting from the negligence of or misuse by the Customer or others. The Customer and the City have the unique rights and responsibilities in connection with utility service. These responsibilities and rights are detailed throughout this Manual.
- B. Customer Responsibility:
  1. To establish credit in one of the following ways:
    - Provide proof of land ownership.
    - Provide acceptable credit references.
    - Provide proof of twelve (12) months of good payment history with another utility.
    - Name a qualified person to guarantee payment of bills up to a certain amount.
    - Pay a cash deposit.
  2. Allow City personnel access to property to set up and maintain service.
  3. Pay bills by the Due Date shown on each monthly bill.

4. Notify the City of another person a Customer would like to receive any notice of service interruption for non-payment of bills.
5. Notify the City if there is someone in the household who is either chronically or seriously ill, disabled, or on a life support system.
6. Notify the City of questions or complaints about service.
7. Be aware of and provide access to equipment owned by the City at the Customer's home/business and safeguard it.
8. Install, maintain, and repair wiring and piping in the home/business that conforms to all applicable laws, rules and regulations.
9. The City provides utility service for the sole use and convenience of the premises under contract. The Customer will ensure that utility service is not given or resold to anyone, including a neighbor or tenant. Violation of this policy will be cause for immediate disconnection of service.
10. The Customer must notify the City if the Customer is interested in an alternate rate. In addition, the Customer must notify the City when utility use changes could possibly make the Customer eligible for a change in rate.
11. The Customer shall be responsible at all times for the safekeeping of all City equipment installed on the Customer's premises, and to that end shall give no one, except authorized City employees, access to such property.
12. The Customer shall be liable for the cost of repairs or damage to the City equipment on the Customer's premises resulting from the negligence of or misuse by others.
13. Utility service is supplied by the City and purchased by the Customer upon the express condition that after it passes the delivery point it becomes the property of the Customer to be used only as herein provided. The City shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of said utility services after it passes the delivery point; or for any loss or damage resulting from the presence, character, or condition of any equipment owned by the Customer or for the inspection or repair thereof.
14. The Customer shall be responsible for the maintenance and repair of the Customer's equipment. Should the Customer report trouble with the supply of services, the City will endeavor to respond with reasonable dispatch to such call with the purpose only of correcting such trouble as may be in the City's

equipment supplying the Customer. If the trouble appears to be in the Customer's equipment, or appliances, the City's employees may, if requested by the Customer, make such inspection of the Customer's equipment as the City's employees are prepared to make, to assist the Customer in determining the need to contact other professionals for repair or replacement of the Customer's equipment. But any inspection of the Customer's equipment by the City's employees is made upon the express condition that the Customer assumes the entire and sole risk, liability, and responsibility for all acts, omissions, and negligence of the City's employees. The City retains all responsibility only with respect to the action of its employees in connection with equipment owned by the City.

C. Customer Rights:

1. A Customer has a right to request that the Customer's deposit be refunded if the Customer establishes credit by other means, pays bills promptly for one year, or discontinues service from the City.
2. If the Customer is notified of an impending disconnection for non-payment, the Customer may discuss installment payments designed to pay the account in full, but such shall be subject to an agreement with the City's Customer Service Representative, and may be approved or denied.
3. The Customer has a right to request, free of charge, historic billing and usage information. If the City cannot find any reason for usage changes, the Customer may request one free meter test per year. A fee may be charged if the meter is within accepted tolerances (plus or minus 2 percent). The Customer has a right to receive a written copy of the results of this test.
4. Customer has a right to a hearing on disputed bills.

D. City Responsibility:

1. Refund the Customer's deposit if conditions are met.
2. Give written notice at least ten (10) days before service is interrupted for failure to pay. The notice will explain the reason for disconnection, the date when service will be disconnected and explain how the Customer can avoid service interruption. The notice will respect a Customer's right to privacy regarding publication of debt.

3. Avoid disconnection for non-payment during extreme weather conditions.
4. Avoid disconnection for non-payment after 4pm on a Friday, on a weekend, or on a City holiday.
5. Provide and explain rate schedules, how meters are read, and other additional, reasonable information.
6. Respond to questions or complaints from Customers. The City may not agree with the complaint but pledges prompt, courteous and honest answers.
7. Provide historic billing and usage information when requested by the Customer.
8. Provide energy usage and conservation information.

E. City Rights:

1. Reasonable access to the City's equipment and utility facilities on the Customer's premises.
2. To receive notice of changes in address, status of utility service, or problems with utility service.
3. To receive timely payment for services delivered to home/business.
4. The City is allowed to take action in court or as otherwise permitted by law regarding equipment tampering or financial delinquencies.

#### **40) SERVICE FEES**

- A. Service fees shall be charged to Customers requesting or requiring special service, such that these costs will not be included in basic rates for utility service. Periodic adjustments will be made by the City to reflect increased or decreased cost of providing specific services.
- B. Service charges to restore utility service, where trouble is found in Customer's system, shall be based on actual labor cost.
- C. Except in emergency or other unusual circumstances, no cut on of new accounts or restoring of delinquent accounts will be made after 5:00pm, unless approved by the City.

#### **41) CITY WASTE COLLECTION SERVICES**

- A. As referenced in Article V of the City's Code of Ordinances, it is presumed that all residential and nonresidential units located within the Lexington City Limits receive waste collection service (Sec. 11-73).
- B. The person or organization in whose name utility service is listed shall be liable for and shall pay the charges for commercial containerized service and/or the fees for residential service (Sec 11-72 (a), (b)).
- C. The monthly charges and fees for waste collection service will be billed by the City on a monthly basis and shall be payable with utility charges within the time limit fixed for the payment of utility bills (Sec 11-72 (a)).
- D. It is presumed that responsibility for waste collection service begins immediately after a Customer moves into a location. Charges for waste collection service shall accrue on the first day of the month and shall be billed on the first individual billing cycle of the following month for that owner under the billing system of the City (Sec 11-72 (d)).

#### **42) DEBT SETOFF**

- A. The North Carolina Setoff Debt Collection Act ("Act") provides an administrative procedure for the City to collect amounts due for utility service from the state tax refunds of its Customers.
- B. The act only applies to debts and refunds of at least fifty dollars (\$50.00). The debt to be paid can be one debt owed the City or the sum of any number of valid debts owed the City. Before submitting the debt for collection, the City must first give the Customer notice of its intent and the claim for set off must be finally determined as provided in the Act. The notice must explain the basis for the claim and that the City intends to apply the Customer's state tax refund against the amount owed for utility service. The notice must inform the Customer of his rights to contest the matter by filing a request for hearing through the mail. The notice must also state that the failure to request a hearing within thirty (30) days will result in setoff of the Customer's debt.

- C. If the Customer files a timely written request for a hearing, the governing body of the City, or a person designated thereby, must hold a local hearing. If the Customer wishes to dispute the decision following a local hearing, the Customer must file a petition for a contested hearing under Article 3 of the Administrative Procedures Act, within thirty (30) days of receiving a copy of the local decision. Further appeals shall be in accordance with the Administrative Procedure act, except that the place of initial judicial review will be the Superior Court for the county in which the Customer resides.
  
- D. If the City has complied with the notice provisions and the debt has been finally determined to be owed, the City may submit the debt for collection by setoff. The debt must be submitted through a clearinghouse established pursuant to inter-local agreement or through the North Carolina League of Municipalities. A collection assistance fee of no more than fifteen dollars (\$15.00) is imposed on the Customer on each debt collected through setoff. The City must notify the Department of Revenue in writing and supply information necessary to identify the Customer. If the Department of Revenue determines that the Customer is entitled to a refund of at least fifty (\$50.00) dollars, then the Department of Revenue must setoff the debt owed the City against the refund. The City must notify the Department of Revenue when a debt has been paid or is no longer owed. The amount to be setoff is subject to the priorities and claims of other agencies, with the Department of Revenue having priority over local agencies.
  
- E. While the Act provides an alternative way to collect past due utility bills, it is suggested that it be a remedy used together with other debt collection methods. The collection proceedings under the act do not toll the statute of limitations covering the collection of the debt. Therefore, alternative debt collection efforts must still be pursued in a timely fashion.

#### **43) CUSTOMER PRIVACY**

As referenced in North Carolina General Statutes 132-1.1, the City has the right not to provide billing information unless the disclosure is deemed appropriate. Occasions where the City may see fit to release such information include but are not limited to and are not bound by the following:

- request from local agencies that would consider paying on behalf of the Customer.

- request from auditing firms which would seek to assist the Customer in lowering their usage.

If the City desires to discuss billing data in a meeting, it should go into a closed session for the discussion in order to protect the Customer's privacy. If the City desires to provide Customer billing data to another public body it should determine whether that public body is covered under the North Carolina law in protecting Customer billing data. Even if that public body is not subject to the public record laws the City may be required to provide the Customer billing data upon request.

#### **44) REBATES**

The City encourages the use of energy efficient appliances. In doing so, we offer a rebate program that eases the financial burden of purchasing new heat pumps, water heaters, and various other appliances. As the terms of this program can vary from time to time, we suggest that Customers contact our offices for the most current incentives.

Rebates will always be subject to the following guidelines:

- 1) Customers should provide proof of purchase.
- 2) A City representative may elect to inspect the appliance installation.
- 3) Rebates will be issued in the event that no prior debt is owed to the City. If a prior debt exists, the rebate amount may first be used to offset that amount.

**Identity Theft Prevention Policy**

**Effective November 1, 2008**

**1) Purpose:**

The goal of this policy is to prevent identity theft. Lexington Utilities recognizes the responsibility to safeguard personal customer information within the workplace. The purpose of this policy is to create an Identity Theft Prevention Program utilizing guides set forth in the FACT Act (2003).

**2) Scope:**

This policy applies to management and all personnel of Lexington Utilities.

**3) Responsibility:**

Lexington Utilities must protect customer data and implement policies and procedures that meet standards established by the Federal Trade Commission by November 1, 2008.

**4) Definitions:**

IT – Information Technology

Identity Theft – Financial identity theft occurs when someone uses another consumer’s personal information (name, social security number, etc.) with the intent of conducting multiple transactions to commit fraud that results in substantial harm or inconvenience to the victim. This fraudulent activity may include opening deposit accounts with counterfeit checks, establishing credit card accounts, establishing line of credit, or gaining access to the victim’s accounts with the intent of depleting the balances.

Company – For the purposes of this policy, Lexington Utilities is referred to as Company.

Red Flag – A pattern, particular specific activity that indicates the possible risk of identity theft.

CRA – Consumer Reporting Agency from which Lexington Utilities receives credit related information regarding deposit levels.

Medical Information – Information or data, whether oral or recorded, in any form of medium, created by or derived from a health care provider or the consumer that relates to:

- Y The past, present, or future physical, mental, or behavioral health care to an individual;
- Y The provision of health care to an individual; or
- Y The payment for the provision of health care to an individual

## 5) **Procedure:**

### A. Implementing the Program

1. The program shall be created and monitored by a team comprised of the following staff members: Assistant City Manager, Director of Customer Service, Director of Information Technologies, Customer Service Manager, and Risk/Safety Manager.
2. The Assistant City Manager will assume the role of routine communication within the various Boards. The Director of Customer Service and the Customer Service Manager will serve as immediate customer liaisons for Lexington Utility customers. The Customer Service Manager shall also focus special attention upon the ramifications of cash flow as it may pertain to theft. The IT Director will monitor traffic on the City's computer network and make routine inspection as to its safety. The Risk/Safety Manager will advise the team as to the City's appropriate response regarding insurance decisions.
3. The Director of Customer Service shall be assigned the role of Privacy Officer.
4. Assess Company's Need for New/Updated Policies and Procedures.

- B. This team shall periodically review the program and how it relates to actual events related to potential or real identity theft. At least once per year, the team will report results and recommendations to the Lexington City Council.

## 6) **Compliance:**

**Lexington Utilities complies with the FACT Act by defining action(s) to be taken for each of the Red Flags which relate to the opening of new accounts and the monitoring of existing accounts.**

To ensure proper detection of all Red Flags, applicants will be asked to provide the following information before a new covered account is opened:

- Full name
- New address
- Valid photo identification
- Social security number or valid government issued identification number
- Other documents as may be referenced within the Customer Service Policy

Lexington Utilities has developed the following procedures designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or any existing covered account. All procedures represent a typical but not absolute response. Each situation can and will have circumstances, which will be affected by a number of variables. Lexington Utilities currently contracts with ONLINE Utility Exchange as its service provider to identify Red Flags and will continue to use this service or a similar service for Red Flag detection of covered accounts. Lexington Utilities submits the following managerial responses as typical, but not limited to:

<b>Flag</b>	<b>Next Step</b>	<b>Mitigation (Steps to Control Losses)</b>
<b>Alerts</b>		
<b>Consumer report indicates fraud or active duty alert.</b>	Confirm alert with CRA	<ul style="list-style-type: none"> <li>● Tell applicant about the notice and advise to call CRA</li> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Credit freeze.</b>	Ask applicant about the “freeze”	<ul style="list-style-type: none"> <li>● Tell applicant about the notice and advise to call CRA</li> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Notice of address discrepancy.</b>	Provide assistance to the inquiring Credit Reporting Agency	<ul style="list-style-type: none"> <li>● Monitor account for identity theft</li> <li>● Tell applicant about the notice and advise to call CRA</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Unusual patterns in activity.</b>	N/A	<ul style="list-style-type: none"> <li>● May be as much related to economy as potential identity theft</li> </ul>
<b>Presentation of Suspicious Documents</b>		
<b>Identification documents appear altered or forged.</b>	Request updated information before completing application	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● Make copy of document and consult Lexington Police Department</li> </ul>
<b>Photo/physical description does not match applicant.</b>	Request updated information before completing application	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● Make copy of document and consult Lexington Police Department</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Other information on identification is inconsistent information given from applicant.</b>	Request updated information before completing application	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Information in utility files is inconsistent with information provided. Example: signatures do not match on signature card.</b>	Request updated information before completing application	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Application looks altered or forged or destroyed and reassembled.</b>	Request updated information before completing application	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● Make copy of document and consult Lexington Police Department</li> </ul>

Flag	Next Step	Mitigation (Steps to Control Losses)
<b>Suspicious Personal Identifying Information</b>		
<p><b>Identification is inconsistent with external source such as:</b></p> <ul style="list-style-type: none"> <li>- Address v. Address on Consumer Report</li> <li>- Social security number not issued.</li> <li>- Social security number on Death Master file.</li> <li>- Inconsistent information, such as lack of correlation between date of birth and social security number.</li> </ul>	<p>Confirm alert with CRA</p> <p>Request valid ID from applicant</p>	<ul style="list-style-type: none"> <li>● Monitor account for identity theft.</li> <li>● Tell applicant about the notice and advise to call CRA</li> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<p><b>Identification is known to be associated with fraudulent activity:</b></p> <ul style="list-style-type: none"> <li>- The address is fictitious, a prison or a mail drop on application.</li> <li>- The phone number is invalid or associated with a pager or answering service.</li> <li>- The social security number is the same as that submitted by other persons opening an account.</li> <li>- The address is the same address as that submitted by other persons opening an account.</li> </ul>	<p>If applicant cannot be confirmed to be associated with multiple properties, validate ID and confirm requested property</p>	<ul style="list-style-type: none"> <li>● Monitor account for identity theft</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<p><b>Applicant fails to provide all personal ID requested.</b></p>	<p>Continue with request for proper identification</p>	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> </ul>
<p><b>Personal ID is inconsistent with utility records.</b></p>	<p>Confirm and examine documents presented</p>	<ul style="list-style-type: none"> <li>● Tell applicant about the notice and advice to call CRA</li> <li>● May opt to hold request for service</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<p><b>For institutions using challenge questions, the person attempting to access or open the account can not provide any information beyond what would typically be found in a wallet or consumer report.</b></p>	<p>N/A</p>	<p>N/A</p>
<p><b>Change of billing address is followed by request for adding additional properties to the account (or shortly following the notification of a change in address, the utility receives a request for the addition of authorized users on the account).</b></p>	<p>Confirm original ID presented for service request</p>	<ul style="list-style-type: none"> <li>● Monitor account for identity theft</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>

Flag	Next Step	Mitigation (Steps to Control Losses)
<b>Suspicious Personal Identifying Information (Continued)</b>		
<b>Payments are made in a manner associates with fraud. For example, deposit or initial payment is made and no payments are made thereafter.</b>	If payments are rejected or returned, send property notification of pending disconnect	<ul style="list-style-type: none"> <li>● Follow proper service disconnection procedure</li> </ul>
<b>Existing account with a stable history shows irregularities.</b>	N/A	<ul style="list-style-type: none"> <li>● Difficult to use this as a potential identity theft pattern</li> </ul>
<b>An account with low activity unexpectedly jumps to high consumption. Ex: 1000 kwh to 2801 kwh.</b>	N/A	<ul style="list-style-type: none"> <li>● Not allowed to profile usage patterns</li> </ul>
<b>Mail sent to customer is repeatedly returned.</b>	Investigate any known causes	<ul style="list-style-type: none"> <li>● Monitor account for identity theft</li> <li>● Contact with field personnel and confirm correct address</li> </ul>
<b>Customer notifies utility that they are not receiving their bill.</b>	Investigate any known causes	<ul style="list-style-type: none"> <li>● Monitor account for identity theft</li> <li>● May opt to continue processing request for address change after confirming identity</li> </ul>
<b>The utility is notified of unauthorized charges or transactions in connection with a customer's account.</b>	Advise customer to contact appropriate law enforcement agency and report with proper forms	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● Make copy of document and consult Lexington Police Department</li> <li>● May opt to continue processing request depending upon circumstances</li> </ul>
<b>Notice of Theft</b>		
<b>Utility is notified by law officials or others, that it has opened a fraudulent account for a person engaged in identity theft.</b>	Follow procedures as advised by law enforcement	<ul style="list-style-type: none"> <li>● May opt to hold request for service</li> <li>● Make copy of document and consult Lexington Police Department</li> <li>● May opt to continue processing request depending upon circumstances</li> <li>● May opt to close an existing account</li> </ul>

**7) Lexington Utilities complies with the FACT Act by preventing, detecting and mitigating breaches in security.**

- A. In the event of a breach of security, the following precautions will be taken to mitigate damage: An immediate supervisor shall be notified of the specific breach. The informing employee, the supervisor, and any other related employees should immediately evaluate the extent to which information is compromised and take certain actions to prevent further complications. These actions include but will not be limited to securing customer data, changing passwords, closing network connections, and securing work space areas.
- B. Notification within the utility will follow: The informed supervisor will contact a member of the Identity Theft team as soon as possible after being told of the incident. It will be the City's goal to inform each IT team member so that corrective action can be taken as close to the event as possible.
- C. Customers affected by the breach will be contacted: Lexington Utilities will make every effort to notify customers whose information may have been compromised by an event. Our first effort will be to identify each customer and to subsequently inform them of the possibility that their personal information may have been stolen. This contact will be made by telephone if the case is limited to fewer than twenty customers. If the number is larger than twenty, we may elect to mail notices to the group of customers.

**8) Lexington Utilities complies with the FACT Act by responding to notices of address discrepancies.**

- A. Lexington Utilities will furnish a confirmed address to the consumer reporting agency (CRA) under the following conditions:
  - 1. Lexington Utilities can form a reasonable belief the consumer report relates to the consumer about whom the user requested the report.
  - 2. The consumer under review is a current customer with an active account.
  - 3. The request involves a customer opening a new account.
  - 4. CRA provides request in writing.
  - 5. Lexington Utilities has established relationship with CRA. Lexington Utilities will not be required to provide address confirmation with a consumer reporting agency with which it is under no contract.
- B. Response will be given within 48 business hours of receiving the request and may be given either in writing or by calling the local CRA office.
- C. It is the policy of Lexington Utilities to provide a confirmed address to its contracted CRA upon receiving application for a new covered account.

**9) Lexington Utilities complies with the FACT Act by providing designated employees with Identity Theft Prevention Training.**

- A. Designated employees will be trained on a need to know basis according to job responsibilities.

- B. **Initial Training** is provided on 3 levels:
- **Committee members** participated in a three hour professional association Identity Theft Prevention Program workshop covering principles of needs assessment, program design, development, implementation and evaluation. Strategies for revision and reporting were included. Committee members unable to attend will receive one on one training by a workshop attendee.
  - **Supervisors** - Initial 2 hour program addresses supervisory role in preventing identity theft
  - **Employee** - Initial 2 hour program addresses the safeguarding of secured information.
- C. **Annual Updates** will be provided for all designated employees. Sessions to be a minimum of 30 minutes will include, but not be limited to:  
Patterns of reported incidents, changes in information technology, changes in known methods of identity theft, results of evaluations, and seeking employee input on strategies for enhancing the Identity Theft Prevention Program.
- D. **Documentation of Training**  
Training related to identity theft will be documented on standard forms used by Lexington Utilities and maintained by the Privacy Officer.
- E. **New employees** hired into positions handling secured information will receive initial training within one week of their hire date.

**10) Lexington Utilities complies with the FACT Act by handling reports of suspected identity theft.**

- A. When a consumer suspects identity theft, he must notify the utility in writing, completing the Federal Trade Commission Affidavit. Instructions for completion are a part of the form. A copy of this form can be obtained by visiting the Federal Trade Commission website.
- B. Customer will be requested to submit copy of affidavit with police report.
- C. Make a copy of the customer's photo ID.
- D. Record the receipt of documents.
- E. Submit the copies of the FTC affidavit, police report and photo ID to a member of the IT team.
- F. Once all documentation has been properly submitted, Lexington Utilities will follow the direction of local law enforcement for future handling of the specific case.

**11) Lexington Utilities complies with the FACT Act by conducting IT audits to monitor risk for identity theft.**

- A. Lexington Utilities will utilize the Identity Theft Prevention Program Checklist to audit and evaluate internal and external identity theft risk in information technology security.

- B. Walk through inspections will be completed on a quarterly basis and complete audits will be completed on an annual basis by the Information Technologies Director.
- C. Recommendations to reduce risk of identity theft will be submitted for program review and evaluation upon completion of an audit checklist. Results will be submitted to the privacy officer within one week of completion of the evaluation.

**12) Lexington Utilities complies with the FACT Act by monitoring the confidentiality of medical records.**

- A. Lexington Utilities will treat all medical information pertaining to the customer as confidential.
- B. Medical information will not be used in the determination of a consumer's eligibility for services.
- C. Lexington Utilities will not release medical information to third parties.
- D. Rescue Squads or other government entities that require the location of citizens on ventilators for planning purposes will be provided the information upon receiving the written permission of the customer.



# *Electric*

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## 1) SERVICE CONNECTIONS

- A. Normally, the City will supply and meter at one delivery point electricity of the characteristics desired by the Customer at the delivery point. (Those characteristics are described in Part II Sections 3 and 4 of this Manual.)
  
- B. The City will make application for the permits and acquire the easements necessary to build its supply facilities to the property occupied by the Customer and the Customer will apply for, obtain, and deliver to the City all other permits or certificates necessary to give the City the right to connect its conductors to the Customer's wiring and access for all other proper purposes, including an easement for the landowner for the City's facilities. The City shall not be required to supply electricity until a reasonable time has elapsed after the City has obtained or received all necessary permits, certificates, and easements.
  
- C. Should any change or changes in the service connection furnished to the Customer by the City be made necessary by any requirement of public authority, the entire cost of such changes on the Customer's side of the deliver point shall be borne by the Customer.
  - 1. Whenever a Customer requests the City to supply electricity to a single premises as described in Part II Section 1.C.2 in this Manual, which requires equipment and facilities in excess of those which the City would normally provide, and the City finds it is practical, such excess equipment and facilities may be provided under the following conditions:
  - 2. Electricity will be supplied only to a single premises consisting of contiguous property not divided by any dedicated public street, road, highway, or alley or by property not owned or leased by the Customer.
  - 3. The facilities supplied shall be of a kind and type of transmission or distribution line or substation equipment normally used by or acceptable to the City and shall be installed in a place and manner satisfactory to the City. All equipment furnished and installed by the City shall be and remain the property of the City. When excess facilities are provided to supply electricity at more than one delivery

point, the facilities interconnecting the delivery point shall be located on the Customer's premises.

- D. All electricity will normally be metered at the voltage delivered to the Customer however, the City reserves the right where it desires for it's own purposes, to meter the electricity on the City's side of the transformer or transformers and adjust for losses.
- E. The City shall not be required to make such installations of equipment and facilities in addition to those normally provided until the Customer has signed such agreements and fulfilled such other conditions as may be required by the City.
- F. The City shall have the option of refusing request for extra facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the City's service to other Customers. Contracts containing the Extra Facilities Clause shall have a minimum original term of five (5) years, to continue from year to year thereafter, but the City may require the payment of removal cost in contracts with original term of the contract.

## **2) LOCATION OF CITY'S EQUIPMENT**

- A. The City shall have the right to install any poles, lines, transformers, or any other equipment on the property occupied by the Customer, which in its judgment is necessary in supplying electricity to the Customer.
- B. The City shall have the right to place its transformers and such other apparatus as may be needed in connection with supplying such electricity at a convenient point or points on the property or in the building or buildings of the Customer.
- C. The Customer shall provide suitable space for the installation of the necessary metering apparatus which space shall be:
  - 1. Substantially free from vibration.
  - 2. An outside location for all Residential Service. For commercial, industrial, or large residential apartment premises an outdoor location is preferred; however, other locations for such metering equipment may be acceptable to the City.

3. Readily accessible and convenient for reading, testing, and servicing.
4. Located such that apparatus will be protected from damage by the elements or the negligent or deliberate acts of persons.
5. Located by the City prior to wiring installation.
6. All equipment furnished and installed by the City shall be and remain the property of the City.

### **3) CHARACTERISTICS OF ELECTRICITY SUPPLIED**

- A. The City will supply 60-cycle alternating current within the voltage range shown below. Other voltages may at the option of the City be supplied when requested.
- B. The characteristics at which electricity will be furnished at each installation will be given in writing to the Customer.
- C. To eliminate the possibility of error or loss, the Customer, before purchasing motors or other equipment or undertaking to install wiring, should secure from the City in writing all necessary data relating to the characteristics of the electricity and service connections which will be supplied.

### **4) VOLTAGE**

- A. The City will endeavor to supply voltages within the following limits, but shall not be liable for its failure to do so:
  1. For electricity supplied for residential services and/or specifically for lighting purposes, the variation for base voltage will not be more than ten (10) percent of the base voltage.
  2. For electricity supplied for other service, the variation from base voltage to minimum voltage will not exceed ten (10) percent of base voltage, and the variation from base voltage to maximum voltage will not exceed ten (10) percent of base voltage.
- B. Variations in voltages in excess of those specified caused by addition of Customer equipment without proper notification to the City; by the operation of Customer's

equipment; by action of the elements; by infrequent and unavoidable fluctuations of short duration due to system operations; by conditions which are part of practical operations and are of limited extent, frequency and duration; or by emergency operations shall not be construed as departure from the limits within which the City will endeavor to supply electricity. The following definitions apply to terms used above:

Base Voltage - The reference level of service voltage.

Maximum Voltage - The greatest five (5) minute mean or average voltage.

Minimum Voltage - The least five (5) minute mean or average voltage.

The standard base service for voltages available from the City are shown on the rate schedules.

## **5) METERING**

- A. Electricity will be furnished through one delivery point and one set of metering apparatus and will be billed separately on the applicable rate schedule. However, the City reserves the right, where it desires for its own purposes because of the amount or characteristics of electricity required, to install two or more sets of metering apparatus, to combine the readings of meters so installed for billing purposes, and to bill these combined readings on the applicable schedule.
- B. The Customer agrees to pay the City under the dry metering contract agreement a twenty-five dollar (\$25.00) charge per month for furnishing, installing and maintaining the necessary equipment including isolating relays, additional metering equipment, enclosures, protective devices, and associated wiring to connect the City's metering equipment to the isolating relay. Any additional metering contacts will be covered under section 9 of the agreement. The monthly charge will be in addition to the charges of electricity in accordance with the applicable rate schedule.
- C. When one or more transformers are installed at one delivery point by the City for the City's convenience to supply electricity to a single Customer at one nominal voltage, the City reserves the right, where it desires for its own purposes because of the amount of characteristics or electricity required, to meter the electricity on the City's side of the transformer or transformers and adjust for losses.

## **6) TESTING**

- A. Meters in service may be tested by the City, or any other lawfully constituted authority having jurisdiction. When, as a result of such a test, a meter is found to be more than two (2) percent fast or slow because of incorrect calibration, the City may re-bill the Customer for the correct amount as calculated for a period of not more than sixty (60) days.
- B. Whenever it is found that for any reason other than calibration, the metering apparatus has not registered the true amount of electricity which has been used by the Customer, billing adjustments will be made in accordance with North Carolina Utilities Commission Rule R8-44 and described in Part II Section 17.E of this Manual.
- C. If, during the term of agreement for furnishing electricity to a Customer, the Customer is unable to operate his facilities, in whole or in part, because of accident, act of God, or fire occurring at the location where electricity is supplied, the charge for electricity used during the period reasonably necessary to correct any such conditions may, in the discretion of the City, be reasonably adjusted in accordance with all pertinent facts and conditions.

## **7) SUB-METERING**

The City will furnish electricity to the Customer for use only for the Customer's own purposes and only on the premises occupied through ownership or lease by the Customer. Electricity supplied to any Customer shall not be resold but may be furnished to a tenant of the Customer only when the charge therefore is included as a part of the rent.

## **8) USE OF ELECTRICITY BY CUSTOMERS**

- A. Electricity supplied by the City shall not be used in conjunction with any other source of electricity without previous written notice of consent of the City, except that whenever

the Customer has another source of electricity such source may be used only during such periods as the electricity supplied by the City may fail or be interrupted.

- B. Because the City's facilities used in supplying electricity to the Customer have a definite limited capacity and can be damaged by overloads, the Customer shall give adequate notice to the City and obtain the City's written consent before making any substantial change in the amount or use of the load connected to the City's service.
- C. The Customer shall not use electricity in any manner, which will be detrimental to the City's supply of electricity to other Customers. The City reserves the right to, but shall have no duty to determine the suitability of apparatus or appliances to be connected to its service by the Customer, and to refuse to continue to supply electricity if it shall determine that the operation of such apparatus or appliances may be detrimental to its electric system or to the supply of electricity to any other Customer.

**9) DISCONTINUANCE OF THE SUPPLY OF ELECTRICITY**

The City reserves the right to discontinue furnishing electricity to a Customer, at any time without notice, in accordance with Part II Section 19 of this Manual and upon occurrence of any one of the following events:

- A. Whenever the City, in its opinion, has reasonable cause to believe that the Customer is receiving electricity without paying for it, or that its meter, wires or other apparatus have been tampered with in any manner.
- B. Whenever, in the City's opinion, the condition of the Customer's wiring, equipment and appliances is either unsafe or unsuitable for receiving electricity or is a potential safety or health hazard to the supply of electricity by the City to any other Customer.
- C. Where electricity is being furnished over a line which is not owned or leased by the City, and that line, in the City's opinion, is either not in a safe and suitable condition or is inadequate to receive electricity.

## **10) RECONNECTION OF THE SUPPLY OF ELECTRICITY**

- A. If the supply of electricity has been discontinued for any of the reasons covered by Part I Section 31.D of the Manual, the City shall have a reasonable period of time in which to reconnect the Customer's service after the conditions causing discontinuance shall have been corrected.
  
- B. If the supply of electricity has been discontinued because of improper use, or if, in the City's opinion, its meter or wires or other apparatus have been tampered with, the City may refuse to reconnect the Customer's service until the Customer shall have:
  - 1. Paid all delinquent bills, plus any tampering fees as defined in the City's current fee schedule.
  - 2. Paid to the City an amount estimated by the City to be sufficient to cover the electricity used but not recorded by the meter and not previously paid for, plus a special reconnection fee as defined in the City's current fee schedule.
  - 3. Made such changes in wiring or equipment as may in the opinion of the City be proper for its protection.
  - 4. If the supply of electricity has been discontinued by the City at the request of any public authority having jurisdiction, the Customer's service will not be reconnected until authorization to do so has been obtained from said public authority.
  - 5. If the supply of electricity has been disconnected by the City for non-payment of past due bills, the charge for reconnection shall be as defined in the City's fee schedule.

## **11) INTERRUPTIONS TO SUPPLY OF ELECTRICITY**

- A. The City will use its best efforts to furnish an uninterrupted supply of electricity, but it does not undertake to guarantee such an uninterrupted supply. Should the supply of electricity fail or be interrupted or become defective for any reason, including but not limited to, an act of God or public enemy; by action of Federal, State, County or other

public authority; or because of accident or strikes, the City shall not be liable for such failure, interruption or defect.

- B. In the event of a power shortage or an adverse condition or disturbance on the system of the City or any other directly or indirectly interconnected system the City may, without incurring liability, take such emergency action as, in the judgment of the City, may be necessary. Such emergency action may include, but not be limited to, reduction or interruption of the supply of electricity to some Customers or areas in order to compensate for a power supply shortage on the City's system or limit the extent or duration of the adverse condition or disturbance on the City's system or to prevent damage to the Customers equipment or the City's facilities, or to expedite the restoration of service. The City may also reduce the supply of electricity to compensate for an emergency condition on an interconnected system.
  
- C. If the City in good faith believes that, because of civil disorder, riot, insurrection, war, terrorism, fire, or other conditions beyond the reasonable control of the City in the vicinity of its energized facilities, it is necessary to de-energize a portion of its facilities for the protection of the public, or if ordered by duly constituted public authority to do so, the City may, without incurring liability, de-energize its facilities in such vicinity or in such related area as may be practically required. The City shall not be obligated to furnish electric service through such facilities, but the City shall be prompt and diligent in re-energizing its facilities and restoring its service as soon as it believes that the exercise of reasonable care for the protection of the public and the employees of the City that such action can be taken with reasonable safety.

## **12) PERIODIC TEST AND CHECKS**

- A. Single phase alternating current meters in service shall be tested as follows:
  - 1. A random sampling procedure will be used in the selection of single-phase meters for test each year.
  - 2. Polyphase alternating current meters in service may be tested as follows:
    - a) Self-contained polyphase meters up to and including 50 KW rated capacity, may be tested at least once every seventy-two (72) months.

- b) Polyphase meter, connected through current transformers or current potential transformers, to circuits up to and including 50 KW rated capacity, may be tested at least once every forty-eight (48) months.

- B. Polyphase meters, connected through current transformers or current and potential transformers, to circuits up to and including 50 KW rated capacity, may be tested at least once every forty-eight (48) months.

### **13) REQUEST TEST**

Upon written request by a Customer, the City will test the Customer's meter without charge provided that such test will not be made more frequently than once in twelve (12) months. If test of meters are required by a Customer to be made more frequently than once in twelve (12) months, the City will require a payment as defined by the current fee schedule only if the percentage registration of the meter is greater than 102% or less than 98%.

### **14) ELECTRIC LINE EXTENSIONS**

- A. The City will make electric overhead line extension to such points as will provide sufficient continuing revenue to justify such overhead line extensions, or in lieu of sufficient continuing revenue the City may require such definite and written guarantees of revenue from a Customer, or a group of Customers, in addition to any minimum payments required by the rate schedules, as may be necessary to justify such overhead line extensions. The City shall not be obligated to construct or own any overhead line extension or other facilities to provide any Customer with electricity, the cost of which shall exceed four (4) times the continuing annual revenue, excluding approved fuel charge revenue, that can reasonably be expected by the City from any such overhead line extension.

- B. Normally, notwithstanding the provisions specified above, the City will make single-phase electric overhead line extensions to residential Customers without cost to such Customers except that the Customer may be required to secure rights-of-way on private property without cost to the City or to assist the City in obtaining rights-of-way. The City shall be under no obligation to construct such single-phase electric overhead extensions unless rights-of-way are so obtained.
- C. The City will provide underground electric service in accordance with Part 2 Section 16-19 of this Manual.
- D. If, in the City's opinion, the anticipated revenue from a proposed line extension is temporary, or if the Customer or Customers to be supplied are unable to establish a credit standing satisfactory to the City, the City reserves the right to determine finally the advisability of making such line extension.
- E. The City shall not be required to make any electric line extension until the Customer or Customers to be supplied from such line extension have signed such applications or agreements as may reasonably be required by the City and fulfilled such other conditions for the connection of electricity as may be reasonably required by this Manual, and until all premises to be supplied have been wired ready for service.
- F. The City shall not be required to make any electric line extension on private property until the property owner shall have granted to the City an easement of right-of-way for the construction, operation and maintenance of such line extension.
- G. Whenever it is determined that a line extension on private property to serve one Customer will be built by the Customer such line extension (1) shall start within one hundred (100) feet of the City's line; (2) shall be constructed in compliance with the City's standards and be approved by the City; (3) shall be maintained by the Customer at all times in a manner satisfactory to the City; and (4) the Customer shall assume the liability for the maintenance and operation of the line. If the line owned by the Customer is not operated and maintained in a manner satisfactory to the City, or, in the City's opinion, may interfere with or be detrimental to the City's electric system or the supply of electricity to any other Customer, then the City may discontinue the supply of electricity

as provided in Part 1 Section 31 of this Manual. After such discontinuance the supply will not be restored until conditions are made satisfactory to the City as provided in Part 2 Section 10 of this Manual.

- H. These general rules and regulations shall not be construed as prohibiting the City from making electric line extensions of greater length or higher cost, provided there is no discrimination between Customers using electricity under the same classification.

## **15) TEMPORARY SERVICE**

Upon request of the Customer, temporary service shall be supplied under the following conditions:

- A. Where temporary service for construction of buildings or other establishments, which will receive, upon completion, permanent electric service from the City's lines will be provided in accordance with the City's published rate schedule.
  
- D. Temporary electric service for construction projects, other than those qualifying for the City's published rate schedule, and for rock crushers, asphalt plants, carnivals, fairs, and other non-permanent installations will be provided on the General Service Schedule and the Customer may be required, at the City's option, to pay the actual cost of connections and disconnection. The cost shall include payroll, transportation, and miscellaneous expenses for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed. A deposit may be required as defined in the current fee schedule, said deposit to be returned if the contract period is fulfilled.

## **16) LEASED LIGHTING POLICY**

The City will provide leased lighting to commercial and industrial Customers where it is determined feasible. The City will provide for the installation and maintenance of all

service lines, poles, and lights as part of the contract. While this service will be provided under a specific rate schedule that may change from time to time, the minimum contract period for this service will generally be determined by the payback period for the equipment and property involved. As leased lighting will be considered an extra facility as referred to in Part II Section 1.F of this manual, each contract will reflect a minimum term along with provisions for removal or relocation cost. Should the Customer request the discontinuance of the service prior to the contract period, the City will immediately charge the Customer for the balance of the contract term. For the options available in this lighting service, contact either Customer Service or the Electric Department.

#### **17) UNDERGROUND ELECTRIC SERVICE**

Normally, the City's distribution and service facilities are installed above ground on poles, towers, or other fixtures. At the request of an owner (hereinafter deemed to include a builder, developer, contractor, or Customer), the City will install, own and maintain underground facilities under the terms and conditions hereinafter set out.

#### **18) RESIDENTIAL SERVICE – UNIFORM CHARGES**

At the request of an owner, the City will install, own and maintain underground distribution facilities for service to single residences, apartments and mobile homes for the uniform charges hereinafter set out. All charges are contributions in aid of construction, which are nonrefundable and payable prior to commencement of installation of underground facilities.

#### **19) REPLACING EXISTING OVERHEAD WITH UNDERGROUND SERVICE**

- A. This section covers replacement of only the existing overhead service with underground service from the last pole of an overhead distribution line to the residence as follows:
  - 1. Customer shall provide a ditch/trench to minimum of 24 inches deep from the pole to the house service.
  - 2. Ditch/trench shall only be used for secondary low voltage power and communication lines.

3. Customer must call before commencing work.
4. All inspections should be completed and fees paid in advance prior to scheduling work. Charge for replacing overhead with underground is as referenced in the City Fee Schedule.
5. There will be added to the uniform charge per service the actual cost brought about in connection with the compliance of special requirements, if any, of municipalities, State and Federal Highway Commissions or bureaus regarding the breaking of pavement, ditching, backfilling, and other related conditions.
6. Should existing sidewalks, septic tank systems, fuel tanks, other utility lines, or other obstructions result in additional expenses to the City, payment for the same will be made by the owner.
7. Each owner must arrange the wiring in the residence to receive service at a meter location, which will allow an unimpeded installation of the underground service facilities.
8. The City's agreement to provide underground service is dependent upon the owner's securing all necessary easements, rights, rights-of-way, privileges, franchises, or permits for the installation of such service. Shrubs, trees, and grass sod requiring protection from the City's equipment during installation of underground facilities will be the responsibility of the owner who will also reseed the trench cover.

**B. General**

1. The terms "underground facilities" or "below-ground facilities", as used herein, mean an electrical distribution system having all conductors installed below ground level. The cost of transformers, circuit breakers, and other facilities associated with such a conductor system is included in the uniform charges set out above, but at the City's option they may be installed above or below ground level.
2. Bulk feeders or sub feeders – A bulk feeder is a conductor system transporting the total energy requirements of a large area from a substation or other supply point into such area which may consist of several residential developments and other loads. A sub feeder is a conductor system branching off of the bulk feeder to supply the requirements of a certain portion of the large area. The sub feeder may terminate in a given development, but the bulk feeder may or may not pass through the development to serve adjacent areas.

- C. Existing overhead distribution feeders will remain installed overhead unless the owner desires to have them installed underground. Bulk distribution feeders necessary to serve a new underground residential subdivision will be installed overhead unless the owner desires to have them installed underground. In such cases the owner will make a contribution in aid of construction equal to the estimated difference in cost between underground and overhead facilities.
1. Developments must be divided into established and defined lots. For the purpose of determining the uniform charge per lot, the average size of lots will be expressed in square feet.
  2. The uniform charge per lot or per trench foot is based only on those facilities required to serve the residence or the development involved. The uniform charge per lot or per trench foot includes the cost of individual services. Where the trench footage price is applicable, the charge will be based on the number of feet of primary and secondary trench. Services will be installed at no additional charge as residences are completed.
  3. Single Phase – The uniform charge per lot or trench foot is based only on those distribution facilities, including local primary, voltage loops, transformers, and associated facilities, required to provide the residences with utilization voltage (single phase 120/240 volts)

D. Miscellaneous City and Owner Coordination:

1. Prior to the installation of the underground distribution system by the City, the final grade levels of the building sites will be established by the owner.
2. The building construction program will be coordinated with the installation of underground electrical facilities to permit unimpeded access of City's equipment to the installation sites to allow installation of underground facilities at proper depth and before streets, curbs or other obstructions are installed and to eliminate digging into the underground electrical facilities after installation.
3. Should streets, curbs or other obstructions be installed prior to installation of underground facilities, resulting in additional expense to the City, payment for these additional expenses will be made to the City by the owner.

4. Should established lots or final grade change after the installation of underground electrical facilities have begun, or if installation of electrical facilities are required by owner before final grades are established, and either of these conditions results in additional expenses to the City, payment for these additional expenses will be made to the City by the owner.
- E. Temporary Service –
1. Temporary service will not be available in the area served from underground facilities until the underground system is in place unless the owner elects to pay the “in and out” cost of temporary facilities necessary to deliver the temporary service from overhead distribution lines
  2. After the underground facilities are in place, temporary service may be provided only from the new permanent underground service that was installed to serve the new residence. The temporary meter pole must be placed within 10 feet of the permanent meter location.
- F. Street and Area Lights –
1. Underground conductors to provide service to streetlights will be installed at no cost concurrently with the installation of an underground system for a new residential development. If the Customer subsequently desires that street lighting be furnished, the City will provide the same under the applicable rate schedule. With respect to facilities to provide underground service for street lights and area lights under all other conditions, the Customer may be required to make a contribution in aid of construction equal to the difference in cost, if any, between underground and overhead facilities. Street and area lighting service will be furnished under the applicable rate schedule.
- G. Adverse Conditions – If the composition of the land where facilities are to be installed is such that standard construction equipment cannot be used to complete the installation, and special equipment and materials needed for stream crossing structures, concrete structures, and dynamite is required, the Customer will provide the trench in accordance with the City’s specifications and provide all backfill and special material required by the City.

## **20) GENERAL SERVICE**

- A. At the request of a Customer, the City will install, own and maintain underground facilities for general service (commercial and miscellaneous) and industrial Customers under the following terms and conditions:
1. The City shall place facilities below ground by agreement with persons requesting same provided such persons render a non-refundable cash contribution in aid of construction prior to commencement of construction equal to the amount of the estimated cost of the below ground facilities.
  2. In areas where it is physically or economically infeasible to place facilities above ground due to structural or geographical congestion or load density, the City may, at its option, place said facilities below ground at its own expense if such is technologically practical.

## **21) ALL CLASSES OF SERVICE**

- A. The City will replace an existing overhead distribution system with an underground system in an existing residential development or other area under the following terms and conditions:
- B. The City shall place facilities below ground by agreement with persons requesting same provided such persons render a nonrefundable cash contribution in aid of construction prior to commencement of construction equal to the amount by which the estimated cost of the below-ground facilities exceeds the estimated cost of new above-ground facilities. This can be described as “Loss due to retirement of existing above-ground facilities” and can be defined as follows: original cost of above-ground facilities, less accrued depreciation, less salvage, plus cost of removal.
- C. In areas where it is physically or economically infeasible to place facilities above ground due to structural or geographical congestion or load density, the City may, at its option, place said facilities below ground at its own expense if such is technologically practical.

- D. If it is necessary to make preliminary engineering studies to determine the approximate cost of replacing overhead with underground facilities, persons requesting replacement of existing facilities shall pay in advance the estimated cost of the City's undertaking the cost such preliminary study. If the replacement is undertaken following completion of such studies, the actual engineering cost, including preliminary engineering studies, will be charged and credit will be given for the estimated cost, which was advanced.
- E. The City will not replace existing overhead systems with underground facilities except individual services from pole to residence unless a minimum of one block or 600 feet of front line is involved, whichever is less.
- F. All Customers served by the section of the line to be replaced with underground facilities must agree to the conditions outlined for replacement of overhead facilities.
- G. Each owner must arrange the wiring in the residence to receive service at a meter location, which will allow an unimpeded installation of the underground service facilities.
- H. The City's agreement to provide underground service is dependent upon the securing of all necessary rights, easements, rights-of-way, privileges, franchises or permits for the installation of such service by those requesting replacement. Shrubs, trees and grass sod requiring protection from the City's equipment during installation of underground facilities will be the responsibility of the owner. Compaction and reseeded of trench cover will be done by the owner.

## **22) ESTIMATES**

- A. Estimates of the cost of the below ground and above ground facilities for the purpose of determining the amount of the contribution in aid of construction will be in accord with the City's current construction design practices, and shall be based upon the equivalent conductor and transformer capacity required for the electrical load specified by the owner.

- B. Estimates shall not vary with or take into consideration the end usage of electricity or the revenue to be produced by those requesting underground service. In situations where joint trenching is used for the installation of both power and telephone cables, any cost reductions resulting from such joint use will be passed on, in the form of credits against the estimated cost, to the person(s) making contributions in aid for underground installations. Such downward reductions will also be applicable to the uniform unit prices in projects where joint trenching is used.

## **23) TREE TRIMMING AND TREE CUTTING POLICY**

This policy covers the normal and emergency tree trimming and cutting operations of the City's Electric Department and request for tree trimming and cutting by Customers of the City's utilities services. The purpose of the policy is to provide understanding of the City's needs for tree trimming and cutting along with the mechanisms for accomplishing those needs.

### **A. Overhead Primary Lines (44 KV)**

The City will maintain right-of-way for its primary line including the trimming/cutting of trees to prevent line and equipment failure. This tree trimming/cutting is done both on an as needed basis and is routinely scheduled by the Electric Department. Customer reports or requests for tree trimming and/or cutting in the vicinity of primary lines are investigated and acted upon if approved by the Director of Electric Operations or his designee.

### **B. Overhead Secondary Lines (600 volts or less)**

Overhead secondary lines are designed and constructed to withstand tree limbs moving in proximity of the lines. Therefore, tree trimming/cutting is not performed in areas where individual secondary lines run to individual residences, businesses, etc. However, there are two exceptions as follows:

1. If a secondary tap arrangement exists where more than one structure is fed off of a tap pole, the secondary line running from the primary to the tap pole may have tree trimming if deemed necessary for reliable system operation and only if approved by the Director of Electric Operations or his designee.

2. If tree limbs are in direct contact with a secondary line, and the Customer requests the City to trim the limbs off the line, this work will be done with the approval of the Director of Electric Operations or his designee.

C. Distance Requirement For Trimming/Cutting

The City will accept responsibility for trimming or cutting of trees where the tree trunk is located within 15 feet of the utility pole or primary line. Normally trees will be trimmed in this area however, if a Customer specifically requests that a tree located within the 15 foot area be cut, the City will do so with the approval of the Director of Electric Operations or his designee.

D. Customer Request For Tree Trimming/Cutting of Trees Located Away from Power Lines.

1. The City does not trim or cut trees for aesthetic purposes to reduce shade, falling leaves, etc. nor does the City trim or cut trees that are fallen or dead.
2. If a Customer wishes to trim or cut a tree in the vicinity of the City's electric lines and the trimming or cutting does not fall under Part 2 Section 22.A – D of this Manual, the Customer must contract with a private service to trim or cut the tree. The City should be contacted by either the Customer or the contractor when any such contract work is to be done within 15 feet of the City's responsibility for trimming/cutting limbs, branches adjacent to transmission or primary lines. If a Customer desires further shaping or "rounding" of trees, this will be the Customer's responsibility and at his cost.

**24) SPECIAL CUSTOMER REQUEST FOR TREE TRIMMING/CUTTING**

Any special Customer request for tree trimming/cutting will be referred to the Director of Electric Operations. An evaluation will be made based on utility system operations must be approved by the Director. This approved work will only be done when City crews are available and can be properly scheduled.

**25) REMOVAL OF TREES, LIMBS, BRANCHES, BRUSH**

When the City is responsible for tree trimming or cutting, it will also be responsible for removing the trees, limbs, branches, brush and other debris. However, if a Customer wishes to take all or a part of the wood, this will be allowed provided the Customer specifically requests it and Customer takes full responsibility for the wood. The City will provide no further cutting or trimming.

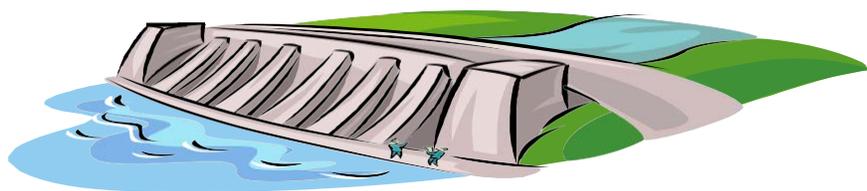
**26) EMERGENCY TREE TRIMMING/CUTTING**

If an emergency situation exists due to weather, where additional City crews are assisting in clean up, caution must be exercised in the areas of tree trimming and cutting. Any trimming and/or cutting of trees in the vicinity of utilities services by crews other than the Electric Department, the Director of Electric Operations or his designee will provide any special supervision in order to safely perform the work.

**27) RELOCATION OF FACILITIES AND REQUEST FOR OTHER SERVICES**

- A. The City will consider a Customer's request to relocate its facilities. However, the Customer may be asked to bear the expense of the relocation with a contribution in aid of construction.
- B. For a list of charges for various types of relocations, see the Current Fee Schedule.

# Water/Sewer



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## 1) APPLICATIONS REQUIRED

- A. Application for connection - Every application for water and wastewater service shall list, on forms provided by the City, information considered by the City to be pertinent. The application shall be signed by the owner or authorized agent and filed not less than fourteen (14) days before the proposed connection is desired. When the size of the service and the cost of the connection have been determined, the applicant shall deposit the previously determined cost thereof and shall be issued a permit for the desired connection. The City shall have no responsibility for the design of a sprinkler or other fire protection system.
  
- B. If, in the opinion of the Public Works Director, the water connection applied for will be of such size or character as to put too great a demand on any part of the system and disrupt the City's ordinary water service, he shall disapprove the application until such time as adequate means are provided to eliminate the unsatisfactory condition. If the waste proposed to be discharged into the City's wastewater treatment system is, in the opinion of the Director, of such nature or of such quantity as to overload or otherwise adversely impact the wastewater collection system or wastewater treatment plant, he shall disapprove the application and require the applicant to adopt remedial measures to eliminate the unsatisfactory condition. An appeal from the ruling of the Director may be made to the City Manager and then to the Lexington Utilities Commission. The Commission's decision shall be final.
  
- C. Upon written approval of any application by the Public Works Department and payment of the required fee, the City shall install water and/or wastewater service from the main to the property line, unless otherwise specified in the approved application.
  
- D. All pertinent rules and regulations are hereby made a part of the terms and conditions whereby the City furnishes water or wastewater service to any person, makes any water or wastewater connection, or performs any work of any kind in connection with the furnishing of water and wastewater service.

- E. Pretreatment Permit Applications are required of some industrial users and are obtained through the office of the Water Resources Superintendent. Regulations governing these applications and permits are found in the City's Pretreatment Ordinance.

## **2) SERVICE CONNECTIONS**

- A. Each building or living unit shall have a separate water meter and where practical, shall have a separate water lateral. In the event that one lateral is used for two buildings or used to serve two or more meters for the same building, a separate cut off shall be required for each meter.
- B. In the case of group housing developments where more than one building is involved, and where the ownership is one party, one or more meters may be used for the entire project. Should any portion of the development be sold, the owners would be responsible for paying whatever additional cost is involved in bringing the divided development into compliance with this article.
- C. All meters, boxes, pipes and other equipment furnished and installed by the City in a water and wastewater connection shall remain the property of the City. If, after installation is complete, the property owner requests that a meter or lateral be changed in size, and this request is approved by the Public Works Department, the property owner shall pay for the change of lateral as though it were a new connection and shall pay or be refunded the difference of the cost of meters in the original and new installations according to the current price of the two meters. If the property owner requests that a meter or lateral be relocated, the property owner shall pay the City for the relocation.
- D. Each building shall have a separate wastewater connection. The invert of the building sewer at the point of connection to the City lateral shall be at the same or at a higher elevation than the invert of the public sewer. A smooth, neat joint shall be made, and the connection made secure and watertight. Special fittings may be used for the connection only when approved by the Building Inspector.

- E. The Applicant for the building sewer permit shall notify the Building Inspector when the building sewer is ready for inspection and connection to the public sewer. All wastewater connections must be approved by the Building Inspector prior to closing the ditch.
- F. No person shall cause any open gutter, rain water conductor, cesspool, privy vault, steam exhaust or other steam apparatus to be connected to any sanitary sewer.
- G. All costs and expenses incident to the connection of the building sewer on the owner's property shall be borne by the owner. The owner shall indemnify the City from any loss or damage that may be directly or indirectly occasioned by the connection of the building sewer. Any connection into the public sewer shall be made by the City or its approved designee, subject to inspection and approval by the City, (or County) for which the owner shall pay the City a standard tap fee according to the current fee schedule. A copy of said schedule shall be kept on file in the office of the Public Works Director.
- H. No old building sewer shall be connected unless approved by the Public Works Department.
- I. No part of the City's water system shall be connected to any source of water supply other than the City's. If, on any premises, both City water and water from another source are used, the piping shall be completely separate. Pipes carrying water from a source other than the City's supply shall be painted yellow.
- J. The Customer is not permitted to operate the curb stop located in the meter box ahead of the meter. The Customer shall install a valve on the Customer side of the meter box.
- K. Within one (1) year of the date when any water or wastewater main in any street is completed and ready for use, the owner of every abutting lot whereon water is supplied for human use shall cause such lot to be connected with such water or wastewater main, provided that the City shall notify, in writing, the property owner of the installations of said main and the property owner shall have one year after such notification to make the said connection. Within thirty (30) days after a water connection is made any open

dug well on the premises shall be filled with clean compacted earth to the level of the ground surface.

### **3) LOCATION OF THE CITY'S EQUIPMENT**

- A. The City shall have the right to install any lines, meters or any other equipment on the property occupied by the Customer, which in its judgment, are necessary in providing service to the Customer.
- B. All equipment furnished and installed by the City shall remain the property of the City.

### **4) CUSTOMER'S RESPONSIBILITY**

- A. The building sewer shall, in all cases, meet the minimum standards of the State of North Carolina Plumbing and Building codes and be installed in accordance with all applicable OSHA requirements. Joints shall be watertight and impervious to root penetration. If installed in filled or unstable ground the building sewer shall be of cast-iron pipe, except that nonmetallic material may be accepted if laid on a suitable bedding of gravel as approved by the Building Inspector.
- B. The size and slope of the building sewer shall be subject to the approval of the Building Inspector, but in no event shall the diameter be less than four (4) inches. The slope of such four (4) inch pipe shall not be less than one-eighth (1/8) inch per foot.
- C. Whenever possible the building sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three (3) feet of any load bearing wall, which might thereby be weakened. The building sewer shall be laid at uniform grade in straight alignment insofar as possible.
- D. In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such drain shall be lifted by artificial means approved by the Building Inspector and discharged to the building sewer.

- E. All excavations required for the installation of a building sewer shall be open trench unless otherwise approved by the Building Inspector. Backfill shall not be performed until the work has been inspected by the Building Inspector or his designee.
- F. Permits are not transferable. All commercial and industrial Customers shall apply for a permit before water or wastewater service will be transferred to a new tenant. Discharge permits are not transferable.
- G. Grease, oil and sand interceptors shall be provided when in the opinion of the Building Inspector, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand or other harmful ingredients, except that such interceptors shall not be required for private living quarters or dwellings. All interceptors shall be of a type and capacity approved by the Building Inspector, and shall be located as to be readily and easily accessible for cleaning and inspection. Cleaning intervals may be specified by the approving authority.
- H. All commercial and industrial Customers will be required to comply with the City's Pretreatment Ordinance.
- I. No connection to either the water or wastewater systems shall be permitted until all necessary permits and agreements have been obtained.
- J. The property owner or Customer shall be responsible for the maintenance and repair of the water line from the point of metering to the structure served and shall be responsible for the maintenance and repair of the wastewater line from the main sewer line to the structure being served.

## **5) PROTECTION AND ALTERATION OF SYSTEMS**

- A. No unauthorized person shall uncover, make any connections with or opening into, use, alter, or disturb any public water, public sewer or appurtenances thereof without first obtaining a written permit from the City.

- B. No unauthorized person shall obstruct, break, remove, or otherwise damage any portion of any manhole, water line, wastewater line, or appurtenances of same. If the contractor is laying a sewer main on the property to serve a complex, such as a shopping center or apartments, the Customer shall be required to lay the line to the sewer main and the City will make the necessary tie-ins to an existing manhole. The contractor will be required to pay for an additional manhole if not connecting into an existing manhole.
- C. No person shall contaminate any portion of the City's water supply whether the same is in a reservoir, or tank, or pipe.

## 6) **INTERRUPTIONS AND CHARACTERISTICS OF WATER SERVICE**

The City does not guarantee the quality, quantity, or pressure of its water supply. While the City shall make every effort to give adequate notice when water is to be cut off, **in the case of an emergency, service will be discontinued without notification.** It is hereby made a portion of the terms on which the City furnished water to consumers that the City shall in no case be liable to any consumer for any defect in quality or any deficiency in quantity or pressure; that the City shall not be liable to any consumer for damages resulting from the complete or partial cutting off of water; and no deduction shall be made from any water bill by reason of any such defect or deficiency. In every case where practicable, ample notice, by the best means available shall be given when the water is to be cut off from any portion of the City. No City employee shall take responsibility for notifying a property owner or occupant how best to care for his boiler, water heater, or other equipment which is affected by the discontinuance, either temporary or permanent of his water supply. The owner or occupant shall be entirely responsible for his equipment and the City shall be held harmless for any damage thereof.

## 7) **REQUEST TEST**

Any consumer may have one test of his water meter free of charge in any twelve (12) month period. A second test may be performed upon payment in advance of a fee as outlined in the City's current fee schedule. If the consumption shown on the meter in

question is greater than twice the average consumption for the preceding six (6) months, the fee for testing the meter shall be waived. Since the most accurate water meters suitable for general use require a margin of approximately two and one-half (2 ½) percent for error, any meter which shows upon testing an error not greater than two and one-half (2 ½) percent shall not be considered defective. If the meter is found to be over-registering in excess of two and one-half (2 ½) percent, refund shall be made for the two previous billing periods in an amount equal to the total over-registering, and the fee paid for the test shall be refunded.

## **8) LEAKS AND WATER/WASTEWATER BILL ADJUSTMENTS**

- A. The City of Lexington will issue a water and wastewater credit on utility bills for a water line break or leak under the following conditions:
  - 1. The utility Customer provides proof of the line being repaired by either a bill from an outside contractor or through inspection by the City.
  - 2. The utility Customer will have to request the credit either by written notice or in person to the Customer Service Director or Representative.
- B. The credit will be calculated by taking an average of the prior normal periods of service with a maximum of twelve (12) months and a minimum of two (2) months service history. For new Customers with less than two (2) months service, the service history of the previous Customer will be used. In the case where prior history is not available, the Customer Service Director will determine an estimated amount.
- C. Once an average consumption has been determined, it will be compared to the highest wastewater bills and 100% of the difference credited to the Customer. The water consumption will be calculated in the same manner with 25% of the difference being credited.
- D. While there are no adjustments for leaky faucets, commodes running or leaking, appliance malfunctions, or other acts of Customer negligence, the City will consider a wastewater bill adjustment in the case of water heater leaks.

- E. The City will also give credits of 100% on water and wastewater where it is proven that the leak was due to a direct failure by the City's metering equipment or connection.

**9) STANDARDS FOR WATER AND WASTEWATER SYSTEMS ON PRIVATE PROPERTY**

- A. In general, the installation on private property of water and wastewater lines which connect to the City's system, shall be the responsibility of the property owner. However, there may be cases in which it is desirable for the property owner and acceptable to the City for water and wastewater mains to be installed on private property. The ownership and maintenance liability of these lines will rest with the City. In such cases, three sets of engineering plans must be provided by the property owner to the City's Public Works Department for review and approval prior to construction.
- B. Plans will be required on all water and wastewater lines. In addition, profiles will be required on all wastewater lines. All private wastewater systems that meet the requirements as described by the North Carolina Department of Environmental and Natural Resources (NCDENR) must obtain the necessary permits.
- C. Plans shall show all proposed taps, meters, fire hydrants, and rights-of-way. All wastewater mains proposed shall be 8 inch minimum with manholes at each change in line and grade. Maximum manhole spacing is 400 feet apart.
- D. All water mains proposed shall be 6 inch, except in special cases, 2 inch mains may be allowed provided that all other design criteria can be met.
- E. All wastewater lines shall be air tested for inflow and infiltration.
- F. All water lines shall be chlorinated and tested.

**10) PRIVATE SEWAGE DISPOSAL**

- A. Where a public sanitary sewer is not available, the building sewer shall be connected to a private sewage disposal system complying with the rules of this section.

- B. Before commencement of construction of a private sewage disposal system, the owner shall first obtain a written permit from the Davidson County Health Department. The application for such permit shall be made on a form furnished by the Health Department, which the applicant shall supplement by any plans, specifications and other specifications deemed necessary by the Health Department.
- C. A permit for a private sewage disposal system shall not become effective until the installation is completed to the satisfaction of the Health Department. The Health Department shall be allowed to inspect the work at any stage of construction and in any event, the applicant for the permit shall notify the Health Department when the work is ready for final inspection and before any underground portions are covered. The type, capacities, location and layout of a private sewage disposal system shall comply with all recommendations of the appropriate agencies of the State of North Carolina.

#### **11) WATER AND WASTEWATER SERVICE ONLY**

- A. In the event that a Customer receives City wastewater service whereas another utility provides water service through a meter, the City will either read the meter to determine the wastewater bill or have that water utility bill wastewater on behalf of the City.
- B. Any Customer who uses water from the City's water system for an industrial or commercial purpose so that the water is not discharged into the sewerage system of the City shall not be charged for wastewater service on said quantity provided that the water used for such industrial or commercial purposes is not discharged into the City's wastewater treatment system and the water used shall be accurately measured at the expense of the Customer.
- C. Any Customer using water from the City's water system for purposes other than commercial or industrial so that the water used is not discharged into the wastewater treatment system of the City of Lexington, shall install and maintain, without cost to the City, a meter or meters to measure the quantity used and not discharged into the City's wastewater treatment system and shall not be charged wastewater service on said quantity.

- D. All meters or other measuring devices installed or required to be used under the provisions of the rules above shall be under the supervision and control of the City and shall be maintained at the cost to the owner of the property. Meters or other devices installed for the purpose of determining the quantity of water not discharged into the City's sewers shall be kept in repair, whether caused by ordinary wear and tear or other cause, and bills for repairs made by the City shall be added to and become part of the water bill.

## **12) SIZE OF FACILITIES**

- A. The minimum size water line that the City will construct or permit to be constructed shall be six (6) inches in diameter except in the case where the City determines by sound engineering practice that a smaller diameter water line may be installed. The necessary valves and fire hydrants shall be installed as required by good engineering practice and fire regulations.
- B. The minimum size sanitary sewer which the City will construct or permit to be constructed shall be eight (8) inches in diameter. Manholes shall be located at a minimum distance apart of no more than 500 feet. Drop manholes shall be constructed as required by good engineering practices.

## **13) SPRINKLER CONNECTIONS**

- A. Private fire hydrants located on private premises to secure lower insurance rates and fire protection, shall not be used except in case of fire.
- B. When a fire protection (sprinkler) system is installed and connected to the City's water system, it shall be made in accordance with specifications prescribed by and under the direction of the Public Works Department and the Chief of the Fire Department.
- C. Three (3) sets of detailed plans for all new fire protection systems or any changes to an existing system shall be submitted for review and approval by the Public Works Department, the Fire Department and the Community Development Department prior to beginning any new construction work.

- D. A vault approved by the City shall be constructed at the property owner's expense either by the City or by a private contractor which will enclose the meter and bypass. Where possible, the vault shall be constructed on the street right-of-way. However, where this is not possible or undesirable as determined by the Public Works Department, the property owner shall grant an easement to the City providing ingress and egress for the City to construct, repair and maintain the vault and its contents.
- E. Work performed by the City shall be at cost.
- F. It shall be unlawful to tap any portion of the fire protection system that is not metered.
- G. No fire pump shall be installed which could introduce undesirable water hammer.
- H. Each sprinkler system must have a Siamese Connection that is readily available to the Fire Department. This Siamese Connection must be located within 150 feet of a fire hydrant connected to the City's water main. If an additional hydrant must be added to meet the spacing requirements, it shall be added at the expense of the property owner. The Siamese Connection must be shown on the sprinkler plans.
- I. Every portion of the building to be protected must be within 500 feet of a fire hydrant. If the present hydrant coverage is not adequate to meet this requirement and if an additional hydrant on the City's water main will be required, then the additional hydrant or hydrants shall be installed by the City at the expense of the property owner. When there is a domestic line connected to the sprinkler line and a hydrant is needed, some type of valving must be provided at the hydrant or on the sprinkler line so as to maintain service to the domestic line in the event the hydrant must be taken out of service.
- J. Any underground portion of the sprinkler line will be in conformance with the North Carolina State Building Code.
- K. On lines where domestic water is connected, the line has to be chlorinated and a pressure test in the presence of the appropriate personnel of the Public Works Department.

- L. All previous fire protection systems connected to the City's water system shall be subjected to City inspection to determine if there is any unauthorized use of water from these connections.
- M. Customers with detector checks in place of fire line meters shall be notified by letter, that if water is used as recorded by the meter on the bypass for other than heat intensity purposes which shall activate the system, there shall be a one hundred dollar (\$100.00) charge per month or the cost of the water consumed, whichever is greater.
- N. If an investigation reveals that the water was used other than for fire protection, the Customer will be notified by letter that the detector check must be removed and replaced by a fire line meter. The Customer may appeal to the Lexington Utilities Commission within sixty (60) days.
- O. For purposes of testing the system where a municipal employee has to respond, a minimum charge of twenty-five dollars (\$25.00) or the cost of the estimated quantity of water used, which ever is greater, shall be charged to the property owner.
- P. It shall be unlawful for any unauthorized person, firm, institution or corporation to open, close, turn on, operate or otherwise tamper with any valves or hydrants which are part of the water system of the City without first notifying and receiving prior approval of the Public Works Director or his designated agent.

**14) WATER AND/OR WASTEWATER FACILITIES PROVIDED BY THE CITY**

- A. The City of Lexington will provide the following basic water and/or wastewater facilities without direct Customer participation in the financing:
  - 1. Water treatment works, pumping stations, storage tanks and all large mains.
  - 2. A standard for protection system as a part of all main extensions. Fire hydrants will be located to provide adequate protection in accordance with the City's standard practice.
  - 3. Outfall sewers, major pumping stations, and sewerage treatment works.

- B. Water and/or wastewater extension by the City may be made for the following reasons:
  - 1. Need - protection of health, public safety, and welfare.
  - 2. New development - property development, business activities, residential builders and similar ventures.

**15) EXTENSION OF WATER AND/OR WASTEWATER SERVICE**

- A. All requests for water and/or wastewater extensions must be originated by petition of the applicants desiring service. Separate petitions are required for water and wastewater, and either may be extended without the other.
- B. Although the City is dedicated to the concept of making such extensions, the City shall not be responsible for such extensions if funds are not available. The City shall be entitled to consider and implement one of the following options.
  - 1. The City may deny the petition.
  - 2. The City may negotiate with the petitioners and reach an agreement satisfactory to both parties.
- C. Publicly maintained and dedicated streets or outfall lines within the city limits qualify for water and wastewater extensions. Extensions will be made on these streets and outfalls when the petitions are received and approved by the Lexington Utilities Commission and the City Council. Design and cost estimates will be prepared upon receipt of a valid petition and submitted to the Lexington Utilities Commission for review and recommendation. Then, subject to the availability of funds for the City's cost, final design will be completed and the extension scheduled for construction. After completion of the extensions, the City will notify the petitioners that applications for service connection can be made. All participants must pre-pay taps fees and sign billing agreements.
- D. Any developments that contain large areas not divided by dedicated public streets such as industrial complexes, condominiums, public housing projects and other similar

developments petitioning for water and/or wastewater service shall submit three sets of plans and profile drawings for approval by the City before any commitment for service will be granted. All such projects shall be installed and financed by the Customers or developer. Any large water mains or wastewater outfall lines required that will become part of the City's water and/or wastewater system, must be approved by the City as to location and size prior to construction. All such lines shall be located on dedicated public streets, easements, or rights-of-way and designed by a Professional Engineer (PE). It shall be the responsibility of any developer for extending all lines within the subdivision, tract, or property to insure water and wastewater service to all existing and potential development within the property described in the petition.

- E. The City will not make any wastewater or water extension outside the corporate limits unless it is in the interest of public health or safety or unless it can be of economic benefit to the City. Economic development projects must be reviewed by the Lexington Utilities Commission to determine their feasibility.
- F. The City shall not be obligated to construct any line extension or other facilities to provide any Customer with water or wastewater outside its corporate limits. Water and wastewater extensions outside the corporate city limits, as designated by map approved by the Lexington Utilities Commission, shall be paid in full by the petitioning parties. This shall include all design, construction, and legal costs as required.
- G. No water main or wastewater line shall be installed and connected to the City's water or wastewater system except under written contract between the City and the applicant.

## **16) CAPITAL RECOVERY FEES**

- A. Capital recovery fees are cost justified fees which will recover the cost of capacity for both transmission/collection lines and plant facilities for new Customers. These will be based on daily flows of 360 gallons per day for a typical residence as specified in NCAC Subchapter 2H., Section .0219 "Minimum Design Requirements".
- B. The capital recovery fees for new water and wastewater connections shall be set as that recommended in the final report of the *Water and Wastewater Rate Study, Capital*

*Recovery Fee Study and Extension Policy Recommendations* by Raftelis Financial Consulting, PA dated March 15, 2000 and as subsequently amended and approved by the Lexington Utilities Commission.

**17) TAP FEE RECOMMENDATIONS**

- A. Water and wastewater tap fees for residential, commercial, industrial service for establishments existing within the City limits before January 1, 2001 shall be frozen at the levels adopted prior to the adoption of this revision until July 1, 2004.
  
- B. Water and wastewater tap fees for residential, commercial and industrial establishments not located within the city limits prior to January 1, 2001 or those not connected before July 1, 2004 and all new water and wastewater connections outside the city limits shall be calculated as recommended in the *Water and Wastewater Rate Study, Capital Recovery Fee Study and Extension Policy Recommendations* by Raftelis Financial Consulting, PA dated March 15, 2000 and as subsequently amended and approved by the Lexington Utilities Commission.

# Natural Gas



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## 1) SERVICE CONNECTIONS

- A. Normally, the City will supply and meter at one delivery point.
- B. The City will install the service pipe meter and equipment to provide service for the charges as set out in the City's incentive schedule.
- C. The City will make application for the permits and acquire the easements necessary to build its supply facilities to the property occupied by the Customer and the Customer will apply for, obtain, and deliver to the City all other permits or certificates necessary to give the City the right to install its equipment on the Customer's premises, and access for all other proper purposes, including an easement from the landowner for the City's facilities. The City shall not be required to supply natural gas until a reasonable time has elapsed after the City has obtained or received all necessary permits, certificates and easements.
- D. The City will install the meter facility at the Customer location. The Meter riser must be installed perpendicular to the ground and parallel with the structure, and the meter must be level and parallel to the structure. Any tampering, changes or alterations caused by the Customer or the Customer's contractor that deviates from the design of the meter facility, will result in discontinuance of service as described in Part IV Section 8 of this Manual.
- E. Should any change or changes in the service furnished the Customer by the City be made necessary by any requirement of a public authority, the entire cost of such changes on the Customer's side of the delivery point shall be borne by the Customer.
- F. The City will relocate any service or facility location requested by the Customer with the relocation costs paid by the Customer as set out in the current fee schedule.
- G. There may be added to the charge for service, additional costs due to compliance with special requirements, if any, of municipalities, State and Federal Highway Commissions or Bureaus regarding the breaking of pavement, backfilling, and other related conditions.

- H. Should existing sidewalks, septic tank systems, fuel tanks, utility lines, or other obstructions result in additional expenses to the City, payment for the same may be required of the owner. The owner must sign a waiver or release of responsibility for damages to underground utilities. The owner may be required to sign additional waivers or notifications required by Federal Department of Transportation (DOT) mandates.
- I. Each owner must arrange the piping in the residence to receive service at a meter location. Shrubs, trees, and grass sod requiring protection from the City's equipment during the initial installation of underground facilities will be the responsibility of the owner. The City will be responsible for reseeded the trench cover on initial installation of service line.
- J. The City shall not be required to make such installations of equipment and facilities in addition to those normally provided until the Customer has signed such agreement and fulfilled such other conditions as may be required by the City, including payment of fees.
- K. The City shall have the option of refusing requests for relocation of extra facilities if, on the City's determination, the requested relocation of facilities is not feasible, will create an unsafe condition, or may adversely affect the City's service to other Customers.
- L. Cut offs and drips are required for all appliances by State Building Code. The Customer and/or contractor will be required to install an additional 1 inch cut-off and a minimum of 3 feet of 1 inch threaded black pipe on the outlet side of the Customer meter set. The 1 inch threaded pipe must be affixed to the foundation wall with a two-hole clamp. Please see APPENDIX E Figure 1.
- M. Before natural gas can be connected to a manufactured (mobile) home, the following requirements must be met:
  - 1. Manufactured home must be constructed in accordance with HUD construction standards.

2. Manufactured home must be installed according to the most recent version of the NC Regulations for Manufactured Homes.
3. Manufactured home must be located on the owner's lot and not equipped with a power supply cord.

## **2) LOCATION OF CITY'S EQUIPMENT**

- A. The City shall have the right to install any gas lines, meters, or any other equipment on the property occupied by the Customer, which in its judgment, are necessary in supplying natural gas to the Customer.
- B. The City shall have the right to place the meters and such other apparatus as may be needed in connection with supplying natural gas at a convenient point or points on the property or at the building or buildings of the Customer.
- C. The Customer shall provide suitable space for the installation of the necessary metering apparatus, which space shall be:
  1. Substantially free from vibration.
  2. An outside location for all residential service. For commercial industrial, or large residential apartment premises, an outdoor location is preferred; however, other locations for such metering equipment may be acceptable to the City.
  3. Readily accessible and convenient for reading, testing, and servicing. Construction of decks, vaults or other additions must not impair the City's ability to maintain facilities and read meters. Such construction violations may be subject to discontinuance of service as described in Part IV Section 8 of this Manual.
  4. Not under windows, near doors, air intakes, or vents. The Natural Gas Department will determine the location of metering equipment.
  5. Not be located inside of fenced areas that can be locked at any time. The Natural Gas Department must have access at all times day or night.
  6. Such that the apparatus will be protected from injury by the elements or the negligent or deliberate acts of persons.
  7. Located by the City prior to piping installation.

8. Adequate working space is provided at the location of the meter setup. Working space is defined as a width of not less than 30 inches or the width of the meter setup, whichever is greater, extending from grade or ground to a height not less than 6.0', and an area in front of the meter that measures 3.0" from any point on the City owned meter set. Please see Appendix F, Figure 2.
- D. All equipment furnished and installed by the City shall be and remain the property of the City.

### **3) CHARACTERISTICS OF NATURAL GAS SUPPLIED**

- A. The City will supply natural gas within the pressure range stated in Part IV Section 4 of this Manual. Other pressures may, at the option of the City, be supplied when requested.
- B. The characteristics at which natural gas will be furnished at each installation shall be provided to the Applicant.
- C. To eliminate the possibility of error or loss, the Applicant, before purchasing equipment or undertaking to install piping, should secure from the City all necessary permits and data relating to the requirements of the natural gas service which will be supplied.

### **4) PRESSURE**

- A. The City will endeavor to supply pressure within the following limits, but shall not be liable for its failure to do so:
- B. Delivery pressure to residential Customers will either be a 7 inch water column (1/4 pound) or a 2-pound system. Residential is defined as one, two, and multifamily dwellings including apartment complexes, mobile, modular, and manufactured homes.
- C. For natural gas supplied for other services, the pressure requested will be supplied if available according to the terms and conditions of the City and any applicable charges and fees to supply the additional pressure.

- D. Two pound systems and greater will be allowed in commercial, industrial, and institutional buildings.
- E. Variations in pressure caused by addition of Customer equipment without proper notification to the City; by the operation of Customer's equipment; by action of the elements; by infrequent and unavoidable fluctuations of short duration due to system operations; by conditions which are part of practical operations and of limited extent, frequency and duration; or by emergency operations; shall not be construed as departure from the limits within which the City will endeavor to supply natural gas.
- F. Consumers shall install, operate and maintain their natural gas equipment in accordance with the City's terms and conditions of service.

## **5) METERING**

- A. Natural gas will be furnished through one delivery point and one set of metering apparatus will be billed separately on the applicable rate schedule. However, the City reserves the right, where it desires for its own purposes because of the amount or characteristics of natural gas required, to install two or more sets of metering apparatus, to combine the readings of meters so installed for billing purposes, and to bill these combined readings on the applicable schedule.
- B. The City reserves the right, where it desires for its own purposes because of the amount or characteristics of natural gas required, to meter the natural gas on the City's side of the regulators.
- C. The City, or any other lawfully constituted authority having jurisdiction, may test meters in service. When, as the results of such a test, a meter is found to be less than 2% fast or slow; no adjustment will be made in the Customer's bill. If the meter is found to be more than 2% fast or slow because of incorrect calibration, the City will re-bill the Customer for the correct amount as calculated for a period of not more than sixty (60) days.

- D. Whenever it is found that, for any reason other than incorrect calibration, the metering apparatus has not registered the true amount of natural gas which has been used by the Customer, billing adjustments will be made in accordance with North Carolina Utilities Commission Rule R8-44, and as referenced in Part I Section 17 of this Manual.
- E. If, during the term of agreement for furnishing natural gas to a Customer, the Customer is unable to operate his facilities, in whole or in part, because of accident, act of God, or fire, occurring at the location, the charge for natural gas during the period may be reasonably adjusted in accordance with all pertinent facts and conditions.

## **6) SUB-METERING**

The City will furnish natural gas to the Customer for use only for the Customer's own purposes and only on the premises occupied through ownership or lease by the Customer. Natural gas supplied to any Customer shall not be resold but may be furnished to a tenant of the Customer only when the charge therefore is included as part of the rent with no variation on account of the quantity of natural gas used by the tenant.

## **7) USE OF NATURAL GAS BY CUSTOMERS**

- A. Natural gas supplied by the City shall not be used in conjunction with any other source of natural gas or fuel without previous written notice or consent of the City. However, when the Customer has another source of natural gas or fuel, such source may be used only during such periods as the natural gas supplied by the City may fail or be interrupted.
- B. Because of the City's facilities used in supplying natural gas to the Customer have a definite limited capacity and can be damaged by overloads, the Customer shall give adequate notice to the City and obtain the City's written consent before making any substantial change in the amount or use of the load connected to the City's service.
- C. The Customer shall not use natural gas in any manner that will be detrimental to the City's supply of natural gas to other Customers. The City reserves the right, but shall have no duty, to determine that the operation of such apparatus or appliances may be

detrimental to its natural gas system or to the supply of natural gas to any other Customer.

**8) DISCONTINUANCE OF THE SUPPLY OF NATURAL GAS**

A. The City reserves the right to discontinue furnishing natural gas to a Customer, at any time without notice, in the occurrence of any one or more of the following events:

1. Whenever the City, in its opinion, has reasonable cause to believe that the Customer is receiving natural gas without paying therefore, or that its meter, lines, or other apparatus have in any manner been tampered with.
2. Whenever, in the City's opinion, the condition of the Customer's piping, equipment and appliances is either unsafe or unsuitable for receiving natural gas; is a potential safety or health hazard to the City's property or personnel or to the public; or when the Customer's use of natural gas or equipment interferes with or may be detrimental to the City's natural gas system or to the supply of natural gas by the City to any other Customer.
3. Where natural gas is being furnished over a line which is not owned or leased by the City, whenever in its opinion such line is either not in a safe and suitable condition or is inadequate to receive natural gas.
4. Whenever the Customer has denied an authorized City representative access to the City's meter, lines or other apparatus installed on the Customer's premises.
5. Whenever in the opinion of the City it is necessary to prevent fraud upon the City.

B. In addition, the City reserves the right to discontinue furnishing natural gas to a Customer, in accordance with the City's Customer Service Policy, upon the occurrence of either one or more of the following events:

1. For non-payment of past due bills, regardless of any amount of money on deposit or guarantee payment of charges or to increase a deposit as required.
2. For failure to comply with any of the City's terms and conditions, or with any of the conditions or obligations of any agreement with the City for the purpose of natural gas.

3. The City will discontinue the supply of natural gas to a Customer whenever requested by any public authority having jurisdiction.
4. The City reserves the right to discontinue the supply of natural gas under any of the above conditions irrespective of any claims of a Customer pending against the City, or any amounts of money on deposit with the City.
5. Whenever the supply of natural gas is discontinued in accordance herewith, the City shall not be liable for any damages, direct or indirect, that may result from such discontinuance. In all cases where the supply of natural gas is discontinued by reason of violation by the Customer of any of the provisions hereof or any agreement with the City for the purchase of natural gas, there shall then become due and payable, in addition to the bills in default, an amount equal to the monthly minimum charge for the expired term of the agreement, not as penalty, but in lieu of the income reasonably to be expected during the unexpired term of the agreement.

## **9) RECONNECTION OF THE SUPPLY OF NATURAL GAS**

- A. If the supply of natural gas has been discontinued for any of the reasons covered by Part IV Section 8 of this Manual, the City shall have a reasonable period of time in which to reconnect the Customer's service after the conditions causing discontinuance shall have been corrected.
- B. If the supply of natural gas has been discontinued because of improper use or, if in the City's opinion, its meter or lines or other apparatus have been tampered with, or the Customer's piping or equipment is not working properly, the City may refuse to reconnect the Customer's service until the Customer shall have:
  1. Paid all delinquent bills.
  2. Paid to the City an amount estimated by the City to be sufficient to cover the natural gas used but not recorded by the meter and not previously paid for, plus a special reconnection charge per the City's current fee schedule and the Customer shall have made such changes in piping and equipment that may, in the opinion of the City, be proper for its protection.

- C. If the supply of natural gas has been discontinued by the City at the request of any public authority having jurisdiction, the Customer's service will not be reconnected until authorization to do so has been obtained from said authority.
- D. If the supply of natural gas has been disconnected by the City for non-payment of past due bills, the charge of reconnection shall be the charges set out in the City's current fee schedule.

**10) INTERRUPTION TO SUPPLY OF NATURAL GAS – FORCE MAJEURE**

- A. The City will use its best efforts to furnish an uninterrupted supply of natural gas, but it does not under take to guarantee such an uninterrupted supply. Should the supply of natural gas fail or be interrupted or become defective for any reason, including but not limited to: an act of God, public enemy, action by Federal, State, County or other public authority; or because of accidents or strikes; the City shall not be liable for such failure, interruption or defect.
- B. In the event of a natural gas shortage; or of an adverse condition or disturbance on the system of the City; or of any other directly or indirectly interconnected system; the City may, without incurring liability, take such emergency action as, in the judgment of the City, may be necessary. Such emergency action may include but not be limited to: reduction or interruption of the supply of natural gas to some Customers or areas in order to compensate for a natural gas supply shortage on the City's system; or to limit the extent or duration of the adverse condition or disturbance on the City's system; or prevent damage to the Customers equipment or the City's facilities; or to expedite the restoration of service. The City may also reduce the supply of natural gas to compensate for an emergency condition on an interconnected system.
- C. If the City in good faith believes that, because of civil disorder, riot, insurrection, war, terrorism, fire, or other conditions beyond the reasonable control of the City, it is necessary to cut off a portion of its facilities for the protection of the public, or if ordered by a duly constituted public authority to do so, the City may, without incurring liability, cut off its facilities in such vicinity. Furthermore, the City shall not be obligated to furnish natural gas service through such facilities, but the City shall be prompt and diligent in re-

connecting its facilities and restoring its service as soon as it believes its exercise of reasonable care for the protection of the public and its employees that such action can be taken with reasonable safety.

**11) PERIODIC TEST AND CHECKS**

- A. Residential class meters in service will be changed out according to normal operating procedures of the City determined by guidelines in the industry.
- B. Commercial and industrial class meters will be tested according to schedules and procedures of the City including time and service, consumption and standards of the industry.
- C. Meter standards and instruments shall be checked in accordance with standard procedures.

**12) REQUEST TEST**

Upon written request by a Customer, the City will allow one free meter test in a twelve (12) month period. Additional test will be conducted after payment of fee as listed in the City's fee schedule. For each such test, refundable only if the percentage registration of the meter exceeds 102%.

**13) NATURAL GAS MAIN EXTENSIONS**

- A. The City will make natural gas main extensions to such points that will provide sufficient continuing revenue to justify such line extensions. In lieu of sufficient continuing revenue, the City may require such a definite and written guarantee of revenue from a Customer, or group of Customers, in addition to any minimum payments or fees required by the incentive schedule or Customer service fee schedule, as may be necessary to justify such extensions. Subject to the approval of the controlling authority, the City shall not be obligated to construct any line extension or other facilities to provide any Customer with natural gas.

- B. Normally, notwithstanding the provisions specified in Part IV Section 13.A of this Manual, the City will make natural gas line extensions to residential Customers and the Customer may be required to secure rights-of-way on private property without cost to the City or to assist the City in obtaining rights-of-way. The City shall be under no obligation to construct such extensions unless rights-of-way are so obtained.
- C. If, in the City's opinion, the anticipated revenue from a proposed line extension is temporary, or if the Customer or Customers to be supplied are unable to establish a credit standing satisfactory to the City, the City reserves the right to determine finally the advisability of making such line extension.
- D. The City shall not be required to make any natural gas line extension until the Customer or Customers to be supplied from such line extension have signed such applications or agreements as reasonably may be required by the City and fulfilled such other conditions for the connection of natural gas as may be reasonably required by these terms and conditions, and until all premises to be supplied have been approved for service.
- E. Whenever it is determined that a line extension on private property to serve one Customer will be built by the Customer, such line extension shall be constructed in compliance with the City's standards and be approved by the City. If the line owned by the Customer is not operated and maintained in a manner satisfactory to the City, or, in the City's opinion, may interfere with or is detrimental to the City's natural gas system or the supply of natural gas to any other Customer, then the City may discontinue the supply of natural gas as provided in Part IV Section 9 of this Manual.
- F. These general rules and regulations shall not be construed as prohibiting the City from making natural gas line extensions of greater length or higher cost.

## **APPENDIX**

- A. RESERVED FOR FUTURE USE**
- B. RESERVED FOR FUTURE USE**
- C. RESERVED FOR FUTURE USE**
- D. NATURAL GAS INCENTIVES**
- E. METER ASSEMBLY DIAGRAM**
- F. METER ASSEMBLY AND WORKING SPACE DIAGRAM**
- G. NCUC RULE R8-44**

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## APPENDIX D – NATURAL GAS INCENTIVES

### Natural Gas Incentives

#### Expansion

Tap fee = \$100.00

Up to 500 feet of service line provided at no cost. Additional service line will be charged at \$6.00 per foot.

#### Rebates

\$250.00 voucher for installation of natural gas water heater by Lowes of Lexington (some restrictions apply)

Dryer = \$75.00

Gas light = \$100.00

Range = \$75.00

#### Propane conversion

Dryer = \$50.00

Gas light = \$75.00

Range = \$50.00

Primary heat source = \$100.00

- A facilities charge of \$9.00 will begin 30 days after the installation of the service line or at the onset of consumption, whichever occurs first.
- All expansion rebates require installation and conversion of appliances within 90 days of service line installation.

#### Installation

Tap fee = \$100.00

Includes up to 500 feet of service line. Additional service line will be charged at \$10.00 per foot.

#### Rebates

Water heater = \$150.00

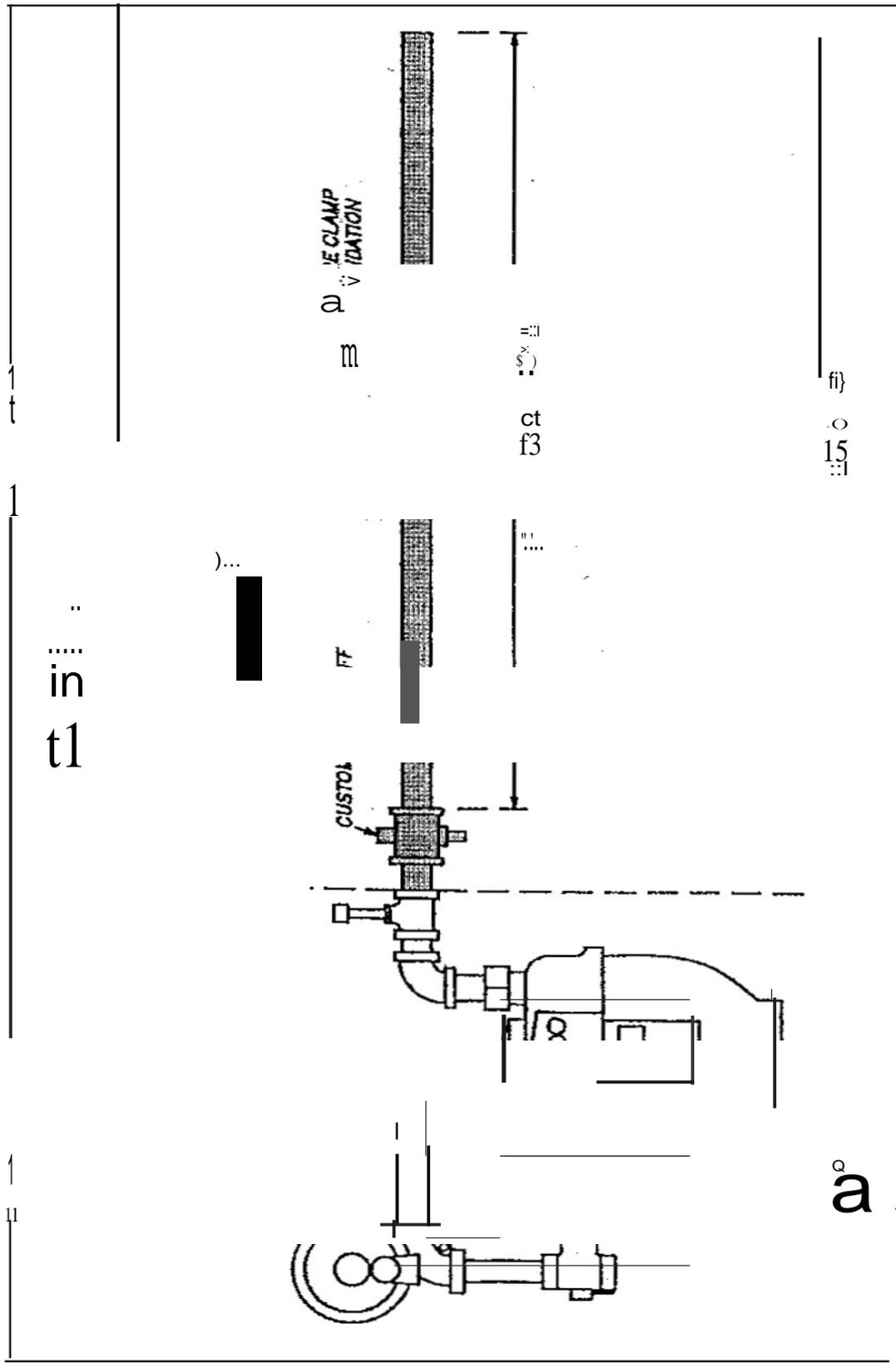
Gas light = \$75.00

Dryer = \$50.00

Range = \$50.00

- A facilities charge of \$9.00 will begin 30 days after the installation of the service line or at the onset of consumption, whichever occurs first.

# APPENDIX E - METER ASSEMBLY DIAGRAM

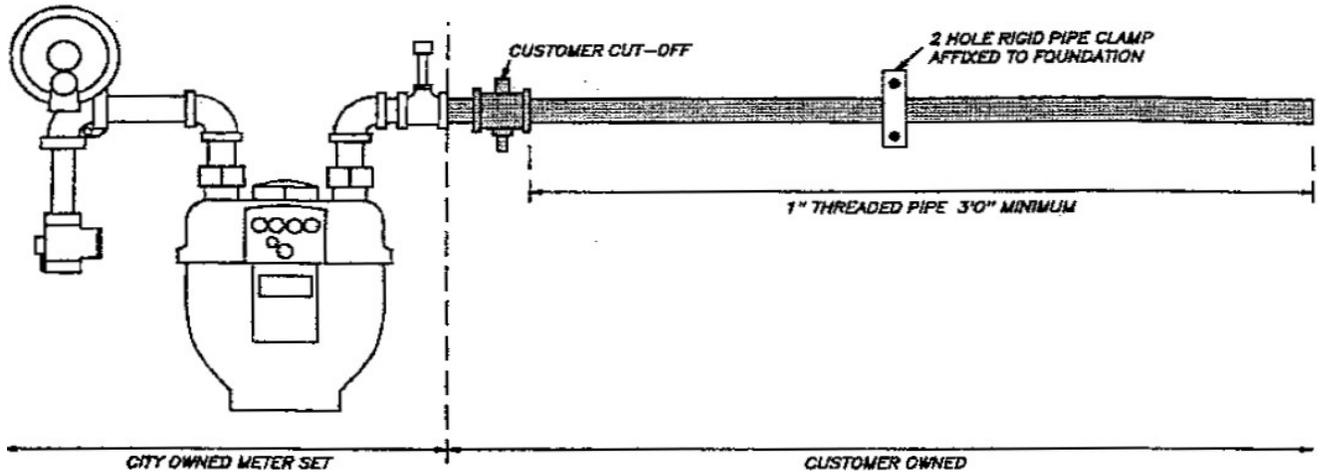


# APPENDIX F - METER ASSEMBLY AND WORKING SPACE DIAGRAM

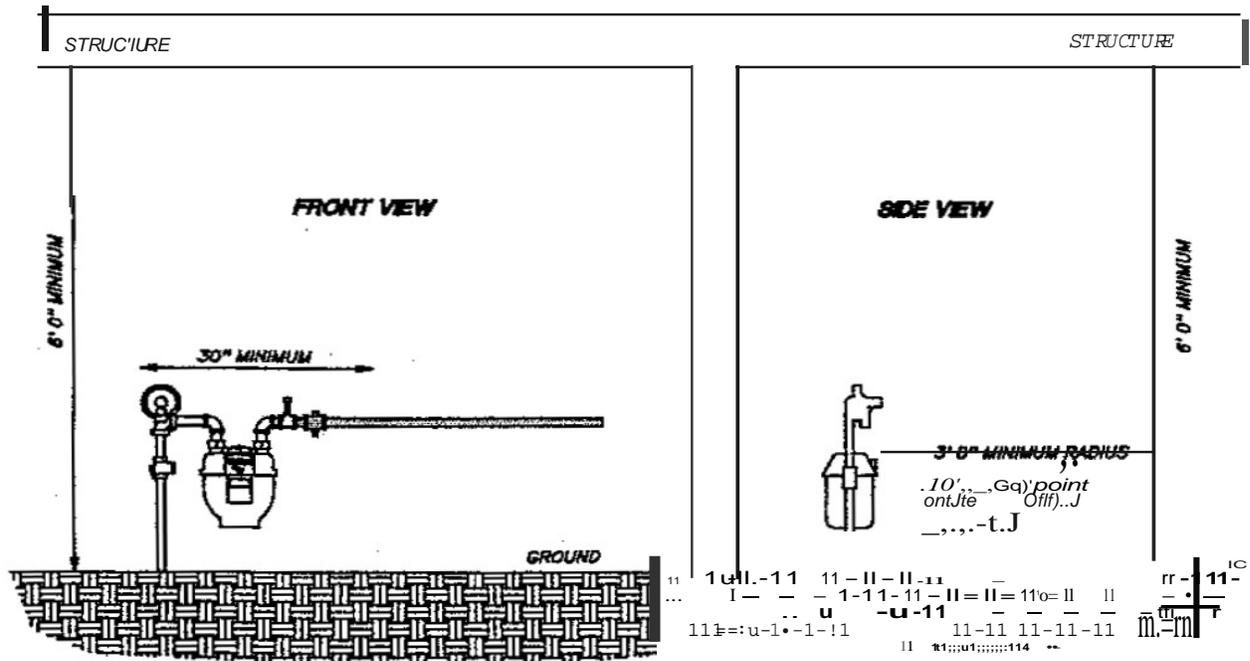
## EXHIBIT A.

Fig. 1

### METER ASSEMBLY



### WORKING SPACE



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**NORTH CAROLINA UTILITIES COMMISSION  
GUIDELINE RULE RS-44**

*Rule R8-44. Method of adjustment for rates varying from schedule or for other billing errors.*

If it is found that a utility has directly or indirectly, by any device whatsoever, charged, demanded, collected or received from any consumer a greater or less compensation for any, service rendered or to be rendered by such utility than that prescribed in the schedules of such utility applicable thereto then filed in the manner provided in Chapter 62 of the North Carolina General Statutes, or if it is found that any consumer has received or accepted any service from a utility for a compensation greater or less than that prescribed in such schedules, or if, for any reason, billing error has resulted in a greater or lesser charge than that incurred by the consumer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be as provided by the following:

- (i) If the utility has willfully overcharged any consumer, then the method of adjustment shall be as provided in G.S. 62-139(b).
- (2) If the utility has inadvertently overcharged a consumer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, the utility shall at the customer's option, refund the excess amount paid by that consumer or credit the amount billed as provided by the following:
  - a. If the interval during which the consumer was overcharged can be determined, then the utility shall credit or refund the excess amount charged during that entire interval provided that the applicable statute of limitations shall not be exceeded.
  - b. If the interval during which the consumer was overcharged cannot be determined, then the utility shall credit or refund the excess amount charged during the 12 month period preceding the date when the billing error was discovered.
  - c. If the exact usage and/or demand incurred by that consumer during the billing periods subject to adjustment cannot be determined, then the refund shall be based on an appropriate estimated usage and/or demand.

## APPENDIX G - CONTINUED

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- d. **If an overcharged consumer owes a past due electric balance for the same type of service on \w'hich an overcharge occurred, the utility may deduct the past due amount from any re.fund or credit.**
- (3) **If the utility has undercharged any consumer as the consequence of a fraudulent or willfully misleading action on that consumer's part. or any such action by any person other than the employees or agents of the company, such as lampering with, or bypassing the meter where it is evident that such tampering or bypassing occurred during the residency of that consumer, or if it is evident that a consumer has knowledge of being undercharged without notifying the utility as such, the utility shall recover the deficient amount as provided by the following:**
- a. **If the interval during which the consumer was undercharged can be determined, then the utility shall collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.**
  - b. **If the interval during which the consumer was undercharged cannot be determined, then the utility shall collect the deficient amount incurred during the 12 month period preceding the date when the billing error was discovered by the utility.**
  - c. **If the usage and/or demand incurred by that consumer during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based **ON** an appropriate estimated usage and/or demand.**
- (4) **If the utility has undercharged any consumer as the result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, except as provided in (3) above, then the utility shall recover the deficient amount as provided by the following:**
- a. **If the interval during which a consumer having a demand of less than 50 KW was undercharged can be determined, then the utility may collect the deficient amount incurred during that entire interval**
-

## APPENDIX G - CONTINUED

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- up to a maximum period of 150 days. For a consumer having a demand of 50 KW or greater, the maximum period shall be 12 months.
- b. If the interval during which a consumer was undercharged cannot be determined, then the utility may collect the deficient amount incurred during the 150 day period preceding the date when the billing error was discovered by the utility. For a consumer having a demand of 50 KW or greater, the maximum period shall be 12 months.
  - c. If the usage and/or demand incurred by that person during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated usage and/or demand.
  - d. The consumer shall be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.
- (5) This rule shall not be construed as to prohibit equal payment plans, wherein the charge for each billing period is the estimated total annual bill divided by the number of billing periods prescribed by the plan, and the difference between the actual and estimated annual bill is settled by one payment at the end of the year. However, incorrect billing under equal payment plans shall be subject to this rule.
  - (6) This rule shall not be construed as to prohibit the estimation of a consumer's usage for billing purposes when it is not feasible to read the consumer's meter on a particular occasion.
  - (7) If the meter error is found upon test to be not more than 2% fast or slow, the utility shall not be required to make a billing adjustment under (2) above or allowed to make a billing adjustment under (4) above. (NCUC Docket No. E-100, Sub 17, 5/10/4; NCUC Docket No.-100, Sub 29, 11/29/77.)
-