

# Mor-Gran-Sou Electric Cooperative, Inc.

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## Service Rules and Regulations



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SECTION 1 – INTRODUCTION

A. General Statement:

1. These rules and regulations set forth the terms and conditions under which electric service will be provided by the Cooperative.
2. They shall apply to all classes of service and shall govern the terms of all contracts for such service except that the Cooperative reserves the right to enter into special contracts.
3. Failure of the Cooperative to enforce any of the terms of these rules and regulations shall not be deemed as a waiver of the right to do so.
4. These rules and regulations are subject to change from time to time without additional notice.

B. Responsibility:

1. It shall be the responsibility of Management to administer these regulations.
2. Further delegation by Management may be made as necessary.

C. Ownership Rights and Deposits:

1. No ownership rights in any facilities provided by the Cooperative shall pass to any person because of any contribution or deposit made under these rules.
2. No deposits or contributions made by the member shall be refundable unless expressly provided in these rules.

D. Member Information:

1. Copies of the Cooperative's rules and regulations and rate schedules for electric service are open to member inspection at the Cooperative's offices upon request or at the Cooperative's website at [www.morgransou.com](http://www.morgransou.com).
2. Other member requests for information will be addressed in accordance with Board of Director policy.

E. Member Complaints

1. All member complaints will receive prompt and courteous attention.

2. Every effort will be made to achieve member understanding in resolution of the complaints.
3. Members will be provided with the opportunity to discuss their concerns with the Board of Directors.

**SECTION 2 – TERMS AND CONDITIONS OF ELECTRIC SERVICE**

**A. Membership Requirements:**

1. Any person, firm, association, corporation, or body politic, may become a member of Mor-Gran-Sou Electric upon receipt of electric service.
2. Each applicant for electric service will sign the appropriate Application for Electric Service. Acceptance of service, with or without a signed application, shall be subject to compliance with the terms of the Cooperative's bylaws, policies, rate schedules and these rules and regulations.
3. Each prospective member must be of legal age and the owner or tenant of record of the property for which electric service is requested. No membership or electric service will be issued or connected in the name of any individual not of legal age.

**B. Ownership & Responsibility:**

1. Cooperative Owned Facilities – The Cooperative will normally install, own, operate, and maintain all distribution facilities on the supply side of the point of attachment. All service entrance conductor wiring from a point of connection to the Cooperative's service line at a location satisfactory to the Cooperative shall be the responsibility of the member. If building modifications hinder access to metering facilities, create a hazardous condition, or cause violation of code, the member will be responsible for correcting these conditions.
  - a. Access to Premises – The member shall provide, at no expense to the Cooperative, suitable space with provisions for installation and maintenance of the Cooperative's facilities on the member's premises. Authorized agents of the Cooperative shall have access to the premises at all times for construction, operation, maintenance, removal or inspection of the Cooperative's facilities, or to inspect the member's facilities or measure the member's load.
  - b. Use of Facilities – The Cooperative will not allow use of its poles or other facilities by others for installations or attachments of any kind without written authorization from the Cooperative. This includes, but is not limited to, electrical, communication equipment, lights, signs and fences. The Cooperative assumes no liability for property

owned by others attached to its facilities. The Cooperative will remove unauthorized attachments to Cooperative facilities.

- c. Protection – The member shall use reasonable diligence to protect the Cooperative’s facilities located on the member’s premises, and to prevent tampering or interference with such facilities. When repair work is necessary due to member or non-member damage of Cooperative property, the party responsible for the damage will be charged for labor, materials, and overhead. Overhead will be calculated by multiplying labor costs by the annual overhead percentage adopted by Mor-Gran-Sou Electric’s board of directors.
- d. Easements –
  - 1. The member must provide the necessary easement(s) and right to access to serve and supply electric power to their facility.
  - 2. The member must provide easement(s) and right to access for the construction of overhead and/or underground electric distribution lines and facilities to provide a new or improved service to other members or prospective members. The Cooperative will select a location for the distribution lines and facilities that will cause the least amount of inconvenience to the landowner and/or member.
  - 3. The member must provide easement(s) and right to access to the Cooperative for the purposes of installation, retirement, upgrading of facilities, line and equipment maintenance, tree trimming, system engineering, inspection of Cooperative facilities, meter reading and other legal activities of the Cooperative. The Cooperative must have safe and unobstructed access to its electrical equipment at all times.
  - 4. The Cooperative shall record all easements and rights-of-way with the appropriate governmental office.
- 2. Member Owned Facilities – The Cooperative reserves the right to deny or terminate service to any member whose wiring or equipment shall constitute a hazard to the Cooperative’s equipment or its service to others. However, it disclaims any responsibility to inspect the member’s wiring, equipment or any subsequent wiring changes or modifications and shall not be held liable for any injury or damage or billing errors resulting from the condition thereof.
  - a. The member shall be responsible for inadequate performance of such facilities. Before purchasing equipment or installing wiring, it shall be the member’s responsibility to check with the Cooperative about the characteristics of the service capacity available. The

member will be responsible for any changes required to bring member's service in compliance with code. The Cooperative reserves the right to assess service charges for work performed by Cooperative personnel resulting from malfunction of the member's facilities.

- b. Prior to the beginning of construction, the member shall meet all contractual obligations.
- c. Prior to the service being energized, the prospective member shall provide written proof to the Cooperative that applicable State Electrical Inspection requirements have been met.
- d. The member shall be responsible for notifying the Cooperative of any additions or changes to the member's equipment, which might exceed the capacity of the Cooperative's facilities, or otherwise affect the quality of service. The member will comply with safety requirements when generating equipment is used to supply power to a member's wiring system. It is mandatory that an approved electric power transfer device is installed that includes a lockable, visible disconnect device.

3. Notice of Intent:

- a. Application – Prior to use of electric service, each prospective member shall make proper application to the Cooperative and shall furnish all reasonable information required by the Cooperative. Failure to comply with this requirement may result in refusal by the Cooperative to provide service and disconnection of service.

4. Purchase of Electric Energy:

- a. Each member shall, as soon as electric service becomes available, purchase from the Cooperative practically all electric energy used on the premise, and will become liable for all charges incurred in the purchase of said electrical energy from the Cooperative. Standby and/or supplemental onsite generation may be utilized only as approved by the Cooperative and properly connected to prevent parallel operations with the Cooperative's system.
- b. Any member using service without first notifying and enabling the Cooperative to establish a beginning meter reading may be held responsible for any amounts due for service supplied to the premises from time of last reading reported immediately preceding occupancy.
- c. Termination – Any member desiring termination of service shall notify the Cooperative a minimum of five (5) working days in

advance so the service may be discontinued on a mutually agreeable date. Members failing to give proper notice of intent to vacate the premises may be held responsible for use of service until a meter reading acceptable to the Cooperative is obtained.

- d. Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall, thereupon, terminate. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.

5. Conditions of Use:

- a. The member may not use the service in any way that causes a safety hazard, endangers the Cooperative's facilities, or disturbs service to other members. Failure to comply with this provision may result in discontinuance of the member's service.
- b. Members may only install motors, other apparatuses, or appliances that are suitable for operation with the character of the service supplied by the Cooperative. Electric energy must not be used in a manner that causes detrimental voltage fluctuations or disturbances in the Cooperative's distribution system. Motors larger than 15 H.P. must have soft start capabilities or have an adjustable starting mechanism that is approved by the Cooperative. A variance to use a motor larger than 15 H.P. without soft start capabilities may be provided with advanced engineering approval from the Cooperative.

6. Nonstandard Service / Special Facilities:

- a. Members will be liable for the cost of any special installation necessary to meet particular requirements for service at other than standard voltages or for the supply of closer voltage regulation other than that required by standard practice.
- b. The usual supply of electric service shall be subject to the provisions of Mor-Gran-Sou Electric's rules, but where special service-supply conditions or problems arise for which provision is not otherwise made, the Cooperative may modify or adapt its supply terms to meet the particular requirements of such case.
- c. When a member requests service that will require the Cooperative to invest in plant that is considered by the Cooperative to be specialized in nature and not a standard Cooperative construction design, the member must pay the total cost or a portion of the plant investment determined by the Cooperative to be special in design. Special facilities also include transmission and/or distribution plant

extensions for a single large commercial or industrial account. The Cooperative will require assurances of financial performance of the account to ensure that plant investment and wholesale power supply obligations for that account are met. The form of assurance may be unique for each account and will be handled on a case-by-case basis.

- d. The Cooperative reserves the right to make special contractual arrangements for the provision of necessary service facilities, duration of contract, minimum bills, or other service conditions with respect to members whose establishments are remote from the Cooperative's existing suitable facilities, or whose service requirements exceed the capabilities of the Cooperative system in the area, or otherwise necessitate unusual investments by the Cooperative in service facilities or when the permanence of the service is questionable.

7. Point of Attachment:

- a. Where suitable service is available, the Cooperative will install service connections from its distribution lines to a suitable point of attachment at the member's premises as designated by the Cooperative. If a member requests a point of attachment other than that specified by the Cooperative, and the alternative point of attachment is approved by the Cooperative, the cost of installing additional intermediate supports, wires or fixtures necessary to reach, and/or accommodate the point of attachment requested by the member, will be borne by the member.
- b. If it becomes necessary, for any reason beyond the Cooperative's control, to change the location of the point of attachment of service connections, the entire cost of any changes in the member's wiring made necessary thereby, will be borne by the member.
- c. A service connection will not be made unless the member has installed the service entrance facilities in compliance with code requirements and specifications set forth by the Cooperative. A wiring certificate is required on all new service connects. A wiring certificate may be obtained from a licensed electrician or the State Electrical Board.
- d. The member is required to provide, at no expense to the Cooperative, an acceptable location for Cooperative facilities on the member's premises.
- e. For new overhead services, the location of the point of attachment must be such that the Cooperative's service conductors can be installed without attachment to a building.

- f. For underground service, the point of attachment shall be on the building, meter pedestal, or other agreed upon point.

**C. Nature and Quality of Service:**

- 1. The Cooperative will endeavor, but does not guarantee, to furnish a continuous supply of electric energy and to maintain voltage and frequency within industry standards.
- 2. The Cooperative shall not be liable for interruptions in service, phase failure or reversal, or variations in the service characteristics, or for any loss or damage of any kind or character occasioned thereby, due to causes or conditions beyond the Cooperative's control, and such causes or conditions shall be deemed to specifically include, but not be limited to, the following: acts or omissions of members or third parties; operation of safety devices; absence of an alternate supply of service; failure, malfunction, breakage, necessary repairs or inspection of machinery, facilities or equipment when the Cooperative has carried on a program of maintenance consistent with the general practices prevailing in the industry; act of God; war; terrorism; vandalism; action of the elements; storm or flood; fire; riot; labor dispute or disturbance; or the exercise of authority or regulation by governmental or military authorities.
- 3. The member shall be responsible for giving immediate notice to the Cooperative of interruptions or variations in electric service so that appropriate corrective action may be taken.
- 4. The Cooperative reserves the right to interrupt service for construction, repair, emergency operations, shortages in power supply, safety, and State or National emergencies and shall be under no liability with respect to any such interruption, curtailment, or suspension.
- 5. The member is responsible to maintain a 95% power factor on inductive motors. Failure to do so may cause the member to be billed on a KVAh basis. The Cooperative reserves the right to disconnect any service in violation of this provision.

**D. Metering and Metering Equipment:**

- 1. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing and metering of electric service. Each member shall permit the Cooperative's authorized employees, agents and independent contractors to have access, safely and without interference from hostile dogs or any other hostile source, for meter reading, bill

collecting and for inspection, maintenance, replacement, relocation, repair, or disconnection of such facilities at all times.

2. The Cooperative reserves the right to make final decisions with respect to methods and equipment used in measurement of loads for billing purposes.
3. Meter Testing – All testing of metering equipment will be done by qualified personnel, either Cooperative employees or independent agents meeting the requirements of the Cooperative. The Cooperative may, at its option, either conduct field tests on the member’s premises, or remove metering equipment for shop testing.
  - a. Routine Tests – The Cooperative will, through test procedures, endeavor to maintain its metering equipment within industry accepted accuracy limits.
  - b. Tests Requested by Member – Test of individual meters will be made upon request of the member, with payment of a meter test fee. The Cooperative reserves the right to refuse to test any meter upon request more frequently than once in six (6) months. If a meter test reveals meter registration of more than 102% of that of the test equipment, the charge will be refunded and a billing adjustment made. If meter accuracy is found to be within the plus or minus two percent (2%) accuracy range, the charge will not be refunded, and a billing adjustment will not be required. When it appears that there may be sufficient reason to question meter accuracy (for example, a marked increase in metered consumption without a corresponding change in a member’s living or working patterns or in the number and kind of appliances or equipment in use on the member’s premises), the Cooperative may waive the meter test charge or it may install a second meter, at no charge to the member, to provide check readings.
  - c. Failure to Register – When a meter has stopped or has failed to register all the energy used, the Cooperative will make a charge to the member for the energy estimated to have been used based on the best information available.

#### 4. Meter Sockets

- a. The Cooperative will provide a meter socket as part of a 200 amp meter loop for a new secondary service terminating on a Cooperative transformer pole, Cooperative yard pole, or Cooperative assembly. If requested, a 320 amp meter socket will be provided by the Cooperative for an additional fee. The Cooperative will not provide a disconnect switch as part of the

meter loop. The Cooperative will not install a larger meter loop merely to accommodate additional consumer secondary wires.

- b. The Cooperative will not provide a meter socket for any service terminating on a building or house. The Cooperative will provide secondary conductors to the point of metering only.
- c. The Cooperative may provide a meter socket for commercial services only where current transformers are installed at the power transformer or current transformer cabinet and the socket is mounted adjacent to the transformer.
- d. The Cooperative will not provide meter pedestals for mobile homes.
- e. Arrangement and location of all metering equipment shall be at the discretion of the Cooperative.
- f. The member shall be responsible for all necessary equipment beyond the meter socket.

5. Electric Heat Meters:

- a. Mor-Gran-Sou Electric has a standard specification for allowing CT metering for electric heat. Please call the Cooperative for details.
- b. The member is responsible for having all wiring, including the sub-meter socket, installed by a licensed electrician.

6. Meter Reading:

- a. The Cooperative shall endeavor to read the meter on or about the 1st of each month.

E. Service Disconnects and Reconnects:

Service to the member's premises may be disconnected by the Cooperative under the following conditions:

- 1. At a member's request (in the case of a joint membership, a request for disconnect by one of the joint members shall constitute a request by the joint membership):
  - a. Upon Termination – The Cooperative will disconnect service with no charge to the member upon due notice. However, if restoration of service at the same location is requested more than 30 days after the date of disconnect, a reconnect fee will be applied. Idle services will be subject to the Idle Service and Line Retirement Rule.

- b. Repairs – The Cooperative will temporarily disconnect service to facilitate repairs or other work on the member’s equipment or premises. If the service is disconnected for repairs for more than 30 days a facility charge may be required for the service to avoid being subject to the Idle Service and Line Retirement Rule and a reconnect fee may be applied at the time of reconnect.
  
- 2. At Cooperative’s Option - The Cooperative may disconnect service for any of the following reasons:
  - a. With Notice -
    - 1. For violation of the bylaws, policies, and rules and regulations.
    - 2. For failure to fulfill contractual obligations for electric service.
    - 3. For failure to provide access to the member’s premises.
    - 4. For failure to return signed application for electric service.
    - 5. For failure to return a signed W-9 or any other required documentation for membership.
    - 6. For failure to provide required deposit.
    - 7. For failure to pay any amounts due within the established collection period.
      - i. The Cooperative will notify the member at least 10 days in advance of the day the utility plans to disconnect the service.
      - ii. Cooperative may postpone disconnect for up to 30 days if a member advises the utility during the 10-day notice period that dangerous health conditions exist, or you are age 65 or older, or you are a person with a disability.
    - 8. For use of equipment which interferes with, or adversely affects service to other members.
    - 9. For fraudulent representation as to the use of a service.
  - b. Without Notice – The Cooperative reserves the right to disconnect a service without notice for any of the following reasons:
    - 1. Where hazardous conditions exist or for public safety.

2. Power supply shortage or interruption.
  3. Where it is determined that the member has tampered with the meter or other equipment installed by the Cooperative, or if the member is utilizing Cooperative electricity before said energy has passed through a meter installed by the Cooperative.
  4. To protect the Cooperative from fraud or abuse.
  5. When a member fails to meet the arrangements made to avoid disconnect.
  6. When a payment received to avoid disconnect is not honored by the member's bank or other remitting institution.
  7. Upon written notice from governmental inspection authorities of condemnation of the member's facilities or premises.
- c. Reconnect – After service has been disconnected for any of the above reasons, service will be reconnected only after the member has taken the necessary corrective actions and made payment of all disconnect/reconnect fees, charges, and deposits to guarantee payment for service. A Wiring Certificate may also be required.

### SECTION 3 – BILLING PRACTICES

A. Rate Application:

1. Selection of Rates – Rate availability is listed in each rate schedule. The Cooperative will determine which rate schedule is appropriate. Load changes may dictate a change in rate schedules.

B. Billing Frequency:

1. The Cooperative endeavors to read the meter on or about the 1<sup>st</sup> of each month, and render a bill on or about the 5<sup>th</sup> of each month to every member in accordance with approved rate schedules.
2. Payment is due on the 20<sup>th</sup> of the month or the first working day thereafter if the 20<sup>th</sup> falls on a holiday or weekend.
3. Final bills will be rendered upon disconnect and if not paid within ninety (90) days from the mailing, the final bill will be turned over to a collection agency.

C. Billing Information:

1. Every bill rendered by the Cooperative for electrical service shall state clearly:
  - a. The beginning and ending meter readings of the billing period of the dates thereof.
  - b. The due date.
  - c. Any previous balance.
  - d. The amount due for energy usage.
  - e. The amount due for other authorized charges.
  - f. The total amount due.
  - g. The address and telephone number of the Cooperative designating where the member may initiate an inquiry or complaint regarding the bill as rendered or the service provided by the Cooperative.

**D. Payment Options:**

1. Pay By Bank:
  - a. Members are offered a Pay By Bank option. With the authorization of the member, an automatic bank transfer will be made from their account to pay the bill, on or about the 15th day of the month.
  - b. If a member's account contains insufficient funds and a service fee is assessed to Mor-Gran-Sou Electric, the fee as well as any other applicable fees will be added to the member's account.
  - c. If a member's account contains insufficient funds twice during a 12-month period, the member will be ineligible to participate in this payment program.
2. VISA, MasterCard, or Discover Credit and Debit Cards:
  - a. Residential members may pay their electric bill by VISA, MasterCard, or Discover credit or debit cards.
  - b. Payment can be handled either as a recurring or one-time payment option.
    1. Recurring Credit Card Payment - Members may utilize the Interactive Voice Response (IVR) system; SmartHub web or SmartHub App to enter credit card payment information and enroll in recurring credit card payments each month. The

enrollment will code the individual account to reflect the request. After the request, members can expect that on the 15th of each month, their credit card will be charged that month's electric bill.

2. One-Time Credit Card Payment - If residential members wish to use their credit card occasionally, a phone call with the credit card information must be made to the Interactive Voice Response (IVR) system each time the member wishes to pay their electric bill by credit card. The member may also use PayNow; SmartHub web or SmartHub App to make one-time payments.

3. Budget Billing:

- a. Budget billing is available to residential members upon request.

1. Levelized Budget Billing - The budget bill amount is recalculated every month based on the past 12-month's bills and 1/12<sup>th</sup> of current month charges.

E. Estimated Billing:

1. When it is necessary to estimate a member's usage for billing purposes in lieu of using an actual meter reading, the estimate will be based on the actual usage for the previous three (3) months and/or additional information available to the Cooperative.

F. Loans & Other Services:

1. The Cooperative may include charges for other services together with charges for electric service on the same monthly bill if the charges for special services are designated clearly and separately from the service account.
2. All payments, including partial payments will first be credited to any loans or other services outstanding balances before being applied to the electrical billing.

G. Delinquent, Collection, Disconnection:

1. Members are billed on or about the 5th of each month. Payment is due by the 20th of the month. If payment is not made by the time the next bill is processed, which is around the 4th, a late payment fee will be charged to the unpaid balance. When the bill is sent on the 5<sup>th</sup>, there is a predetermined date after which the service will be disconnected for non-payment. Payment of the total bill plus assessed fees must be made to avoid disconnect. To avoid the disconnect procedures, the payment must be in one of the Cooperative offices by the due date on the statement.

2. The Cooperative will work with members who are willing and able to make arrangements agreeable to the Cooperative to schedule payments for past due amounts.
  - a. Agreements must be made with the Cooperative's Billing Department prior to due date.
  - b. Agreements generally may not exceed three months. Management must approve any agreement term exceeding three months.
  - c. The Cooperative may disconnect any service without prior notice when agreements made to avoid disconnect are not met by the member.
3. Cooperative field personnel are not responsible to meet with the member to attempt collecting past due amounts prior to disconnecting service.
4. All meters utilized by the cooperative are equipped with an internal disconnect collar to facilitate the collection of bills. Any associated disconnect fees will apply.
5. Whenever electric service has been disconnected for non-payment of a bill, the service will be reconnected only after the member has taken necessary corrective actions and made payment of all fees and charges, including any applicable reconnect fees and deposits to guarantee payment of service.
6. When a non-sufficient fund (NSF) payment is received to avoid disconnect, the service may be disconnected without further notice. Cash payment may be required based on past history of NSF payment.
7. In the event the member disputes the amount of a bill, the member may, to prevent disconnection for non-payment, pay the disputed bill under protest to the Cooperative. The Cooperative will refund to the member any part of the payment, made under protest, found by the Cooperative to be incorrect or by a court to be excessive.
8. The Cooperative will not disconnect service to a member for failure of the member to pay for service rendered to a previous occupant of the premises.
9. The Cooperative may disconnect service to a member who takes over the responsibility for paying the bill of an existing service after a previous member was disconnected for non-payment and amounts are still owed. When a member has a delinquent bill on an inactive account, that amount may be transferred to member's active account (or) any payments received will be applied to the inactive account first.

10. In the event the member is disconnected for non-payment, and the account is not reconnected within three (3) months, the account will be considered an idle service. After an additional three (3) months have passed, the Idle Services and Line Retirement procedure will be initiated.

H. NSF Payments:

1. Insufficient or Non-Sufficient Funds (NSF) payments are defined as legally recognized banking instruments, such as checks, drafts, credit and debit card etc. utilized by individuals or corporations to draw upon funds deposited at the referenced banking institution, which have been returned, not honored, to the Cooperative because insufficient funds exist in the account to cover the instrument, the account's assets have been frozen, or other legal action has been instituted disallowing drafting of the funds.
2. Payments not honored by a financial institution will be classified as non-payment of electrical service and the account will be disconnected with proper notice.
3. Proper notice will be by letter, giving the member at least five (5) days from mailing to make satisfactory payment or the service will be disconnected for non-payment.
4. When a non-sufficient fund (NSF) payment is received to avoid disconnect, the service may be disconnected without further notice. Cash payment may be required based on past history of NSF payments.
5. An NSF fee will be applied to all NSF payments.
6. In extreme cases, the Cooperative may sign a criminal complaint against habitual offenders with the appropriate States Attorney's office.
7. These rules apply to non-sufficient fund ACH withdraws where applicable.

**SECTION 4 – SERVICE CHARGES**

A. Service calls:

In the event an outage is reported, a crew is dispatched and the cause is found to be on the member's side, including open breaker switches and member's connections, the member will be charged for labor (two-hour minimum – then half-hour increments), materials, and overhead. Overhead will be calculated by multiplying labor costs by the annual overhead percentage adopted by Mor-Gran-Sou Electric's board of directors.

1. Mor-Gran-Sou Electric line crews cannot and will not, under any circumstances, do repair work on any member wiring beyond the point of attachment. [ND Century Code 43-09-16]

**B. Damage to Cooperative property:**

When repair work is necessary due to member or non-member damage of Cooperative property, the party responsible for the damage will be charged for labor, materials, and overhead. Overhead will be calculated by multiplying labor costs by the annual overhead percentage adopted by Mor-Gran-Sou Electric's board of directors.

**C. Standby generators:**

1. To comply with safety requirements, when generating equipment is used to supply power to a member's wiring system, it is mandatory that an approved electric power transfer device (double throw disconnect switch) is installed. It is the member's responsibility to ensure that wiring meets the National Electrical Code and National Electric Safety Code.
2. Double throw disconnect switches:
  - a. For members who purchase and install an alternate standby power source, the Cooperative will require the installation of a double throw disconnect switch with adequate capacity to serve the load. The double throw disconnect switch (DTD) must completely isolate the member's power facilities from the Cooperative's system and include a lockable, visible disconnect device. In no case will parallel operation of the member's standby equipment with the Cooperative's system be permitted.
  - b. At the consumer's request, and upon payment of a share of construction costs by the member equal to 100% of the cost of material plus labor, the Cooperative will install a combination meter socket-double throw switch for single phase secondary services terminating on a Cooperative transformer pole or other location as determined by the Cooperative. Double-throw switches will not be provided for three-phase services or for single-phase services over 400 amps. No credit or trade-in value will be given for existing meter loops and/or disconnects, or double throw switches.
  - c. The member shall be responsible for supplying a licensed electrician and for the proper installation of the double throw switch, since it may involve internal wiring. The Cooperative will require a wiring certificate to show compliance with applicable laws and regulations.

- d. If the Cooperative finds a member has installed a standby generator and has not provided an adequate protection device, the consumer will be notified they are not in compliance with the National Electrical Safety Code Sections 230-83 and 702-6. The member will have thirty (30) days to correct the violation or be subject to disconnection.
- e. Members may also be held liable to the Cooperative and/or to other members for damages or injuries caused by their failure to provide the protection outlined in this policy.

**D. Power line under-crossing by oversized objects/buildings:**

- 1. The Cooperative, upon proper notice and deposit of estimated costs (See Section D, 2b), will lift, open or de-energize the Cooperative's lines necessary to permit the safe passage of oversized objects being moved. However, the Cooperative reserves the right to designate the time and date when certain lines may be opened.
- 2. The Cooperative will require not less than ten (10) working days notice from the party requesting clearance of the lines and giving the approximate date and time of the move and the height and route over which the object is to be moved.
  - a. The Cooperative requires twenty-four (24) hour confirmation notice providing the exact time, location, height, and route over which the object is to be moved.
  - b. The Cooperative will require an estimated advance payment to be made, based on the number of lines to be crossed, size and height of the building, etc.
  - c. All work done on building moves will be charged on an actual cost basis.
  - d. Any excess deposit over the actual expense will be refunded to depositor and any shortage will be billed.
  - e. All oversized object/building moves must meet the requirements set forth in Chapter 39-12 of the North Dakota Century Code.

**E. Yard Lights**

- 1. For an account served by an overhead service, the Cooperative may, upon request, install yard lighting at member locations.
  - a. The member shall pay an installation fee.

- b. The member shall pay a monthly fee based on the Cooperative's yard light schedule as may be modified from time-to-time. The monthly charge will be added to the member's electric bill.
  - c. The Cooperative shall own, install and maintain the yard light at the Cooperative's convenience.
  - d. For an account served by an overhead service, the yard light may be installed on the meter pole or transformer pole, as determined by the Cooperative. It CANNOT be installed on the consumer's premises beyond the meter pole.
  - e. The member agrees that the Cooperative assumes no liability or responsibility for the maintenance or operation of the yard light and member agrees to indemnify and hold harmless Mor-Gran-Sou Electric from any claims or damages related to the yard light.
  - f. The Cooperative reserves the right to remove the yard light at any time for any reason.
2. For an account served by an underground service, please contact an electrician.

F. List of Charges:

- 1. The Cooperative will annually review and adjust charges for reasonable special services as necessary to cover costs, and to minimize subsidy of the services by other members. Contact Mor-Gran-Sou Electric for the current fee or fee schedule. Services that will be charged a fee include but are not limited to the following:
  - a. Service interruption incurred on member's side of the meter - member shall be billed for time and charges incurred by the Cooperative.
  - b. Account processing fee – Fee for changing records, transferring accounts, and/or for meter readings to accomplish transfers.
  - c. Reconnect meter following disconnection for reasons other than a member in good standing, payment shall be made prior to meter installation.
  - d. Line Retention – Should a member want the service left in place, a monthly payment, based on the appropriate rate schedule, will be required to offset the maintenance and service costs to the members of the Cooperative.

- e. Meter test fee - If requested by the consumer, payment will be made prior to testing meter. If meter tests outside limits, the payment will be refunded.
- f. All dishonored payments will result in a cost recovery assessment per payment to offset the costs involved in processing.
- g. Late payment penalty will be assessed each month on unpaid balance.
- h. Delinquency/Disconnect fee - Payment is required before meter will be reconnected.
- i. Yard light installation fee for installation of a single yard light.
- j. Used posts. Used posts are precut at a nominal length (8 – 12 ft.). Members/customers will not be able to randomly pick used posts as all posts will be pulled from the top of the pile.
- k. Double-throw disconnect switch. Members pay 100% of the cost of material plus labor.

**SECTION 5 - DEPOSITS**

**A. General Deposit Conditions:**

- 1. A prospective member of the Cooperative must furnish a credit reference or make a deposit equal to an amount two (2) times the estimated average month's usage of electricity at location of service request. Minimum deposit shall be \$200.
- 2. If the prospective member is a prior member and has a past record of timely electric bill payment to the Cooperative on a similar account, the requirement of deposit may be waived.
- 3. If the prospective member does not have a prior payment record with the Cooperative, it shall be the responsibility of the member to have their former utility supplier(s) furnish directly to the Cooperative, a record of payment. If the member has a history of timely payments with their former utility supplier(s) for a similar account, the deposit may be returned within 90 days of receipt of credit information at the Cooperative.
- 4. If the prospective member does not have an acceptable payment record with a utility supplier, their deposit will be retained by the Cooperative a minimum of 12 months or until the member can establish an acceptable payment record. The deposit may be retained as long as the member continues to receive electric service from the Cooperative.

5. Deposits will be placed in an FDIC insured account. Simple interest will be paid by the Cooperative on the deposit at the rate of 2.8% per annum and applied to the member's or patron's bill on an annual basis.
6. Should a prior member who did not pay amounts owed the Cooperative at the time of disconnection wish to become a member, all past charges, costs, penalties and interest must be paid in advance, plus a deposit equal to two (2) times the estimated average month's electric usage at this or a similar account before electric service will be connected. The deposit requirement shall be retained as long as electric service is provided to the member.

#### SECTION 6 – LINE EXTENSION

A. Definitions:

1. Line Extension – is the extension and/or the addition of a Mor-Gran-Sou Electric existing distribution power line for the purpose of electric service.
2. Contribution-in-Aid-of-Construction (CIAC) – is an up-front payment for the cost associated with the line extension.

B. Purpose:

1. To provide standard service for line extensions to single-phase, three-wire, 120/240; three-phase, four-wire, 120/208 “Wye”; three-phase, four-wire, 277/480 “Wye”.
  - a. The Cooperative will prepare an estimate for extending its lines upon request of the member or prospective member. Actual costs associated with return trips for estimating purposes or changes in the line extension that are requested by the member or prospective member will be billed.
  - b. All easements and permit costs associated with the line extension will be the responsibility of the member or prospective member.
  - c. Construction will not begin until all payments are made, easement, permits and other associated documents are in order and secured by the Cooperative.
  - d. The Cooperative will construct either overhead (OH) or underground (URD) line extension, whichever would be the most economical and practical option available.
  - e. Prior to any newly constructed service being energized, the member or prospective member shall provide a wiring certificate to

the Cooperative as written proof that applicable State Electrical Inspection requirements have been met.

- f. Future construction costs may be guaranteed and locked-in for a maximum of twelve (12) months. This may only be done by a member or prospective members paying 100% of current construction estimate costs within forty-five (45) days. All changes or modifications to the original line design will be billed at the rate then currently in effect.
2. Line Extension All - The following procedures apply to all line extensions to single phase permanent residences, permanent commercial and multi-phase permanent commercial services, located within the service area of Mor-Gran-Sou Electric's distribution facilities. These costs and procedures may be changed or adjusted without notice.
- a. Frost Charges - Mor-Gran-Sou will assess an additional per line-foot charge to any new service construction, dependent on conditions and at the Cooperative's discretion, for line constructed between November 1 and April 1.
  - b. Temporary or Construction Service - Temporary service is electric service to any project or enterprise where the use of electricity is known to be of a short duration by its nature. Examples include, but are not limited to, construction sites, fairs, circuses, mining/gravel pits and fireworks stands. These types of services will require a prepayment of construction and retirement costs, as determined by the Cooperative. In all cases the temporary meter/service panel will be provided by the member or prospective member.
  - c. Meter Sockets - The Cooperative will provide a meter socket as part of a 200 amp meter loop for a new overhead secondary service terminating on the Cooperative transformer or yard pole or a new underground service terminating on a Cooperative provided assembly. The Cooperative will not install a larger meter loop merely to accommodate additional consumer secondary wiring.
    - The Cooperative will not provide a meter socket for any service terminating on a building or house. The Cooperative will provide secondary conductors to the point of delivery only.
    - The Cooperative may provide a meter socket for current-transformer metered services.
    - The Cooperative will not provide meter pedestals for mobile homes.

- The Cooperative will not install double-throw disconnect switches for seasonal or occasional use accounts.
  - The member will cover 100% of the material costs and labor to install double-throw disconnect switches on single-phase permanent services.
  - All meter locations must be agreed upon by representatives of the member and the Cooperative, subject to final approval by the Cooperative.
  - The Cooperative requires that the member supply and install a current transformer cabinet and conductor from the transformer to the CT cabinet on all services larger than 320 amp. This cabinet is to be directly adjacent to the service transformer or such other location as approved by the Cooperative.
- d. Ownership of Facilities - Mor-Gran-Sou Electric will retain ownership of all materials and facilities installed by the Cooperative for the distribution of electric energy whether or not consumer/member has made a contribution-in-aid-of-construction or other financial commitment. All lines and facilities constructed or installed by the Cooperative are and will remain the property of the Cooperative.
- e. Special Facilities and Nonstandard Service Voltages - Where a member or prospective member requests service that will require the Cooperative to invest in plant that is considered by the Cooperative to be of a specialized nature and not a standard Cooperative construction design or service voltage, the member must pay the total cost or a portion thereof of the plant investment determined by the Cooperative to be special in design.
- Special facilities also include transmission and/or distribution plant extensions for a single large commercial or industrial account. The Cooperative will require assurances of financial performance of the account to ensure that the plant investment and wholesale power supply obligations for that account are met. The form of assurance may be unique for each account and will be handled on a case-by-case basis.
  - For special facilities constructed for accounts having a peak demand greater than 1,000 kW, the Cooperative has the option of designing a customized rate that will ensure recovery of investment and power supply obligations. The Cooperative reserves the right to determine whether the proposal to serve such an account is based on the Cooperative's existing wholesale power rate or is based on wholesale market

conditions. In the latter case, any such proposal will be developed jointly with the wholesale power supplier and will be presented to Mor-Gran-Sou Electric's board of directors for final approval.

3. Line Extensions - The following costs and procedures apply to line extensions to permanent single phase and multi-phase services, located within the service area of Mor-Gran-Sou Electric's distribution facilities. The costs associated with line extension will be calculated utilizing Mor-Gran-Sou Electric's Line Extension Calculator which utilizes historical construction costs to determine the cost members or prospective members must pay for a requested line extension in advance of construction. Any payment above actual costs exceeding \$250.00 will be refunded. Any payment shortage will be billed upon work order closing at the Cooperative's discretion. Monthly minimum base charge billing will commence within 30 days of work order construction completion. These costs and procedures may be changed or adjusted without notice.
  
4. Line Extension to Subdivision Development – In addition to the above, the following procedures, which may be changed or adjusted at any time, apply to line extensions to subdivision developments. Any person(s), or entity that subdivides land into two or more tracts for the purpose of offering one or more of them for sale or lease shall be considered a developer. The Cooperative will install a primary electric distribution backbone system in platted additions, development areas, or subdivisions if:
  - a. The developer pays a charge equal to 100% of the estimated cost of construction, in advance.
  
  - b. The developer agrees that payment may be needed as a contribution-in-aid-of-construction for upgrade of other facilities to allow adequate service to the development, depending on location. To be determined by the Cooperative.
  
  - c. Multiple utility coordination (electric, telephone, CATV, water, sewer or other), is made in advance by the developer prior to beginning any construction activities.
  
  - d. The developer provides the Cooperative with a properly surveyed and recorded plat drawing of the subdivision or development in a reproducible electronic format.
  
  - f. The subdivision development will yield permanent customers to the Cooperative.
  
  - g. The subdivision development has been approved by the appropriate governmental authority and properly recorded.

- h. The subdivision is not unduly speculative and will be developed in a systematic and timely manner as determined solely by the Cooperative.
- i. The developer allows the Cooperative the option of installing the electrical system in the front or rear of lots, plats, acreages or sites in the subdivision development as determined by the Cooperative.
- j. The developer has provided, at no cost to the Cooperative, all necessary and acceptable right-of-way/easements, whether platted or otherwise.

**SECTION 7 - OPERATION AND MAINTENANCE**

**A. Maintenance of Right-of-Way:**

- 1. Trees and other vegetation located within the right-of-way for an overhead line must be routinely maintained by trimming, clearcutting, or other means to limit contact with overhead lines and other electrical infrastructure. For public safety, the maintenance will be done in accordance with common industry practices.
- 2. In the event a tree is completely removed from a right-of-way, the Cooperative will provide the member with a certificate from a local nursery to purchase a replacement sapling that member may plant at an adequate distance from the overhead line and other electrical infrastructure.

**B. Idle Services:**

- 1. An idle electrical service is a service that is not making any payment to the Cooperative but continues to receive regular maintenance.
- 2. Idle lines and services may be removed at the discretion of the Cooperative; however, landowners will be notified if possible before removal. Mor-Gran-Sou will send the current landowner a notification of possible retirement for the line/service. The written notice will be deemed to be delivered when deposited in the United States mail, addressed to the member at member's address as it appears on the records of the Cooperative, with postage thereupon prepaid.
  - a. The landowner will have a thirty (30) day period from the date of the letter containing the notice of possible retirement to respond.
  - b. If the landowner does not respond within the thirty (30) day period, the Cooperative will publish a notice of pending retirement. The notice will be published not less than two (2) consecutive months in the Cooperative local pages of the *North Dakota LIVING* magazine.

3. If the landowner is the only one affected by the service, and deems the line important and makes the necessary line retention payment, the Cooperative will maintain the line/service. The charge will be as required by the applicable rate schedule and payable monthly.
  4. Should the landowner wish to have a line/service retired and any other interested parties wish to retain the line, the interested parties must proceed as follows:
    - a. Make arrangements with the land owner to keep the line in place, or
    - b. Request a new service extended to their property from the existing line and pay any necessary fees.
    - c. If the interested parties cannot accomplish either of these items, the Cooperative will abide by the wishes of the landowner whose property the current line/service resides upon.
  5. Should no one be willing to pay the line retention fee after the notification process has been completed, the Cooperative will retire the line/service at its earliest convenience.
  6. When the line is removed and a previous member owner wants the service rebuilt, they will have to pay the retirement cost and aid-to-construction cost to rebuild.
  7. Should the Cooperative deem the line/service a hazard to the public, the above notification process may not be followed.
- C. Relocation of Facilities:
1. The Cooperative will cooperate with all political subdivisions in the construction, improvement, or rehabilitation of public streets and highways. It is expected that these political subdivisions will give reasonable notice to permit the Cooperative to relocate its lines to permit the necessary road construction.
  2. When the Cooperative facilities are located within the confines of the existing road right-of-way, the Cooperative will relocate such facilities at its own expense.
  3. When it is necessary to relocate facilities that are located on private property, the party requesting the relocation must pay 100% of the expenses involved in relocating the facilities.

4. The Cooperative shall determine the best relocation method based on its standard design parameters, all applicable safety and design code requirements and the project's relationship to existing facilities.
5. Upon selecting an appropriate design, Cooperative will prepare a cost estimate for the project based on the request. The Cooperative may however, incorporate additional work into the project for its best interest at no additional cost to the requesting party.
6. Before any lines are moved, the parties requesting the move must sign a line move agreement. This agreement shall contain location, description and the costs.
7. The Cooperative will require full payment in advance of doing any work. Any payment above actual costs exceeding \$250 will be refunded. Any payment shortage may be billed upon work order closing.
8. When the Cooperative is requested to relocate its facilities for reasons other than road improvement, the firm, person, or persons requesting the relocation will pay for any expense involved, unless the relocation is made for the convenience of the Cooperative or results in a substantial improvement for the Cooperative.
9. If, in the opinion of the Cooperative, there is a safety hazard created by a member after the line was originally built, the present member will be asked to cooperate in the elimination of the hazard. The member will be notified in writing of the hazard and actions to be taken by the Cooperative to correct the problem and the estimated cost to the member. The Cooperative may bear a portion of the cost depending on the circumstances involved.
10. The Cooperative will pay damage claims based on the use of the land.
  - a. Crop land, pasture, and CRP will be reimbursed at rates to be determined on a case-by-case basis.
  - b. Landscaped residential areas will be restored to an acceptable pre-construction condition. Note: Utility easements are established for utility use. No other buildings or other structures are permitted without written approval of all utilities involved.