

GENERAL RULES AND REGULATIONS FOR ELECTRIC SERVICE

INTRODUCTION

These General Rules and Regulations are a part of the Kosrae Utilities Authority's Electric Tariff, covering the terms and conditions under which Electric Service is supplied by the Kosrae Utilities Authority (KUA) to the Customer.

1 SERVICE AGREEMENTS

1.1 Application for Service. Service may be obtained upon application in writing, by telephone or in person at the KUA's customer service office. Usually all that is required is the service application. If electricity is not currently available to the structure, an additional contribution in aid of construction and an easement (without cost to KUA) for the installation of utility facilities may be required.

1.2 Information Needed. To provide service promptly, the KUA will need the applicant's name and address. On new or change installations, the KUA may also need to know the equipment which will be used. The KUA will advise the applicant as to the type of service available at the designated location.

1.3 Agreement. Service is furnished upon acceptance of the agreement by the KUA. Applications are accepted by the KUA with the understanding that there is no obligation to render service other than the character of service then available at the point of delivery. A copy of any written agreement accepted by the KUA will be furnished to the applicant upon request.

1.4 Application by Agents. Applications for service requested by firms, partnerships, associations, corporations, etc., shall be made only by duly authorized parties. When service is rendered under an agreement or agreements entered into between the KUA and an agent of a principal, the use of such service by the principal shall constitute full and complete ratification by the principal of such agreement or agreements.

1.5 Prior Indebtedness. The KUA may refuse or discontinue service for failure to settle, in full, all prior indebtedness incurred by any Customer(s) for the same class of service at any one or more locations of such Customer(s). The KUA may also refuse service for prior indebtedness by a previous customer provided that the current applicant or customer occupied the premises at the time the prior indebtedness occurred and the previous customer continues to occupy the premises.

1.6 Discontinuance of Service. Service may be discontinued for violation of the KUA's rules and regulations after affording the Customer reasonable opportunity to comply with those rules, including a ten (10) day and twenty-four (24) hour written notice to the Customer; provided, however, that where the KUA believes a dangerous condition exists on the Customer's premises, service may be discontinued without further notice.

1.7 Life Sustaining Medical Equipment. A residential Customer who has electric-powered medical equipment installed at their service address which is necessary to sustain the life of or avoid serious medical complications requiring hospitalization of the Customer or another permanent resident at the service address may participate in the KUA's Life Sustaining Medical Equipment Program. This Program provides for special protection against discontinuation of service for qualified Customers and for direct on-site contact with a KUA customer service representative to render such assistance as may be consistent with the provisions of this tariff and suitable to the circumstances of the situation.

1.8 Reimbursement for Extra Expenses. The Customer may be required to reimburse the KUA for all extra expenses incurred by the KUA resulting from the Customer's violation of any agreement or the KUA's Rules and Regulations.

2 SUPPLY AND USE OF SERVICE

2.1 Service. Service includes all power and energy required by the Customer and, in addition, the readiness and ability on the part of the KUA to furnish power and energy to the Customer. The availability of the standard agreed voltage and frequency by the KUA at the point of delivery shall constitute the rendering of service, irrespective of whether the Customer makes any use thereof.

2.2 Availability of Service. The KUA will supply electric service to any applicant for service throughout the territory it serves, subject to the following conditions:

Should an extension of the KUA's facilities be required, the KUA will pay for the cost where, in the opinion of the KUA, it is justified by revenues to be secured; however, the KUA may require monthly or annual guarantees, a cash contribution-in-aid-of-construction, and/or advances for construction, when in the KUA's opinion, the immediate or potential revenues do not justify the cost of extension.

If facilities are requested that are not usual and customary for the type of installation to be served, the KUA may require a contribution-in-aid-of-construction based upon the incremental cost of the requested facility. All contributions-in-aid-of-construction will be calculated in accordance with applicable rules and regulations approved by the KUA Board of Directors.

Upon request, written information will be supplied by the KUA concerning the availability and character of service for any desired location. The KUA will not be responsible for mistakes of any kind resulting from information given orally.

2.3 Point of Delivery. The point of delivery is the point where the KUA's wires or apparatus are connected with those of the Customer.

2.4 Character of Service. Alternating current is supplied at a frequency of approximately sixty cycles. Standard nominal single-phase service secondary voltages are 120 volts, two wire or 120/240 volts, three wire. Standard nominal three-phase service secondary voltage is 120/240 volts, four wire for "delta" service. Where "Wye" service is provided, the standard nominal voltages are 120 volt, two wire or 120/208 volts, four wire. The type of service provided shall be determined by the KUA based upon the character of the customer's load and the distribution system available in the area.

2.5 Service Voltage Standards. Insofar as possible, the KUA shall deliver voltage at the point of delivery which shall not exceed 5% above or below the nominal voltage for service rendered to customers whose principal consumption shall be for lighting and/or residential purposes and which shall not exceed 7½% above or below the nominal voltage for service rendered principally for industrial or power purposes.

2.6 Continuity of Service. The KUA will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage but does not guarantee uninterrupted service nor shall the KUA be liable for complete or partial failure or interruption of service, or for fluctuations in voltage or for phase failure or reversal, resulting from causes beyond its control. The KUA shall not be liable for any occurrence, act or omission caused directly or indirectly by strikes, labor troubles, accident, litigation, mechanical failure of equipment and/or facilities, repairs or adjustments to the distribution system, interference by Federal, State or Municipal governments, acts of God or other causes beyond its control. It shall be the Customer's responsibility to provide and install, in compliance with the *National Electrical Code®*, any devices to prevent equipment and wiring damage due to excessive current, low voltage, loss of phase, phase reversal, etc.

2.7 Temporary Service. Temporary service refers to service required for short term exhibitions, displays, bazaars, fairs, construction work camps, and the like. It will be supplied only when the KUA has readily available capacity of lines, transformers, generating and other equipment for the service requested. Before supplying temporary service, the KUA may require the Customer to contribute to the cost of installing and removing the necessary service facilities, less credit for salvage.

2.8 Indemnity to Kosrae Utilities Authority. After the electrical energy passes to the customer's side of the point of delivery, it becomes the property of the customer and the customer shall indemnify, hold harmless and defend the KUA from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the supply and use or misuse or presence of electricity on the customer's side of the point of delivery.

2.9 Access to Premises. Duly authorized agents and employees of the KUA shall at all times have access to KUA facilities on the customer's premises for the purpose of installing, maintaining, inspecting and removing KUA property and shall have access to the premises during normal working hours for the purpose of reading meters and other purposes incident to performance under or termination of the KUA's agreement with the Customer and in all such performance shall not be liable for trespass.

2.10 Easements. The Customer shall provide, grant or cause to be granted to the KUA, without cost to the KUA, all rights, easements, permits and privileges which, in the opinion of the KUA, are necessary for the rendering of service to the Customer.

3 LIMITATION OF USE

3.1 Resale of Service Prohibited. Electric service received from the KUA shall be for the Customer's own use and shall not be resold. Where individual metering is not required under Subsection 8.1 of these General Rules and Regulations for Electric Service and master metering is used in lieu thereof, reasonable apportionment methods, including sub-metering, may be used by the Customer solely for the purpose of allocating the cost of the electricity billed by the KUA. Any fees or charges collected by a Customer for electricity billed to the Customer's account by the KUA, whether based on the use of sub-metering or any other allocation method, shall be determined in a manner which reimburses the Customer for no more than the Customer's actual cost of electricity.

For the purpose of this Rule:

Electric service is "sub-metered" when separate electric meters are used to allocate among tenants, lessees or other entities, the monthly bill rendered by the KUA to the Customer for electric service, when these tenants, lessees or other entities are charged no more than a proportionate share of such bill, based on their monthly consumption as measured by such meters.

Electric service is "resold" when separate electric meters are used to charge tenants, lessees or other entities more than a proportionate share of the Customer's monthly bill.

3.2 Conversion to Master Metering Prohibited. When customers are currently separately served by the KUA at individual accounts, they may not terminate these individual accounts and receive service from the KUA collectively through a single meter account unless the resulting combined service account is one which could be served by one meter under the provisions of Subsection 8.1 of these General Rules and Regulations for Electric Service.

3.3 Street Crossings. The Customer will not build or extend electric lines across or under a street, alley, lane, court, avenue or other right-of-way in order to furnish service for adjacent property through one meter even through such adjacent property is owned by the Customer, unless written consent is obtained from the KUA. Consent may be given when such adjacent properties are operated as one integral unit, under the same name, for carrying on parts of the same business.

3.4 Unauthorized Use of Service. In case of any unauthorized remetering, sale, extension or other disposition of service, the Customer's service is subject to discontinuance until such unauthorized remetering, sale, extension or other disposition of service is discontinued; full payment is made of bills for service calculated on proper classifications and rate schedules; and reimbursement, in full, has been made to the KUA for all extra expenses incurred, including expenses for clerical work, testing, inspection and investigation.

4 CUSTOMER'S INSTALLATION

4.1 Customer's Installation. The Customer's installation consists of and includes all wires, cutouts, switches and appliances and apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing electric service for any purpose, (excepting meters and associated metering equipment such as current transformers), ordinarily located on the Customer's side of the "Point of Delivery," and including service entrance conductors, whether such installation is owned outright by the Customer or used by the Customer under lease or otherwise. Currently, KUA installs the weatherhead, downpipe, service entrance conductors, meter socket and grounding conductor at the service entrance. Following the installation of these items required for the customer to receive service, KUA transfers ownership of all items installed, (excepting meters and associated metering equipment such as current transformers), and the customer (or owner) accepts such transfer, indemnifies KUA from further responsibility for such items and the customer (or owner) shall assume responsibility for the future operation and maintenance of such items.

4.2 Type and Maintenance. All Customer wiring, apparatus and equipment shall be selected, installed and maintained in accordance with the Policies, Standards and Specifications for Electric Service to Subdivisions and Commercial Developments, and in full compliance with all applicable laws, codes, governmental regulations and guidelines of local inspection authorities. The Customer shall utilize no apparatus or device which is not properly constructed, controlled and protected, or which may adversely affect service to others and the KUA reserves the right to discontinue or withhold service for such apparatus or device.

4.3 Change in Customer's Installation. No changes or increases in the Customer's installation, which will materially affect the operation of any portion of the distribution system or generating plants of the KUA shall be made without written consent of the KUA. The Customer will be liable for any damage resulting from a violation of this rule. When an existing service installation is repaired or modified, the electrical service shall be brought into compliance with the requirements of the applicable electrical codes. At a minimum, the customer shall be required to:

- a. Relocate meters from inside a building or inaccessible area to an accessible outdoor area.
- b. Correct all clearance deficiencies.

4.4 Addition to Customer's Installation. The capacity of KUA electrical facilities to serve the customer is based on information furnished by the customer at the time of initial service design. No significant additions or changes shall be made to the customer's installation without first notifying the proper inspection authority and providing the information to the KUA. Failure to provide this information may adversely affect the quality of service to the customer and to other customers served from the same KUA facilities.

4.5 Inspection of Customer's Installation. Upon completion, all electrical installations or changes should be inspected by a competent authority to insure that wiring, grounding, fixtures and devices have been installed in accordance with the *National Electrical Code*® and such local rules as may be in effect. Where governmental inspection is required by local rules or ordinances, the KUA cannot render service until such inspection has been made and formal notice of approval has been received by the KUA from the inspecting authority. The KUA reserves the right to inspect the Customer's installation prior to rendering service and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

4.6 Electric Generators. When a customer owned electric generator is installed, it shall be installed in such a manner as to eliminate the possibility of operating in parallel with, or back-feeding into the KUA electrical system. A double throw double source main disconnect switch which disconnects the service equipment from the KUA's source before connecting it to the electric generator shall be used for this purpose. If an automatic transfer system is proposed for this purpose, the specific system shall be reviewed for approval by the KUA before it may be used. The KUA shall not connect its service to a customer's wiring where generators are used unless the wiring conforms to the KUA's specifications. These specifications are available on request.

5 KOSRAE UTILITIES AUTHORITY'S INSTALLATION

5.1 Protection of Kosrae Utilities Authority's Property. The Customer shall properly protect the KUA's property on the Customers' premises and shall permit no one but the KUA's agents, or persons authorized by law, to have access to KUA wiring, meters and apparatus.

5.2 Damage to Kosrae Utilities Authority's Property. In the event of any loss or damage to the KUA's property caused by or arising out of carelessness, neglect or misuse by the Customer, the Customer shall reimburse the KUA for the cost of replacement or repairing such damage.

5.3 Relocation of Kosrae Utilities Authority's Facilities. When there is a change in the Customer's operation or construction which, in the judgement of the KUA, makes the relocation of the KUA's facilities necessary, or if such relocation is requested by the Customer, the KUA will move such facilities, at the Customer's expense, to a location which is acceptable to the KUA.

5.4 Attachments to Poles. The use of the KUA's poles, wires, towers, structures or other facilities for the purpose of fastening or supporting any radio or television aerials or other equipment, or any wires, fences, ropes, signs, banners, clotheslines, basketball backboards, placards, political posters or any advertising matter, or other things, not necessary to the supplying by the KUA of electric service to the community, or the locating of same in such proximity to the KUA's property or facilities as to cause, or be likely to cause, interference with the supply of electric service, or a dangerous condition in connection therewith is prohibited. The KUA shall have the right to order such items removed, or to remove such items and charge the violator for such removal. Removal of such unauthorized attachments may be made without notice and shall be without any liability for the removal or the manner of making such removal. The violator of these rules is liable for any damage resulting therefrom. The KUA prohibits any work on or access to its poles, manholes, vaults or pad mounted transformers without prior authorization.

5.5 Connections to Kosrae Utilities Authority Facilities. All connections of the customer's wiring to KUA wiring or facilities, all disconnects of service entrance conductors, all meter removals and installations and all breaking of KUA meter equipment seals shall be made only by KUA personnel. Connection or disconnection of the KUA's service by the customer or agent is prohibited. If done with the intent to injure or defraud, may be punishable by law and violators may be prosecuted.

5.6 Interference with Kosrae Utilities Authority's Facilities. The customer shall not allow:

Trees, vines or shrubs to interfere with the KUA's overhead conductors, service wires or the visual reading of or maintenance to the electric meter. Such interference may result in an injury to persons, or may cause the customer's service to be interrupted. In all cases, the customer should request the KUA to trim or remove trees and other growth near the KUA's adjacent overhead wires, and under no circumstances should the customer undertake this work himself, except around service cables when specifically authorized by and arranged with the KUA.

The planting of ornamental shrubs or other growth which may hinder ventilation and maintenance of any padmount facilities. A minimum clearance is required around all padmount equipment. A distance of ten (10) feet shall be kept clear in front of all service doors and at least three (3) feet shall remain clear from the equipment pad on all other sides.

The installation of any equipment adjacent to any metering or padmount facilities which may adversely affect the performance of or access to such facilities.

5.7 Unobstructed Access to Kosrae Utilities Authority's Facilities. The KUA shall have perpetual unobstructed access to its overhead and underground facilities such as poles, underground cables, pad mounted transformers and meters in order to perform repair and maintenance in a safe, timely and cost-efficient manner. The Customer is responsible for contacting the KUA for guidance before constructing any items which may obstruct the KUA's access. Such items include, but are not limited to, building additions, decks, patios, pools, fences or pavings. Relocation of the KUA's facilities, as provided in Section 5.3 of these Rules and Regulations, may be necessary. Should an item interfere with access to KUA facilities requiring repair or maintenance, the KUA will

explore with the Customer all alternatives deemed feasible by the KUA to determine the method of repair most acceptable to the Customer. When the most acceptable or only option involves the Customer removing the obstruction or the Customer taking other actions, the Customer shall accomplish the work within 20 working days. Should the Customer fail to accomplish said work within 20 working days or fail to make other satisfactory arrangements with the KUA, the KUA may elect to discontinue service to the Customer. In all cases, the Customer will be responsible for all costs in excess of a standard, unobstructed repair or maintenance.

6 BILLING

6.1 Billing Periods.

6.1.1 Regular Bills. Regular bills for service will be rendered monthly. Bills are due when rendered and shall be considered as received by the Customer when delivered or mailed to the service address or some other place mutually agreed upon.

6.1.2 Prorated Bill. The bill may be prorated if the billing period is for more or less than a full month. Should service be disconnected within less than a month from date of connection, the amount billed will not be less than the regular monthly minimum bill.

6.1.3 Month. As used in these Rules and Regulations, a month is an interval between successive regular meter reading dates, which interval may be 30 days, more or less.

6.2 Non-Receipt of Bill. Non-receipt of bills by the Customer shall not release or diminish the obligation of the Customer with respect to payment thereof.

6.3 Evidence of Consumption. When service used is measured by meters, the KUA's accounts thereof shall be accepted and received at all times, places and courts as prima facie evidence of the quantity of electricity used by the Customer unless it is established that the meter is not accurate within the limits specified by the KUA's Rules and Regulations.

6.4 Application of Rate Schedule. Electric service will be measured by a single metering installation for each point of delivery. The KUA will establish one point of delivery for each Customer and calculate the bill accordingly. Two or more points of delivery shall be considered as separate services and bills separately calculated for each point of delivery.

6.5 Taxes and Charges. All of the KUA's rates, including minimum and demand charges and service guarantees, are dependent upon Federal, State, Municipal and other Governmental taxes, license fees or other impositions and may be increased or a surcharge added if and when the cost per kilowatt hour, or per Customer, or per unit of demand or other applicable unit of charge, is increased because of an increase in any or all such taxes, license fees or other impositions.

6.6 Disconnection and Reconnection of Residential Service.

6.6.1 Disconnection of Residential Service. When a residential Customer orders service discontinued, the KUA may ask the Customer to open the main switch upon vacating the premises. This will allow the use of electric service until the time of departure and will insure that no energy is used or charges accrue after the Customer leaves. As convenient, after the date of disconnection, a KUA employee will visit the premises to read the meter.

6.6.2 Reconnection of Residential Service. A Customer who reconnects service by closing the switch should give immediate notice thereof to the KUA so that proper records may be maintained. Should the Customer neglect to give such notice, the regular meter reader will note this fact and reconnection will be recorded as of the date when the switch was closed. If this date cannot be readily determined, reconnection shall be recorded as of the next preceding meter reading date.

6.7 Change of Occupancy. When change of occupancy takes place on any premises supplied by the KUA with electric service, notice should be given to the KUA not less than three (3) days prior to the date of change by the outgoing party who will be held responsible for all electric service used on such premises until such notice is received and the KUA has had a reasonable time to discontinue service. However, if such notice has not been received prior thereto, the application of the succeeding occupant for the electric service will automatically terminate the prior account.

6.8 Delinquent Bills. Bills are due when rendered and become delinquent if not paid within twenty (20) days from the mailing or delivery date. Thereafter, following five (5) working days' written notice and 24-hour notice service may be discontinued. For purposes of this subsection, "working day" means any day on which the KUA's business office is open.

7 METERS

7.1 Individual Metering Required. The KUA shall require individual electric metering for each separate occupancy unit of new commercial and residential buildings, trailer, mobile home and recreational vehicle parks, provided, however that individual electric meters shall not be required:

1. In those portions of a commercial building where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by nonstructural element partition walls, unless the KUA determines that adequate provisions can be made to modify the metering to accurately reflect such alterations;
2. For electricity used in central heating, ventilation and air conditioning systems, or electric backup service to storage heating and cooling systems;
3. For electricity used in specialized use housing accommodations such as hospitals, nursing homes, college dormitories, convents, sorority or fraternity houses, motels, hotels and similar facilities;
4. For separate, specially designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks where permanent occupancy is not established;
5. Where individual metering is not required under Subsection 2.10(a) and master metering is used in lieu thereof, submetering may be used by the customer of record or the owner of such facility solely for the purpose of allocating the cost of the electricity billed by the KUA. Such allocated costs **shall not** include the cost of the submeters, distribution losses, administrative costs, profit or any other cost other than the cost billed by the KUA.

7.2 Location of Meters. The KUA will determine the location of and install and properly maintain at its own expense such standard meter or meters and metering equipment as may be necessary to measure the electric service used by the Customer. The Customer will keep the meter location clear of obstructions at all times in order that the meter may be read and the metering equipment may be maintained or replaced.

7.3 Setting and Removing Meters. No person but duly authorized agents of the KUA or persons authorized by law shall set or remove, turn on or turn off, or make any changes which will affect the accuracy of such meters. Connections to the KUA's electric system are to be made only by KUA employees.

7.4 Tampering with Meters. Ownership of meters and metering equipment shall be with the KUA. Unauthorized connections to, or tampering with the KUA's meter or meters, or meter seals, or indications or evidence thereof, subjects the Customer to immediate discontinuance of service, prosecution under the laws of Kosrae, adjustment of prior bills for services rendered and reimbursement to the KUA for all extra expenses incurred on this account.

7.5 Meter Tests. The KUA employs every practicable means to maintain the commercial accuracy of its meters. Meter tests and billing adjustments for inaccurate meters are in accordance with the methods and procedures prescribed by the KUA Board of Directors.

7.6 Failure of Meter. When a meter fails, or part or all of the metering equipment is destroyed, billing will be estimated based upon the registration of check metering equipment or other available data.

8 SERVICE STANDARDS

These "General Rules and Regulations for Electric Service" include, by reference, the terms and provisions of the KUA's currently effective "Policies, Standards and Specifications for Electric Service to Subdivisions and Commercial Developments" a copy of which is available on request. The "Policies, Standards and Specifications" are primarily concerned with the electric facilities and related equipment prior to installation and use. They explain the general character of electric service supplied, the meters and other devices furnished by the KUA and the wiring and apparatus provided and installed by the Customer. The "Policies, Standards and Specifications" serve as a guide to architects, engineers, electrical dealers and contractors in planning, installing, repairing or renewing electrical installations.

