

RESIDENTIAL PREPAY ACCOUNT

TERMS AND CONDITIONS OF SERVICE

- **Security Deposits, Late Fees and Collection Fees:** As a prepay member, the normal security deposit for a residential account is not required. Prepay accounts are also not subject to normal residential account late fees and/or collection related fees.
- **Arrangements:** A prepay member is not eligible for payment arrangements, budget billing or bank draft. Energy assistance pledges and/or payments are accepted but must be received by the agreed upon date or subject to automatic disconnect. Account holder is responsible to ensure timely receipt of payment.
- **New Members:** Members electing to sign-up for a prepay account must pay the standard membership fee of \$5.00, plus the normal \$20.00 (plus sales tax) residential account set-up fee, and a \$25.00 initial energy purchase (\$50.00 minimum plus tax). Prepay accounts are billed at the same rate as members on Standard Schedule R yet billed daily. The daily rate includes the prorated \$25.00 monthly facilities charge, plus normal residential account energy and any relevant monthly service or device charges associated with the account.
- **Existing Members:** Any existing deposit (if applicable) will be applied toward outstanding balances, and remaining credit (if applicable) will be applied to the prepay account. The balance must be \$300.00 or less. If an outstanding balance of less than \$300.00 remains after all deposits, credits and any unbilled usage is applied, the account may be reviewed for a debt recovery plan during conversion. Please note that any outstanding balances issued to a collections agency are subject to be paid in full before qualifying for prepay. For members with a qualifying outstanding balance, 50 percent of each prepayment made will be applied to the outstanding debt until the balance is eliminated. Prepay accounts are billed at the same rate as members on Standard Schedule R, yet billed daily. The daily rate includes the prorated \$25.00 monthly facilities charge, plus normal residential account energy and any relevant monthly service or device charges associated with the account.
- **Account Balance and Alerts:** Prepay members can check their balance by accessing a SmartHub online account made available at www.wemc.com. It is the prepay member's responsibility to ensure a credit energy balance exists on the account in order to avoid interruption in service. The Cooperative will attempt to notify the member by email and/or telephone regarding low balances on the account. If telephone is preferred, member consents to allow calls at the number provided on the account (landline or mobile). Member may also choose to receive notifications by email/text via SmartHub. A payment of not less than \$25.00 is required each time a payment is made.
- **Balance Calculation, Disconnection and Payment for Reconnection:** Prepay account balances are calculated daily. Prepay accounts are not eligible for payment arrangements, budget billing or bank draft. Energy assistance pledges and/or payments are accepted but must be received by the agreed upon date or subject to automatic disconnect. Account holder is responsible to ensure timely receipt of payment. The Cooperative will attempt to notify members of low balances via email and/or telephone, but the responsibility remains that of the member to ensure a credit

balance on the account exists to avoid any disruption of service. Members are highly encouraged to register for a SmartHub online account in order to view daily usage data under the "My Usage" tab and to review payment and balance activity. A prepay account will be subject to disconnection any time the account does not have a credit balance, including weekends, holidays, or during severe weather conditions. If service is disconnected during the weekend or on a holiday, the member must have the ability to make a payment using our SmartHub online account service by logging on to www.wemc.com, or by contacting our after-hours dispatch service at (919) 863-6300 or (800) 474-6300 to make an electronic payment using a checking account. Member can make a check or credit card payment via our pay-by-phone option at (855) 280-1147. Any returned payments received on the account will be charged to the member's account immediately. If this causes the credit balance to be entirely depleted, service will be disconnected on the same business day. Any tampering related activity will subject the account to immediate disconnection and any relevant tampering fees must be paid before service is reconnected. Service will be reconnected only between the hours of 7:00AM and Midnight, seven days a week. Cooperative reserves the right to remove the meter after disconnection. If meter has been removed, member will need to reapply for next day service installation.

- **Payments:** Payments must be in amounts no less than \$25.00 and transactions must occur at our Wake Electric payment office between 8:00AM and 5:00PM, or over the phone by calling us directly at (919) 863-6300 or (800) 474-6300. Payments may also be made using our pay-by- phone option at (855) 280-1147 or via SmartHub at www.wemc.com. There are no transaction fees associated with payment. **No field collections are accepted. Payment made by mail or at any pay station other than a Wake Electric office is discouraged due to the amount of time it will take to be applied to the account.**
- **Billing:** Once a prepay account is established, members will no longer receive a paper billing statement through the mail. All relevant usage and account balance information can be accessed by reviewing the SmartHub account at www.wemc.com, or by calling or visiting the Cooperative's office during working hours.
- **Inactive Accounts:** A prepay account will be considered inactive after the account has been disconnected for 7 days. If the prepay member fails to purchase enough energy to bring the account to a credit balance during this time, the meter will be pulled and the member will be mailed a final bill to the address on file. To reconnect service, member will need to reapply for new service.
- **Termination of Service and Final Billing:** A full settlement will be made when participation in the prepay account service ends and the account is sent a final bill. Service terminated at the member's request will receive a full refund of any remaining credit balance on the account. (Please allow 4 weeks processing time for reimbursement after service has been terminated).
- **Conversion to Post-paid billing:** A prepay member may elect to convert the account to post- paid billing after a minimum of 6 consecutive months on a prepay account. The Cooperative reserves the right to charge a member \$20.00 to convert to a standard rate if conversion is requested within the noted time limits. If conversion is desired, the Cooperative may require full payment of the deposit as a condition of continued service. The deposit will be based on member's credit risk score initiated by the Cooperative. Deposits will be calculated based on the total of two times the highest monthly bill at the service location during the preceding 12 months of active service.

Indemnification: Notwithstanding any other provision of this Agreement, the prepay account member shall assume all liability for and shall indemnify Wake Electric Membership Corporation

("Wake Electric") and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for – and shall hold them harmless from – any and all claims, losses, costs and expenses of any kind or nature to the extent they relate to the prepay account, participation in the prepay account, disconnection of the prepay account, restoration of service to the prepay account and interruption of service to the prepay account, including but not limited to damages or losses from:

- (a) personal injury or death;
- (b) property damage;
- (c) damages for financial or monetary losses allegedly due to disconnection of electric service, interruption of electric service or restoration of electric service to the prepay account;
- (d) inconvenience or discomfort from disconnection of electric service, interruption of electric service or restoration of electric service to the prepay account;
- (e) health problems asserted to be related to disconnection of electric service, interruption of electric service or restoration of electric service to the prepay account;
- (f) costs, expenses or attorneys fees incurred for a claim or lawsuit relating to disconnection of electric service, interruption of electric service or restoration of electric service to the prepay account;
- (g) any and all obligations asserted by or on behalf of third parties arising out of or resulting from the prepay account;
- (h) any and all property damage, personal injury or death related to the restoration of electric service to the prepay account after a period of disconnection;
- (i) any consequential damages related to the prepay account.

Member specifically assumes as his/her sole responsibility safety for all electrical appliances and operating systems (on the member's side of the meter) (i.e. such as stoves, heaters, heating systems, irons, hair dryers, etc.) which had been operating at the time of disconnection and which may then be re-energized at time of reconnection. Member indemnifies Wake Electric from any damages whatsoever (personal injury, property damages, business losses, consequential damages, third party damages) related to restoration of electric service to the prepay account.

- **Contacting the Cooperative:** Members should call (919) 863-6300 or (800) 474-6300 between 7:30AM and 5:30PM Monday - Friday, excluding holidays, or visit one our office between 8:00AM and 5:00PM for any questions concerning the prepay account.

NOTE: Wake Electric reserves the right to modify these Terms and Conditions at any time and without prior notification. Current guidelines governing prepay billing may be found on the Cooperative's website at www.wemc.com.