

TERMS AND CONDITIONS

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XII. PAYMENTS

A. The supply of electricity by the Company is contingent upon payment of all charges due from the Customer, except for charges for goods and services that are not subject to public utility regulation.

B. The Company will render bills to the Customer at regular intervals. Bills are due and payable as of the billing date and become past due twenty-five (25) days thereafter. However, when circumstances warrant, a non-residential Customer and the Company may agree on an accelerated due date or bill prepayment arrangement for electricity to be provided in lieu of a security deposit. Under a bill prepayment arrangement, the non-residential Customer would be billed, and would pay for, electricity in advance of the Company's provision of such electricity, based on the non-residential Customer's historical patterns of usage and/or estimates of current and/or future usage.

C. A Customer may elect to be billed under an executed Consolidation of Bills Agreement. To be eligible for this agreement: (1) a Customer must have at least twenty-five (25) accounts in the Company's North Carolina service area, (2) the Customer must have a good overall payment history, as evidenced by their credit rating, and (3) it must be anticipated that the accounts will be active for a continuous period of at least one year.

D. A late payment service charge will be imposed if an account is not paid within twenty-five (25) days from the billing date. The late payment charge shall be charged at the rate of 1% per month and shall be applied to any balance in arrears. If a Customer is eligible and has elected to be billed under an Executed Consolidation of Bills Agreement, a late payment service charge will be imposed if the account is not paid within twenty (20) days from the billing date.

E. Bills are payable at any bill payment location designated by the Company or to any collector or collection agency duly authorized by the Company. Except for payments for goods or services that are not subject to public utility regulation, payments shall be paid without regard for any counterclaim whatever.

F. The Company, subject to the limitations listed below, reserves the right to apply any payment or payments made by the Customer in whole or in part to any account due the Company by the Customer. Unless authorized by the Customer, the Company will not: (1) apply payments made on a residential electric service account to an account for nonresidential electric service; or (2) apply payments made on an electric service account to an account for goods or services that are not subject to public utility regulation.

(Continued)

TERMS AND CONDITIONS

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XII. PAYMENTS (Continued)

G. The Customer will be charged a handling charge of \$13.33 for each check, draft, or electronic debit tendered or authorized as payment on the Customer's account and returned for insufficient or uncollected funds, closed account, revoked authorization, stop payment or other similar reasons. The Company, in its opinion, may refuse to accept a check, draft, or electronic debit tendered or authorized as payment on a Customer's account.