

OKEFENOKE RURAL ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 405.1

ELECTRIC SERVICE BILLING & COLLECTION
PREPAY ACCOUNTS

I. OBJECTIVE:

To establish policy to provide guidance on the billing and collection of electric service revenue of Cooperative members.

II. CONTENT:

A. Eligibility

PrePay service is an option available to all accounts billed on Rate Schedules RS and GS, or mandatory in instances when the Cooperative considers it necessary, subject to the follow provisions:

1. The metering equipment at the location must be compatible with the Cooperative's PrePay metering equipment and software.
2. The member may be required to pay all applicable fees and equipment charges.
3. Member shall complete a "PrePay Service Agreement" for each account to be enrolled.

B. Billing

PrePay accounts do not receive paper statements (bills). Billing and account information shall be available to the member online and through other automated technologies.

Daily, the PrePay system calculates an estimated amount for the previous day's energy usage, prorated monthly charges, and estimated taxes. This amount is deducted from the available account balance.

PrePay accounts shall be billed monthly at a time determined by the Cooperative to true up the daily estimated billings to the actual charges as if the entire month had been billed under non-PrePay billing.

Members enrolled in PrePay billing are responsible for maintaining a credit balance on their account. The Cooperative may make available several methods for the member to inquire and receive notifications about their account. However, the failure of any of these inquiry or notification methods shall not relieve the member of their responsibility to maintain a credit balance thereby preventing disconnection of service. The member shall be responsible for maintaining current contact information.

Payment of bills may be made by mail, internet or in person at the Cooperative's offices. Payments made through the U.S. Postal Service, a delivery service, a payment processing service, or the night deposit at a Cooperative office will not be considered paid until they are received and processed at the Cooperative office during regular business office hours. E-Check payments will be assessed an E-Check Convenience Fee in an amount as specified in Policy 409.

Accounts enrolled in prepaid billing are not subject to Late Payment Fees. An interest charge, in an amount prescribed by the Board of Directors, will be added to any balance left unpaid when a member's service is disconnected.

C. Disconnection for Failure to Maintain Credit Balance

PrePay accounts become delinquent immediately upon failure to maintain a credit balance. The Cooperative will provide notice of Pending Disconnection Warning to the member on the day prior to the date of possible disconnection. Notifications will be sent based on the contact information provided and communication methods selected and maintained by the member. If field collection is attempted, the Cooperative shall charge a Collection Fee as specified in Policy 409.

Members whose service has been disconnected for failure to maintain a credit balance shall be required to pay any amounts owed the Cooperative plus the PrePay Advance Credit Minimum specified in Policy 409 before service is reconnected. The prorated Basic Facility Charge of OREMC's applicable rate and any other prorated monthly fees are due for each day the prepay account is open regardless of whether service is connected or disconnected. When a PrePay account remains disconnected for a continuous period of 20 days because of failure to maintain a credit balance, the account will be closed.

Reconnect for Non-Payment fees are not charged to PrePay accounts except when it is necessary to dispatch a cooperative employee to disconnect or reconnect a service because of tampering or vandalism of the Cooperative's equipment at the member's location. Reconnection of service involving tampering or vandalism shall be made only during regular working hours. In such instances any reconnection fee, meter tampering fee, unauthorized service connect fee, replacement cost of damaged equipment and any other applicable charges must be paid prior to reconnection of service.

When it is necessary to disconnect the service at the pole or transformer for non-payment, meter tampering, or unauthorized use of service and the service is subsequently reconnected, the member will be charged a Disconnect at Pole/Transformer Fee in addition to the applicable reconnect for non-payment fee and any other fees that may apply. In the event that service is not reconnected for the same member at this location, the disconnected account will be charged the Disconnect at Pole/Transformer Fee.

All fees shall be in an amount prescribed by the Board of Directors in Policy 409.

The Cooperative may deviate from this policy of disconnection only when the member involved establishes to the satisfaction of the Cooperative that the member's failure to maintain a credit balance has resulted from a mistake on the Cooperative's part.

D. Returned Payments

If the payment for an electric bill or other indebtedness to the Cooperative is returned for insufficient funds, fraudulent transaction, hold on account, unavailable funds, no account or for any other reason, the amount shall be charged back to the member's account. A returned payment fee as specified in Policy 409 shall also be charged to the account. If these charges result in the account not having a credit balance, the account will be subject to disconnection for failure to maintain a credit balance.

E. Connection/Transfer Fee

A connection/transfer fee, in an amount prescribed by the Board of Directors, will be charged each time a service is connected or transferred during regular working hours. An overtime connection/transfer fee, as prescribed by the Board of Directors, will be charged each time a service is connected or transferred outside normal working hours. Normally, these connections will be made only during

regular working hours.

F. Other Reasons for Disconnecting Service

The Cooperative reserves the right to discontinue the supply of electric service to any member or members **WITHOUT NOTICE** for any of the following reasons:

1. For fraudulent representation as to the use of electric service.
2. Where a member's equipment or wiring, or Okefenoke REMC equipment or lines are creating or contributing to an imminent hazardous condition.
3. For tampering with any service wires, meters, seals or any other facilities belonging to Okefenoke REMC.
4. For repairs or emergency operations.
5. For unavoidable shortage or interruption of Okefenoke REMC's source of supply.
6. When necessary to protect Okefenoke REMC from theft, fraud or abuse.
7. Upon cancellation of contract and vacating of the premises by the member.
8. For an unauthorized electrical connection.
9. For the use of equipment which adversely affects Okefenoke REMC's service to its other members.

The Cooperative reserves the right to discontinue the supply of electric service to any member or members **WITH REASONABLE NOTICE** for any of the following reasons:

1. For refusal of access to Okefenoke REMC's equipment as defined in Policy 407.
2. For failure to install meter base on an outside wall of the structure being served to permit access to the meter at all times.
3. Where a member's equipment or wiring, or Okefenoke REMC's equipment or lines, are creating or contributing to a hazardous condition.

4. For violation and or non-compliance with any applicable State or Local law, regulations and codes pertaining to electric service.
5. For non-compliance with bylaws, policies, rules and regulations of the Cooperative.

The discontinuance of service for any of these causes does not release the member from the obligation to pay for energy received or the charges specified in any existing contract or policy.

G. Adjustment of Bills

Based on Members Request for Test:

An adjustment of past bills for service will be made if the meter is tested and found to be in excess of 102% average accuracy. The amount of adjustment shall be calculated on the basis that the metering equipment should be 100% accurate. For kilowatt and kilowatt-hours meters, the average shall be the average of percent indicated at light load and at heavy load, giving the heavy load indication a weight of four.

The records of the member's energy usage and previous tests will be reviewed and a mutually acceptable agreement reached between the member and Cooperative as to when the error began.

Meters testing below 98% average accuracy will be adjusted based on the above averaging method. The Cooperative will review the member's energy usage and all other pertinent information, but any adjustment made will be limited to the previous six months.

Other Adjustments:

Whenever it is found that for any reason other than incorrect calibration or meter tampering, the meter apparatus has not registered or reported the true consumption or that the member was billed incorrectly due to an error in rate, fees or any other charges, the member's account will be adjusted.

If the Cooperative, after exercising due diligence, is unable to determine the exact date that the billing error began, the adjustment will be based on the period of time that it can reasonably confirm that the billing error occurred.

If the adjusted bills are less than billed to the consumer, the account will be adjusted throughout the entire period of incorrect billing.

If the adjusted bills are more than the consumer was billed, the adjustment will be limited to the previous six months. If the member is unable to pay the full amount of this adjustment, the member may request that the Cooperative recover this adjusted amount by applying ten percent of each payment made toward this adjustment until the adjustment is paid in full.

III. APPLICABILITY:

This policy applies to all accounts enrolled in PrePay billing.

IV. RESPONSIBILITY:

The General Manager will be responsible for carrying out the provisions of this policy.

Date Adopted: March 23, 2010

Effective Date: April 1, 2010