

OKEFENOKE RURAL ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 405

ELECTRIC SERVICE BILLING & COLLECTION

NON-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. Billing and Late Fees

All members shall be billed monthly at a time determined by the Cooperative. Bills are due and payable upon receipt of the bill. The bill shall be considered received by the member when the bill is placed in the mail of the United States Postal Service. If the member has requested e-mail billing, the bill shall be considered received by the member when the bill is sent. The Cooperative is not responsible if a member fails to receive an electric bill. Members are expected to promptly notify the Cooperative of change of address or if they fail to receive a bill. Failure to pay an electric bill for this reason will not exempt the member from having electric service disconnected or from paying a late charge.

If a bill is not paid (received in the Cooperative office) within fifteen days from the due date of the bill, a late charge will be added, as prescribed by the Board of Directors, and a disconnect notice will be mailed to the member. This notice will advise the member that the account must be paid by a stated date to avoid disconnection of service. Failure to receive said notice will not exempt the member from disconnection.

If a bill is not paid (received in the Cooperative office) before the deadline stated on the disconnect notice, the account will be subject to disconnection. The Cooperative has no obligation to attempt field collection of past due bills.

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 office hours. E-Check payments will be assessed an E-Check Convenience Fee in an amount prescribed by the Board of Directors.

If a member requests e-mail billing and one of the Cooperative's automatic payment options, the member will receive a monthly credit in an amount prescribed by the Board of Directors. If the member subsequently discontinues e-billing or automatic payment, then no credit shall be given.

An interest charge, in an amount prescribed by the Board of Directors, will be added to all bills left unpaid when a member's service is disconnected.

An extension may be granted to members for extenuating circumstances upon approval of the General Manager or other such employee as he may designate from time to time.

B. Field Collections, Disconnections for Failure to Pay and Reconnecting

The Cooperative will attempt to collect amounts due prior to disconnection of service for failure to pay. If field collection is attempted, a collection fee will be charged and is due at the time of collection. The collection fee will be in an amount as prescribed by the Board of Directors.

All members whose service has been disconnected for failure to pay their bills shall be required to pay a reconnection fee prior to reconnection for any reconnects made during regular working hours. Normally, reconnections shall be made only during regular working hours. However, reconnection requested and made during other than regular working hours shall be made only upon the member's agreeing to pay an overtime reconnection fee or extended hours reconnection fee. Any additional deposit required according to the Service Security Deposit Policy must be paid prior to reconnection.

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. 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 reconnection fees shall be in an amount prescribed by the Board of Directors.

The Cooperative may deviate from this policy on cutoffs for delinquent bills only in accordance with the following standards:

1. When it is determined that enforcement of the policy will constitute an undue hardship in relation to the amount of the delinquent bill and that extension of credit for a Cooperative's ability to effectuate final collection of the bill; or
2. When the member involved establishes to the satisfaction of the Cooperative that member's failure to pay the bill has resulted from some mistake on the Cooperative's part or some mistake for which the member was not responsible (other than failure to receive a bill or disconnect notice); or
3. When the involved bill is a final bill covering service to a farm, house, or other residential account and the main building thereof has been destroyed by fire not caused by act of arson on the part of the member or member's family; or

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4. When to disconnect service might pose immediate danger to the member or other persons due to illness.
5. When it is determined that the consumer has a good credit rating with the Cooperative and the risk involved in extending the credit will not unduly jeopardize the ability of the Cooperative to collect the full amount of the bill.

C. 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 or no account, a notice of disconnection will be sent, unless one was previously sent for this past due bill. This notice will advise the member that unless payment in cash, cashier's check, or postal money order in an amount equal to the amount of the payment plus a returned payment fee, as prescribed by the Board of Directors, is received in the Cooperative office within 5 days from date of the notice, service will be discontinued immediately.

In no event, will collection on a returned payment be delayed until the following month, letting such member delay payment by such methods.

The collection, disconnect and reconnect fees in Section B are applicable.

D. 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.

E. 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, seal or any other facilities belonging to Okefenoke REMC.
4. For repairs or emergency operations.

**Second Revised Sheet No. 5.14
Cancels First Revised Sheet No. 5.14**

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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 non-payment of a bill for service rendered, including any late payment charge.
2. For refusal of access to Okefenoke REMC's equipment as defined in Policy 407.
3. For failure to install meter base on an outside wall of the structure being served to permit access to the meter at all times.
4. Where a member's equipment or wiring, or Okefenoke REMC's equipment or lines, are creating or contributing to hazardous condition.
5. For violation and or non-compliance with any applicable State or Local law, regulations and codes pertaining to electric service.
6. 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.

F. 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 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.

**First Revised Sheet No. 5.14.1
Cancels Original Sheet No. 5.14.1**

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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 and the member will be allowed to pay this adjusted amount in installments. The number of installments will be no less than the number of months adjusted.

III. APPLICABILITY:

This policy applies to all members and accounts except those accounts enrolled in the PrePay Program.

IV. RESPONSIBILITY:

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

Date Adopted: March 23, 2010

Supersedes: July 25, 2006

Effective Date: April 1, 2010