

Section 12 COLLECTIONS (20.2(4) p)

12.1 Procedure

If the bill is not paid by the due date, a notice will be sent to the member-consumer providing notification that the bill is delinquent, late payment charge will apply, and disconnection/collection procedures will be instituted as explained in Section 6.

12.11 Payment Agreements (20.4(11) & (20.2(4) z)

a. Availability of a first payment agreement. When a residential member-consumer cannot pay in full a delinquent bill for electric service or has an outstanding debt to the utility for residential electric service and is not in default of a payment agreement with the Cooperative, then Cooperative will offer the member-consumer an opportunity to enter into a reasonable payment agreement.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The Cooperative may require the person to confirm financial difficulty with an acknowledgement from the department of human services or another agency.

c. Terms of Payment Agreements

First Payment Agreement:

The Cooperative will offer member-consumers who have received a disconnection notice or have been disconnected for 120 days or less and who are not in default of a payment agreement the option of spreading payments evenly over at least 12 months by paying specific amounts at scheduled times. The Cooperative will offer member-consumers who have been disconnected for more than

120 days and who are not in default of a payment agreement the option of spreading payments evenly over at least 6 months by paying specific amounts at scheduled times.

The agreement must also include provision for payment of the current account. The Cooperative may also require the member-consumer to enter into a level payment plan to pay the current bill.

When the member-consumer makes the agreement in person, a signed copy of the agreement will be provided to the member-consumer.

The Cooperative may offer the member-consumer the option of making the agreement over the telephone or through electronic transmission. When the member-consumer makes the agreement over the telephone or through electronic transmission, the utility will shall render to the member-consumer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement. The document will be considered rendered to the member-consumer when addressed to the member-consumer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the document shall be considered rendered to the member-consumer when delivered to the last-known address of the person responsible for payment for the service. The document shall state that unless the member-consumer notifies the utility within ten days from the date the document is rendered, it will be deemed that the customer accepts the terms as reflected in the written document. The document stating the terms and agreements shall include the address and a toll-free or collect telephone number where a qualified representative can be reached. By making the first payment, the member-consumer confirms acceptance of the terms of the oral agreement or electronic agreement.

Each member-consumer entering into a first payment agreement will be granted at least one late payment that is

made four days or less beyond the due date for payment and the first payment agreement shall remain in effect.

Second Payment Agreement:

The Cooperative will offer a second payment agreement to a member-consumer who is in default of a first payment agreement if the member-consumer has made at least two consecutive full payments under the first payment agreement. The second payment agreement will be for the same term as or longer than the term of the first payment agreement. The member-consumer will be required to pay for current service in addition to the monthly payments under the second payment agreement and may be required to make the first payment up-front as a condition of entering into the second payment agreement. The Cooperative may also require the member-consumer to enter into a level payment plan to pay the current bill. The Cooperative may offer additional payment agreements to the member-consumer.

Refusal by Cooperative:

A member consumer may offer the Cooperative a proposed payment agreement. If the Cooperative and the member-consumer do not reach an agreement, the Cooperative may refuse the offer orally, but the Cooperative must render a written refusal to the member-consumer, stating the reason for the refusal, within three days of the oral notification. The written refusal shall be considered rendered to the member-consumer when addressed to the member-consumer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the written refusal shall be considered rendered to the member-consumer when handed to the member-consumer or when delivered to the last-known address of the person responsible for the payment for the service. A member-consumer may ask the board for assistance in working out a reasonable payment agreement. The request for assistance must be made to the board within ten days after the rendering of the written refusal. During the review of this request, the Cooperative shall not disconnect the service.

12.2 Returned Checks, Drafts or Orders

If a person's check, draft or order is dishonored (returned unpaid) by the bank or financial institution upon which it was drawn, the Cooperative will send the person a notice and require immediate settlement of the account. A \$30.00 charge for processing returned checks, drafts or orders may apply. Bills are not considered paid with such checks, drafts or orders and the late payment charge will apply.

In the event more than two checks, drafts or orders of a person are dishonored by the bank or financial institution upon which they were drawn, within a six month period, the Cooperative shall demand the future payments for service rendered must be made by cash, post office money order or other acceptable legal tender.

12.3 Reconnection Charge Resulting From Nonpayment of Energy Account

In the event service is disconnected for failure to pay a delinquent account, before service will be reconnected the following rules apply and collection will proceed as in IUB Rule 199-20.4.

- A. Payment in full of past due charges and late fees or payment in accordance with Subsection 12.11, if applicable, shall be made.
- B. The member-consumer shall pay a reconnection fee of \$75.00 if the trip is completed on regular time. The charge shall be \$185.00 if any part of the trip is on overtime.
- C. Before service is restored, bills shall be paid and/or the member-consumer shall make satisfactory credit arrangements at the office of the Cooperative.

12.31 Trip Charges

In the event that a representative of the Cooperative is required to travel to the member-consumer's premises, a charge of \$75.00 plus applicable tax will be added to and become part of the bill.