

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **M-10**

Subject: **Collections**

Objective: The cooperative recognizes that some members will experience difficulties in paying their bills and there will also be members who intentionally avoid payment of their bills. Rates are based on the assumption that all members will pay their bills. Failure to collect can affect all members through rate increases. The board of directors directs cooperative personnel to assist individual members who are behind in their payments in a reasonable manner while minimizing losses to the membership as a whole per this policy.

Policy: A.

1. Bills not paid by the due date are considered overdue and are subject to a late fee on the current unpaid balance.
2. Reminder/disconnect notification and information on associated fees will be incorporated on the monthly statement on those accounts which the past due amount is \$100 or more. The statement will show the amount that must be paid and the date it must be paid by in order to avoid disconnection.
3. If the member has provided the cooperative with a valid phone number, at least two working days prior to the disconnect date, a phone notification message warning of disconnect will be delivered to accounts with an unpaid amount aged at 30 days or greater totaling \$100 or more. If the cooperative is unable to contact the member by phone, no other warning will be provided.
4. Disconnect will occur per the stated date on the monthly statement or at the convenience of the cooperative unless the partial payment received brings the account below \$100 in unpaid past due balance or payment arrangements have not been made (see Section B, Winter Disconnects).
5. On the disconnect day, or at the convenience of the cooperative thereafter, Polk-Burnett personnel will go to the location to collect the amount past due. If no contact is made, the location will be disconnected for non-payment. A trip charge will apply for each visit to the location.
6. A final bill will be mailed to members that do not restore service prior to when their next bill is processed. Disconnected services will remain on the same billing cycle they were prior to disconnect. Service will be restored when all fees and energy charges based on the disconnect reading are paid or acceptable arrangements are made. The member will be assessed a trip charge for each visit to the location. Additional fees are charged for after-hours reconnection.
7. If the service remains disconnected and money is owed, the cooperative will attempt to collect by whatever means are considered the most efficient.

B. Winter Disconnects:

1. Bills not paid by the due date are considered overdue and are subject to a late fee on the current unpaid balance.
2. Reminder/disconnect notification and associated fees will be incorporated within the monthly statement on those accounts which the past due amount is \$100 or more. The notice will show the amount that must be paid and the date it must be paid by in order to avoid disconnection.
3. As an alternative to disconnection, the cooperative may in its sole discretion on a case by case basis choose to install an interruptible device designed to keep the heat, lights and other electric uses on approximately half the normal time to hold down additional unpaid bills at that

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location. This device shall be primarily used in the wintertime to avoid total disconnection of service and under normal circumstances will remain installed until all obligations to the cooperative and its subsidiaries are paid in full.

4. If the member has provided the cooperative with a valid phone number, at least two working days prior to the disconnect date a phone notification message warning of disconnect will be delivered to accounts with an unpaid amount aged at 30 days or greater totaling \$100 or more. If the cooperative is unable to contact the member by phone, no other warning will be provided.
5. On the disconnect day or at the convenience of the cooperative thereafter, Polk-Burnett personnel will go out to the location to collect the amount past due. If no contact is made, either a disconnect notice will be left or an interruptible device will be installed. A trip charge will apply for each visit to the location.
6. If a disconnect notice is left, the day after the site visit a letter warning of disconnect will be mailed if no payments or payment arrangements have yet been made.
7. Services with an interruptible device will continue on their normal billing cycle. Regular service will be restored when all fees and obligations are paid or acceptable arrangements are made. The member will be assessed a trip charge for each visit to the location. Additional fees are charged for after hours reconnection.

C. Collections – Multiple Products and/or Services:

In the event a member/customer has purchased more than one product and/or service from the cooperative and fails to pay for the product(s) or service(s), the following shall apply:

1. Following normal notification and collection procedures, which result in an unpaid bill, said bill may be attached to another product and/or service billing provided to the member/customer by the cooperative.
2. The transfer of the amount due will be communicated to the member/customer, along with the consequences if the account remains unpaid.
3. The active account with the transferred unpaid amount shall be subject to collection, disconnection and/or legal action as consistent with such procedures established by the cooperative.

D. Unpaid Bills

In the event a person owes the cooperative money for past service and/or products and is found to be currently utilizing the benefits of any cooperative service or product by: residing in a home or cabin; utilizing a business under the name of another; or, it is determined that the person has changed his/her name in some way, the cooperative will make every effort including, but not limited to, the disconnection of any current service at that location.

It is not allowed for a member/customer who is the name holder of a current service or product account to allow such a person to gain from the benefits of a cooperative service and/or products while still owing the cooperative monies from past purchases. Such situations are viewed by the cooperative as dishonest avoidance of debt responsibilities by both parties.

Edward O. Gullickson, President
April 27, 2015