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**FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.**

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**GENERAL POLICY NO. 306**  
**SUBJECT: CONSUMER ACCOUNTING PRACTICES**

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**I. PURPOSE**

A basic premise, which underlies the operation of a cooperative organization, is the fact that each consumer has a special stake in the way that every consumer fulfills their responsibilities to the Cooperative. In order to fulfill the financial benefits of cooperative operation, it becomes incumbent upon each member to so conduct their relationship with the Cooperative that they do not create an unnecessary expense in the operation of the business.

The purpose of this policy is to detail those consumer accounting practices which are designed to help provide all consumers of the Cooperative their electrical energy at the lowest possible cost. The observance of these practices and procedures can help keep the costs of consumer accounting down.

**II. POLICY STATEMENT:**

It shall be the policy of the Cooperative to follow consumer accounting practices to maintain the costs of consumer accounting at the lowest level possible while considering consumer circumstances.

**III. RESPONSIBILITY AND AUTHORITY:**

The General Manager/CEO is responsible for seeing that the provisions of this policy are carried out.

**IV. PROVISIONS:**

The following practices and procedures apply to the provisions of this policy:

**A. MEMBERSHIP APPLICATION:**

The Bylaws of the Cooperative stipulate that a complete written and signed application for membership be on file for each consumer. Failure to complete the membership application will result in a \$25.00 non-member fee each month until the membership requirement is completed.

B. SERVICE DEPOSITS/CREDITS:

The Cooperative may require a deposit from any consumer requesting service. All tenants are required to pay a deposit, unless they elect to sign up for the pre-payment option. The Cooperative may accept a letter of credit from a former utility, or a letter of responsibility from a bank, or other responsible lending institution, or another Fall River consumer in good standing. It is the Cooperative's option of which guarantee to accept. Existing consumers who are disconnected due to delinquency or non-payment may be required to provide a deposit before services may be restored.

1. Deposit Guidelines:

- a) A deposit of \$200 or two (2) high months estimated billings at that service location may be required as a deposit for new consumers, or the consumers can elect the prepayment option with no deposit requirement.
- b) After an account is disconnected for the second (2nd) time for being delinquent, a deposit of \$400 will be required, or the consumer can elect to sign up for the pre-payment option.
- c) A consumer's deposit requirement will be evaluated after one year, with the exception of a tenant, whose deposit will stay with the account as long as they are renting the property.
- d) After one year of timely payments, which will be determined by the lack of any collection fees and penalties charged to the account, a deposit, along with any interest, may be applied to the consumer's account and can be used to pay amounts due to the Cooperative.

2. The Cooperative may, at its discretion, accept a letter of credit from another utility if the consumer has had continuous service with that utility immediately prior to their request for membership in the Cooperative.

3. A letter guaranteeing payment from a financial institution must have

an expiration date and credit limit before it is valid and will be accepted.

4. Where prior debts are outstanding, service will not be furnished to the delinquent consumer until such indebtedness to the Cooperative has been satisfied.

C. REFUND OF SERVICE DEPOSITS:

Upon termination of a service, the consumer's deposit will be applied to the account. If there is a credit balance, the amount will be refunded or transferred to an open account.

D. BILLING PROCEDURES – OFFICE BILLED ACCOUNTS:

1. Monthly bills for services provided by the Cooperative will be sent to each consumer unless a consumer chooses to sign up for the prepay option (Reference GP 318) or for paperless billing. These bills will cover the last billing period and will show the usage and the amount due to the Cooperative, including any special charges and past due amounts.
2. Bills will be due and payable, and presumed to have been delivered to the consumer, when presented to any United States Post Office for mailing or sent by email to the consumer's contact information on file with the Cooperative. Bills will become past due if not paid by the due date printed on the statement. When a bill becomes past due, an interest charge of one- and one-half percent (1 ½ %) per month (eighteen percent (18%) annually) will be charged on the past due amount. A minimum service charge of .50 cents will be charged on past due amounts. The Cooperative may also discontinue service anytime the consumer does not complete or meet the requirements of membership. Such requirements include, but are not limited to:
  - a) Provide completed membership application forms.
  - b) Provide the Cooperative with a required deposit or other guarantee.

- c) Pay their bills or other costs in the allotted time frame.
  - d) Allowing an unsafe service or hazardous service to exist without correction.
  - e) Provide access to services for Cooperative personnel.
  - f) Comply with all Cooperative rules, policies, and regulations.
  - g) Participates in power diversions or theft or tampering with services.
3. Notification of pending disconnection may be made by phone, mail, e-mail, or in person at the Cooperative's discretion. In the event the consumer fails to receive their monthly billing statement in time to make the payment on or before the due date, they shall be responsible for contacting the Cooperative to make acceptable arrangements for the payment of their account.

E. ACCESS FEE:

- 1. The monthly Access Fee will be the consumer charge under the applicable rate schedule where there is not a contract minimum agreement.
- 2. If a consumer is disconnected and requests to be reconnected within a twelve-month period on the same service, the consumer shall be billed the Access Fee for all months disconnected plus a reconnection charge.
- 3. In the case of rental property, the landlord/owner will be required to establish and maintain membership in the Cooperative. Copies of all late notices to a tenant shall also be mailed to the landlord/owner whose name and address is registered with the Cooperative. When a tenant vacates a property, the service will revert to the landlords/owners' name along with the responsibility for the Access Fee due, and any additional usage at that service, until changed to a new tenant.
- 4. When a service is changed into a tenant's name, copies of all late notices to a tenant shall also be mailed to the landlord/owner

whose name and address is registered with the Cooperative.

5. If a property owner requests disconnection of a service, and that service is disconnected for a period less than one year, the owner will be responsible for the Access Fee due for the period of disconnection plus a reconnection fee.
6. In case of an uncured default and there is a sale of property being serviced by the Cooperative, the previous owner, seller, or buyer must pay all the amounts owed before changing or reconnecting the electrical service will occur.

F. COLLECTIONS:

1. When an account is past the due date printed on the statement, payment arrangements may be made to clear the past due balance, if approved by the Cooperative. Member services representatives are authorized to make a payment arrangement allowing a consumer to pay half on the day of the agreement and the balance within not more than thirty days. Payment arrangements will be noted on every consumer account making payment arrangements. If the payment arrangements agreed to by the consumer are not kept, disconnection of electrical service may occur immediately and without further notice. It will be the objective to keep past due accounts at a minimum while providing a good relationship between the consumer and the Cooperative.
2. If a member qualifies for assistance through Energy Assistance programs, a note will appear under the comments on the consumer's account in the Fall River internal data system, noting what they will receive through the programs, and consideration will be included in finalizing payment arrangements.
3. Between November 1<sup>st</sup> and April 1<sup>st</sup>, caution will be used in disconnecting for non-payment. Nevertheless, nothing shall prohibit the Cooperative from disconnecting services for uncured defaults.
4. Penalties will accrue on all past due accounts. Current level pay

plans on Electric and Propane accounts are exempt from penalties. Penalties may be refunded when the consumer is not at fault for the past due such as Landlords paying the past due amount, or a new purchase with a past due balance owing.

5. If the consumer and the member services representative cannot work out reasonable payment arrangements, the Member Services Manager and/or the CEO/General Manager may make further arrangements.

G. DISCONNECTION:

1. A consumer account will be past due if payment has not been received by the Cooperative by the due date printed on the statement. When a consumer account is thirteen (13) days or more past due and no payment schedule has been agreed to, disconnection may occur. If payment has not been received five (5) days after the due date, a delinquent letter will be mailed or emailed to the consumer at their registered address or email indicating the delinquent status of the account, and notifying the consumer they have seven (7) days to pay the past due balance or make acceptable payment arrangements or service may be disconnected. A copy of the delinquent letter, or third-party notification letter, will also be sent to the landlord/owner. This is a third-party notification letter. A consumer on the prepayment option will be disconnected as outlined in General Policy 318 if an account does not have a positive balance.
2. Members with a written verification from a health care provider responsible for the care of the member or their co-habitants stating that their health or safety would be seriously endangered if service were to be discontinued will be given an additional fifteen days to allow for bill payment.
3. Past due notices shall contain the following:
  - a) Name and Address of the person to be disconnected

- b) Amount due or reference to rule broken
  - c) Effective date of notice
  - d) The Cooperative's contact information and information on how to avoid disconnection
  - e) Names of agencies and organizations offering assistance to people unable to pay their electric bills
  - f) Contact information for the Wyoming Public Service Commission for those applicable meters
- 4. Service charges for disconnecting and reconnecting services are contained in General Policy 307 "Special Consumer Charges".
  - 5. Payment will be required before service is reconnected. Full payment is recommended, but the Cooperative may accept half now with the remaining balance due in two weeks.
  - 6. The member services department will notify the after-hour dispatch services of anyone still disconnected for non-payment before leaving for each business day.
  - 7. Failure to keep payment arrangements may result in immediate disconnection of service.
  - 8. Service may be discontinued Monday through Thursday between 8:00 am and 4:00 pm if:
    - a) The notification period has elapsed, and delinquent amounts have not been paid
    - b) Acceptable payment arrangements have not been made
    - c) The Cooperative is not satisfied that member has not ceased violating utility's rules and regulations
  - 9. Service will not be disconnected
    - a) On a legal holiday or the day before
    - b) Between Dec 24 and Jan 1
    - c) Any day that the Cooperative cannot reconnect service
    - d) If acceptable payment arrangements have been made
    - e) Delinquent amount is due to a billing error

f) If the temperature is forecasted to be below 32 degrees in the impending 48 hours during the period of November 1 through April 1 Nevertheless, nothing shall prohibit the Cooperative from disconnecting services for uncured defaults.

10. The Cooperative may discontinue service without advanced notice for reasons of health, safety, cooperation with civil authorities, fraudulent use, tampering with, or destroying equipment, or failing to comply with curtailment procedures during a supply shortage.

H. Irrigation accounts:

Applicable horsepower charges will be billed in May of each year. The accounts are due by the 27<sup>th</sup> of May of that year. Penalties will accrue after June 27<sup>th</sup>. Horsepower billings need to be paid before the consumer begins irrigating for the year.

**V. PRIMACY OF POLICY:**

This Policy supersedes any existing policy that may be in conflict with the provisions of this Policy.

APPROVED BY THE CEO/GENERAL MANAGER



Bryan Case, CEO/GM

DATE APPROVED: May 24, 2010

DATE REVISED: April 22, 2013

December 19, 2016

August 26, 2019

April 27, 2020

July 30, 2024