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BOARD POLICY NO. 5-02 R17

SUBJECT: Billing and Collection

POLICY:

The Cooperative will collect a non-refundable connection fee from each applicant for each meter installed or read for transfer to a new consumer. The standard connection fee shall be \$25 for a single meter installed during regular Cooperative work hours and shall be \$50 during non-regular Cooperative work hours. Consumers requiring multiple standard meter installations on or at the same building, complex of buildings or on multiple buildings located in close proximity upon the same property and owned or rented by the same member requesting multiple connections, requiring only one trip by a Cooperative employee, shall pay one standard fee for the first meter set plus \$2 per each additional meter installed or \$3 per additional meter installed when the \$50 standard fee applies. Consumers requiring any nonstandard meter installation shall pay the appropriate connection fee plus appropriate aid-in- construction charges, if applicable. Also, refer to Policy No. 5-24, Meter Installations.

Consumers must request meter installations or disconnections no later than the Cooperative workday immediately preceding the requested date for the connection or disconnection.

Electric bills shall be rendered each month fifteen (15) days before the discount date printed on each bill. When any bill is paid on or before the applicable discount date, the Net Amount will be collected. When any bill is paid after the applicable discount date, the Gross Amount will be collected (Net amount plus five (5) percent to be calculated on the first \$1,000 due and one (1) percent on any net amount thereafter), except any member not having had a Gross Amount due during the most immediate previous 12 months shall be granted exemption from one late payment penalty adjustment due to oversight or other extenuating circumstance for each account assigned to the member number and having the same discount date not to exceed one adjustment per account during any 12 consecutive months period. Failure to receive a bill will not release a consumer from payment obligation.

Should bills not be paid by the due date specified on the bill, service may be discontinued as set out in Board Policy 5-31, Termination of Electric Service. The Cooperative may after the due date for any bill, and after having given a second (2nd) written and /or electronic notice which shall include the date of disconnect, contact any consumer by phone or in person to collect any unpaid bill. If the collection effort is not successful, UC EMC may discontinue electric service to the consumer for nonpayment of the bill. Any member requiring a second notice for an unpaid bill shall be automatically charged an administrative fee of two dollars (\$2.00). Consumers desiring to receive electronic termination notices must enroll in UC EMC's electronic notice program by completing the applicable form and consenting to its terms and condition. Failure to receive a second notice will not release a consumer from payment obligation or termination of service. In addition to the

amount of the bill, the consumer will be charged a collection fee of \$25 if the bill is paid at the time the collection effort is made. If payment is not made at the time the collection effort is made and if the electric service is disconnected for nonpayment, a reconnection fee will be added to the collection fee according to the following time schedule:

8:00 a.m. - 4:00 p.m. \$50.00

4:00 p.m. - 9:00 p.m. \$75.00

9:00 p.m. - 8:00 a.m. \$125.00

4:00 p.m. - on last workday preceding a holiday - to 8:00 a.m. next workday \$125.00

Relative to the aforementioned collection and re-connection fee schedule; any UCEMC residential member not having paid a Gross Amount due during the most immediate preceding twenty-four (24) months prior to the collection effort or disconnection of service, shall be granted exemption from any/all collection and reconnection fees due to oversight or other extenuating circumstance for each account assigned to the member number, and having the same discount date not to exceed one adjustment stated herein above during any twenty-four (24) consecutive months period.

The Cooperative shall follow the most current guidelines of TVA's Enhanced Security Deposit Program (ESDP), TVA's Deposit Assurance Program (DAP) or TVPPA's Distributor Credit Insurance Program (DIC) in effect relative to Billing, Collections, Disconnects, Reconnects and Notifications for all Cooperative customers meeting the qualifications and requirements of the Upper Cumberland Electric Membership Corporation, the Tennessee Valley Authority and the Tennessee Valley Public Power Association to participate in said Security Deposit Programs.

When final date for payment is on a day our offices are closed or on a day when the United States Postal Service Offices are closed, the next business day will be the final date for payment. The postmark by the United States Postal Service will be the date of payment for bills paid by mail.

Payments made through depositories prior to collections on any work day morning will be considered paid on the preceding day.

RESPONSIBILITY: General Manager

PROCEDURE: As stated in the preceding policy.