

## **BOARD POLICY NO. 5-37 R-2**

### **SUBJECT: Pre-Payment Program**

#### **I. OBJECTIVE**

- A. To establish an alternative to Board Policy No. 5-13, Deposits, for member – owners, while achieving that policy’s primary objective of safeguarding the assets of the cooperative and to provide an alternate method of bill payment for UCEMC members who so desire.

#### **II. GUIDELINES – RESIDENTIAL MEMBERS**

- A. UCEMC’s Pre-paid metering program is available to new and existing single phase, non-demand residential members that have 200 AMP service. The Pre-pay program cannot support medical hardship certifications, emergency energy assistance, heat pump loans, budget billing or automatic bank drafts.
- B. New Members – The technology-based screening tool, Online Utility Exchange, shall be the standard for evaluating the credit risk of any new applicant for residential service and for establishing any required deposit for any new applicant at the point of application or for any existing transferring member determined by experience to be at significant credit risk level at the time of a request for transfer of service. If the credit report indicates the need for a deposit the member must pay the full deposit amount or enroll in the Pre-Payment Program. Additionally the Pre-Payment Program is available to any UCEMC residential member who wishes to participate for reasons other than those associated with deposit fees.

ONLINE UTILITY EXCHANGE screening will provide the following criteria for deposit decision-making:

- 1) Social Security Number (SSN) verification;
- 2) Credit risk level of applicants for initial service or for additional service; and
- 3) Payment experience with other utility providers.

Credit risk levels shall be:

- 1) No credit risk (Online Utility Exchange’s green light designation)
- 2) Minimal credit risk (Online Utility Exchange’s yellow light designation)
- 3) Substantial credit risk (Online Utility Exchange’s red light designation)

Deposit amounts for traditional payment methods for all members shall be determined in accordance with Board Policy 5-13, Deposits.

- C. Pre-Payment Program applicants must have a membership, pay the fees associated with setting the requested meter, pay a fifty dollar (\$50) pre-payment reserve and pay a twenty-five dollar (\$25) credit for daily usage, in addition to completing the Pre-Payment Program Enrollment Form. The fifty dollar (\$50) pre-payment reserve shall be held by UCEMC and used for the purpose of covering the cost associated with continuing to furnish electric service to those member-owners participating in the Pre-Pay Program who have a negative account balance and are unable to make an additional pre-payment or are final billed with arrears owing to the Cooperative. A prepaid account shall be subject to disconnection any time the account fails to maintain a credit balance. If service is disconnected and UCEMC personnel are contacted for after-hours reconnection, appropriate reconnect fees will apply. Any returned checks or other fees on the account will be charged to the member's account immediately. If this causes the credit balance to be exhausted, service will be subject to disconnection. To restore service, the Pre-pay account balance must be recharged to a minimum of \$10.01 credit within seven (7) days of disconnection. UCEMC will finalize the account after seven (7) days of inactive service and a final bill will be mailed to the last known address on file. Members must notify UCEMC if they move or cease service at the pre-payment location. Monthly Customer Charge and any other applicable charges, such as Yard Lights will be prorated and applied on a daily basis until the member request a final disconnect.
- D. Existing Members: Existing members opting to convert their account to prepay must pay the fees associated with setting the requested meter, pay a fifty dollar (\$50) pre-payment reserve and a twenty-five dollar (\$25) credit for daily usage, in addition to completing the Pre-Payment Program Enrollment Form. Any existing security deposit shall be applied to account balances and required fees to establish new prepay account. Members must pay all pre-existing fees, account balances and unbilled energy or select to participate in the debt management program before an account can be converted from post-pay to pre-pay.
- E. Pre-Payment participants will be sent a daily text and / or e-mail to alert them of their balance. When the balance is at or below \$10.00 or any other amount the member has elected, the member will be sent a text and / or e-mail daily alerting them of their balance.
- F. Pre-Payment participants may make power purchases in an amount not less than \$25.00 at any UCEMC District office during normal business hours or participants may make purchases of any amounts by phone during normal business hours or by logging on to [www.ucemc.com](http://www.ucemc.com) or UCEMC's Mobile App (phone and online payments can be made by debit or credit card). Participants may also make purchases of any amounts at any time using various payment options at any existing UCEMC payment kiosk.
- G. Pre-Payment participants who allow their balance to reach zero (resulting in the loss of service) can re-establish service by simply making an additional power purchase. Participants will not be subject to penalties or service charges due to their balance reaching zero. If service is disconnected and UCEMC personnel are contacted for after-hour reconnection, appropriate reconnect fees will apply.
- H. Pre-Payment Program participants who allow their balance to reach and remain at zero for seven consecutive days will be finalized from the Cooperative's system and must come in during normal business hours to re-establish membership and service. If service is disconnected and UCEMC personnel are contacted for after-hour reconnection, appropriate reconnect fees will apply.
- I. Members disconnected for nonpayment or who have an uncollectable account may be enrolled into the Pre-Payment Program under the guidelines detailed in this program with thirty percent (30%) of all their purchases being applied to their delinquent bill until the

balance is paid in full.

**III. EXCEPTIONS:**

**Members** participating in the Pre-Payment Program are exempt from all or parts of the following Board Policies requirements with regard to the Pre-Payment account:

- A. Board Policy 5-02 “Billing and Collection”
- B. Board Policy 5-07 “Consumer Checks, Bank Drafts or Credit/Debit Cards Returned by Banks or Credit Institutions”
- C. Board Policy 5-13 “Deposits”
- D. Board Policy 5-31 “Termination of Electric Service”

**IV. RESPONSIBILITY**

- A. Responsibility for administering this Policy is assigned to the General Manager.
- B. Supervisors/Managers shall be responsible for following and directing their subordinates in following this policy.

**APPENDIX**

**A. UC EMC Power-Your-Way Terms of Service/Application**

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## UCEMC Power-Your-Way Terms of Service / Application

**Applicability / Availability:** UCEMC’s prepaid metering program is available to new and existing single phase, non-demand residential members that have 200 AMP service. **In accordance with Board Policy 5-37, II. Guidelines:** The Pre-pay program cannot support medical hardship certifications, emergency energy assistance, heat pump loans, budget billing or automatic bank drafts **and III. Exceptions:** Members participating in the Pre-Payment Program are exempt from all or parts of the following Board Policies with regard to the Pre-Prepayment account: A. Board Policy 5-02, Billing and Collection; B. Board Policy 5-07, Consumer Checks, Bank Drafts or Credit-Debit Cards Returned by Banks or Credit Institutions; C. Board Policy 5-13, Deposits; D. Board Policy 5-31, Termination of Electric Service.

**New Members:** New members opting into prepay metering will be required to complete a membership application if an application is not currently on file. A membership fee of \$5.00, a connection fee of \$25.00, a \$50.00 reserve and \$25.00 credit for daily usage (**\$105.00 minimum total**) is required for initial service. Electric service for Power-Your-Way accounts will be charged in accordance with the Cooperative’s applicable Residential Rate Schedule. All charges for kilowatt-hour (energy) usage will be applied on a daily basis. Monthly Customer Charge and any other applicable charges such as Yard Lights will be prorated and applied on a daily basis. Members are not charged a security deposit. A credit/identity check is required.

**Existing Members:** Existing members opting to convert their account to prepay will have a connection fee of \$25.00, a \$50.00 reserve and \$25.00 credit for daily usage (**\$100.00 minimum total**). Any existing deposits **shall be** applied to account balances and required fees to establish new prepay account. Members must pay all pre-existing fees, account balances and unbilled energy **or** select to participate in the debt management program before an account can be converted from postpaid to prepay.

**Debt Management:** Existing members with account balances can utilize the debt management program. Once enrolled in debt management, with each payment that is made to the account a portion will be applied to the outstanding account balance. If debt recovery is utilized, 30% of each payment will be applied to the debt until the balance is eliminated.

**Payments:** Once an initial credit balance has been established, participants may make minimum payments of \$25.00 or more at any UCEMC District office during normal business hours or make purchases of any amount by phone during normal business hours or by logging on to [www.ucemc.com](http://www.ucemc.com) or UCEMC’s Mobile App (phone and online payments can be made by debit or credit card). Participants may also make purchases of any amounts at any time using various payment options at any existing UCEMC payment kiosk. Prepaid accounts are not eligible for credit extensions or payment arrangements. Once a Prepay account is established and a credit balance is realized, the home energy usage and any other applicable charges such as Yard Lights will be prorated and applied on a daily basis. The credit balance is reduced by the amount charged until either the balance is exhausted or additional payments are made to the account. Any account that has an exhausted prepaid balance is subject to disconnection. Prepay participants will not receive a monthly bill.

**Notification:** The member may elect to be notified of low balances via email and/or text message. Balance information may also be retrieved by visiting any UCEMC District office, calling 1-800-261-2940, UCEMC App or through our website at [www.ucemc.com](http://www.ucemc.com). The website will also allow the member to modify their notification settings. The member is solely responsible for managing and updating the notification settings on the prepaid account(s). All account profile changes, balance and usage, low balance, connect, disconnect and reconnect alerts will be sent in the manner the member selects. Failure to maintain the notification settings may result in disconnection without further notice. **Member initials** \_\_\_\_\_ I understand that I am responsible for carrier charges relating to email or text notifications. **Member initials** \_\_\_\_\_

**Disconnection and Minimum Payments for Reconnection:** A prepaid account shall be subject to disconnection any time the account fails to maintain a credit balance. If service is disconnected and UCEMC personnel are contacted for after-hour reconnection, appropriate reconnect fees will apply. Any returned checks or other fees on the account will be charged to the member’s account immediately. If this causes the credit balance to be exhausted, service will be subject to disconnection. To restore service, the pre-pay account balance must be recharged to a minimum of \$10.01 credit within 7 days of disconnection. UCEMC will finalize the account after 7 days of inactive service and a final bill will be mailed to the last known address on file. I understand that I must notify UCEMC if I move or cease service at this location. Monthly Customer Charge and any other applicable charges such as Yard Lights will be prorated and applied on a daily basis until the member request a final disconnect. **Member initials** \_\_\_\_\_

**Cancellation:** Participants may convert an account to postpaid electric service at any time provided the member’s account is current and an adequate security deposit is provided. Service terminated at the request of the member will receive a refund of any remaining credit on the account.

UCEMC reserves the right to modify the Schedule of Rules and Regulations at any time without prior notification. Current Rules and Regulations may be found on the Cooperative’s website at [www.ucemc.com](http://www.ucemc.com).

As a UCEMC member, I hereby request Power-Your-Way electric service. I/We have read, understand, and agree to comply with all Prepay requirements and restrictions. By signing below, I/We acknowledge the foregoing and hereby declare that I/We have received a copy of the Service Application. Sign below and initial paragraphs above.

Member Signature	Member Sep	Date
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Customer Service Signature \_\_\_\_\_

# Power-Your-Way

## Account Information

Name			
Account #		Location Number	
SSN Number		D License Number	
Street Address			
City and State			Zip
Home Phone	( )	Cell Phone	( )
Email Address			

## Alerts and Reminders

Mobile Service Provider: \_\_\_\_\_

	Text Message	Email
Account Profile Change	<input type="checkbox"/>	<input type="checkbox"/>
Service Connected	<input type="checkbox"/>	<input type="checkbox"/>
Service Disconnected	<input type="checkbox"/>	<input type="checkbox"/>
Service Reconnected	<input type="checkbox"/>	<input type="checkbox"/>
Low Balance Threshold	<input type="checkbox"/>	<input type="checkbox"/>

Low Balance Threshold: \$ \_\_\_\_\_

Balance and Usage Alert

I understand that I am responsible for carrier charges relating to email or text notifications. Initial \_\_\_\_\_

## Debt Management

Start Date: \_\_\_\_\_

Amount Applied to Debt Management: \$ \_\_\_\_\_

Payment Distribution Ratio: DM Balance: 30%      PPM Balance: 70%

I authorize UCEMC to set up my Power-Your-Way account with the options selected above.

Member Signature	Member Sep	Date
Member Signature	Member Sep	Date

Customer Service Signature \_\_\_\_\_