

JOE WHEELER ELECTRIC MEMBERSHIP CORPORATION

Addendum 219.A

Collection of Delinquent Accounts

AMENDED: SEPTEMBER 28, 2004

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I. CUSTOMER COLLECTION PROCEDURE

If the customer is not disputing the amount owed or the right of JWEMC to collect due bills, the Customer Service Representative will deal directly with each customer collection inquiry. The employee will determine specifically what the customer is asking, use the tools provided for in this summary to see if it can be handled without referral to the District Lead CSR, determine the specific kind of relief sought by the customer, provide this relief if possible under our policy and maintain adequate records on each such transaction. For extended credit beyond the initial 10-day allowance, the customer must come into the office within the ten-day allowance, sign a promissory note, pay ½ of the amount due and agree to pay in full the remaining balance, in addition to the next month's bill in full on the next month's account due date.

When circumstances require the handling of the account beyond the Customer Service Representative, the District Lead CSR will listen to the customer's claim, maintain a written record of what the customer is alleging, and determine whether grounds exist to invoke the Accounts Review Procedure. The written record will be scanned in the optical system into the customer's account.

The circumstances under which the Customer Service Representative should refer the customer to the Lead Customer Service Representative for review and decision on the inquiry by the customer include any case in which a customer:

- 1) Disputes the amount owed on the due bill and cannot reach agreement with the employee
- 2) Challenges the right of JWEMC to terminate his/her services because of failure to pay bills or failure to honor written agreements concerning bills and arrears
- 3) Reveals that he/she may not be either willing or able to enter into a written agreement to pay current bills and arrears in a manner consistent with agreement section of this summary
- 4) Claims special circumstances prevent him/her from entering into a written agreement
- 5) Is in an uncontrollable emotional state

II. ACCOUNT REVIEW PROCEDURE

This procedure will not be invoked until all normal means for granting relief or redress under the Customer Collections Procedures have been attempted and exhausted. It will begin with a decision by the District Lead CSR that a condition specified in Section I (1) - (5) exists. The District Lead CSR will make a final attempt to resolve the issue or issues raised by the customer but if, after making such an attempt, he/she determines that reasonable doubt exists concerning accuracy of the payment, intent to pay or termination of service without adequate notice, he will explain this procedure. This procedure may entail temporary restoration of JWEMC service, or maintenance of same, under conditions agreed to and signed by the customer. If the customer invokes the right to review, this review shall be made by a committee appointed by the Director of Customer Service. The committee shall be composed of three members and shall make a thorough review of prior actions and investigations by employees and supervisors involved in the case and shall deliver to the customer in person or first class mail a review decision in writing. This decision shall be final. The customer shall have the right to be present at this review, to cross-examine witnesses, to present any relevant evidence which he wishes and be represented by counsel.

III. DISCONNECTIONS

Disconnect orders are printed no earlier than ten (10) days after the penalty date. If this tenth (10th) date is a non-business day, the orders will be printed the next business day.

- A. No disconnect order is issued for that account which has not carried a previous balance to the next month's bill in the past twelve (12) months. A review of the customer's billing history provided on the disconnect report will be made by the customer service representative to ensure that this step is followed.
- B. A second notice is mailed to the customer approximately three days after net amount due date reminding the customer of the termination date.
- C. Unless satisfactory arrangements have been made (arrangement allowances are outlined under the arrangement topic), the account is subject to termination after the tenth (10th) day from the gross amount (penalty) date.
- D. Each morning the night deposit box is searched for last minute payments by those scheduled to be disconnected that day. If any such payments are found before the account has been disconnected, the serviceman is

informed. However, if the account is disconnected before payment is discovered, the applicable fees will apply.

- E. When the serviceman arrives with a disconnect order, he is required to collect the bill in full plus applicable collection fees or remove the meter. The serviceman will provide the customer with a pre-numbered receipt for any collections. Servicemen do not make arrangements.
- F. Upon the customer's request, counseling is provided by JWEMC to work with customers who are delinquent due to financial hardship. Every effort is made to make arrangements for the payment without disrupting their service.
- G. When the temperature is predicted to be 32 degrees or below for that entire calendar day, electric service is not disconnected. When the temperature is predicted to be 98 degrees or above, electric service is not disconnected. The official forecasted temperature by the National Weather Service at that location shall be the controlling temperature.
- H. Lists are maintained of residences where life support is in use so that these locations are not disconnected and load limiters may be used at these sites to provide minimal power service to maintain life support equipment. Once a limiter is set at a location, a follow up letter will be mailed to the customer advising them that the limiter will remain in place for a period of up to 60 days. Failure to pay the past due balance within the 60 days will result in disconnection of service. JWEMC works with utmost care to ensure the safety of these customers who have been verified by a doctor to require life support systems.
- I. As large commercial and industrial customers involve a considerable expense to disconnect, efforts are made to contact someone of authority at the company's home office before service is disconnected.
- J. In instances where the disconnection has resulted from the failure to abide by the terms of a written agreement, no further agreement can be made for the settlement of the outstanding bill and reconnection fee. The entire amount must be paid in full before service is reconnected.
- L. Accounts which have been disconnected for failure to fulfill their written agreements terminate their credit arrangements and are not eligible for verbal or written agreements for a period of six months.

IV. PAYMENT ARRANGEMENTS

Agreements for delaying disconnection of services between customers and JWEMC can be made by Customer Service Representatives and the District Lead

CSR. Under no circumstances should any other employee unless designated by the District Lead CSR or Director of Customer Service in his/her absence, enter into any verbal or written agreements with customers concerning delinquent accounts.

- A. Agreements cannot be made by collectors. Collectors are at the customer's home to collect the bill in full or discontinue service.
- B. Extreme importance is placed on written agreements and the customer's responsibility to fulfill the agreement. When the customer does not live up to the terms of a written agreement, entire delinquent amount must be paid in full. Additionally, customers who violate written agreements are not allowed to enter into another written agreement for six months.
- C. When disconnect lists are printed for each billing cycle, the Customer Service Representative will review the list and determine which accounts with written agreements have failed to live up to that agreement. The serviceman will be instructed to terminate service for those accounts.
- D. When disconnection is avoided by the customer issuing a bad check, no agreements are allowed for bad checks. The entire balance plus applicable fees must be paid in full
- E. Types of agreements allowed:
 - 1) Phone or verbal agreements: Extensions of up to ten (10) days past the due date may be granted to customers on accounts less than thirty (30) days past due. These extensions may be made over the phone or in person by the Customer Service Representative or the District Lead CSR. If a customer realizes within his/her ten (10) day extension period that the bill cannot be paid in full, the customer must come into the office and enter into a written agreement.
 - 2) Written Agreements for Delinquent Bill Amounts: Customers may enter into written agreements for amounts they cannot pay in full by the deadlines imposed through the granting of an extension. The terms of these agreements will require that one half of the bill be paid on the date of the agreement. The remaining balance must be repaid by the next month's due date. In addition, all "current" billings during this time period must be paid by the "Net Amount Due" date. Written agreements must be entered into within the 10-day grace period and must be signed by the account holder.
 - 3) Written Agreements for obtaining service with the presence of a bad debt: Customers are encouraged and should expect to pay all

former account balances when applying for new service. However, a written agreement can be entered into to satisfy an outstanding bad debt while obtaining new service. The terms of this agreement will require that one half of the old bill be paid before service will be connected. Additionally, the customer will be required to pay the remaining balance by the next month's due date. In addition to living up to the terms of their written agreements, all "current" billings during this time period must be paid by the "Net Amount Due" date.