

**JOE WHEELER ELECTRIC MEMBERSHIP CORPORATION
OPERATIONAL POLICY**

Policy No.219

(Refs: Addenda 219A and 219B)

AMENDED: SEPT. 28, 2004

AMENDED: JANUARY 24, 2008

AMENDED AND BOARD APPROVED: OCTOBER 7, 2014

AMENDED BY TVA & APPROVED BY BOARD RESOLUTION: 2/29/2016

Subject: Billing and Collection Procedures

I. Objective

- A. To establish billing and collection procedures that are fair and equitable and insure that these procedures are followed.
- B. To outline due process procedures that customers may follow when disputed bills or billing questions need to be addressed.
- C. To maintain customer accounts in such a manner that the investment made in this cooperative over the years may be protected and maintained in trust for all past, present and future customers and current customers may be protected against possible inequities arising from the failure of persons to pay bills.

II. Policy

A. Billing Periods

1. Bills shall be rendered to all customers monthly. The term "Month", for billing purposes, will mean the period between any two consecutive meter readings, not less than 27 days but not more than 32 days.
2. Bills show a customer's energy consumption data for the prior 12 months' period.
3. Members will be billed at the current, approved rates plus applicable taxes and wholesale power cost adjustments.
4. All members shall be obligated to pay the customer charge, in addition to any electric energy purchased and any other charges in accordance with the Cooperative's rate schedules and power contracts. Members shall pay any other obligations as agreed upon between the Cooperative and the member.
5. All bills submitted to customers are due by the date shown on the bill. Bills will indicate that if the balance is unpaid ten (10) days after the net amount due date, service is subject to disconnect. Additionally, a second notice is mailed to the

customer approximately three (3) days after the net amount due date reminding the customer of the termination date. Such notice will provide the phone number for Joe Wheeler EMC Customer Service where the customer can call with questions concerning the account status.

6. The cooperative shall accept partial payments on accounts prior to the net payment deadline. However, the entire bill must be paid prior to the deadline for the customer to be credited for full payment of the net amount.
7. Extended credit may be provided to the customer if approved by the District Lead CSR or his/her representative. Extended credit beyond 10 days from the final payment date of the bill will require the customer to sign a note, within a ten-day grace period, acknowledging the balance due and the payment arrangements agreed to.
8. Bills are mailed to customers fifteen or more days before the due date. Failure to receive bill will not release the customer from payment obligation. Bills paid after the due date specified on bill will be assessed a penalty. (See Schedule of Fees)
9. A late payment penalty will be imposed on all bills not paid by the due date.
10. Each customer has the right to protest the bill; however, such protest must be made in writing. (See Policy 219, Section II Item H, Billing Rights Summary)

B. Bankruptcy of Active Accounts

When notified of a bankruptcy, the Cooperative will read the customer's meter and the active account(s) will be closed. The deposit, if applicable, will be applied to the closed account(s). The account(s) will have a bankruptcy notation and no further action on the account will be taken except through the Bankruptcy Court. All the necessary papers will be filed to claim any unpaid balance with the Bankruptcy Court.

A new account will be set up for the customer and an Account Origination Fee and appropriate deposit will be billed on the new account. The above fees will be due with the next month's bill. If the account balance is not paid current the account will be processed for disconnect per normal procedure. (See Policy 219, Section III, Collection of Activity)

C. Budget Billing

1. A customer may select the option of budget billing. There are two prerequisites for an account to qualify for budget billing: 1) The account must have a full twelve (12) months history on file and 2) no collection history within the past 12 months.

2. Budget billing may begin in any month except March of each year.
3. The budget bill accounts shall be audited each March and the customer's accounts debited or credited depending on the balance differences. Regardless of when an account is added to budget billing, the debit or credit amount will be adjusted in March of each year. Based on actual consumption, budget bills will be adjusted to reflect actual usage. Any debit balances will be due upon bill receipt and any credit balances exceeding one (1) dollar will be refunded.
4. When a customer discontinues service at an account with budget billing, the account will be reconciled based on actual usage and the debit or credit balance will be reflected on the final bill.
5. After an account has been set up on budget billing and the customer decides he/she no longer wants this service he/she must notify the Cooperative to remove the account from budget billing. If the account has already been billed, the budget billing amount will apply to the current month's bill. The account will be reconciled based on actual usage and the debit or credit balance will be reflected on the next bill.

D. Aid to Construction Contract

1. Residential: For new residential services, the Cooperative may incur costs over and above the customer's allowance for aid to construction. Customers must request an aid to construction loan and complete the aid to construction loan application (See Addendum 219B) at the JWEMC Trinity office. In order to qualify for an aid to construction loan, the customer must have no disconnects for non-payment or no more than two late payments in the past twelve (12) months, if such history is available. Otherwise, the customer must have an Equifax score of -680 or greater, or an equivalent score from other credit services. Customer will provide a copy of the deed in order for a lien to be placed on the customer's property until such aid to construction loan is paid in full. Aid to construction loans will not exceed 60 months. In the event the customer moves prior to the aid to construction loan payoff, the balance of the loan must be paid in full immediately. See Schedule of Fees for applicable interest rates. Interest-free loans are not available.
2. Commercial/Industrial: Commercial and industrial customers are required to pay all costs associated with new service, less aid to construction contribution as determined by the Cooperative. Construction costs in excess of the Cooperative's contribution will be addressed as a part of the power sales agreement between the Cooperative and the customer. In the absence of a power sales agreement, commercial customer's previous payment history, Dun & Bradstreet listing, or other comparable credit rating will be considered in determining if they qualify for an aid to construction loan. Personal credit history is not acceptable. See Schedule of Fees for applicable interest rates. Interest-free loans are not available.

E. Names on Accounts

Spouses who held joint memberships in the Cooperative prior to August 12, 1990, shall continue to hold such joint memberships. If the membership card includes the husband's name and wife's name, either may request changes to the account and/or request new services and/or disconnects of existing services. In case of marital problems or divorce, such memberships shall continue to be held solely by the one who continues directly to occupy or use the premises. The customer must come into the Cooperative to request membership changes due to divorce or separation. The green membership cards were used prior to August 12, 1990

After August 12, 1990, a husband and wife, by specifically requesting in writing, may be accepted into joint membership. If both husband and wife have signed the yellow membership card or capital credit form, either person may request changes to the account and/or request new services and/or disconnects of existing services. In cases where only one individual signs the yellow membership card or capital credit form, this individual is considered to be the member and the only person with access to the account.

Social security numbers, driver's license numbers or state photo identification and signatures of the husband and wife are required. A wife may not sign for her husband and a husband may not sign for his wife.

The death of a member shall automatically terminate his/her membership unless the membership is a joint account. Upon the death of said member, the membership will revert to the surviving joint member. No other individual may receive service in the deceased member's name. The Cooperative reserves the right to disconnect service to an account listed in a deceased member's name. If a deceased member's account is disconnected for non-payment, the account will not be reinstated in the deceased member's name. (See Policy 226, Deceased Account Holder)

Commercial/Industrial accounts should provide tax identification numbers, name(s) and identification for agent(s) that will represent the company. The names will be kept on file and the company will be responsible to change or add agents as changes occur within their organization. These must be written requests on company letterhead.

F. Meter Reading

Meters shall be read by the Cooperative or their assigned contractor monthly. If a meter is inadvertently not read, an estimated power bill, based on previous usage will be made for that month and will constitute the power used that month. Should it be determined that this estimate is too low or too high, a correction will be made on the next monthly bill.

G. Physical Locations Where Bills May Be Paid

Payment of any bills can be made at the Joe Wheeler EMC Hartselle office located at 700 Sparkman St. NW; Joe Wheeler EMC Trinity office located at 25700 AL HWY 24 and the Joe Wheeler EMC Moulton Office located at 641 Big Nance Street, Monday through Friday from 7:30 a.m. until 4:30 p.m. For the convenience of making payments after normal working hours, holidays, and weekends, a night depository is located at the Hartselle and Moulton offices and 24 hour payment kiosks are located at all offices.

H. Billing Rights Summary

In the event of a billing discrepancy, or if more information about a billed amount is needed, members may write the cooperative on a separate sheet of paper mailed to Joe Wheeler EMC, P. O. Box 460, Trinity, AL 35673. The letter must include the following information:

1. Member name, account number, address and contact phone number.
2. The dollar amount of the suspected discrepancy.
3. Copies of documentation showing payments to their account or any other pertinent information they may have concerning their account.
4. Describe the discrepancy and explain why they believe there is a discrepancy. The customer does not have to pay any amount in question while JWEMC is investigating, but customers are still obligated to pay the parts of their bill that are not in question. While JWEMC investigates the matter, JWEMC cannot report them as delinquent or take action to collect the amount in question. (See Policy 215 Billing Discrepancies/Metering Problems).

I. Returned Checks

1. On the date that a check for insufficient funds is received from the bank, a letter will be mailed notifying the customer of the returned check, the amount of the check and the returned check fee, and the person to contact. If the check was originally written to avoid disconnect, the customer will be given three (3) working days to come to the Cooperative office and settle the account with cash, a money order, certified check, or credit/debit card. If the account is not settled within the time frames mentioned above the account will be forwarded to the appropriate department for disconnect. (See Schedule of Fees)
2. A returned check fee will be imposed and added to the current bill of a customer for a returned check. (See Schedule of Fees)
3. Customers having had two returned checks in the last twelve months will not be allowed to pay with personal checks or electronic checks. Acceptable

alternatives include money orders, cashier's checks, cash and /or credit/debit cards.

J. No Obligation to Customer's Equipment

The Cooperative, in accepting the application of the customer and in supplying service, does not assume any obligation or responsibility as to the condition of the customer's equipment, or the equipment itself.

K. Rules and Regulations a Part of All Contracts

This schedule of service policies shall be included as a part of all contracts for receiving service from the Cooperative whether the service is based upon contractual agreement, signed application, or otherwise. A copy of this schedule, together with a copy of the Cooperative's rates and charges, shall be kept for inspection at its offices and/or its website.

L. Revision of Rates, Rules and Regulations

Rates, rules and regulations may be revised, amended, supplemented or otherwise changed from time to time without notice. Such changes, when effective, shall have the same force as the present rates, rules and regulations.

M. Conflict Between Rate Schedules, Rules and Regulations

In the event of conflict between any provisions of the rate schedule and the rules and regulations, the rate schedule shall apply.

N. Special Utility Tax

The rate schedules do not include any provision for the utility tax on the cost of utility services purchased as imposed on the individual customer by Act 21 of the 1969 Special Session of the Alabama Legislature.

O. Special 2.2% License Tax

The rate schedules do not include any provision for the 2.2% license tax imposed on the individual customer by Section 40-21-53, Code of Alabama in 1971.

P. Change in Customer's Classification

Any billing correction required due to a change in a customer's service classification shall not extend beyond a period of 180 days prior to date of notice.

Q. Employee Statements and Representations

It is understood that no statement or representation of any employee of the Cooperative shall bind the Cooperative unless the same be in writing and approved

by the signature of the manager or other designated official of the Cooperative, and that no employee of the Cooperative is authorized to waive this condition.

III. Collection Activity

Collection procedures shall apply to all customers and will be administered on a non-discriminatory basis. If payment is not received in accordance with cooperative policy, service to the customer will be terminated. Once service is terminated, the account will be closed and a final bill prepared. The customer's deposit (if applicable) will be applied to the final bill. Refunds will be issued for accounts with credit balances. The customer will then be required to pay the applicable fees to have the service restored. The security deposit will be reviewed and updated when necessary prior to reconnecting the service.

An account reflecting a balance due after the application of the deposit will be processed as follows:

- A. All uncollectible accounts will be turned over to a collection agency and will be presented for write-off to the Board. The collection agency's activities shall be monitored by the Chief Financial Officer. Once accounts are written off, a computer file will be maintained of bad debt accounts. The file will be searched when new customers apply for service. Any uncollectible accounts must be paid prior to re-establishment of service.
- B. Due process shall be offered customers of JWEMC through notification that a Billing Rights Summary, Customer Collection Procedure and an Account Review Procedure exist and will be furnished upon request. (See Addendum 219.A)

Members must follow due process before they appear before the Board to dispute their bill, address billing questions and complaints:

Due process steps are:

- Work with District Lead CSR concerning questions/problems (see 1, following)
 - Hearing/Account Review procedure (see 2, following)
 - Appeal to CEO/General Manager & Chief Financial Officer (see 3, following)
 - Request to Appear on Agenda/before Board (see 4, following)
1. The customer should first address any disputed bill amount with the District Lead CSR. The District Lead CSR can assist the customer with the Billing Rights Summary (See Policy 219, Section II, Item H, Billing Rights Summary) which states; the customer should write to the Cooperative within 25 days after the first electric bill on which the error or problem appeared, give the pertinent information so the cooperative

can begin an investigation into the disputed amount and correct any problems or discuss with the customer the item in question.

2. Hearing/Account Review Procedure is the second step of the due process. The Accounts Review Procedure will provide customers of JWEMC adequate opportunity for a hearing, investigation and review process to be administered by the Director of Customer Service, or his/her appointed representative. In the event service has been disconnected, the Cooperative shall offer opportunity for temporary restoration of service to customers who claim that they do not owe the disputed amount and entitles them to consideration under this procedure. Such restoration of service shall be temporary and for the term of this procedure only. Customers seeking such relief will agree in writing to firm conditions concerning such temporary restoration of service before service is actually restored. The Accounts Review procedure will not be invoked until all normal means for granting relief or redress under the Customer Collection Procedure have been exhausted. It shall be the responsibility of the customer to produce sufficient documentation to support possible validity of the claim. (See Collection procedural Summary/Addendum 219.A)
3. Appeals to CEO/General Manager & Chief Financial Officer: If the customer has followed the first two steps and feels the issue was not resolved they may appeal to a review committee composed of the CEO/General Manager and the Chief Financial Officer.
4. Request to appear on agenda: If the Customer has exhausted steps 1-3 above and feels the issue/issues were not resolved they may request to appear on the agenda before the board.

IV. Responsibility

- A. The Board of Trustees is responsible for periodic review of policies.
- B. The General Manager, Management Staff and Employees are responsible for the implementation of this policy.