

BLACHLY-LANE ELECTRIC COOPERATIVE

Procedure 2315

Section: Financial Management

Subject: Membership and Service Requirements

I. OBJECTIVE

BLEC will protect the value of the cooperative for its members by maintaining sound fee structures and consumer accounting practices.

II. PROCEDURE

A. Any person, firm or corporation, or body public (Applicant) shall apply to become a member of BLEC and accept the responsibilities of membership which will include a membership fee. This Electric Service Agreement (membership) and the associated fee(s) including the facility charge within the appropriate rate schedule shall be required for all applicants wishing to purchase electrical energy or wishing to maintain the line availability for future electrical service. Each member shall pay BLEC a facility charge. Each member shall pay all amounts owed to BLEC when due.

B. The Membership Fee shall be \$5.

C. Additional fees:

1. \$25 for set-up on first meter
2. \$15 for set-up on second meter
3. \$10 for set-up on each additional meter

D. Credit Practices

1. A deposit is required to establish or re-establish electric service unless the service applicant meets the credit requirements below. The deposit will be equal to two (2) times the maximum monthly bill for the previous 12 months for the address being connected but not less than \$250 per meter.

a. Acceptable Credit History

- i. At the time the member applies for service, he/she may present an acceptable credit history from their previous electric utility for a period of at least twelve (12) continuous months prior to the application; or, he/she must pay the deposit.

- ii. Acceptable Credit History means a consumer will not have incurred more than two (2) of any of the following: final notices, collection calls, NSF checks, or penalty fee. Anyone disconnected for non-payment within the prior twelve (12) continuous month period will be required to pay a deposit.

b. An irrevocable Letter of Credit acceptable to BLEC.

- c. When a member provides a required security deposit or has a credit balance of at least \$500 or greater, but no more than five (5) times the maximum monthly electrical billing during the past 12 months, the

member shall receive an interest payment to be applied to the member's monthly billing statement.

- i. Prior to interest being applied, a member must provide their social security number or Federal Tax identification number to BLEC.
- ii. Interest will be paid at the 30 day Commercial Paper Rate as it appears in the Wall Street Journal or Federal Reserve Web site on the first working day of each calendar year.
- iii. Members earning \$10 or more in interest will receive a form 1099-INT in accordance with Internal Revenue Service requirements.

2. Unconditional Guarantee for Payment of Account

If a deposit cannot be paid, an acceptable co-signer may sign for the account. The co-signer must be a member with an acceptable credit history. Acceptable Credit History means a consumer will not have incurred more than two (2) of any of the following: final notices, collection calls, NSF checks, or penalty fee. Anyone disconnected for non-payment within the prior twelve (12) continuous month period will be required to pay a deposit. The co-signer must sign the *Unconditional Guarantee for Payment* form, accepting responsibility for any unpaid balance on the account if the account holder fails to pay. If the co-signer disconnects service or develops unacceptable credit history, a regular deposit will be billed.

E. Penalty Fee

A penalty of 1.5% or a minimum of \$5 of the amount due over 30 days shall be added to the next month's billing statement.

F. Dishonored Payments

1. A service charge of \$25 will be assessed members each time a payment on their account fails to be honored by a financial institution.
 - a. If funds are available, the check will be re-deposited. A service charge will be assessed to the account for which the payment was received.
 - b. If funds are not available, or if necessary information is unavailable from the financial institution, BLEC will attempt to contact the member for authorization to redeposit the check or for a replacement payment. A service charge will be assessed to the account for which the payment was received.
 - c. If the member wishes to receive the returned check, a copy of the check will be made and attached to the Accounts Receivable Adjustment form and then the original check shall be returned to the member.
2. Any member whose account has received three (3) returned item service charges within a 12 month period will be notified in writing that BLEC will no longer accept payments in that form on the member's account.

G. Meter Testing

1. A member requesting BLEC to test their meter may pay a deposit of \$50.
2. If the meter is tested and found to register outside the industry standard (plus or minus 2%), the meter test deposit will be refunded and the member's past billing, for a maximum of six (6) months, will be adjusted to reflect the correction.

3. If, following the testing, the meter is found to register within the industry standard; BLEC will retain the deposit as payment toward the costs of the tests.

H. After Hours Fee

1. If a member requests connection of electric service be performed outside of BLEC's normal business hours, BLEC will assess an after-hours charge of \$250 on the member's account.
2. The member will be required to prepay the after-hours charge of \$250 for reconnection of service due to non-pay disconnect.

I. Return of Membership Fee

1. The Office/HR Manager shall be given the authority to apply membership fee(s) on unpaid accounts, or to make refunds to those members who have disconnected service.
2. Refunded memberships shall be presented at the next board meeting for consent of cancellation.

J. Return of Deposit

1. At the end of twelve (12) billed months of continuous service, the deposit may be credited to the member's account, provided that an acceptable credit history has been established.
2. When any service is disconnected, the deposit will be applied to any unpaid account balances, and any remaining credit balance shall be refunded.

K. Collections Process

1. BLEC will protect the value of ownership for its members by offering a positive incentive to the member to encourage their prompt payment on account balances, and by establishing standardized procedures and fees for the collection of unpaid amounts (refer to Procedure 2320).
2. Members with a current bill for an active metered account whose payment of the current bill amount is received by BLEC by the due date printed on the statement will be eligible for a \$3 prompt payment discount.

L. Billing Adjustments


1. When an under-billing or over-billing occurs, BLEC shall provide written notice to the member detailing the circumstances, period of time, and amount of adjustment. If it can be shown that the error was associated with a specific occurrence and the date can be fixed, the overcharge or undercharge shall be computed back to such date. If no date can be fixed, BLEC shall refund the overcharge or re-bill the undercharge for no more than six months of usage. In no event shall an over-billing or under-billing be for more than three (3) years of usage.
2. Any charges and/or credits to members' accounts are to have prior approval by the following individuals:
 - a. General Manager or if the amount is greater than six (6) months of usage.
 - b. Office/HR Manager if the amount is equal to or less than six (6) months of usage.

- c. A monthly account adjustment report will be generated under direction of the Office/HR Manager.

III. RESPONSIBILITY

The administration of this procedure is the responsibility of the General Manager.

APPROVED by



General Manager

FOUNDATION DATE: OS3, E1, E2, OS4, OS5, 3L5,
 9-24-74, 7-26-88, 5-26-81, 3-31-03
 DATE LAST AMENDED: 1-3-18
 REVIEW SCHEDULE: As Needed

Board of Governors of the Federal Reserve System

Rates

Period	AA nonfinancial					
	1-day	7-day	15-day	30-day	60-day	90-day
Dec. 27	1.41	n.a.	1.60	1.65	n.a.	n.a.
Dec. 28	1.37	n.a.	1.54	1.64	n.a.	n.a.
Dec. 29	1.34	1.57	1.40	1.49	n.a.	n.a.
Jan. 1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Jan. 2	1.42	1.43	1.44	1.46	1.53	1.58