

**OPERATIONAL POLICY NO. 201  
SERVICE POLICIES AND PROCEDURES**

**I. OBJECTIVES**

To establish written policies, rules, regulations and fees to be followed by the management staff and other employee personnel when implementing electric utility services to our customers. The General Manager shall periodically review these policies and make recommendations to the Board regarding additions or changes.

**II. POLICY RULES & REGULATIONS FOR SERVICE**

**A. Application for Membership and Electric Service**

The application for membership in the Cooperative shall constitute an application for electric service. The Cooperative shall have the right to refuse any application for service beyond or outside the territory served, or in case of an unsafe or dangerous condition found to exist on the applicant's premises, or for other good and sufficient reasons shown. The form of application shall be such as is determined and approved by the Board of Trustees of the Cooperative.

**B. Membership Fee**

A membership fee will be required prior to the time service is supplied to the customer. This membership shall be transferable to any immediate family member upon NAEC approval. Upon termination of service, this fee may be applied against any unpaid bills of the customer and if any balance remains, said balance will be refunded to the customer. Should a person who is already a customer of the Cooperative desire an additional service, another membership fee is necessary for each additional meter. (See F. Schedule of Membership, Deposits and Fees).

**C. Deposits (See F. Schedule of Memberships, Deposits and Fees)**

Upon termination of service, deposits may be applied by NAEC against unpaid bills of the customer and if any credit balance remains after such application is made, said balance shall be refunded to customer.

1. The Cooperative reserves the right to require the maximum deposit before service is reinstated or continued. In no case will the maximum deposit exceed twice the highest monthly bill for any customer.
2. In the event a service is disconnected for nonpayment and the customer does not meet the required deposit amount, the customer may be required to pay a deposit in addition to respective charges before services can be

restored.

3. The amount of a residential deposit shall be based on the customer's credit score as determined by a credit reporting agency. Residential customers who have a fair or poor rating (as based on a returned credit score of less than 680) will pay a deposit of \$200. All other new residential customers will pay a deposit of \$100. Existing customers requesting additional service who have been late more than three times in the latest 12-month period or customers with previous bad debts owed to the Cooperative will pay the maximum residential deposit of twice the highest estimated monthly bill.
4. Commercial deposits for existing businesses being taken over or reopened by a new proprietor: The deposit shall be the amount of the highest bill recorded for that service at that location in the last twelve (12) months, multiplied by two. For new service locations where a billing history is not available, the highest monthly bill amount will be estimated based on anticipated demand and energy loading requirements for the customer. (See Schedule of Membership, Deposits and Fees). Deposits are required on all commercial accounts despite personal credit references or other deposits on the system. Commercial deposits are not transferable to other services, services addresses, or different proprietors at the same service.
5. Effective June 30, 2016, interest shall be paid on all deposits. The interest rate earned on the deposit shall be comparable to the annual rate of interest earned by the cooperative on its primary bank account and shall be accounted for and credited to the members deposit amount and returned after the final bill is paid or applied to the final bill. The deposit balance (including earned interest) as well as the adequacy of such deposit shall be subject to review by North Alabama Electric Cooperative and the Customer.

**D. Connect Fee**

A connect fee will be required of any new customer before electric service is supplied. A connect fee will also be required of any customer requesting service to additional meters. (See Schedule of Membership, Deposits and Fees).

**E. Restoration of Service Destroyed by Fire or Storm**

The Cooperative will not charge a connect fee to customers for reconnection to rebuild after a fire or storm. Only one free connect fee is allowed after the interrupted service.

**F. Schedule of Membership, Deposits and Fees**

1. **Membership** \$5.00

2. **Security Deposits Required:**

a. Residential Accounts (based on credit) \$100.00/\$200.00

b. Commercial Business Accounts:  
Highest bill x 2 (see Deposits C.4 above)

c.  
Industrial - determined by Contract

3. **Fees**

a. Connect/Transfer Fee (Charge to set meter or take reading) \$20.00

b. Reconnect existing Security Light \$20.00

c. Set additional pole (for Security Light) \$75.00

d. Set or Relocate Security Light on existing pole \$20.00

e. Additional Primary Line Extension (per Pole) \$300.00\*

\*or staking engineer's discretion after review of property

f. Meter Testing (must pre-pay) \$25.00

g. Meter Tampering:

First Offense \$100.00\*

Second Offense \$500.00\*

Third Offense 500.00\* + Prosecution

\*Add charge for installation of meter locking device \$25.00

h. Collection Fee (Residential or Commercial) \$20.00

i. Reconnection Fee Regular Hours (7:30 am- 2:30 pm) \$30.00

After Hours \$75.00

j. Returned Check \$25.00

k. Trouble call (not NAEC problem/Manager's discretion) \$100.00

l. Routine Maintenance/Service Calls after hours:

Monday-Saturday- per trip \$100.00

Sundays- per trip \$125.00

m. Relocation of Service Total Cost

n. Relocation of Security Light & Pole Total Cost

Mobile home/ rental property-Owners permission &  
1yr adv + Cost

### **III. LINE EXTENSION PROCEDURES LINE EXTENSION PROCEDURES**

#### **A. Customer's Point of Delivery**

The point of delivery is the point on the customer's premises where current is to be delivered to the building or premises. Unless otherwise determined by the Cooperative, this point will be on the outside of the building or premises between the attachment of the Cooperative wires and the meter base. All wiring and equipment beyond the meter assembly shall be supplied and maintained by the customer. Once the point of delivery is determined, it shall not be changed without the consent or approval of the cooperative. If this point is changed or relocated, there will be service relocation charge or actual cost, whichever is greater. (See Schedule of Membership, Deposits and Fees, F.3.m)

#### **B. Members Equipment**

##### **1. Wiring Standards:**

All inside wiring and apparatus must be installed by and at the expense of the customer and must conform to the standards as set forth in the current edition of the National Electric Safety Code and any special standards as may be specified by the Cooperative.

##### **2. Inspection of Customers Equipment:**

The Cooperative shall have the right, but shall not be obligated to inspect any installation before electricity is supplied or at any later date and reserves the right to reject any wiring or appliances not in accordance with the National Electrical Code. Such inspections or failure to inspect or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installation, wiring or appliances or from violation of the Cooperative's rules or from any accidents which may occur on the customer's premises.

##### **3. Interface with other Members' Service:**

All of the member's electrical apparatus to be used in connection with and operating by energy furnished by the Cooperative shall be of such design and construction and installed and operated in such a manner as not to interfere with service to other members. In the event that such apparatus does not comply with these rules and regulations, the service may be discontinued until the conditions causing interference with service to other members have been remedied by the member.

##### **4. Size of Motors and Capacity:**

Unless otherwise agreed upon, or approved by the Cooperative, all motors with a rated capacity of 25 HP or more shall be equipped with approved starting equipment and have low voltage release attachment.

**5. Disclosure of Load Requirements and Additional Loads:**

At the time of application for membership and electric service, the member shall fully disclose the electrical load to be connected, so that the Cooperative can plan and install the proper size transformer, meter and other equipment. The member shall notify the Cooperative office prior to connecting additional electrical load and obtain consent of the Cooperative or its duly authorized agent. Members who make such changes or additional installations without consent shall be liable for the Cooperative's equipment by reason thereof.

**6. Delivery Voltages:**

Standard delivery voltages of the Cooperative shall be 120/240 (+-5%) single phase. Any other voltage or type of service other than the above shall be considered a special application and shall be on a separate contract basis to be agreed upon by the applicant and the Cooperative.

The Cooperative shall not be responsible for normal variations in voltage within reasonable commercial limits. Any variations in excess of commercial limits will be corrected within a reasonable length of time after reported to the Cooperative.

**7. Ground Wires:**

Ground wires shall be installed in accordance with the requirements and specifications of the National Electrical Safety Code of the National Board of Fire Underwriters as approved by the American Standards Association or in accordance with the requirements of local authorities where any differences occur.

**C. Customer's Property, Right of Access**

The Cooperative's employees or authorized agents shall have free access to the customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, moving, replacing or exchanging any or all of the equipment belonging to the Cooperative. If the wiring, fixtures, or appliances in customer's premises are found by the Cooperative's employees to be defective, and may cause damage to the property of the Cooperative, the meter will be removed and service discontinued until such time as said defects are remedied. The meter base shall be located on an external wall of a building, i.e., if the meter socket is located on a carport and is later enclosed into a room, the customer must move the meter base to an external wall so as to allow accessibility to the utility.

**D. Cooperative's Property, Customer's Responsibility**

All meter, service connections and other equipment furnished by the Cooperative shall be and remain the property of the Cooperative. The member shall provide a space for and exercise reasonable diligence to protect the property of the Cooperative and will reimburse the Cooperative for injury or damage suffered by it resulting from negligence of the customer or from misuse of the property by the customer or any unauthorized parties; and the customer shall indemnify and hold harmless the Cooperative from all damage to person or property due to the installation, maintenance or operation of any electrical equipment on the premises or arising out of it in any way connected with the service furnished or to be furnished to the customer.

**E. Continuity of Service**

All reasonable efforts will be made to supply continuous and uninterrupted service. The Cooperative shall have the right to suspend the supply of electric energy for the purpose of making repairs, betterments or extensions, or when necessitated by acts, circumstances, or regulations beyond its control.

**F. Interruption of Service – Outages**

The Cooperative will use reasonable diligence to provide regular and uninterrupted service, but in case the supply of current should be interrupted or fail for any cause, the Cooperative shall not be liable for any damages resulting there from. Any interruption to service should be reported to the Cooperative immediately after it has been determined that the interruption is not caused by an open circuit or blown fuse in the customer's equipment. Long distance telephone calls to the Cooperative reporting power failure are called on 1-800-572-2900 both during regular business hours and after hours or locally 437-1100.

**G. Notice of Unsatisfactory Service**

The member shall notify the Cooperative immediately should the service be unsatisfactory for any reason, or should there be defects, trouble or accidents to the Cooperative's equipment which would affect the supply of electricity. Such notices, if verbal, should be confirmed to the office in writing, if possible.

## **H. Damages**

The Cooperative shall not be liable to the member for personal injuries or damages to the property resulting from the use of electric current furnished through the equipment of the Cooperative or resulting from any other cause except in the event of the gross negligence of the Cooperative. The member shall save harmless the Cooperative from injuries to the person or damages to the property of third persons resulting from the use of current on the premises of the member.

New language in the Revised State Cooperative Law dated April 1992, Section 37-6-22 states, "A Cooperative shall not be liable to its members for any outage of service or voltage fluctuation resulting from acts of God, such as lightning or windstorm, or from occurrences that may reasonably be expected to happen in the normal course of utility business, such as equipment failures. In any claim for property damage alleging negligence of the Cooperative, the member shall prove that the action or inaction of the Cooperative alleged to have caused the property damage is not normal in the operations of a utility business."

## **I. Electric Service Supplied Exclusively by Cooperative**

All Electric Service on the premises of the customer shall be supplied exclusively by the Cooperative, and the customer shall not sell or dispose of any power so furnished without the written consent of the Cooperative.

# **IV. BILLING AND COLLECTION PROCEDURES**

## **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 to exceed 27 to 32 days.
2. Members will be billed at the current approved rates plus applicable taxes and wholesale power cost adjustments.
3. All members shall be obligated to purchase and pay for the minimum amount of electric energy which shall from time to time be fixed by the Cooperative, and to pay for the same and all additional electric energy purchased at such rate and at such time as may from time to time be fixed by the Cooperative, and in accordance with its rate schedule.
4. Bills submitted to customers will have a standard net payment period of 15 days for residential Customers and no less than 10 days for all other customers. The bills will clearly define that the service is subject to be disconnected ten (10) days before the past due date on the next bill.

5. A late payment penalty of no more than 5 percent of the unpaid portion of the bill will be imposed on all bills not paid by the due date.
6. Each customer has the right to protest the bill; however, such protest must be made in writing. (See II. F. Billing Rights Summary.).

#### **A.a. Discontinuance of Service for Non-Payment of Bill**

Should any bill remain unpaid by the following month's bill date, a "Final Disconnection Notice" will be visibly displayed on the front of the following month's bill notifying the customer of past due balance, and providing the rights and remedies for disputing the bill including a phone number of North Alabama Electric Cooperative to call with questions concerning the account status.

#### **B. Collection Activity on Finaled Accounts**

Once service is terminated, the account will be finaled. The customer's deposit including any interest earned on the deposit and membership fee will be applied to the finaled account. Refunds will be issued for accounts with credit balances. An account reflecting a balance after the application of the deposit and membership will be processed according to the following schedule to attempt collection:

1. Accounts that are deemed uncollectible after all collection efforts have been exhausted will be presented for write-off to the Board. 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.

#### **C. Names on Accounts**

Spouses who held joint memberships in the Cooperative shall continue to hold such joint memberships. If the membership card includes the husband's and wife's name, either may request services to the account. In case of marital problems or divorce, the first joint member in the household to come into the office and make a written request for change, provide the necessary identification and documentation and sign the request will have the service provided per his/her request. The customer record will be changed accordingly.

NAEC requests both husband and wife sign the service application.. If only one signs, he/she must provide necessary identification on the other. Both husband and wife or other joint membership is considered only one member.

Every attempt should be made to obtain social security numbers, drivers' license numbers and signatures of husband and wife. A wife may not sign for her husband and a husband may not sign for his wife.

Commercial accounts should provide name(s) and identification for agent(s) who 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.

#### **D. Meter Reading**

Meters shall be read by the Cooperative or their assigned contractor monthly. If a meter is inadvertently not read, an estimated power use 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.

#### **E. Locations where bills may be paid**

Payment of any bills may be made at the NAEC main office located at 41103 U S Highway 72, Stevenson, Alabama, at the Woodville branch located at 1133 County Road 63, Woodville, at North Jackson Bank in Bridgeport, and at Peoples State Bank and 1<sup>st</sup> Bank of the South in Grant, Alabama..

#### **F. Billing Rights Summary**

If a customer thinks their bill is wrong, or if they need more information about a bill, they may write us on a separate sheet at NAEC, P. O. Box 628, Stevenson, AL 35772 as soon as possible. We must hear from them no later than 60 days after we sent their first bill on which the error or problem appeared. They may telephone us, but doing so will not preserve their rights. In their letter, they must provide the following information:

1. Their names, account number and address.
2. The dollar amount of the suspected error.
3. Copies of documentation showing payments to their account or any other pertinent information they may have concerning their account.

Describe the error and explain, if they can, why they believe there is an error. If we need more information, ask them to describe the item they are unsure about.

The customer does not have to pay any amount in question while we are investigating, but they are still obligated to pay the parts of their bill that are not in question. While we investigate their question, we cannot report them as delinquent or take action to collect the amount they question. (See Billing Discrepancies. Policy 214)

Work performed on the account beyond the normal account review procedure (60 days) will be charged at NAEC's cost.

## **G. Returned Checks**

1. On the date that a check for insufficient funds is received from the bank, the customer will be disconnected at the earliest possible time.
1. A charge will be imposed and added to the current bill of a customer for a returned check (See Schedule of Membership, Deposits and Fees). Customers having had more than two returned checks in the last twelve months will result in the refusal of the Cooperative to accept a personal check in payment of their accounts for one year. Acceptable alternatives include money orders, cashiers checks and cash.

## **H. No Obligation to Customer 's Equipment**

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

## **I. Rules and Regulations a Part of All Contracts**

This schedule of service policies shall constitute a part of all contracts for receiving service from the Cooperative whether the service is based upon contract 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 office at all hours of business. A copy of the Cooperative's rates, charges, and service practice policies shall also be posted on the website ([naecoop.com](http://naecoop.com)).

## **J. Information to Customers**

1. North Alabama Electric Cooperative shall inform Customers about rates and service practice policies upon Customer's application for service.
2. All retail rate actions initiated by North Alabama Electric Cooperative shall be communicated to Customers by public statement issued either through printed media or by posting the statement on the website ([www.naecoop.com](http://www.naecoop.com)).
3. Upon Customer's written request, North Alabama Electric Cooperative shall provide a statement of Customer's monthly consumption for the prior 12 months if it is reasonably ascertainable.

## **K. Revision of Rates, Rules and Regulations**

These 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.

**L. Conflict Between Rate Schedules, Rules and Regulations**

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

**M. Special 4% Utility Tax**

These rate schedules do not include any provision for the 4% 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.

**N. Special 2.2% License Tax**

These 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.

**O. Special Privilege Tax**

These rate schedules do not include any provision for the privilege tax imposed on certain customers by certain municipalities in areas served by the Cooperative.

**P. Change in Customer's Classification**

Any billing correction required due to a change in a customer's service classification shall not extend over 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 or office 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.

**V. 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.

**OPERATIONAL POLICY NO. 218**  
**Rev. 10/14/2015**  
**UTILITY COLLECTION**

**I. Objective**

- A. To establish a set of collection procedures that are fair and equitable and insure that these procedures are followed.
- B. 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 that current customers may be protected against possible inequities arising from the failure of persons to pay bills.

**II. Policy**

- A. The cooperative shall make every effort to insure that information on all customers is current and accurate. This can be accomplished using periodic questionnaires, telephone surveys and individual inquiries.
- B. These collection procedures shall apply to all customers and will be administered without regard to race, color, creed, sex, age, national origin or marital status.
- C. The customer should first address any disputed bill amount through the Billing Rights /Summary (See Operational Policy 201, Section IV G) which states: the customer should write to the Cooperative within 60 days after the first electric bill on which the error or problem appeared, give the pertinent information so the Cooperative can begin investigation into the disputed amount and correct any problems or explain to the customer the item in question.
- D. Due process shall be offered customers of NAEC through notification that a Billing Rights Summary, Customer Collection Procedure and an Account Review Procedure exist and will be furnished upon request. (See Collection Procedural Summary /Addendum 218.A)
- E. If payment is not received in accordance with utility policy, service to the

customer will be terminated. 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.

- F. The Accounts Review Procedure will provide customers of NAEC adequate opportunity for a hearing, investigation, and review process to be administered by the Manager, or his appointed representative. It 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 subject 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 218.A)
- G. 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.
- H. Uncollectible accounts shall be transferred to bad debts.
- I. Extended credit may be provided to the customer if approved by the Office Manager or his/her representative. Extended credit beyond the disconnect date (10 days before next bill is due) will require the customer to sign a note acknowledging the balance due and the payment arrangements agreed to. (See Addendum 218.B)
- J. The Cooperative will monitor weather conditions using [www.weather.com](http://www.weather.com) for City and State and will suspend termination for nonpayment if the following conditions apply in the North Alabama Electric Service area Winter – the forecasted low for the upcoming night is to be below 20 degrees/Fahrenheit or the forecasted high for the day is not to exceed 32 degrees/Fahrenheit. Summer – the forecasted high for the day is to be in excess of 98 degrees/Fahrenheit.
- K. In cases where the Cooperative has the NAEC approved Medical Certification Document showing necessity of service due to a hazardous medical condition and/or necessity of service to operate life sustaining medical equipment, NAEC will delay termination for nonpayment for up to an additional 30 days beyond the normal grace period. The medical certification document must be certified by a medical professional and should be updated at least every twelve months. See attached document (218.C)

### **III. 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.

### **Addendum 218.A**

#### Collection of Delinquent Accounts

### **COLLECTION PROCEDURAL SUMMARY**

#### **I. CUSTOMER COLLECTION PROCEDURE**

- A. If the customer is not disputing the amount owed nor the right of NAEC to collect due bills, the Customer Service Representative (CSR) will deal directly with each customer collection inquiry.
  - 1. The CSR 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 Office Manager.
  - 2. 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.
  - 3. For extended credit beyond the initial fifteen (15) day allowance, the customer must come into the office, sign a promissory note, pay ½ of the amount due and agree to pay in full the remaining monies and the monthly bill on the next month's account due date.
- B. When circumstances require the handling of the account beyond the CSR, the Office Manager will:
  - 1. Listen to the customer's claim and maintain a written record of what the customer is alleging.
  - 2. Determine if he/she can make a final disposition of the inquiry, whether it is a situation which requires further investigation, whether it is a customer relations dilemma rather than a collections matter, or whether grounds exist to invoke the Accounts Review Procedure (II).
  - 3. Provide the CSR with the written record of each transactions.
- C. The circumstances under which the CSR should refer the customer to the Office Manager for review and decision 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 NAEC to terminate his/her services because of failure to pay bills or 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 of redress under the Customer Collection Procedures have been attempted and exhausted. It will begin with a decision by the Office Manager that a condition specified in Section I.C. (1-5) exists. The Office Manager will make a final attempt to resolve the issue or issues raised by the customer but if after making such an attempt, he determines that reasonable doubt exists concerning accuracy of the payment, intent to pay, termination of service without adequate notice, he will explain this procedure. This procedure may entail temporary restoration of NAEC service, or maintenance of same, under conditions agreed to and signed by the customer. If the customer invokes the right to review, the review shall be made by a committee appointed by the Manager. This three-member panel 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 by 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. DISCONNECT ORDERS**

Disconnect orders are printed no earlier than fifteen (15) days after the penalty date. If this fifteenth (15<sup>th</sup>) date is a non business day, the orders will be printed the next business day.

- A. No disconnect orders are issued for accounts owing less than Fifty and n/100 dollars (\$50.00)
- B. 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.
- C. For customer information purposes, every monthly bill contains the message "The current charges are now due and payable. Service may be discontinued without further notice on past due balances."
- D. Unless satisfactory arrangements have been made (arrangement allowances are outline under the Arrangement topic), the account is subject to termination

after the fifteenth (15<sup>th</sup>) day from the gross amount (penalty) date.

E. 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 by radio. However, if the account is disconnected before payment is discovered, the applicable fees will apply.

F. When the serviceman arrives with a disconnect order, he is required to collect the bill in full or remove the meter. The serviceman will provide the customer with a receipt for any collections. Servicemen do not make arrangements.

G. NAEC provides customer service representatives 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. This counseling is available at the customer's request.

H. When the temperature is predicted to remain at or below freezing (32 degrees Fahrenheit, or above 98 degrees Fahrenheit, electric service is not disconnected.

I. Lists are maintained of nursing homes and residences where life support is in use so that these locations are not disconnected and limits are used at these sites. NAEC works with utmost care to ensure the safety of these customers who have been verified by a doctor to require life support systems.

J. 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 discontinued.

K. If service has been disconnected, the serviceman should collect the fees before service is restored.

L. 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.

M. If no prior agreement exists concerning the current delinquent amount, written agreement can be entered into. The terms of this agreement are outlined under the Agreements section of this policy. Service can be restored and continued as long as the terms of this agreement are fulfilled and current bill amounts do not become delinquent.

N. 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. AGREEMENTS**

Agreements for delaying disconnection of services of NAEC customers can be made by Customer Service Representatives and the Office Manager. Under no circumstances should any other employee, unless designated by the Office Manager 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, the entire delinquent amount must be paid in full. Additionally, customers who violate written agreements are not allowed to enter into another written agreement for three to six months. (First default 3 months, Second Default 6 months)

C. When disconnect notices 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.

E. The entire balance plus applicable fees must be paid in full.

F. Types and terms of agreements allowed:

1. No telephone or verbal agreements. All agreements must be made in writing in person between the customer and CSR or Office Manager prior to disconnect date.

2. Written Agreements for delinquent bill amounts: Customers may enter into written agreements prior to disconnect date for amounts they cannot pay in full before disconnect date. The terms of these agreements may require that one-half of the bill be paid on the date of the agreement. The remaining balance must be paid by the next month's due date. In addition all "current" billings during this

time period must be paid by the “Date Past-Due For Current Charges Only” date on bill.

3. Written Agreements for obtaining service with the presence of a bad debt: Customers are encouraged and should expect to pay all former account balance when applying for new service. However, a written agreement can be entered into to satisfy an outstanding bad debt while still obtaining 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 “Date Past-Due For Current Charges Only” date as specified on bill.



Addendum 218.B **PROMISSORY NOTE**

**NAME** \_\_\_\_\_ **ACCT NO.** \_\_\_\_\_

**TOTAL DUE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

I promise to pay to the order of NAEC the sum of \$ \_\_\_\_\_ on \_\_\_\_\_

I further agree to pay \$ \_\_\_\_\_ (current month's bill) by due date of \_\_\_\_\_

I further agree and understand that the above indebtedness is for the supplying of electricity and related services at the above account number.

I further agree and understand that the above indebtedness is for past due services supplied by NAEC and that the payments herein above contemplated shall be in addition to current and future electric bills that shall be due and for which I am responsible.

**I agree and understand I am responsible for my bill and it must be paid on the date due or this Promissory Note will be null and void and all monies will be due and payable in full.**

**I have been advised by NAEC and agree that failure to honor this agreement will result in my electric service being terminated without further notice and that restoration of electric service will be made only when the full amount is paid. Also, an increase in deposit may be required before restoring electric service.**

\$ \_\_\_\_\_ on \_\_\_\_\_

\$ \_\_\_\_\_ on \_\_\_\_\_

\$ \_\_\_\_\_ on \_\_\_\_\_

**Plus late fee:** \_\_\_\_\_

**Signed: NAEC CUSTOMER SERVICE REP** \_\_\_\_\_

**NAEC CUSTOMER** \_\_\_\_\_ **Date:** \_\_\_\_\_

**180-Day Medical Certification**

North Alabama Electric Cooperative

**Instructions:**

The following is to be completed by a licensed medical professional and only after you, or someone in your office, has examined the individual whose name appears as the patient on the form below. This form applies only in situations where, in your professional opinion, termination of electric utility service would be especially dangerous to the health of that individual. If, in your professional opinion an especially dangerous situation does not exist, please do not sign this form.

If you have any questions regarding this form, please contact: North Alabama Electric Cooperative. 256-437-2281 or 800-572-2900  
You may fax the completed form to us at 256-437-2286.

**I certify that, to the best of my knowledge, the information provided below is true.**

The following medical information must be certified by one of the following. Please indicate if you are a:

- licensed physician
- clinical nurse specialist
- certified nurse-midwife
- physician assistant
- certified nurse practitioner
- local board of health physician

**Please complete the following. Please print.**

I certify that my patient has been examined by me and I have determined the following to be true:

Name of patient: \_\_\_\_\_  
Patient's permanent residence: (street address) \_\_\_\_\_  
(city, state, zip code) \_\_\_\_\_

Check the box of the applicable condition:

- This patient suffers from a hazardous medical condition and termination of electric utility service would be especially dangerous or life-threatening.**
- This patient uses medical or life-supporting equipment and termination of electric utility service would make operation of that equipment impossible or impractical.**

*I certify that I advised my patient that disclosure of the requested information may be subject to redisclosure by the recipient and no longer be protected by the HIPAA rules and regulations.*

**Authorized Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**(Please Print)**

Name of Licensed Medical Professional \_\_\_\_\_  
Business Address \_\_\_\_\_  
Business Telephone \_\_\_\_\_  
Current State License or Certificate Number: \_\_\_\_\_

**All sections must be fully completed in order to process the medical certification request. THIS STATEMENT DOES NOT IN ANY WAY REMOVE THE OBLIGATION TO PAY FOR SERVICES RECEIVED OR TO BE RECEIVED FROM NAEC.**