

 <b>Oakdale Electric Cooperative</b>		<b>Board Policy</b>
<b>Policy Name: Delinquent Electric Bills</b>		<b>Policy No: 7.10</b>
<b>Last Reviewed/Revised: 03-03-2025</b>		<b>Page 1 of 4</b>

## **I. PURPOSE**

To provide Oakdale Electric Cooperative (OEC) an orderly procedure for the controlling and collecting of delinquent electric accounts and non-sufficient funds checks which will result in all members being treated on a fair and uniform basis.

### Delinquent Accounts

- A. A Member choosing to mail any payment assumes all responsibility for its failure to arrive on or before the due date.
- B. Any bill for electricity, services, penalty, collection charge, or similar charge that has not been paid in full by the due date on the bill or in these policies will be deemed delinquent.
- C. Any account not paid by the due date printed on the statement shall be considered delinquent and a 1½% penalty on the unpaid balance will be charged. Each account is allowed one late payment per calendar year without having a penalty applied.

### Notice of Disconnection of Service

- A. Delinquent accounts will be reviewed by the collection's personnel every thirty days and action will be taken accordingly.
  - 1. Delinquent accounts may be mailed a disconnect notice, such notice to be mailed at least eight (8) calendar days prior to disconnection and shall state the date the meter will be disconnected if payment is not received prior to that date.
  - 2. When disconnection is not feasible, all accounts 60 days or more in arrears, where there has been no written agreement for payment, will be subject to legal action either in small claims court or such other legal action as deemed necessary.
  - 3. To establish uniformity with the disconnection rules set forth by the Public Service Commission, the disconnection rules set forth in Chapter PSC 113, Subchapter III will be used as a guideline.

### Deferred Payment Agreement

- A. Any Deferred Payment Agreement, entered into due to a member's inability to pay the outstanding bill in full, shall provide that service will not be disconnected,

cycled, or limited if the member continues to make payments as agreed until the full amount of the bill is paid.

Failure to make payments as agreed cancels the deferred agreement, authorizes disconnection, cycling, or limitation of electric service and no further delinquencies will be allowed. The account will be disconnected, limited, or cycled as soon as feasible for OEC.

- B. An account with a Deferred Payment Arrangement will continue to receive a notice of disconnection until the delinquent charges are paid in full.

#### Security Deposit

- A. Disconnections, cycling, or limitations of electric service resulting from unsuccessful collections are subject to an increase in security deposits.
- B. See Policy Bulletin 7.04 for more information.

#### Disconnection Procedures

- A. OEC shall not initiate the original process of disconnecting, cycling, or limiting on a day, or on a day immediately preceding a day, when the business office is closed to the membership for the purpose of transacting all business matters.
- B. If the member pays the employee when the employee is there for the purpose of disconnecting, cycling, or limiting service, a collection charge will be added to cover the cost of the employee's time and travel expenses.
- C. If an account is disconnected, cycled, or limited electronically, a collection charge will be added to cover the cost of processing.

#### Winter Disconnection and Load Limitation/Cycling

- A. From November 1 to April 15, electric service may be disconnected for any non-residential account or any vacant, seasonal, or foreclosed residences that are posted or known to be winterized. For all other accounts, OEC may use load limiting or cycling devices to restrict the amount of power to accounts that would be considered for disconnection based on policy 7.10. Accounts considered for load limitation or cycling would be sent disconnect letters per this policy 7.10.
- B. Usage of load cycling/limiting devices shall be decided based on the amount outstanding, days past due, payment history, NSF checks, defaulted payment agreements, and other mitigating factors at OEC's discretion and subject to the number of load limiting/cycling devices available.
- C. Once a load cycling or limiting device is installed, its first activation will occur when the daytime high temperature is expected to be at least 20 degrees, or the actual

temperature is at least 20 degrees according to the National Weather Service's website <http://www.weather.gov>. When the daytime temperature increases to at least 20 degrees, accounts that had been removed from load limiting or cycling due to temperature may be returned to load limiting or load cycling without additional notice.

- D. If an account has been load limited or load cycled and is later found to be vacant but not winterized, OEC may remove the load cycler/limiter so that we can use it at another location.
- E. Any accounts disconnected on November 1 will remain disconnected until payment is made in full or arrangements for payment have been made. The account does not change to load cycled or load limited.
- F. Any accounts still load limited or load cycled after April 15 will be scheduled for disconnection.
- G. Any accounts that are load limited or cycled will be charged fees and deposits the same as a disconnection per policy 7.10.

#### Beginning and Ending Service

- A. Disconnection, cycling, or limitation of service because of nonpayment or prior to the expiration of a contract term will not relieve a member from any obligation, financial or otherwise, under any contract or rate.

#### No Waiver of Rights or of Default

- B. No delay by OEC in enforcing any of its policies or rights shall be deemed a waiver of such policy or rights, nor shall a waiver by OEC of any of the member's defaults be deemed a waiver of any other or subsequent defaults.

#### Prior Debts and Reconnection Charges

- A. Service cannot be reinstated until all payments due OEC are paid in full, including security deposits and additional fees if requested, without management approval.
- B. Eligible members may choose to sign up for the Prepay Billing Program (Policy 7.08) to reduce the amount of reconnection charges.
- C. A member who allows an account to become delinquent shall not be granted further new service on any other account or granted any other services by the cooperative.

#### Non-Sufficient Funds Checks

- A. Any check, ACH, or credit card given for payment of a member's account which is declined or returned to OEC's office from the bank for reason of insufficient funds or for other reasons the bank deems necessary will render these accounts delinquent. Upon receipt of a "non-sufficient funds check" by this office, a notice will be given to the

member advising that the member has ten (10) days from the date of the notice to reimburse OEC with either cash and/or money order or service may be disconnected, cycled, or limited. A security deposit may be requested by OEC after payment with a “non-sufficient funds check”, or OEC may require all future payments be made by cash, credit card, or money order.

- B. Non-sufficient funds checks, ACH, or credit cards that are declined or returned by the bank, which originally paid for a “disconnect notice”, will be sufficient cause to disconnect service upon 24 to 48 hours’ notice.

## II.

In order to conform with the objectives of the cooperative, its financial limitations and priorities, no exceptions to this policy can be allowed.

Responsibility: General Manager & CEO

Procedure: To be reviewed annual per Policy Bulletin 1.04 to determine if policy is reflecting current conditions.

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