

Division of Accounting – Policies and Procedures Manual Standard Policies and Procedures	
Policy Number: AUB-05-06	Revision Number: 7
Subject: Pay Agreements and Collections	Effective Date: 10-01-2023
	Superintendent Approval:
	General Manager Approval:

1.0 Purpose

In order to protect the rate payers of Athens Utilities Board (AUB), standard collection policies must be followed consistently. While AUB is a non-profit entity, it must protect its financial integrity in order to maintain rates as low as possible. Because of the nature of the utility industry, all customers in our service area must be serviced. This fact requires that collection efforts be diligently administered on a daily basis.

2.0 Collectors

Sufficient staff will be maintained to administer the collection process. This will consist of at least two outside collectors (at most times) and sufficient internal support personnel to provide information to the outside collection personnel. Outside collections will usually be performed by a minimum of two employees. Employees will never be expected to place themselves in dangerous situations. In the event that a collector feels unsafe, he should remove himself from the situation and advise management.

3.0 Daily Collections

Listings of delinquent accounts will be generated by collections support personnel daily. This list will not be generated until all night depository and ACH receipts have been processed.

4.0 Pay Agreements

From time-to-time customers may experience financial difficulties rendering them unable to pay the entire amount due for their utility service. This situation may be especially aggravated during the winter months. AUB provides pay agreements as a mechanism to assist these customers in satisfying their obligation. Requests for pay agreements will be taken by Customer Service Representatives (CSR). Upon payment of 50% of the past due amount, the customer may be granted an additional five business days beyond the scheduled cut-off date to satisfy the remaining balance. Extension dates are prescribed by a schedule that each Customer Service Representative has. The Superintendent of Accounting or General Manager may approve extensions up to ten days beyond the scheduled cut-off date. Any extensions beyond ten business days will be considered an exception to this policy and must be approved by the General Manager. CSR's will complete a pay agreement form for all extensions granted, and customers will be required to initial each of the provisions on the form. They will be required to provide picture identification and sign the pay agreement document acknowledging their agreement with its provisions. Failure to honor the terms of a pay agreement may disqualify the customer's eligibility for future pay agreements. Pay agreement forms will be forwarded to collections personnel where they will be maintained. Customers whose accounts have been disconnected for nonpayment will be allowed to execute a pay

agreement only upon approval of the Superintendent of Accounting or the General Manager. Collections personnel will maintain all records pertaining to pay agreements. These will be organized by due date as identified on the pay agreement form. Field collection personnel will disconnect service for customers' failure to honor the covenants of pay agreements. Collections personnel will maintain records identifying customers that have failed to honor pay agreements. From this information, a listing of customers ineligible for future pay agreements will be prepared and forwarded to all CSRs. Collections personnel will add notes to customers' accounts identifying them as ineligible for future pay agreements.

5.0 Collections

Collections personnel will generate a listing of all past due accounts each day. From this information, a list of all accounts in disconnect status will be prepared. Accounts appearing on the disconnect list for the first or second time may not be disconnected. Field collection personnel will leave a reminder for these customers advising that their utility payment is in arrears. Service for these accounts may be disconnected approximately one week after the reminder has been left. Service for accounts appearing on the list three or more times may be disconnected. Meters that have been disconnected for nonpayment will be identified by a red meter seal. Field collection personnel may use discretion as to whether or not a particular account is disconnected. Field collection personnel will communicate decisions to internal collections personnel so the decisions can be properly documented. Pay agreements are not available to customers once service has been disconnected for nonpayment unless approved by the General Manager or the Superintendent of Accounting. Field collections personnel will report each day's activities to the collection department. Collection personnel will prepare a listing of all accounts that have been disconnected for non-payment prior to the close of business each day. This information will be provided to after-hours personnel.

Field personnel may accept payment for past due utility accounts when reconnecting a customer after hours and also when servicemen arrive at a location during business hours to perform a non-payment disconnect. After hours reconnects will be subject to a reconnect fee as outlined in section 6.0 below. If a customer wants to pay a serviceman to avoid a disconnect after the serviceman has made the trip to the customer location for the purpose of disconnecting the service for non-payment, the customer must pay the full past-due amount and an additional \$15.00 (Fifteen dollar) trip charge. Otherwise, the serviceman's job is to perform the disconnect before leaving the location. The charge is designed to help defray the cost of the collection trip to the location, which was necessitated by non-payment on the account and which otherwise would be borne by the ratepayer base at large.

Field personnel will consistently provide receipts for all amounts collected. These receipts will be a three-part form. The original will be given to the customer at the time the payment is accepted, the second copy will be given to the cashiers when funds are submitted, and the third will be retained by the field personnel accepting the payment.

6.0 Reconnections

Once a service has been disconnected for nonpayment, the entire amount due plus a reconnect fee must be satisfied before the service may be reconnected. Customers paying a utility bill

for disconnected accounts may have service reconnected in the current business day. The fee to have service reconnected in the current business day is \$50.00. The fee for customers agreeing to wait until the following business day to have the service reconnected is \$15.00. Every effort will be made to have these services reconnected as early as possible. The fee for all reconnections between the hours of 5:00 p.m. and 10:00 p.m. will be \$130.00. There will be no reconnections after 10:00 pm., on weekends or on holidays. These reconnection fees may be waived only with the approval of the General Manager or the Superintendent of Accounting.

7.0 Unauthorized Service Restoration and Meter Tampering

AUB will consider the unauthorized restoration of service by any person to be a serious offense. Unauthorized persons will not tamper with, remove, reconnect or disconnect any meter, service connection, or any device attached to any meter or service connection. Tampering with any of these items will result in a \$500.00 fee per occurrence and may result in prosecution. This fee applies to water and gas connections as well as power. Cutting a meter seal is considered meter tampering. Any AUB personnel observing evidence of meter tampering will report the tampering to the collection department. Once the tampering has been verified, the service will be disconnected by removing the meter from the meter base and replacing it with a glass cover, whether the account is current or past due. The meter tampering fee, any past due balance and the appropriate reconnect fee must be paid before the service may be reconnected.

o Discontinuance of Service

AUB reserves the right to discontinue service to any residence or business within its service for any of the following reasons:

- Nonpayment of any bill or any other charges;
- Partial payment of bill or other charges not specifically identified by payment agreement;
- Failure to comply with utility rules, regulations or policies;
- Any threat to public health on the customer's premises which may endanger other persons;
- Tampering with utility equipment or unauthorized use of service;
- In the event that a customer has allowed more than one service per meter.

For the benefit of the customer, normal service cut-offs will generally not be made on a Friday or on the day immediately preceding a holiday. In the following situations the utility reserves the right to discontinue service without customer notice:

- When in the opinion of the Manager a situation exists that may endanger public;
- Where there is evidence of tampering with utility equipment or stealing of service;
- Where it is discovered that a misrepresentation of identity was made in obtaining service.

Utility bills are recurring charges. Failure by the customer to receive a utility bill will not entitle the customer to be relieved of payment. Discontinuance of service by the utility shall

not release the customer from liability for payment for service already received or from liability from payments that thereafter become due under the minimum bill provisions or other provisions of the customer's contract. AUB shall not be liable for any loss or damage resulting from the discontinuance of service. A landlord shall not use the discontinuance of service to his or her property to force a tenant or occupant to surrender possession of the property.

9.0 Final Notice

AUB's monthly billing statement to customers contains all of the legally required language to serve as a single notice to pay, including a date certain for payment and the customer's rights and remedies for disputing bills. As a courtesy to the customer and pursuant to TVA regulatory oversight, AUB also provides separate, final notification of the need to pay to avoid service interruption. In the event the due date passes and no payment is made a dated, written notice is generated and mailed to the customer's mailing address on record notifying the customer that no payment has been received at AUB, reminding the customer of the need to pay, and providing the time frame in which the account will be disconnected in the event of nonpayment. The notice's language reads:

Dear Customer: As of today, we have not received your payment for last month's utilities usage. Perhaps you have misplaced your bill or making the payment has slipped your mind. If you have paid the amount in question prior to receiving this, please accept our thanks and disregard this notice. However, if we have not received the payment in full within five (5) days of the date shown above, we may have to disconnect your service. If that happens, we will need full payment plus a reconnect fee before reinstating your service. We don't want to see your service interrupted. If you have any questions or need to verify this payment with AUB, please call us at (423) 745-4501.

10.0 Disputed Bills

When a customer considers the bill to be incorrect, the customer may request a review of the bill. To request a review, the customer may contact any Customer Service Representative in person within five days after the date of the final notice. The customer's service will not be discontinued for failure to pay a disputed bill until the investigation of the customer's complaint has been completed. The Customer Service Representative taking the dispute request will advise the appropriate member of the AUB management team of the customer complaint so that a determination can be made regarding the need for an appropriate adjustment. All customer bill complaints will be resolved, and the customer advised of the outcome of the investigation, within five business days of receipt of the complaint. If the investigation reveals that the customer's complaint is invalid, the customer will be allowed five days from the date they are advised of the outcome of the investigation to pay the total amount due. A first class mailing to the customer's last known address constitutes notification. After that time, service may be interrupted. CSRs will inform customers of the steps that will be taken and when the customer should expect the dispute to be resolved when the review request is taken. They will also advise customers that the bill should be paid in full within five days after the dispute has been resolved. Customers may take the dispute to the utility's Board of Directors if they feel management has not adequately resolved the dispute. The customer must provide written notice to the General Manager of his/her intent to have the dispute heard by the Board of Directors. Such request will not delay discontinuance of service.

11.0 Customers' Responsibility

The customers whose names appear on the application for service are the customers responsible for payment of all charges. These customers are also responsible for any rules or policy violations that occur regarding the utility service to that property. Personal participation by the customer in any such violation shall not be necessary to impose personal responsibility on the customer. In the event any customer fails to pay

any utility fee or charge, the customer shall pay all costs of collection including court costs and reasonable attorney's fees incurred by AUB in collecting such sums.

12.0 Refusal of Service

AUB reserves the right to refuse to render service to an applicant or to any member of an applicant's household who is living at the same address whenever such persons are delinquent on any payment to AUB or had his or her service discontinued because of a violation of the regulations or policies of AUB. This service will be refused until all amounts owed to AUB are paid in full. Upon payment of all amounts owed, service will be rendered.

13.0 Emergency Medical Service Conditions and Service Interruptions

AUB works to ensure that any customer whose health may depend on ongoing utility services is aware of conditions that can result in interruption of service. Such conditions may be within AUB's influence and/or control or may be outside of AUB's control, such as with weather-related outages that can last long periods of time, multiple days in some circumstances.

It is the customer's responsibility to notify AUB if service interruption for whatever reason may be life threatening. This notification must be accompanied by formal written acknowledgement of the condition by the appropriate health care provider(s) on provider letterhead stating that the customer is dependent on special medical equipment as specified by the American Medical Association as providing life support. After notification via the health care provider, AUB will flag the customer's account as an "**Emergency Medical Service.**"

Such classification does not guarantee continuous or uninterrupted utility service or in any way increase the responsibility or liability of AUB to the customer. This practice is an attempt to establish a method to identify those who have a special medical need for information in the event of an emergency. Customers under this special classification should have a plan for alternate sources of utility service or alternative lodging during a prolonged service outage.

A physical list of these customer accounts is maintained in AUB Dispatch for quick reference during outages and service interruptions.

Service Interruption – Natural Causes

When service outages caused by natural occurrences such as weather related events are estimated to last more than six (6) hours, AUB will attempt but is not obligated to notify customer accounts bearing the **Emergency Medical Service** note via contact information provided by the customer. This call is not to prioritize restoration, as this is often not possible because of the nature of the system damage, but to alert the customer that he/she may need to seek alternative arrangements,

such as going to a location that still has service. It is the customer's responsibility to ensure that AUB has the most up to date contact information, such as phone numbers, alternate numbers, email addresses, etc., for the account holder.

Service Interruption – Nonpayment of Past Due Balance

While AUB works to help customers avoid service interruptions of any type, having the status of Emergency Medical Service will not preclude an account from being placed on a list of accounts to be disconnected because of nonpayment. However, AUB will take special measures to help the customer understand the steps he/she needs to take to either maintain services or make other arrangements.

Accounts with the notation "Emergency Medical Service" will be provided a written notice of termination once the account reaches the point of delinquency that would normally require service termination, i.e., appears on a scheduled AUB nonpayment disconnect list. The notice will stipulate that the service in question is subject to nonpayment disconnect 15 calendar days from the date of the notice of termination described herein. AUB will attempt to personally contact the customer at the residence before final disconnect for nonpayment.

14.0 Service Termination at the Customer's Request

The customer in whose name the service is furnished may request termination of service by mail, in person at the AUB office or by phone. Each customer must give a minimum of seven days' notice to AUB of service termination. The customer will be responsible for all charges which accrue to the end of the seven-day period. Mail requests must be signed by the customer in whose name the service was provided. Customers requesting disconnection in person must provide identification unless the employee accepting the request knows the individual making the request. Employees accepting telephone requests for service discontinuation should make every applicable effort to determine the identity of the person making the request. At the time the request for termination of service is made, the customer must provide a forwarding address.

15.0 Record Retention Requirements

All records regarding collections, discontinuance of service and reconnections shall be maintained for a minimum of ten years.