

SECTION II

BILLING, COLLECTIONS AND DISCONNECTION

2.1 RATES AND CHARGES:

A) Rates

The rates to be charged for utilities and the various classifications of service for which rates are charged, are established by the Sauk Centre Public Utilities Commission. These rates are subject to change from time to time. Copies of the most current rate schedules are available at the office of the SCPUC and included in this policy in the Rate Section.

B) Other Charges

Charges for material, equipment and labor that are furnished by the SCPUC will be billed based on costs plus overhead incurred. The current schedule of charges is available at the office of the SCPUC.

C) Overtime Work

All services requested by an owner or contractor outside of SCPUC normal business hours will be billed at the overtime rate. These rates are listed on the current rate schedule.

2.2 BILLING:

A) Bills are rendered for all services (electric, water, wastewater, and fixed charges so that they reach the customer on or about the same business day of each month. All bills for services and utilities are payable upon receipt of bill of each month.

B) Readings of all meters used for determining charges to customers shall be made each month at or as nearly practicable to thirty (30) day intervals.

C) The SCPUC will bill each customer as promptly as possible following the reading of the meters. Each bill will show the present and preceding meter readings and dates of readings, consumption for each meter, the class of service, the amount charged for each meter, the date when the bill is past due, any late payment penalties assessed and the amount of sales tax. Bill for service based on meter readings or estimated usage are computed in accordance with applicable rate schedules. Customers whose final reading is after the regular reading date shall receive a separate billing for the final period irregardless of the number of days.

2.3 COLLECTIONS:

Payment must be received in the SCPUC office by the due date stated on the bill. Payment may be made by cash, check, money order, or debit/credit card. Utility payment checks must be made payable to the Sauk Centre Public Utilities Commission or some other reasonable facsimile. Second party checks will not be accepted. Post dated checks will not be accepted. Failure to receive a bill or past due notice shall not relieve the responsibility to pay.

2.4 PAYMENT PLANS-AUTOMATIC BANK PAYMENT/BUDGET PLAN:

In addition to the ordinary manner of making payments (first class mail, night depository, online, or "in person") the utilities also offer automatic bill payment and a budget payment plan.

A) Automatic bank payment plan customers may arrange for payment of their utility bill through a deduction from their account at any of the banks by signing authorization forms at the office of the

SCPUC. Monthly billing will come marked as Bank Withdrawal Notice. Withdrawal occurs anywhere between the 5th and the 10th of each month from the bank the customer has designated.

If an automatic bank payment is returned by the bank (i.e. NSF, closed accounts) the amount will be charged back to the customer's utility account and must be paid manually by the customer. If there are two (2) occurrences of bank returned items within a 12-month period, the account will be removed from the automatic bank payment plan. NSF charges/bank fees will apply and be charged to the customer.

B) Budget plan is available to any qualifying Residential Heat customer. Upon request by the customer, the SCPUC will compute the previous 12 months charges to set an amount for a budget payment plan. The budget payment account will be reviewed from time to time by the SCPUC and increased or decreased in accordance with current consumption patterns. A monthly billing showing the current month's consumption and cost will be prepared and sent to the customer.

A late payment charge of 10% of the monthly budget amount will be added if not paid by the due date. If two payments are late within a twelve-month period or if the account is disconnected for non-payment the account will revert to normal bill procedure.

2.5 RETURNED CHECKS:

A) For accounts on which a second or subsequent NSF check is received, the SCPUC shall notify the customer immediately by telephone that a check has been dishonored by the bank upon which it was drawn. Payment by cash, credit card, certified check or money order shall be required by 2 o'clock of that business day. The SCPUC shall charge the amount of the check back to the customer's account. NSF charges and bank fees will be charged to the customer. For NSF charge, see rate schedule.

B) If three (3) or more returned checks (NSF) are from the same customer, within a twelve-month period, that customer shall be required to make all future payments in "cash only" until such customer has made twelve (12) consecutive "on time" payments.

2.6 TRANSFER OF ACCOUNT BALANCES:

The SCPUC may transfer unpaid balances from one account to another account provided the customer is the same individual. Collection efforts shall continue in the same manner on the new account as on the old account.

2.7 UNCOLLECTED ACCOUNTS:

The SCPUC will maintain a list of all unpaid customer accounts that have previously obtained service from the SCPUC. Prior to the reconnection of any customer who owes the SCPUC for past due billings for service, the customer shall make full payment of the past due account as well as payment of double the current deposit requirement. The SCPUC reserves the right to use any process of law, including collection agents, to collect unpaid accounts from any customer.

2.8 LIEN ORDINANCE:

The SCPUC shall have liens on all real estate served by it for all unpaid utility bills of the owner of the real estate. After notice and opportunity for hearing has been provided, the amount of any unpaid utility bill shall be certified to the county auditor for collection with the real estate taxes next coming due. The council shall by ordinance make such detailed provisions as it may determine to be necessary to provide for enforcing the provisions of this subdivision. This section shall not be construed to limit the right of the SCPUC to recover, in a civil action in any court, all utility charges which are not paid when due.

2.9 BILLING ERRORS:

A) When a customer has been overcharged due to meter readings errors, incorrect application of the rate schedule, incorrect connection of the meter, faulty meter or other similar reasons, the amount of the overcharge shall be credited to the customer or refunded to "final" accounts. Billing adjustments shall be limited to a maximum three-year period from the time of discovery.

Billing adjustments resulting in a credit balance which is greater than three (3) months average billing will be refunded by check. Other billing adjustments will remain as a credit balance on the account.

B) When a customer has been undercharged due to any of the same reasons as in (A) above, the amount of undercharge shall be billed to the customer and charges will be explained in detail. These shall be limited for a maximum one-year period from the time of discovery.

2.10 CUSTOMER SERVICE/APEAL PROCESS:

A) Customer complaints shall first be directed to the SCPUC office staff. All complaints shall be discussed politely and without abuse. Upon receiving a complaint, all pertinent information shall be received, such as the name and address of the complainant, the date and nature of the complaint.

B) If personnel receiving the complaint cannot effectively handle the problem; the complaint shall then be referred to the General Manager.

C) If a complaint is not resolved to the customer's satisfaction, the customer may request to be put on the agenda at the regular meeting of the SCPUC for a hearing before the SCPUC.

2.11 LATE CHARGES:

A) A late payment charge of ten percent (10%) of current charges will be added to all bills where full payment is not received by the penalty closing time of the due date stated on the bill.

B) Failure to receive a bill shall not necessarily entitle the customer to remission of any late payment charge.

C) Customers accounts are looked at for consecutive 12 months as far as the number of late penalties they have had. The customers are given one time each year to pay late and not get a penalty.

D) Penalties may be waived upon order of the SCPUC personnel only when extenuating circumstances are considered. A customer should have a payment habit of "on-time" payments for the past year before consideration is given.

2.12 PAST DUE NOTICES:

A) A notice of disconnection will be printed immediately after the due date is passed. The customers are given an additional ten days for payment after the scheduled due date. All notices will be prepared and mailed. Accounts with outstanding balances receive a past due notice.

B) The following individual account information is put on each past due notice:

- Name of the account.
- Mailing address (includes street number and city).
- Customer account number.
- The total amount due.
- Date for termination of service.

2.13 DISCONNECTION PROCEDURE:

A) Accounts subject to disconnection are those accounts receiving past due notices which have not been paid or have not made arrangements to pay by the date of termination of service.

B) By 7:30 A.M. on the date of termination of service, all accounts subject to disconnection are double checked for payments. Accounts on which payment has not been received are given further consideration as in the following:

1. Warm weather months (Residential Accounts May 1-Sept. 30) (commercial accounts-year-round).
2. If a delinquent customer contacts the SCPUC office prior to disconnect date for an extension of time, consideration may be given. Extensions may be granted for a period of seven (7) days if arrangements by the customer are made with the SCPUC to pay the total amount due. Extensions of less than seven days may be granted. At no time is an open-ended extension granted with no deadline given.
3. A SCPUC employee will attempt to contact each unpaid account to make a last effort to collect at least the "arrears" amount.
4. If a collection is not made, the SCPUC employee will terminate the service. The SCPUC will not reconnect the service, until arrangements for reconnection are made and the utility bill is paid including all disconnect/re-connect charges. (disconnect/re-connect charges set in rate schedule)

C) Cold weather months (October 1-April 30)-Residential only.

1. The SCPUC will not disconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit when the following conditions are met:
 - a. The disconnection would occur during the period between October 1 and April 30.
 - b. The customer has declared inability to pay on forms provided by the utility.
 - c. The household income of the customer and based on Tri-Cap guidelines.
 - d. The customer has entered a payment schedule and is reasonably current with payments under the schedule. The SCPUC will notify all residential customers of the provisions of the above four points.

D) Before disconnecting service to a residential customer during the period between October 1 and April 30, the SCPUC will provide the following information to a customer:

1. A notice of proposed disconnection will be mailed.
2. A statement explaining the customer's rights and responsibilities.
3. A list of local energy assistance providers.
4. A form on which to declare inability to pay.

If a residential customer must be involuntarily disconnected between October 1 and April 30 for failure to comply with the provisions of the section above, the disconnection must not occur on a Friday or on the day before a holiday. Further, the disconnection must not occur until at least 20 days after the utility bill has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

If the customer does not respond to a disconnection notice, the customer must not be disconnected until the SCPUC investigates whether the residential unit is occupied. If the unit is found to be occupied, the SCPUC must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the SCPUC must give notice to the landlord of the proposed disconnection before making a disconnection.

If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by SCPUC's established appeal procedure, the SCPUC will not disconnect until the appeal is resolved.

E) Special circumstances and conditions affecting disconnections.

1. If a welfare agency states that they will be paying the account and how much they will be paying, the disconnection will not be made, or reconnection made if termination of service has occurred.
2. In special situations such as bank foreclosures, estate settlements, etc., extensions may be given based on the bankers' or attorneys' guarantee of payment.
3. If the SCPUC, following a special hearing, allows extended terms, the normal disconnect policy will not apply.
4. If, following disconnection, the residential unit is found to be occupied, the utility must reconnect service if the residential customer agrees to pay the outstanding balance owed to the utilities plus a reconnection charge, or in cold weather months agrees to enter a mutually agreed payment schedule.
5. A reconnection charge is required to be paid to restore utility service.
6. SCPUC customer service department personnel may grant fixed time intentions to disconnection dates under extenuating circumstances, provided arrangement is made with the customer for payment of the arrears and penalty due prior to the date of disconnection.

2.14 FREE UTILITY SERVICE:

It shall be the policy of the SCPUC to not provide free utility service to customers. Any exceptions to this policy (i.e., community service) must be approved by the SCPUC in advance at a regular commission meeting.