

**PUBLIC UTILITY DISTRICT NO. 1
OF COWLITZ COUNTY, WASHINGTON**

**CUSTOMER SERVICE AND
CREDIT/COLLECTIONS POLICY**

No.: CS-1
Issued: November 8, 2005
Revised: September 29, 2009 (Staff Recommendation No. 33/9/29)
Effective: October 1, 2009
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SECTION 1 – OBJECTIVES:

To outline the responsibilities of the District in providing electric service to its Customers and the responsibilities of the Customer in the acceptance, use, and timely payment of that electric service. To inform the Customer of potential charges associated in certain situations as summarized on the Definitions and Schedule of Fees (Attachment 1) and to ensure that all Customers of the District receive uniform and equitable consideration.

SECTION 2 – CONFLICT:

If there is a conflict with provisions of this Customer Service and Credit/Collections Policy and the provisions of any District Rate Schedule or Special Contract, the provisions of the Rate Schedule or Special Contract shall apply.

SECTION 3 – CONDITIONS OF SERVICE:

By definition, a Customer is the end-use consumer of utility service and the party who will pay for their services. The Customer must pay in full any outstanding debt to the District prior to the District accepting their service application. The District reserves the right to terminate any service connection if the District later discovers that the Customer owed a debt to the District that was not resolved at the time of application acceptance.

SECTION 4 – APPLICATION FOR SERVICE – A CONTRACTUAL OBLIGATION:

All persons desiring residential or non-residential utility service must request service at the District's Main Office by completing an application process. Upon acceptance by the District, the application shall constitute a contract between the District and the Applicant.

- A. Only end-use consumers may apply for utility service.
- B. By acceptance and use of service, the Customer is subject to compliance with all District Policies and Procedures.
- C. The Customer must provide notice to the District within three (3) days of a change of occupancy, or change in legal responsibility for payment of service, and is responsible to pay for all services supplied to the premises until such notice has been received by the District.
- D. Owners of rental property desiring to leave power on between tenants, must sign the District's Landlord Agreement listing all applicable properties, and notify the District within three (3) days of any additions or changes in property ownership.

Owners will be responsible for energy use and/or basic charge, per the applicable District Rate Schedule, during periods of non-occupancy until the District is notified of a change.

- E. Owners of rental property desiring to have the electric service physically disconnected between tenants, must sign the District's Landlord Agreement listing all applicable properties, and notify the District within three (3) days of any additions or changes in property ownership. A Connect Fee will be applicable. An Account Service Charge will be applied if the Landlord wants to sign for service.
- F. If an Owner/Landlord fails to pay account balances in a timely manner, the Landlord Agreement will no longer apply. In addition, the Landlord is responsible to pay in full any outstanding balance on a premise prior to the District accepting a service application for a tenant at that location.

SECTION 5 – FRAUD:

Fraudulent information or material misrepresentations made to the District in order to obtain service will be cause for refusal to provide or discontinuance of service with a Disconnect Charge, and a Security Deposit for reconnection. Proper authorities may be notified.

SECTION 6 – INDIVIDUAL LIABILITY:

Where two or more persons join in one written or oral application or contract for utility service, such persons shall be jointly and individually liable and shall be billed by means of a single periodic bill mailed to the person designated on the application to receive the bill. Whether or not the utility obtained a joint application, where two or more adults are living in the same residence, they shall be jointly and individually liable for the bill for utility service supplied, as well as past delinquencies.

SECTION 7 – SPECIAL CONTRACTS:

The rate or other condition of service for any class and character of service to any Customer is provided in a Special Contract recommended by the District Staff and approved by the General Manager or the Board of Commissioners as appropriate.

SECTION 8 – EFFECTIVE DATE OF SERVICE:

Except as otherwise provided in Special Contracts, the District's rates will be charged and bills rendered from the date the utility service is first made available to the Customer.

SECTION 9 – ACCOUNT SERVICE CHARGE:

Each residential Customer establishing service at a premise under Schedule 1 Residential Service Rate will pay an Account Service Charge to aid in the recovery of costs related to record keeping caused by occupancy changes.

SECTION 10 – RATES AND CHARGES:

Rates and charges for electric service and the supplying of electric energy to a Customer at any Point of Delivery are established by resolution(s) adopted and amended from time to time by the Commission of the District and are applied whenever the electric facilities of the District are adequate and appropriate to provide the required service. A copy of the Electric Tariffs of Public Utility District No. 1 of Cowlitz County, Washington is available at the District's Main Office.

SECTION 11 – RESALE:

Except as may be otherwise provided by Special Contract, electric energy may not be resold by a Customer without written approval of the District. The District also reserves the right to approve the electric rates charged for resale.

SECTION 12 – BILLING OF TAXES:

- A. The rates established in the District’s rate schedules, or in any Special Contract, are subject to increase proportionately to include additional taxes and/or assessments levied by any State, County, or Federal authority on the District’s properties, real or personal, or on the generation, transmission, distribution or sale of electric energy.
- B. The total amount of any revenue tax levied by any municipality, within the area served by the District, will be passed on to Customers located within the boundaries of such municipality.
- C. Any such tax or tax increase shall continue in effect only for the duration of such additional taxes and assessments. When cities revise a tax, that revision will become effective on all bills issued after the effective date.

SECTION 13 – SECURITY DEPOSITS:

The District reserves the right to require deposits and/or modify deposit amounts and requirements to guarantee payment of bills and satisfactory contract performance by the customer. Deposits shall be payable immediately and do not accrue interest.

- A. Residential Customers without proper identification are required to pay a Residential Deposit at the time of application.
- B. Non-Residential Customers are required to pay a Security Deposit. Exceptions include:
 - 1. Operation of a similar business for two or more years without a credit problem.
 - 2. A good credit reference provided by previous utility provider.
 - 3. The District will accept an Assignment of Approved Collateral in Lieu of a Cash Deposit for deposit amounts not less than five hundred dollars (\$500).
 - 4. The business owner has been a Cowlitz PUD residential electric Customer for at least two years, without a credit problem, and signs a Personal Guarantee under which he or she agrees to be personally responsible for any outstanding balance.
 - 5. Satisfactory reporting from a credit reporting agency for a similar current or previously held account.
- C. Security deposit requirements will be determined through evaluation of the following criteria:
 - 1. Lack of complete and accurate information on the service application
 - 2. Previous unpaid balance

3. Previous account sent to a collection agency
4. Bankruptcy filing that discharged previous District bill
5. Three (3) Notices of Pending Disconnect within the most recent consecutive 12-month period
6. Unsatisfactory reporting from a credit reporting agency
7. Meter tampering

Exception:

1. If the deposit is \$500 or greater, the District will accept an Assignment of Approved Collateral in Lieu of a Cash Deposit.
- D. Deposits on residential accounts are held for 12 months and non-residential accounts for 36 months. Upon established timely payment history (defined as 2 reminders or less for each of the 12 months), or if the Customer should no longer be signed for active service, the deposit is applied to the Customer's account.

SECTION 14 – METER READING AND BILLING:

- A. Meters will be read and bills sent at monthly or bi-monthly intervals at the option of the District. For bi-monthly billing, Maximum Demand, and Minimum Charges will be multiplied by two.
- B. All meters are read on a periodic reading cycle with the understanding there may be variation in the actual meter read due to weekends, holidays, difference in length of months and scheduling efficiency. For bills with shorter or longer reading times than usual, the rates shall be applied on a prorated basis.
- C. The District will maintain accurate accounts of all meter readings for billing purposes, and is conclusive evidence of the use of such electric energy by the Customer and the basis for service bills.
- D. In the event a meter is inaccessible for any reason, the District reserves the right to estimate the meter reading and issue bills based on prior usage.
- E. Under certain circumstances, Customers may read their own meter and return the Card Read to the District. A bill is generated from the reported usage. When a Card Read is not returned to the District, an estimated bill is sent based on prior usage. An annual physical read is done by the District on all Card Read accounts.

SECTION 15 – PAYMENT OF BILLS:

- A. Current bills are due and payable within ten (10) days of the bill date. If a bill is not paid timely, a reminder will be sent no sooner than twenty (20) days from the date the bill is issued.
- B. Failure to receive mail, including a bill, does not release the Customer from obligation of payment.
- C. All payments should be payable to Cowlitz PUD.

SECTION 16 – PAYMENT ALLOCATION:

District allocates payments to the oldest charges first.

SECTION 17 – MORATORIUM:

The District will not terminate utility service for residential space heating between November 15 and March 15, if the Customer satisfies requirements of RCW 54.16.285.

SECTION 18 – RIGHT TO HEARING:

If a Customer disputes a bill, or notice of proposed termination of service, and the Customer and a representative of the District are unable to resolve the dispute, the Customer may appeal to the District's Hearing Officer (the Auditor). The written decision of the Hearing Officer may be reviewed as provided for judicial review in the Administrative Procedure Act (RCW 34.05) of the State of Washington by filing a petition in the appropriate court of law of the State of Washington.

SECTION 19 – TERMINATION OF SERVICE BY DISTRICT:

- A. Upon the Customer's failure to pay all account balances when due, or for non-compliance with the District's Policies, the District has the right to terminate service until all sums due the District have been paid and/or any non-compliance with the District's Policies have been corrected.
- B. The District will send a disconnection notice by first-class mail. This notice provides an additional five (5) days to pay the outstanding balance in full to avoid a service disconnection. A fee will be added to the Customer's account for the Notice of Pending Disconnect.
- C. If full payment is not received within five (5) days of the disconnect notice, the PUD will disconnect the service and assess a Disconnect Charge to the Customer's account.
- D. Disconnected service will not be reconnected while individual(s) remain at the subject service address having occupied the said address during the time any outstanding debt was accumulated unless all charges have been paid in full.
- E. Service may be disconnected by the District to prevent fraudulent or unauthorized use to protect District property. A Disconnect Charge will be assessed. The District may terminate or curtail service upon governmental order due to power supply insufficiencies or other reasons beyond the District's control.

SECTION 20 – RESTORATION OF SERVICE:

In the event service is disconnected for non-compliance with this Policy, service will not be reconnected until the normal work day following correction of such non-compliance and only after all amounts owed the District, including arrears, deposits, fees, sundry and reconnect charges, have been paid in full or a payment arrangement acceptable to the District has been entered into.

SECTION 21 – TAMPERING WITH DISTRICT PROPERTY:

- A. If the District finds any evidence of tampering with District property, the Customer will be charged a Tamper Fee as shown on the Schedule of Fees. These charges

apply to each tampering occurrence. In addition, (1) any cost and expense of repair and/or replacement of damaged District equipment and (2) all overheads associated with the tampering, shall be charged to the Customer.

- B. If utility service has been consumed and not metered, the usage may be estimated based on previous account history or an amount may be estimated by the District for a period up to three (3) years without a written contract or up to six (6) years with a written contract.
- C. Violations of RCW 9A.61.050 "Defrauding a Public Utility in the third degree" which is a gross misdemeanor, is subject to referral to the Cowlitz County Prosecutor for action.

SECTION 22 – RETURNED CHECK/EFT CHARGE AND COLLECTION CHARGES:

- A. If a Customer's check or electronic fund transfer is not honored by the Customer's financial institution, the District will charge the Customer an Insufficient Funds Fee to offset administrative costs of collection.
- B. In accordance with RCW 19.16.500, the District may add a reasonable fee payable by the Customer to cover the District's cost when a collection agency is used to collect outstanding debts owed to the District by the Customer. The amount to be paid for collection services shall not exceed fifty percent (50%) of the first one hundred thousand dollars of unpaid debt and thirty-five percent (35%) of the unpaid debt over one hundred thousand dollars, except that in cases of unpaid debts of less than one hundred dollars the minimum fee shall not exceed one hundred percent (100%) of the unpaid debt.
- C. Customer notification of an existing debt and possible assignment to a collection agency will be attempted at least thirty (30) days prior to assignment of the debt.

SECTION 23 – ELECTRONIC DISCONNECT COLLAR:

The District reserves the right to install an electronic disconnect collar and assess the related charge on any service that requires collection action or actions related to safety.

SECTION 24 – CANCELLATION OF CONTRACT BY CUSTOMER:

To cancel an electric service contract, the Customer must notify the District of the requested disconnect date and provide a forwarding address for their final bill. Until the District receives such notification, the Customer is responsible for all energy use.

Cancellation for customers receiving service under Special Contracts is governed by the terms of said contract.

SECTION 25 – REQUEST FOR PUBLIC RECORDS:

A Request for Public Records Form is available at the District's Main Office. The completed request is sent to the District's Auditor who will respond to the Customer within five business days by either: (1) providing the records, (2) providing a reasonable estimate of the time required to respond, or (3) deny the public record request or explain why the requested records will not be provided. The District reserves the right to assess a cost per copy of public records as noted on the Schedule of Fees (Attachment 1).

SECTION 26 – LIABILITY FOR VIOLATING PROVISIONS OF THIS POLICY:

Any person violating any of the provisions of this Policy may be prosecuted in accordance with the law and, in addition to the penalty determined by the Court, the electric service of any persons found guilty of violating the provisions of this Policy may be disconnected and the person violating shall be liable for all damage and expenses incurred by the District.

SECTION 27 – VALIDITY:

If any Section or any part of a Section of this Policy is for any reason held to be unconstitutional or void, such invalidity shall not affect the validity of the remaining Sections of this Policy.

Supersedure: This policy supersedes any previous policy or resolution or District action that is contrary to or otherwise conflicts with the provision of this Policy or the General Terms and Conditions Applicable to Water Service.

EFFECTIVE: October 1, 2009

ADOPTED this 29th day of September, 2009 by the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington.

Edward M. Piper, President

Mark McCrady, Vice President

Merritt H. Ketcham, Secretary

Attachment 1: Definitions and Schedule of Fees

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CUSTOMER SERVICE AND CREDIT/COLLECTIONS POLICY

ATTACHMENT 1

DEFINITIONS AND SCHEDULE OF FEES

DEFINITIONS OF TERMS:

The following terms, used in policies or in any electric rate schedules publicized by the District or in applications or agreements for electric service, shall have the meanings given below unless otherwise clearly stated:

Applicant: The person(s) applying for service.

District: Public Utility District No. 1 of Cowlitz County, Washington.

Manager: The duly appointed General Manager of Public Utility District No. 1 of Cowlitz County, Washington.

Customer: The end-use consumer of utility service and the party who will pay for their services which includes any individual, partnership, corporation, organization, governmental agency, political subdivision, municipality, or any other entity supplied with electric service by the District at one location.

Electric Service: The making available of electric energy at the Point of Delivery for use by a customer, irrespective of actual energy usage by the customer.

Rate Schedule: A list of effective rates and charges as established and amended from time to time by the Commission of the District.

Residential Service: Provision of electric service for household purposes.

Point of Delivery: Unless otherwise designated by Special Contract, the Point of Delivery shall be at the Point of Interconnection to the customer's electric facilities regardless of the location of the District's meters, transformers or other apparatus.

Point of Interconnection: The point where the District's facilities are attached to the customer's electric facilities.

Energy: Electric energy, measured in kilowatt-hours (kWh).

Maximum Demand: The highest 30-minute average rate of delivery of electric energy during a billing period, expressed in whole kilowatts (kW) provided that, in the case of special loads which are highly fluctuating or of short duration, the District, at its discretion, may use an interval less than 30 minutes.

Power Factor: The ratio of kilowatt-hours to kilovolt-ampere-hours, expressed as a percentage, leading or lagging.

Month: An interval of approximately 30 days.

Billing Period: An interval of one or two months, depending on the interval between successive meter reading dates as established by the District.

Special Contracts: Contracts entered into pursuant to Section 7 of the Customer Service Policy.

SCHEDULE OF FEES:

Account Service Charge	\$20.00
Application for New Electric Service	\$100.00
Application for New Backbone System (per lot, 1 st ten lots)	\$100.00
Residential Deposit – For Customers without prior service with the District	\$100.00
Security Deposit - Determined by Usage at Location Estimate of two highest months' bills for electric service in a 12-month period but not less than the Residential Deposit amount. No interest paid on deposits.	
Connect Fee for Landlord Agreements with Power off Between Tenants	\$35.00
Notice of Pending Disconnect	\$10.00
Disconnect Charge	\$40.00
Electronic Disconnect Collar	\$205.00
Crew Sent to Disconnect/Reconnect Service (After 3:00 PM or Due to Safety or Lack of Access)	\$150.00
Tampering with Meter or Other District Facilities (Each occurrence) Service Rep., crew, meter costs, disconnect collar	\$650.00
Insufficient Funds Fee	\$40.00
Meter Test – Single-Phase	\$30.00
Meter Test – Three –Phase	\$50.00
Cost per Copy for Response to Public Records Request	\$0.15
Temporary service – less than 100 Amps, with permanent future customer	No Charge
Temporary service – less than 100 Amps, no new customer	\$50.00