

Policy Bulletin No. 7

Credit Sales - Collections/Charges and Adjustments

I. Objectives

- A. To provide objectives and guidelines for the conduct of the PUD's credit sales, collection activities, charges and adjustments.
- B. To provide policies and procedures whereby the PUD may manage its credit sales, collections, charges and adjustments in a manner that will assist in attaining the objectives.
- C. To provide basic standards whereby the PUD may, from time to time, evaluate the results of the administration of credit sales, collection, charges and adjustments policies and plans.
- D. To assure the consumer-owners that they are obtaining the best possible credit and collection services, and are being treated fairly and in an equitable manner with respect to credit, collections, charges and adjustments.
- E. In case of conflict between any provisions of the rate schedules, and service policies, the provisions of the rate schedule shall apply.

II. Long Range Sales, Collections and Service Charges

- A. By the very nature of its utility operation, it is inherent that the sales and business of the PUD be conducted on a credit basis.
- B. The Board of Commissioners of the PUD has carefully reassessed and reevaluated the financial condition of the PUD in relation to long-range credit sales objectives. With due regard to other considerations, it is in the best interests of the PUD to endeavor to hold credit losses to not more than 0.25 percent of total sales. It is inherent in the nature of utility operations that such a ratio will vary up or down in particular years. It is, therefore, the intent that the average ratio of losses shall be sought, not in respect to each particular year, but for the full range of all years.

III. Customer Information

- A. With the elimination of signed agreements between KPUD and its customers, more detailed information is required to help verify customers' identity when they contact us and to aid in the collection process.
- B. Customer Service employees are required to collect the names of all responsible parties, the Social Security Numbers, dates of birth of said customers and their employer or income source.

1. If customers refuse to provide the above listed information, then KPUD may accept driver's license information which will be physically verified in the office, a deposit will be required, and the customer may not use other security options.

C. Business accounts shall require tax identification numbers and an individual's name and social security number.

IV. Security Deposits

A. New customers will be required to pay a security deposit in advance of connection of service.

B. Existing customers may be required to pay a security deposit, if a poor payment pattern has been established.

C. Existing customers will be required to pay a security deposit under the following circumstances:

1. Bankruptcy - The customer's previous bill from Klickitat County PUD has been discharged in bankruptcy (subject to the 14-year limit of S 605 (a) (1) of the Consumer Credit Protection Act).

2. Assignment of Collection - The customer has not paid a previous bill, and the PUD has assigned said account to a collection agency (subject to the 7-year limit of S 605 (a) (4) of the Consumer Credit protection Act).

3. Previous Unpaid Balance - The customer has an unpaid bill at another location and refuses to make payment or to make satisfactory arrangements on the previous balance within a reasonable period of time.

4. Previous Unsatisfactory Payment Record - The customer's previous record has not been satisfactory. In evaluating a customer's payment record the following point system will apply. If a customer accumulates 3 or more points at any and all locations within the most recent consecutive 12-month period, a security deposit will be required.

Point System:

Final Notice	1 point
Returned Check	1 point
Collection Call	2 points
Meter Disconnect non pay	2 points
Service disconnect non pay	2 points

5. Misrepresentation of Identity - The PUD learns that the customer has misrepresented their identity to avoid payment of an outstanding bill.

6. Additional Deposit – The first time a customer is turned off for non-payment a deposit is required. Subsequent disconnects for non-payment will result in an additional \$25.00 deposit, to be paid before reconnection, until maximum deposit limit is reached.

D. Residential Customers (Rates 1000 and 1001)

1. Minimum deposit requirement - \$ 150.00
2. Maximum deposit requirement - \$1,000.00
3. Deposit - The deposit shall equal the maximum billing for the highest 2-month period.
4. New location - The deposit will be \$200.00, or an amount may be estimated by the PUD.
5. In Lieu of Deposit:
 - a) Credit report – In response to the Federal Government’s Red Flag regulations KPUD runs an identity check / credit worthiness check on all new customers. If the customer’s history is reported as excellent, the deposit requirement will be waived.
 - b) Cosigner - A cosigner may guarantee a new residential customer's account in lieu of a deposit if the following criteria are met:
 - (1) The cosigner must have a current account with the PUD.
 - (2) The cosigner's account must have been established for a period of at least 2 consecutive years, and the last 18 months showing a good payment record with no collection notices or action.
 - c) Prepayment of an amount equal to the annual maximum estimated power bill will be accepted in lieu of a deposit.

E. Small and Medium General Service Customers (Rate 1030 - 1035)

1. Minimum deposit requirement - \$200.00
2. Maximum deposit requirement - the highest 2 month period.
3. New customers - A customer who has not had service in a General Service account will be required to pay a security deposit or guarantee payment.
4. New location - For a new location the deposit will be \$200.00, or the PUD may estimate an amount.
5. Existing customers - If a poor payment pattern has been established, existing customers will be required to pay a security deposit.
6. Deposit - The deposit shall equal the maximum billing for the highest 2-month period.

F. Irrigation or Large General Service (Rates 1036 - 1052)

1. Deposit
 - a) Minimum deposit requirement is \$500.00
 - b) Maximum deposit requirement - the highest 2 month period.

2. New customers - A customer who has not had service in an Irrigation or Large General Service will be required to pay a security deposit or guarantee payment.
3. Existing customers - If a poor payment pattern or credit rating has been established existing customers will be required to pay a security deposit.
4. New location - For a new location, the amount may be estimated by the PUD.
5. Payment Guarantee
 - a) Prepayment - Annual prepayment of an amount equal to the annual maximum estimated power bill.
 - b) Performance Bond - Purchase of a performance Bond in an amount equal to the maximum estimated annual power bill.
 - c) Letter of Credit - Submission of a Bank Letter of Credit guaranteeing payment of the customer's maximum estimated annual power bill.
 - d) Municipal Documentation - Submission of documentation to the PUD verifying that the customer is a Municipal Corporation of the State of Washington.
 - e) Disconnect for Non-payment - Any Irrigation or Large General Service account disconnected for non-payment with the account continuing unpaid for a period of 30 days or longer will require a security deposit, in addition to payment in full prior to reconnection of the service.
 - f) Collection action on irrigation accounts may differ from other collection routines because of the signed land binding contracts on irrigation accounts.

6. Duration

Once collected, a deposit/payment guarantee shall remain with KPUD until the account is closed, or until it is released by the Board of Commissioners.

G. Payment of Security Deposit

1. When a customer is unable to pay the entire amount of deposit in advance of connection or continuation of service, the customer shall be allowed to pay fifty percent (50%) of the deposit amount prior to service connection or continuation.
2. The remainder of the deposit will be added to either the next statement, or divided equally onto the next two statements.

H. Disconnection for Non-Payment of Deposit

1. The PUD shall provide the customer with notice of the security deposit and of the fact that the customer must pay the security deposit in cash, or make arrangements for payment satisfactory to the PUD.
2. The notice shall either be mailed to the customer by first-class mail or left at the door, advising the customer that they have the right to an informal conference with the PUD's credit department to review the deposit requirement and the possibility of making arrangements for payment.
3. If the customer fails to pay the security deposit in cash, or to make satisfactory payment arrangements within 7 days of the PUD mailing of the written notice, the PUD may disconnect the utility service(s).

4. The customer shall have the right to appeal the determination of the informal conference to the utility hearing officer, as outlined in this policy. Appeal procedures set forth in this policy shall be applicable to the security deposit as well as for all accounts of the PUD.
 5. In lieu of the above disconnection notification, the PUD has the option to disconnect the electricity and/or water without any further notice, if a payment agreement between the customer and the PUD was not paid as agreed.
- I. Refund of Deposit
1. If a customer does not accumulate more than 1 final notice or any collection points, as previously described, during the 12 month period following the PUD's receipt of the deposit in full, the PUD will refund the deposit on the customer's account at the end of the 12 month period.
 2. Whenever service to a customer of the PUD has been discontinued, the PUD shall refund to the customer the amount of any deposit the customer may have with the PUD, less any sums the customer may owe on the account(s).
- J. Adjustment of Deposits - If a customer with a deposit takes service at another location, the PUD may adjust the amount of the deposit based on history at the new location.
- K. Application of Deposit - At its discretion, the PUD may apply the security deposit toward payment of past due accounts and charges.
- L. Special Service - The PUD may require appropriate cash advance as security for special services such as special work orders, line extensions, etc. The amount required may not exceed the reasonable anticipated costs of the PUD in providing the service and/or materials.
- M. Interest on Deposits - Simple interest, at an average rate based upon the state investment pool for the previous year from the date the deposit is paid in full to the refund date, will be credited to the account along with the deposit refund.

V. Billing

- A. Bills - Bills will be rendered monthly and are due and payable upon receipt. Failure to receive a bill will not release the customer from the obligation of payment.
- B. Rate Schedules
1. All rate schedules are special rate schedules and apply only to a specific type of load or usage or a combination thereof. To receive service under any rate schedule it is necessary to meet all of the qualifications for that particular schedule.
 2. When a customer establishes a new service, the PUD will make a determination as to the appropriate rate schedule to which the service shall be assigned. However, changes in consumption or in ways the service is used, or changes in the rate schedules may make the account eligible for another rate schedule.
 3. Before the first billing cycle in January every year all General Service accounts will be reviewed to determine, based on the previous 12 months of kWh history, the

appropriate rate schedule. If a change is required, the customer will be notified by mail.

4. The customer shall be responsible for requesting a change of rate schedule in the event the account may be more economically serviced by a rate schedule for which the account is eligible.
 5. The PUD retains the right to determine the eligibility of an account for specific rate schedules.
- C. Meter Reading Cycle - Bills will be designated to a month or season, based on whichever month or season contains the majority of the days in the reading cycle. For example, an irrigation meter read on June 25th and again on July 25th will be calculated using the July rates.
- D. Pro-rating
1. If service is not connected more than 7 days before the route reading date, a bill for usage for this period will not be rendered, but these usages will be included with the next regular billing.
 2. The opening and closing bill for a fractional billing period will be calculated on the basis of a 30 day period and pro-rated for the fractional period on the basis of the ratio that such fractional period bears to the 30 days.
- E. Estimating Usage - If for any reason a reading cannot or is not obtained for any particular period, the billing may be based on an estimated energy use and demand. However, the billing will be subject to later correction.
- F. Tax Adjustments - The amount of any and all revenue, kilowatt hour, or other form of tax imposed by any municipality, county, federal, state property therein, revenue, or income of any part of the PUD may be apportioned by the Board of Commissioners of the PUD according to the territory in which such tax or taxes may be effective and amongst the various classes of service furnished therein and shall constitute an additional charge to any amounts which may be billed to any customer under any rate schedule or special contract.
- G. Interest Charges - If payments are not received within 25 days of the bill date customer will be charged at the rate of 1 percent per month on past due balances.
- H. Write-offs
1. Step One – When an account is turned over to a collection bureau.
 - a) After an account has been disconnected and no action (payments/arrangements) has been recorded for two months, the account will be turned over to a collection bureau at the earliest convenience of KPUD.
 - b) When an account is turned over to a collection bureau, this does not prevent KPUD from collecting on the account.
 - c) KPUD accounts turned over to a collection bureau will be subject to a collection fee of 45%.

2. Step Two – When an account is moved to the “write offs” listing.
 - a) A list of accounts to be written off, consisting of accounts that were turned off the previous calendar year and on which no regular payments have been made since that time, will be prepared for board approval.
 - b) The write-off list will be presented for board approval at the last scheduled commission meeting of each year and will be attached to the minutes for said meeting.
3. Accounts that are written off are forever due and payable. A customer whose account has been written off must pay the old balance in full as well as half of the current deposit, before being reconnected. Interest will be assessed to those accounts written off seven years or less.

I. Budget Payment Plan

1. The Budget Payment Plan is an option offered for the customer’s convenience. If a customer does not stay current on the plan, or chooses to make payments outside the plan parameters they may be removed from the plan and their account will become due and payable on its regular collection cycle.

VI. Meter Reading / Meters

A. Meter Reading

1. Meters shall be read monthly, weather permitting. The PUD will, as nearly as possible, schedule the reading of meters on the same cycle date, but because of holidays, Saturdays, Sundays and the difference in the length of months, a five-day variance may occur.
2. In rural areas established as "customer read meters", it is the customer's responsibility to read the meter on schedule and return the meter reading on the payment stub or by phone or internet.
3. If for some reason the customer is unable to read the meter for 3 consecutive times, the PUD may read it and add a \$25.00 meter reading charge to the account.
4. When a change of occupancy or of legal responsibility takes place on any premises being served by the PUD, notice of such change shall be given within a reasonable time, prior to such change. The out-going customer will be held responsible for all service supplied until such notice has been received by the PUD.
5. The PUD reserves the right to read the meter for a final bill within a two working day period from the time requested by the customer.

B. Meters

1. PUD Owned Meters

a) Testing

- (1) The PUD will, at its own expense, make tests and inspections as required on its meters to insure a high standard of accuracy.

- (2) The PUD will make one electric meter test per year upon a customer's request for a \$35.00 fee.
- (3) Water meters will be tested at the customer's expense for the total amount of time and materials involved.
- (4) If the meter is found to exceed the 2 percent limit plus or minus, the bill may be adjusted accordingly for the preceding six-month period, and no charge will be made for the testing.

b) Meter Seals

- (1) Whenever the PUD discovers a broken meter seal, the PUD will, at their own expense, change out the meter at the service location one time per year (twelve-month period).
- (2) Additional replacements of meter seals on one account during a 12-month period will be performed at the expense of the customer. The fee of \$35.00 will be billed to the customer's electric account for the meter test.

2. Additional Meters - Should the customer desire the installation of additional meters other than those necessary to adequately measure the service taken by the customer, such additional meters shall be provided, installed, and maintained by the customer at their own expense.
3. Time of Use Metering - A charge shall be made to the customer at the time of installation of a time of use meter to assist in covering installation and equipment cost.

VII. Payment of Bills

All PUD bills are due and payable when issued, and unless otherwise specified in the billing, become past due 15 days after issuance.

A. Informal Conference

1. A customer who disputes the amount of their bill, or is unable to pay the full amount due to temporary financial difficulties shall have the right to an informal conference.
2. This conference will be held with designated employees in the PUD's credit department on any business day prior to the date shown on the disconnection notice.
3. The designated credit department employees shall have the authority to make arrangements with the customer for the deferred payment schedule of their particular bill.
4. The designated credit department employees shall also have the authority to review and recommend adjustments concerning the amount of the bill.
5. Decisions concerning the adjustments of the disputed bills shall be made by supervisory personnel designated by the Manager.

B. Temporary Financial Difficulties

1. Deferred Payment Program

- a) The designated credit department employees shall make every effort to arrange a reasonable and feasible deferred payment program for a customer with a bona-fide temporary financial difficulty making it impossible to pay the full amount of the current bill.
- b) The deferred payment program shall be based upon a number of factors including the size of the delinquent account, the time the bill has been owed, the payment history and other relevant factors presented by the customer.
- c) The PUD shall not be required to enter into a deferred payment program arrangement with a customer who has not fully and satisfactorily complied with the terms of a previous arrangement.
- d) In evaluating whether the financial difficulties of a particular customer are "temporary", the credit department employee may consider the credit history of the customer as well as other appropriate factors.
- e) A customer who has been financially unable to pay a bill on numerous previous occasions may be considered a repetitive credit problem and said customer's financial difficulties may not be considered to be temporary.

2. Program Procedure

- a) The customer may appear in person in the PUD's office in White Salmon or Goldendale, or may confer by telephone.
- b) Informal conferences shall take place during normal business hours, Monday through Friday, except holidays.
- c) The customer may be represented by counsel of their own choosing.
- d) The customer shall be entitled to present their position to the PUD's designated employee.
- e) The PUD shall advise the customer of the reasons behind the PUD's determination.

3. Customer Appeal - If the customer is not satisfied with the determination of the PUD's designated credit department employee concerning their request for arrangements, or of the supervisory personnel concerning the disputed bill, the customer shall have the right of appeal to the PUD's hearing officer.

C. Disconnection Notice

1. In the event the customer has not paid their bill or made satisfactory arrangements with the PUD within 25 days of the billing date, the PUD may send a disconnection notice to the customer by first-class mail.
2. Normally 7 days will be allowed prior to physical disconnection.

3. A \$10.00 charge will be added to the customer's account on this collection action.
4. The disconnection notice shall contain the following language:
"Our records show your bill amounting to \$_____is still unpaid. If you are unable to pay the full amount at this time, or if you dispute the amount, you have the right to an informal conference. You may call or have an informal conference at the PUD Office.

For more information concerning your rights and the PUD's policies, read the enclosure. Unless you pay the full amount due or make satisfactory payment arrangements with the PUD before _____, your utility service will be disconnected. Service will be restored upon payment in full of your past due account plus reconnection charges as follows: \$_____ during regular hours, or \$_____ during other hours."

5. The PUD shall include the following information with each disconnection notice. This information shall explain in detail the PUD's credit and disconnection policies and the customer's rights including:
 - a) Informal Conference - The customer's rights to an informal conference to adjust a disputed bill or to work out a deferred payment agreement.
 - b) Appeal - The customer's right to appeal the outcome of the informal conference to a hearing officer.
 - c) Procedures - The procedures for the informal conference and the appeal.
 - d) Specific Rights - Including inspection of PUD's records regarding customer's account during regular business hours; to question specific PUD employees; to present independent evidence; and to be represented by an attorney, relative or friend.
 6. In lieu of the above disconnection notification, KPUD has the option to disconnect the electricity and/or water with a 24-hour door hanger if the payment agreement between the customer and the PUD was not paid as agreed.
- D. Customer Appeal - The customer shall have the right to appeal from the determination of the informal conference to a utility hearing officer.
1. Utility Hearing Officer - The utility hearing officer shall be a management level employee and shall be selected by the Commissioners, for the purpose of hearing appeals. Such individual should not be connected with the credit department and may have other responsibilities and duties for the PUD in addition to serving as hearing officer.
 2. Notice of Appeal - Any appeal by a customer must be made to the hearing officer within 72 hours of the determination of the informal conference. The appeal must be made in writing to clarify the problem.
 3. Hearing Procedure
 - a) The customer shall have the option of a personal hearing before the hearing officer in the PUD's main office, or alternatively, a telephone conference call with the hearing officer and the appropriate PUD personnel. (Monday through

Friday, except holidays), and within 7 days of the determination of the informal conference.

- b) If the customer requests, the hearing officer will produce a record of the proceedings. The customer may provide, at their own expense, a court reporter, or supplemental means of providing a record.
- c) The customer shall have the right to counsel.
- d) The customer shall open the hearing with a statement of the nature of their appeal and shall present whatever the customer deems relevant.
- e) The customer shall have the right to examine the records of the PUD relating to their account.
- f) After the customer has completed presenting their appeal, the appropriate PUD personnel shall provide the PUD's position.
- g) The customer shall have the right to rebuttal.

4. Written Decision

The hearing officer shall provide the customer with a written decision setting forth:

- a) The nature of the customer's appeal.
- b) The decision of the hearing officer.
- c) The reasons for the decision of the hearing officer.
- d) The written decision shall either be hand delivered to the customer following the hearing or it shall be sent to the customer by first-class mail within 5 working days.
- e) If the customer wishes to appeal the decision of the hearing officer they may appear before the Board of Commissioners to present their case.

5. Disconnection During Appeal - Service will not be disconnected while an appeal is pending, provided that the customer has complied with the above procedural requirements.

6. Customer Compliance

- a) The customer shall have 3 days following receipt of the written decision of the hearing officer to comply with the terms and conditions of the decision.
- b) If the customer fails to take the action required by the hearing officer, including the payment of a past due bill or if he/she refuses to accept receipt of the hearing officer's decision, the PUD may disconnect service without further notice to the customer.

E. Door Knob Disconnection Notice

1. Upon disconnection a notice shall be left with the customer personally, if possible, or upon the doorknob. This notice shall contain the following language: "For

information regarding restoration of service please get in touch with the PUD's credit representatives at the PUD office."

2. A 24-hour disconnection option is acceptable notice for disconnection of non-payment.
- F. Utility Shutoff Moratorium - Current State law prevents PUD's and other utilities from shutting off electric service for residential space heating for a specific time period, established in the legislation, if a customer meets conditions established in the legislation.
- G. Payment Received Date - Payments made to the PUD's pay stations or made by mail after the disconnection notice has been mailed from the PUD shall not prevent disconnection of the delinquent account, unless such payments are received at a PUD office prior to the date of scheduled disconnection as stated on the disconnection notice, or on the written decision of the hearing officer.
- H. Collection of Unpaid Accounts - The PUD may employ any and all reasonable methods for collecting unpaid accounts including assignment to collection agencies or direct suit against the delinquent customer.
- I. Insolvent Accounts
1. If the PUD believes a customer is insolvent, is in financial difficulty, or considering bankruptcy, the PUD may take appropriate action to secure payment of previous and present charges for electric service.
 2. Such action may include:
 - a) Obtaining an adequate security deposit.
 - b) Collecting payment personally on a daily or weekly basis.
 - c) Such other actions as the Customer Services Manager feels necessary and reasonable under the circumstances.
 3. All bills for miscellaneous materials or services, other than electric service, may be transferred and added to the utility bill of the consumer 30 days after the date of the bill, if still unpaid. Normal collection procedures for utility service bills shall apply thereafter.
- J. Transfer of Previous Unpaid Accounts
1. If the PUD has reason to believe that any present or former customer owing the PUD unpaid charges for utility services previously rendered is receiving utility service through any account in their name, or in the name of any other person not their parent or legal guardian, and not a bona fide leaser of premises for a specified amount of rent which includes utility service charges without specification of same separate from rent, the PUD may transfer the amount owed, plus any accrued interest thereon to the account through which they are currently receiving service.
 2. This account will be chargeable for the transferred amount as if the amount had been incurred as usage thereon.
 3. In regards to the total of usage and transferred amounts owing, this account shall be subject to the provisions of these policies relating to deposits or other security

payments, nonpayment, delinquency and disconnection.

4. The PUD may apply any payment received from the present or former customer toward the customer's transferred balance, if the customer has not paid the transferred balance, made arrangements with the PUD for payment of the transferred balance or has not made the payments set forth in the arrangement for payments.
5. The PUD, upon learning of an unpaid balance, shall notify the customer in writing of said unpaid balance including the dates and location of the service, the PUD's policies concerning transferred balances, and the possibility of disconnection of service.

K. Charges

1. Account Set Up Fees

Single Utility Service - \$25.00
Multiple Utility Service - \$40.00

- a) An account set up fee is due with each service connection request, and the customer is to be advised of the fee.
- b) Where separate applications are taken for service billed on different account numbers at the same address, an Account Set Up Fee is to be applied to each account, unless it has been separated for the PUD's convenience.
- c) In cases where the PUD furnishes more than one utility service (electricity-water-sewer) to a premise, one Account Set Up Fee will be due.
- d) The following services are excluded from an account set up fee:
 - (1) Name changes involving conditions where a wife assumes her husband's account, or where a husband assumes his wife's account
 - (2) A name change used to change the account of a customer into the name of an estate
 - (3) An owner or agent having a signed landlord agreement and assuming temporary responsibility for service while the premise is vacant
 - (4) A connection requiring a hook-up of service at a point other than the meter and is covered by a different charge
 - (5) Initial meter installation of service to a premise.
 - (6) An account disconnected for non-payment and reconnected subject to a re-connection charge.

2. Hook-Up Charge

- a) A \$35.00 hook-up fee will be due whenever an electric single utility service has been disconnected at a point other than the meter.

- b) A \$45.00 hook-up fee will be due whenever the electric portion of a multiple utility service has been disconnected at a point other than the meter.
3. Reconnect Charge/After Hours Connect Charge
- a) When service has been disconnected for noncompliance with the service policies, for non-payment, or for fraudulent use, the service will not be reconnected until the situation requiring such action has been corrected to the satisfaction of the PUD.
 - b) Customers should be advised at all times that the following charges will be made for reconnection:
 - (1) Between the hours of 8:30 a.m. through 4:30 p.m., Monday through Friday, except holidays:
 - (a) \$30.00 - Disconnect at the meter.
 - (b) \$40.00 - Disconnect at any point other than the meter.
 - (2) Between 4:30 p.m. through 9:00 p.m., Monday through Friday, except holidays:
 - (a) \$70.00 - Disconnect at the meter.
 - (b) \$80.00 - Disconnect at any point other than the meter.
 - (c) Other hours - \$200.00.
4. Return Payment Charge - A \$30.00 accounting service charge may be made to any utility service account for which payment has been received by check, automatic draft, automatic fund transfer, credit or debit cards and the payment is subsequently returned to the PUD for any reason.
- a) Customers will be notified in writing of the returned payment and given 5 business days to cover the payment, or the account is subject to disconnection without further notice.
 - b) If the returned payment was originally issued to prevent disconnection for non-payment, a door hanger for 24-hour disconnection notice for the amount of the returned payment and the \$30.00 returned payment fee may be hung, and the account disconnected the following day.
 - c) If the PUD receives 3 returned payments on the same customer within a 12-month period, customers will receive written notification that the PUD will accept future payments in cash, money order or cashier's check only.
 - d) If the PUD receives a credit card dispute alleging fraud, the PUD will investigate transaction. The customer may be given written notification that the PUD will accept future payments in cash, money order or check only.
5. Collection Charge - A \$30.00 collection charge will be made whenever a collection trip is made but service is not disconnected.
6. Meter Tampering Charge – A minimum charge of \$200.00 will be added to a customer's bill when their meter has been tampered with.

VIII. Billing Corrections and Adjustments

A. Definitions

1. Correction

- a) A Correction is a change made to an account to correct an error. A Correction is requested and implemented by the Customer Service Department and is not limited in amount. If an account needs to be corrected, it is the obligation of KPUD to do so.
- b) Examples of a correction include, but are not limited to: corrected meter readings, in/out dates, rate schedules, and meter dials.
- c) A correction may be brought to the attention of the General Manager and/or Board of Commissioners, as a matter of information, however, the Customer Service Department is not required to do so.

2. Adjustment

- a) An Adjustment is a change made to an account due to a customer dispute or disagreement.
- b) Adjustments under \$250.00, such as reversing a final notice or penalty charge, may be made by the Customer Service Department without prior authorization.
- c) Adjustments of \$250.00 up to \$3,000.00, such as disputed dates and/or disputed responsible parties, must be approved by the General Manager.
- d) Adjustments of over \$3,000.00 must be approved by the Board of Commissioners.

3. Estimate Usage Adjustment

- a) As discussed under Section V- Billing/ Subsection E- Estimating Usage, if for any reason a reading cannot or is not obtained for any period, the billing may be based on an estimated energy use and demand. This results in estimate adjustments when actual reads are received. Estimate adjustments are neither a correction nor an adjustment, but an acceptable method for billing usage.

B. The General Manager has the flexibility to authorize billing adjustments up to \$3,000.00, when:

1. There is reason to believe that the PUD may have or share in fault or responsibility on the disputed matter.
2. The customer has presented a feasible argument for a reduction or sharing of costs.

3. It can be demonstrated that the accommodation reached is in the best financial interest of Klickitat PUD.
4. Customer relations will be enhanced or maintained through mutually agreeable resolution of the disputed matter.

C. Procedure

1. When an error in billing favors the PUD, the bill will be adjusted accordingly to collect the unpaid amount for up to 3 years prior to the date of the revised billing.
2. When an error in billing favors the customer, the bill will be adjusted accordingly to credit the customer from the time the error started through the time the error was corrected.
3. In cases where the PUD could not reasonably have known about the error (such as an unknown connection, or a defectively manufactured meter), the bill will be adjusted to collect the full amount owing.
4. No interest penalty will be charged.
5. When it has been determined that the meter has been tampered with or willfully altered so that the meter is read incorrectly, this item does not apply. Such a case is covered under Theft of Power.

IX. Customer Service Disruption/Service Problem

- A. If the customer's electric service fails, they shall endeavor to determine if fuses have blown, breakers tripped, or their equipment is at fault, before calling the PUD.
- B. If the customer's water/wastewater service fails or has an obvious problem, they shall endeavor to determine if the problem is in their equipment or if their equipment is at fault, before calling the PUD.
- C. If a service person is sent out at the customer's request, and it is determined that the customer's equipment is at fault, the following charges will be made:
 1. Regular working hours - \$30.00.
 2. Outside regular work hours - \$120.00, or the actual cost of labor, transportation and overhead charges may be made.

X. Theft of Power

- A. In the event of power theft, the PUD will require the customer to pay all charges including, but not limited to, usage, and damages to PUD property and costs associated with the theft investigation. The PUD will notify appropriate authorities of the power theft.
- B. If utility service had been consumed and not metered, the usage may be estimated based on previous account history or an amount may be estimated by the PUD

XI. Mailing and Receiving PUD Communications

- A. All correspondence, bills and notices relating to items covered by these policies shall be sent by first-class mail except where specifically provided otherwise.

- B. Such communications may also be delivered personally.
- C. Customers shall provide proper mailing addresses and means of receiving mail. Failure to do so shall render the service subject to disconnection under the notice, disconnection and appeal provisions set forth above.

XII. Responsibility

- A. The Board of Commissioners shall be responsible for any changes or revisions of this policy and plan.
- B. The General Manager shall be responsible for the administration of this policy and plan, and for making recommendations or necessary or required changes.

Originally Adopted: October 8, 1991

Revised: 5/24/94, 4/11/95, 1/23/96, 9/23/97, 7/14/98, 3/9/99, 5/25/99, 6/25/99, 7/13/04, 1/10/06, 2/27/07, 3/23/10, 6/14/2011, 6/28/2016, 02/27/2018, 5/28/2019

_____/S/
Dan G Gunkel, President

ATTEST:

_____/S/
Douglas B. Miller, Vice President

_____/S/
Randy L. Knowles, Secretary