

Fort Payne Improvement Authority
Services Practices Policies
Schedule of Rules and Regulations

1. Deposit

- A. The Fort Payne Improvement Authority shall require the Applicant or Customer to place on deposit, with the Fort Payne Improvement Authority, an acceptable security deposit as established below as a guarantee of payment for utility services used where as such amounts of cash placed on deposit as defined shall secure the Fort Payne Improvement Authority from significant financial losses resulting from the non-payment of utility bills.

- B. The following services security deposit requirements shall be required of any and all persons, businesses or other entities that will obtain and secure services from the Fort Payne Improvement Authority.

- C. For the purpose of this policy, “acceptable security” will mean:
 - 1. An open ended irrevocable letter of credit from a Chartered American Bank or Credit Union for Non-Residential consumers only; or
 - 2. Payment by cash, check money order, or security bond for residential or non-residential consumers.
 - 3. The credit rating shall be based upon the customer’s or applicant’s credit history with the Fort Payne Improvement Authority and as reported by a general accepted credit reporting agency.

2. Security Deposits

- A. Residential:
 - 1. All residential property shall be subjected to the following utility service security deposits, but shall not exceed twice the highest monthly bill:
 - a. \$ 60.00 for a customer or applicant with good credit;
 - b. \$ 200.00 for a customer or applicant with fair credit;
 - c. \$ 300.00 for a customer or applicant with bad credit;

- d. \$ 400.00 for a customer or applicant with an outstanding bill;
- 2. All Commercial, Industrial, and all other Established Except Residential Property:
 - a. All commercial, Industrial, and other establishments with the exception of residential property shall be subjected to utility service security deposits based on two (2) times the average utility bill for the same or similar business during the immediate preceding twelve (12) months. The calculation shall be as follows to determine:

Deposit = (Average Monthly Bill as Same Business Utility Bill for preceding twelve (12) months times 2.

- b. When actual billings for a comparable business are not available to establish the deposit for a commercial or industrial connection, Fort Payne Improvement Authority shall estimate the needed two (2) month utility consumption and anticipate billing based on information provided by applicants.
- 3. The Fort Payne Improvement Authority reserves the right and authority to require customers with a history of past delinquency with Fort Payne Improvement Authority, a poor credit rating as evident by a credit report, bankruptcy and/or any other circumstances which places the Fort Payne Improvement Authority at financial risk, to provide a maximum deposit of not more than two (2) times the customer's highest monthly bill.
- 4. Utility service shall not be granted until such time that a deposit is made.
- 5. All security deposits shall remain with the Fort Payne Improvement Authority until the termination of said utility service with neither express nor imputed payment of interest on said deposits as retained. Deposits greater than one month average bill and retained longer than twelve (12) months shall earn interest at the rate of the Fort Payne Improvement Authority's pass book savings account and paid annually. The deposit balance including earned interest is accounted for in order to credit the customer's account. Deposit balance (including interest) and adequacy is subject to review by the customer and the Fort Payne Improvement Authority.
- 6. Application of deposits to Delinquent Utility Bills:

- a. In the event that an account becomes delinquent, the deposit or deposits may be applied against the account and the service shall be disconnected.
 - b. In the case of disconnection, service will not be reestablished until a new deposit is posted and the account is paid in full.
 - c. Should the deposit in part exceed the delinquency outstanding against all utility charges then due, then the remaining of the deposit is to be refunded to the customer.
 - d. Utility service will not be reestablished until such time as a new deposit is posted and the account balance is paid in full.
7. Refund of Deposit upon Service Termination:
- a. When a residential or commercial/industrial customer intends to vacate a property where utility service has been established, it is the customer's responsibility to notify the Fort Payne Improvement Authority of the need for a meter reading and final bill.
 - b. Upon notice of utility service termination, a final meter reading shall establish all charges for service then due.
 - c. The final utility bill will be due for payment. The customer may request that the security deposit and any earned interest be applied to the utility bill, any remaining funds will be returned to the customer.
 - d. Any and all charges on the final bill that exceed the deposit on reserve shall be the responsibility of the customer for payment.
8. The right to the deposit may not be assigned or delivered to any other person, and the right of refund is limited to the person making the deposit or to his or her heirs or fiduciaries.

3. Billing

- A. Bills will be rendered monthly and shall be paid 15 days from the date on the bill. Bills that are paid after the due date on the billing statement provided shall be subject to an additional charge of 5%. Payment will be required to be in the Fort Payne Improvement Authority business office by the due date to avoid late payment charges. Failure to receive a bill will not release a customer from its payment obligations. Should bills not be paid by the due

date specified on the bill, services may be discontinued as set out in the "Termination of Services" section herein. Should the due date fall on a weekend or a holiday, the next business day following the due date will be held as a day of grace for the payment to be received.

- B. Fort Payne Improvement Authority allocates payments over all unpaid charges, paying the older charges first. Absent a contractual arrangement, Fort Payne Improvement Authority does not allocate payments to include or exclude specific charges.
- C. If Fort Payne Improvement Authority receives a non-sufficient funds (NSF) notice or is unable to charge bill payment to the customer's account, the event will be considered as a NSF payment, and the customer will be charged according to the schedule of charges. (See Schedule of Charges.) Two NSF payment in a twelve (12) month period will disallow all but verifiable funds (cash, money order, bank cashier's check, etc.) payment for the following twelve (12) months.

Service charges established by Fort Payne Improvement Authority may be added to a customer's account to cover the cost of collection efforts in the processing of dishonored checks, hand-delivered notices by field representatives, and the disconnection/reconnection of services (See Schedule of Charges.)

- D. When an underbilling or overbilling occurs, Fort Payne Improvement Authority shall provide the customer with notice of the circumstances, period of time, and amount of adjustment. If the date of error can reasonably be established, the undercharge or overcharge shall be computed back to such date. If no date can reasonably be established, Fort Payne Improvement Authority shall refund or rebill for twelve (12) months of usage. In no event shall underbilling or overbilling be adjusted for a period of more than three (3) years usage.
1. Fort Payne Improvement Authority may waive under billing or rebillings when the cost to Fort Payne Improvement Authority of rebilling makes it uneconomical.
 2. When a customer is overbilled, Fort Payne Improvement Authority will refund the excess amount to the customer or credit the customer's account with the amount. When a customer is required to pay for an underbilling, the customer may enter into a time-payment agreement at Fort Payne Improvement Authority's discretion.
 3. Estimated readings are not considered undercharges or overcharges.
 4. This policy does not apply to theft, meter tampering or fraud.

4. Termination of Electric Service

- A. The Fort Payne Improvement Authority may discontinue electric service for the violation of any of the Schedule of Rules and Regulations or of the Schedule of Rates and Charges. The Fort Payne Improvement Authority also may discontinue electrical service to the customer for the theft of services or the appearance of theft on the customer's premise, for safety reasons or to be compliant with any state, city or county regulations that require disconnection for safety reasons. Any and all electrical services will be discontinued to customers with past due accounts except as provided in this rule. Payment in full (including late fee charges) will be required before service is restored.
- B. An additional deposit amount may also be required. The termination of service by the Fort Payne Improvement Authority for any reason in this rule does not release the customer from the obligation for any amounts due to the Fort Payne Improvement Authority, including the payment of minimum bills as specified in contracts.
- C. If payment is not received by the due date on the bill, the Fort Payne Improvement Authority may discontinue service 11 days after providing a separate written notice by mail to the customer of the electric service and the available rights and remedies to dispute the bill with the Fort Payne Improvement Authority, including the Customer Service phone number 256-845-0671. No further notice will be provided before electric service is disconnected.
- D. The Fort Payne Improvement Authority evaluates weather conditions daily at www.weather.com for Fort Payne, Alabama 35967. In the event the forecast temperature is expected to exceed 98 degrees Fahrenheit (F) or is expected to be below 32 degrees (F) on that day, the Fort Payne Improvement Authority will postpone the disconnection of service of residential customers scheduled for such disconnection due to non-payment. Where disconnection is postpone due to extreme weather

condition, the postponement will not extend beyond the extreme weather condition.

- E. Upon the approval of Fort Payne Improvement Authority's medical necessity form, disconnection of service will be postponed for 30 days to allow customers time to make payment or alternative shelter arrangements. The medical necessity form must be completed by a medical doctor or nurse practitioner licensed to practice in the state of Alabama certifying that the disconnection of electric service would create a life-threatening medical situation for the customer or other permanent resident of the customer's household. It is the responsibility of the customer to ensure that the Certificate of Medical Emergency form (which can be obtained at the Fort Payne Improvement Authority office, see attachment "B") has been approved by the Fort Payne Improvement Authority. A life threatening medical condition does not relieve a customer of the obligation to pay for electric service, including any late fees incurred or other applicable charges. The Fort Payne Improvement Authority will only grant this postponement for termination 1 times in a twelve month period unless otherwise approved by the General Manager. If full payment of the past due amount, including all late fees, is not received by the end of the 30 day postponement period, electric service will be disconnected without further notice.

5. Information to Customers

- A. Upon request by the customer the Fort Payne Improvement Authority will make available a customer's energy consumption data for the prior 12 month period.
- B. The Schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Fort Payne Improvement Authority and applies to all services received from the Fort Payne Improvement Authority, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this Schedule of Rules and Regulations together with a copy of the Fort Payne Improvement Authority Schedule of Rates and Charges, which was approved in a public Fort Payne Improvement Authority Board of Directors' meeting, shall be kept open to inspection at the offices of the Fort Payne Improvement Authority located at 115 Godfrey Ave SW, Fort Payne, AL 35967. Furthermore, the Fort Payne Improvement Authority will provide information regarding rates, service practice policies, and guidelines to customers via the website

www.fpia.com and information including brochures and print media will also be available in our office. A customer will also receive such information upon application for electrical service, and at any time upon request. All retail rate actions initiated by the Fort Payne Improvement Authority will be communicated to the public via advertisements in the Times Journal Newspaper.

Fort Payne Improvement Authority

Approved: Original approved by Timothy L. Shugart

(President)

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