

**M.J.M. ELECTRIC COOPERATIVE, INC.**

**SECTION III – MEMBERS AND CONSUMERS**

**Policy 5 Approved 10/25/2012**

**REVISED: 06/26/2014 07/25/2017 01/23/2020**

**PREPAID ELECTRIC SERVICE (PES)**

**PURPOSE**

The Cooperative's PREPAID ELECTRIC SERVICE (PES) program is a prepayment alternative to traditional electric service designed so that Members may receive electric service while paying for all electricity consumed. Traditional electric service is provided on the basis that the Member/Owner pays for it after using the service (post-paid service). PES is available to any new or existing service location that meets the availability and type of service criteria as established in Rate Schedule – Prepaid Electric Service (PES).

**RESPONSIBILITY**

President/CEO and Staff

**REGULATION**

The Cooperative shall offer an alternative payment program to Member/Owners; that is, "prepaid" electric service according to the following terms and conditions:

- I. New Member/Owners
  - A. New Member/Owners who request PES shall complete the membership application for service and a PREPAID ELECTRIC SERVICE MEMBER AGREEMENT.
  - B. The Cooperative shall perform a credit check on any new applicant to verify the identification information and check for past due balances.
  - C. ALL PES Member/Owners shall pay:
    1. Membership fee as established by Section III, Policy 6 – Memberships.
    2. A minimum service deposit as stated in the PREPAID ELECTRIC SERVICE MEMBER AGREEMENT; and
    3. A minimum prepayment as stated in the PREPAID ELECTRIC SERVICE MEMBER AGREEMENT.
- II. Existing Member/Owners
  - A. Existing Member/Owners who request PES shall complete the PREPAID ELECTRIC SERVICE MEMBER AGREEMENT to receive service and pay:
    1. A minimum service deposit; and
    2. A minimum prepayment on their account towards energy use.
  - B. For existing Member/Owners switching to PES who have an existing electric service deposit, such deposit shall be applied in the following manner:

1. To pay for any service by the Cooperative to the Member/Owner up to the date of the change to Rate Schedule - PES;
2. For new deposit requirements;
3. As a prepayment credit on the account.

III. Cancellation of Service

- A. A Member/Owner may cancel service under Rate Schedule - PES and request service under another applicable rate. The Member/Owner may not subsequently request PES for at least one year after the effective date of cancellation.
- B. Member/Owners who have PES for fewer than 12 months and choose to request service under another rate may be required to pay the then-current trip charge, to cover the cost associated with the removal of the disconnect collar and pay a deposit. The cooperative shall perform a credit check, to determine the deposit requirement.

IV. Disconnection of Service

- A. In lieu of written notice of disconnection, the Cooperative will provide program participants with options of notice via text message, email and/or phone call to alert them when the account balance is at or below a projected five (5) day usage. It is the Member/Owner's sole responsibility to provide the Cooperative with current and correct contact information for such notice message. It is not the Cooperative's responsibility to verify that the notice message was delivered nor will the Cooperative refrain from disconnecting service if it cannot deliver the notice message due to insufficient or incorrect information.
- B. The Cooperative will not send a written past due notice by U.S. Mail to any account on PES. Failure to make payments (i.e. purchase credits) will result in the termination of electric service when any existing payment credits are used up. However, the Cooperative will only disconnect such accounts Monday through Friday 7:30 A.M. to 4:30 P.M., excluding holidays.
- C. Any charges incurred by the Cooperative as a result of insufficient fund checks/electronic fund transfers, returned credit card payments, and the like, associated with prepaid service shall be applied immediately to the account balance and may result in disconnection of service without further notice.
- D. The Cooperative will terminate Membership for any account that maintains a \$-0- balance or amount due the Cooperative for a period of 10 days. Any Member/Owner's account disconnected for such reason must meet the Cooperative's requirements to reestablish service.

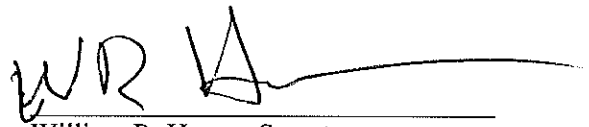
V. Reconnection of Service

- A. Service is automatically reconnected upon receipt of payment for the outstanding balance plus a minimum \$25 prepayment to be credited towards future energy use.
- B. Pledges from third party energy assistance will be treated as payment, and service will be reconnected if the amount covers the outstanding balance plus a minimum prepayment to be credited towards future energy use.

VI. Pending Energy Assistance Appointments

- A. Energy Assistance appointments must be verified by MJM staff, and if confirmed, will automatically delay disconnection of electric service for an additional three (3) business days after the account's credit balance has depleted. "Day one" is considered the day following the Member's account credit balance falling below \$0. If "day 3" occurs on a weekend or holiday, disconnection will take place on the following business day after 8 A.M. CST.

In order to avoid disconnection of electric service, it is the Member's responsibility to maintain a credit balance if the payment extension period expires.



William R. Heyen, Secretary