

TRI-COUNTY RURAL ELECTRIC COOPERATIVE, INC.

POLICY BULLETIN NO 3-21

SUBJECT: ACCOUNTS IN BANKRUPTCY PROCEEDINGS AND STILL RECEIVING SERVICE FROM TRI-COUNTY REC

I. POLICY:

Cooperative members who are the subject of bankruptcy proceedings who do not, within 20 days after the date of the order for relief, furnish adequate assurance of payment for services provided after the date of the order, shall cause the service to be disconnected.

II. PROCEDURE:

- A. Adequate assurance of payment amount for account in bankruptcy will be determined. The amount will be equal to two months average billing due as a cash deposit. In the event the account serves a residence and a business, and the business will no longer operate, the cooperative will disconnect the business to reduce the adequate assurance payment. The member will be responsible for all costs and fees required. The assurance payment will be calculated based on average residential kWh use.
- B. The member will be notified by certified letter of this policy once the cooperative has received notification that a bankruptcy proceeding has been initiated.
- C. If the adequate assurance of payment is not received within 20 days from the date of the certified letter, the account will be disconnected with no further notice. Thereafter, upon receipt on the account of the adequate assurance of payment plus the reconnection fee (see Schedule of Fees), the service will be reconnected. The reconnection will be done only during normal business hours.
- D. When there is a balance due on the account after the normal monthly due date, the account will be disconnected without further notice.
- E. When discharge notice is received by Tri-County from the bankruptcy court, the assurance of payment amount - less a security deposit fee - will be credited to the account balance.
- F. To process the account record to dissolve the proper debt, Tri-County will get an actual reading of the meter as soon as officially notified of the date of the order. If this is not possible, the most recent reading may be used.

G. Definitions:

1. **“Adequate assurance of payment”** is a two-month average bill as determined by average of the last 12 months or if on line less than 12 months, the average of the months on line multiplied by two.
2. **“Date of order”** is the date on which the court enters an order for relief.
3. **“Balance due”** is the amount owing after the normal due date of each month.
4. **“Due date”** is the day each month payments are due.
5. **“Average residential use”** is defined as the average residential kWh hour use as shown on the most recent Tri-County REC Sales Report. The kWh hour amount will be multiplied by current energy rates. The final amount will include the energy charge plus any other applicable recurring charges (example – cost of service, security light, etc.)

III. **RESPONSIBILITY:**

President & CEO or Designee

Approved: 11/21/95.

Revised: 11/19/96, 11/17/98, 11/04/04, 10/23/07, 11/20/09, 10/27/15.