

PAYMENT ARRANGEMENTS POLICY

1. **Purpose.** Establish a mechanism that provides reasonable flexibility to residential customers enduring financial hardship.
2. **Authority.** This policy is approved by the BVU Authority (BVU) Board of Directors.
3. **Background.** A payment arrangement allows BVU customers the opportunity to pay off past-due bill balances to keep their utility accounts in good standing. BVU offers four payment arrangement options to provide transitional, temporary aid to customers.
4. **Standard Billing Process.** BVU invoices customers across 22 monthly billing cycles. Each month utility meters are read – electric and water – and customers are billed according to usage. Billing cycles may range from 28 to 32 days of usage.

From the date bills are posted (*BILL POST*), customers have a minimum of 15 calendar days to remit payments by the statement due date (*DUE DATE*). Penalties/late fees are applied as close as practically feasible to the business day following the due date. Late notices are also processed as close as practically feasible to two business days following the due date. Services will be disconnected for non-payment (*NON-PAY DISCONNECT*) on the date specified on the late notice, which will be approximately 20 days following the statement due date. Dates may vary from month to month depending upon internal scheduling, holidays or other factors.

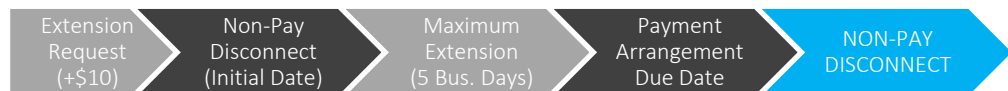


5. **Customer Request.** Customer shall notify BVU of their intent to enter into a payment arrangement prior to 9:00 a.m. on their scheduled non-pay disconnect date to avoid additional trip charges and reconnection fees.
6. **Available Payment Arrangement Programs.** The following Payment Arrangement Programs may be available at the sole discretion of BVU.

NOTE: Residential customers are only eligible for one (1) of the following payment arrangement programs in any single billing cycle. Multiple payment arrangements cannot be combined.

a. Full Hold.

- i. **Overview.** Residential customers may be granted an additional five business days for payment of their full amount due, including late fees, plus a \$10 processing fee, beyond their scheduled date for non-pay disconnect.
- ii. **Timeline.** Payments must be made no later than 4:30 p.m. on the fifth business day following the scheduled date for non-pay disconnect to avoid disconnection of services and other fees.
- iii. **Restrictions.** Residential customers may be granted a full hold payment arrangement up to two times in any rolling 12-month period. Prior month's utility statements must be in good standing.
- iv. **Broken Arrangements.** Failure to pay within the prescribed timeline will result in ineligibility for any and all payment arrangement programs for a period of 6 months. Failure to pay within the prescribed timeline twice in any 12-month period will result in ineligibility for any and all payment arrangement programs for a period of 12 months.



b. Partial Hold.

- i. **Overview.** Residential customers may be granted the option to pay 50% of their full amount due including late fees, plus a \$10 processing fee and extend the remaining 50% balance to their next regularly-scheduled due date.
- ii. **Timeline.** The initial 50% payment and \$10 processing fee must be made prior to disconnection of services for program eligibility. The remaining 50% payment must be made no later than 4:30 p.m. on the next regularly-scheduled due date to avoid disconnection of services.
- iii. **Restrictions.** Residential customers may be eligible for a partial hold payment arrangement each monthly billing cycle. Prior month's utility statements must be in good standing.

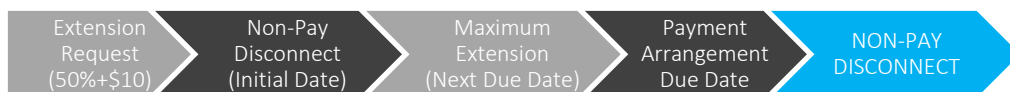
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First Approved 03/22/2019

Next Review 03/2024

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Failure to pay within the prescribed timeline twice in any 12-month period will result in ineligibility for any and all payment arrangement programs for a period of 12 months.



c. Fixed Due Date.

- i. **Overview.** Residential customers on a fixed income may be eligible for the fixed due date payment arrangement program, which allows additional time to deposit monthly checks and keep utility accounts in good standing.
- ii. **Timeline.** BVU may assign residential customers to a fixed due date of either the 8th, 18th or 28th of each month. Payments must be made no later than 4:30 p.m. on the assigned due date each month to avoid disconnection of services.
- iii. **Restrictions.** Residential customers may be eligible for a fixed due date payment arrangement each monthly billing cycle following proof of Supplemental Security Income and/or Disability Benefits. BVU will designate which due date the account is eligible for based on the location's standard control number.
Prior month's utility statements must be in good standing for enrollment and program continuation.
- iv. **Broken Arrangements.** Failure to pay within the prescribed timeline will result in ineligibility for any and all payment arrangement programs, including removal from the fixed due date payment arrangement program, for a period of 6 months.
Failure to pay within the prescribed timeline twice in any 12-month period will result in ineligibility for any and all payment arrangement programs, including removal from the fixed due date payment arrangement program, for a period of 12 months.

d. Budget Billing.

- i. **Replacement.** BVU's existing budget billing program is terminated effective June 30, 2019, and subsequently replaced by the leveled billing program described as follows.

e. Levelized Billing.

- i. **Overview.** Qualifying residential customers can enroll in BVU's leveled billing program to prevent drastic changes in residential utility bills, even during the coldest and hottest months of the year. Levelized billing utilizes a rolling average of the previous eleven monthly bills, plus a calculation of the current month's bill for a particular service location.
Because the leveled billing amount is recalculated each month based on a rolling average formula, the need to settle up balances annually is eliminated. Reconciliation of an account will be necessary only if the customer discontinues service at the location or participation in the program is terminated.
- ii. **Timeline.** Following consecutive service to the location for at least one year, and successful review of eligibility criteria, BVU will calculate the leveled payments and process billing statements on the location's usual and ordinary read and due dates.
Qualifying residential customers may enroll any time beginning with the September 2019 billing cycle.
Payments must be made no later than 4:30 p.m. on the assigned due date each month to avoid disconnection of services.
- iii. **Restrictions.** Residential customers may be eligible for leveled billing based on the following criteria:
 - 1. Active utility account with 12 consecutive months of service at the evaluated location.
 - 2. Prior month's utility statements must be in good standing.
 - 3. Good or excellent credit on the account.

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4. Cannot have an open loan or payments still being made for prior reconciliation(s).
- iv. **Broken Arrangements.** Failure to pay within the prescribed timeline will result in ineligibility for any and all payment arrangement programs, including removal from the levelized billing payment arrangement program, for a period of 6 months.
Failure to pay within the prescribed timeline twice in any 12-month period will result in ineligibility for any and all payment arrangement programs, including removal from the levelized billing payment arrangement program, for a period of 12 months.
7. **BVU Account Review.** Upon notification from the customer, BVU will conduct a review of the account to determine if the customer is eligible for the requested payment arrangement.
8. **Approval.** All payment arrangements must be in accordance with the Available Payment Arrangement Programs contained herein. Any arrangements made outside of these provisions will require the written consent of the either the department head of Customer Service or BVU's President & CEO.
9. **Review and Revision.** This policy remains in force until amended or cancelled. It should be formally reviewed at least once every five years prior to the start of a new fiscal year.