

ISLAND NETWORK
A Division of Orcas Power & Light Cooperative

MEMBER POLICY 3 – BILLING AND COLLECTION
ORIGINAL

3.1 RATES

Fiber optic service shall not be sold at prices other than those stated in the rate tariffs.

3.2 RENDITION OF BILL

Bills shall be deemed rendered, and other notices duly given, when delivered to the member personally or when mailed to them at the premises, or e-mail address supplied, or at the last known address of the member or when left at either of such places. Failure to receive such bills or notices from Island Network will not entitle the member to any delay in the settlement of each month's account.

3.3 PAYMENT OF BILL

Payments are due by 4:30 p.m. on the 19th of the month at the offices of OPALCO. Any bill not paid within thirty days of the billing date specified on the bill will be considered delinquent. Any delinquent bill exceeding fifty dollars (\$50.00) will be subject to disconnection.

3.3.1 Payment Agreement Plan

Island Network shall offer a deferred payment plan for active accounts. The extension of time to pay the bill shall not be offered more often than twice in a six-month period. The extension will not normally exceed 30 days but hardship cases may be for a period not to exceed 90 days.

3.4 PENALTY

Island Network will charge a late penalty, as specified in Island Network Deposits and Charges Tariff, for any account where payment is not received at an OPALCO office by 4:30 p.m. on the 19th of the month.

3.5 DISCONNECT PROCEDURE

3.5.1 A member may be disconnected with proper notice, for any of the following reasons:

- 3.5.1.1** Failure to pay bills or other amounts due Island Network in a timely manner.
- 3.5.1.2** Failure to meet or maintain an adequate deposit

- 3.5.1.3 Knowledge of and continued failure to provide access to the fiber optic facility or other Island Network owned equipment
- 3.5.1.4 Breach of special contract or agreement with Island Network including a line extension agreement, deferred payment agreement, or deferred deposit payment agreement.
- 3.5.1.5 Failure to comply with the order of governmental agencies having jurisdiction in the matter.
- 3.5.1.6 Failure to comply with the conditions and terms of OPALCO membership

3.5.2 Disconnect Notice

A disconnect notice shall be sent by mail to those members whose fiber optic service is in jeopardy of disconnection. Such notice shall be sent out not less than 48 hours, or more than ten days prior to the date of disconnection; and shall contain at the minimum the following information:

- 3.5.2.1 The name and address of the member to be disconnected.
- 3.5.2.2 The account number where service will be disconnected.
- 3.5.2.3 A statement of the reason for disconnection.
- 3.5.2.4 The date on or after which disconnection will take place.
- 3.5.2.5 If non-payment is the reason for disconnection, the notices shall also include the amount that must be paid to prevent service disconnection.
- 3.5.2.6 An explanation of additional charges for reconnection of service after disconnection.

3.5.3 Disconnect Notice Not Required

A disconnect notice is not required in the following instances:

- 3.5.3.1 A member's check, used to pay for a disconnect notice, is returned for non-sufficient funds.
- 3.5.3.2 Failure to honor payment agreement(s).

3.5.4 Telephone Contact

Island Network shall attempt to contact members scheduled for disconnection by telephone within 24 hours of the scheduled disconnection. Failure to contact the member by telephone will not delay the disconnection. Island Network will not be required to contact chronic late payers who receive more than three disconnect notices in a twelve (12) month period.

3.5.5 Day of Disconnect

No disconnects will be completed on a Friday, or a day before a holiday during which OPALCO offices will be closed, or before 10:00 a.m. on a day following a weekend or holiday that OPALCO offices are closed. The disconnection may occur up to ten days after the date specified in the disconnect notice. If disconnection is not accomplished within this ten day period, another disconnect notice must be given.

3.5.6 Charges to Be Paid

Where a member's service is discontinued for non-payment of bills, Island Network reserves the right to refuse to furnish service to said member at the same or any other location until all charges, including the reconnection charge and other monies due Island Network have been paid.

3.5.7 Reconnection Charge

Island Network may make a charge for reconnection of service where it has become necessary to disconnect service for non-payment of bills. The charge for this service shall be as provided in the Island Network Deposits and Charges Tariff.

3.5.8 Right to Require Deposit

Island Network may require a member to pay a deposit or adjust the amount of a deposit after disconnection for non-payment. Island Network may not require this deposit to be paid as a condition for reconnection of service. The member may pay the deposit in up to three equal monthly installments.

3.6 COLLECTION PROCEDURES

The member shall pay all Island Network's cost of collection, including legal fees:

3.6.1 When a member's account becomes slow or no pay, Island Network will begin an in-house collection process. This will include telephone calls to the member, a disconnect notice, and actual disconnect of the service when the member does not meet the agreed on payment arrangements or is non-responsive to Island Network's efforts.

3.6.2 When a member's account is closed with a balance due, Island Network will make every effort to contact the member by telephone. If this is not successful, Island Network will send a standard letter stating "we are sending your account to collections, if we do not hear from you by a specified date within two weeks". If the member does not contact Island Network within two weeks after the collection letter is sent, and the member is still residing in San Juan County, and the account balance is substantial enough to warrant the expense, Island Network will initiate the small claims process. If Island Network's correspondence to the member is being returned, Island Network will utilize one of the credit reporting agency's skip tracing services to further the internal collection efforts.

- 3.6.3 After every effort is made to effect collection of the amount due internally, Island Network will calculate the discount on available capital credits and, with board approval, apply that amount to the bad debt. Any remaining balance on the account will be sent to the collection agency immediately. If there are any remaining capital credits for later years, they will be disbursed under OPALCO's normal retirement cycle.
- 3.6.4 After every effort is made to effect collection of the account internally, and there are no available capital credits to discount, the account will be submitted to the collection agency immediately.

3.7 BILLING PERIOD

3.7.1 Billing Month

Each bill is rendered monthly for the following month's service.

3.7.2 Partial Month

When service is initiated or discontinued during a month, the minimum charge will be prorated based on a thirty-day (30) month.

3.8 ADJUSTMENT OF ERRORS

3.8.1 Period to be Adjusted

3.8.1.1 Billing Error

In case Island Network shall, for any reason, incorrectly bill a member, upon discovery of a billing error, Island Network will correct the error for a period not to exceed five (5) billing periods, not counting the billing period in which the error was found or reported.

3.8.1.2 Fraud or Damage to Island Network Property

If the fiber optic equipment is damaged, tampered with, or for any other reason is in need of repair other than a malfunction, the account may be subject to a fee for unauthorized breakage of a seal, as specified in the Island Network Deposits and Charges Tariff.

3.8.2 Time to Pay

- 3.8.2.1 If the member has overpaid, Island Network shall apply the amount of the error to the member's account. If the error is larger than \$100, the member may request a refund.


- 3.8.2.2 If the member has underpaid, the member shall be given the opportunity to pay for the error over a period of time, without interest. Payment arrangements can be made pursuant to 3.3.1, with no additional penalties being assessed to the account.

3.9 CHANGE OF OCCUPANCY OR ACCOUNT RESPONSIBILITY

Bills are rendered in the name of the business shown in Island Network's records as the company responsible for fiber optic service at the specified location. Any change of occupancy or ownership at a specified location must be reported to Island Network.

3.10 SECOND PARTY BILLS

Island Network will mail a copy of all bills and final notices to an additional address if requested by an authorized representative for the member/business of record. Any party may make payments on the account; however, the financial responsibility for the account remains with the member business name that appears on the account.



Randy J. Cornelius, General Manager

March 19, 2009
Effective Date