



Date Adopted: 01/18/94

Date Revised: 05/11/26

Date Reviewed: 05/11/26

**Policy 100**

**Customer Service/Billing Policy**

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**SUBJECT:**

Customer Service/Billing Policy

**OBJECTIVES:**

To provide a guide to LYREC members, employees, and trustees to ensure that members are treated equitably.

**POLICY:**

This service policy constitutes LYREC's rules and regulations for furnishing and receiving electric service. A copy of this service policy is available to all members of the cooperative.

This service policy may be revised, amended, supplemented, or otherwise changed at any time by action of LYREC Board of Trustees.

This service policy supersedes and replaces all previous rules and regulations or service policies, which are considered void.

In case of conflict between the provision of any rate schedule and this service policy, the provision of the rate schedule shall apply.

**PROCEDURE:**

A. Application for service/membership:

Applicants for electric service will be required to sign a membership application form provided by the cooperative. Applicants will be asked to provide information relating to service requirements, the manner in which power will be utilized, and credit information. Large industrial and commercial applicants may be required to sign special applications that contain additional provisions or stipulations.

Any two individual applicants who agree may possess a joint membership in which they share equally in the rights and responsibilities of their membership. Both parties are required to sign the membership application and will be bound by its terms, making them jointly and individually responsible for all debts associated with the account.

Members who wish to have meters installed outside normal business hours shall be financially responsible for 100% of the installation labor costs.

LYREC, at its sole discretion, may provide the meter base and/or meter loop for a new service.

LYREC may refuse or discontinue service for any violation of its rules, regulations, or policies.

B. Security Deposits:

Members must furnish assurance of payment in the form of a security deposit. All associated meters shall be considered in the security deposit calculation.

**Residential Services**

Current members with at least twelve (12) consecutive months of billing history and have an "A" credit rating will not be required to furnish a deposit.



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LYREC will use Equifax to obtain credit ratings for new membership applicants. If the applicant receives a 4-star credit rating, the security deposit will be waived. Member applicants that receive a rating below 4 stars are required to provide a deposit equaling the greater of \$500 or twice the highest historical monthly billed charge, for each meter.

The security deposit for a new service will be the greater of \$500 or calculated based on the kVA size requested or required for the service. This deposit calculation will be figured at a rate of \$20 per connected kVA.

### **Commercial Services**

Current commercial members with at least twelve (12) consecutive months of billing history and who have an "A" credit rating will not be required to furnish a deposit. The credit history evaluation for commercial members is based on the business's name only and cannot be based off credit history from any individual, members, owners, operators, employees, or stockholders associated with the business

If a business does not have an acceptable credit history and therefore needs to provide a security deposit, the deposit will be calculated at a rate of \$45 per connected kVA or twice the highest historically billed charge for the meter, whichever is greater.

A member may request to guarantee payment in the form of a letter of credit from an established financial institution in lieu of a security deposit.

The required security deposit may be waived for a new commercial member if they agree to monthly automatic payments by signing LYREC's Auto Pay Agreement.

### **Deposit Refunds**

Contingent upon twelve (12) consecutive months of on-time payments, paid in full, LYREC will credit a security deposit to the member account or release the letter of credit on the 13th consecutive month of service. Upon disconnection of service, the security deposit will be refunded to the member only after the final bill has been paid in full.

### **C. Billing:**

All members shall be responsible for verifying that their electric account(s) are paid in a proper and timely manner, allowing the cooperative to operate on a sound financial basis and as to not add any financial burden onto other members. LYREC will compute and submit bills to its members on or around the 3<sup>rd</sup> of each month, or next business day when that date falls on a weekend or holiday. Bills are due and payable by the 20<sup>th</sup> of each month unless enrolled in prepay or autopay programs. LYREC retains the right to bill a member more than once a month if a Service Agreement is signed and agreed to by LYREC and the member. Upon the approval of said agreement, the billing dates would also be adjusted accordingly.

- a. Facility and capacity minimum charges: All meters will be charged a monthly facility charge. Upon connection of a new meter in the current billing period, the facility charge and/or capacity minimum will be prorated and billed from the connection date to the current month's billing date. Thereafter, these charges will be based on a thirty (30) day month and run from the billing date of the previous month to the billing date of the current month. The member is responsible for the facility charge and/or the minimum capacity charge, regardless of the month's usage.



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- b. Meter usage charges: Upon installation of a new meter in the current month, the meter will be charged usage from the connect date to the reading date. The meter's usage for all succeeding months will be read and billed from the 1st of the previous month to the 1<sup>st</sup> of the current month. The reading dates on each meter may vary.

D. Delinquent accounts/Disconnection for Non-Payment

**Delinquent Balances**

Member accounts that have outstanding balances after the due date of the 20<sup>th</sup> will be considered delinquent. On or around the 25<sup>th</sup> of the current month, past due notices will be submitted to those members that have failed to pay by this date. Any members carrying a delinquent balance are required to pay interest, penalties, collection fees, and any associated costs.

Members will be charged the greater of \$1.00 or 1.5% interest rate, compounded monthly (equivalent to 19.6% annual simple interest rate), on the delinquent balance owed.

**Disconnection for non-payment**

On the 16<sup>th</sup> of the following month, the past due account shall be disconnected for non-payment.

In cases where financial hardships exist, written agreements approved by the CEO may be used to extend the payment date. The member is responsible for contacting the cooperative before the disconnect date. If the delinquent bill is still not paid per the agreement, the service will be subject to disconnection without further notice.

Service that has been disconnected for non-payment may be subject to the following collection charges:

- a. \$200 disconnect fee on any disconnected accounts.
- b. \$200 reconnect fee during normal business hours or \$400 reconnect fee after normal business hours, when a meter has been physically disconnected via truck roll.
- c. \$100 reconnect fee during normal business hours or \$200 reconnect fee after normal business hours, when a meter can be remotely reconnected, and a truck roll is not needed.

Should the member be disconnected, every attempt will be made to reconnect the service by 4:00 p.m. on the day the past due amount and associated fees are paid in full. However, under certain circumstances, due to time constraints, LYREC may not be able to re-establish service(s) until the next business day.

If the member pays the past due amount in full, plus a collection fee, before physical disconnection occurs, the service will continue without interruption.

The Cooperative, its agents, employees, or representatives are not liable for any losses or damage that may be caused due to a service being disconnected for non-payment.

E. Insufficient Fund Checks:

If payment for a member's account is returned by their financial institution for insufficient funds on more than one occasion within a 12-month period, LYREC, at its sole discretion, may elect to no longer accept a check for payment from a member. When a check has been returned for insufficient funds, the member's account may



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be charged a returned check fee, and the member shall be responsible for all fees associated with the returned payment.

F. Requested Disconnection of Service:

A member who requests their current electric service to be disconnected shall give the cooperative at least three (3) business days' notice in advance of the effective date. LYREC reserves the right to disconnect a service for violation of any of its rules and regulations, failure to pay electric service charges when due, violation of rate schedules or contract provisions, dangerous or emergency conditions, misuse, theft, or illegal diversion of electric current. Disconnection of service does not release the member from the obligation to pay for the energy received or charges specified in any contract.

LYREC is not regulated by the Montana or North Dakota Public Service Commission. LYREC may choose to forgo disconnection of service during inclement weather conditions, but the decision is solely at LYREC's discretion.

**Service will be disconnected WITHOUT NOTICE in these cases:**

- a. Dangerous, unsafe, or emergency conditions.
- b. Theft or illegal diversion of electric current.

**Service will be disconnected for the following reasons after a notice has been sent. The Notice will identify the reason for disconnection and provide a date by which the member must correct the problem:**

- a. Violation of, and/or non-compliance with any applicable Federal, State, or local laws, regulations, and codes.
- b. Violation of any of the cooperative's rules and regulations.
- c. Failure to pay an account.

G. Idle Service Reconnection Fee:

When a member wishes to have a service that was last in their name reconnected within 12 months of disconnection, the member shall pay the following:

The facility and monthly capacity minimum charges for the period the account was disconnected, plus a meter reconnection fee of \$100.00.

H. Meter Tests:

LYREC will periodically evaluate and inspect its meters to ensure a high standard of accuracy. No meter that has an error in registration of more than two (2) percent under conditions of normal operations shall be allowed to remain in service.

A member may request LYREC to test their meter accuracy. If the meter is found to register within two (2) percent accuracy, the member will be charged a Meter Test Fee of \$100.00 along with a service call fee to cover the cost of travel and changing out and testing of the meter.

If the meter registers higher than the two (2) percent accuracy standard, the cooperative will not charge the member for the Meter Test Fee and may adjust the member's billing.



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I. Non-Registering Meter:

For circumstances beyond the cooperative's control, if a meter fails to register for any amount of time, the cooperative may estimate the charge for service and adjust the member's previous billings. Such estimates will be based on the best available data.

J. Meter Seals:

All meters will be sealed by LYREC. The breaking of meter seals by unauthorized persons is prohibited without first securing the consent of the cooperative. The cooperative will, at its convenience, reseal the meter.

K. Theft or Diversion of Electric Service:

All reports of cut or missing meter seals or other evidence of tampering shall be investigated by LYREC. Discovery of any tampering, disabling, theft, or diversion of electric service will result in immediate disconnection of service. LYREC will establish a monetary value of the electric service obtained as a result. The amount will include, but not necessarily be limited to, the cost to investigate and disconnect, damages to cooperative property, value of the estimated energy consumed, and all other costs incurred by the cooperative as a result of the situation. If service is to be reconnected, in addition to paying the above charges, the account will be subject to the normal credit and collection policies of LYREC. LYREC may request criminal prosecution as well as seek damages in a civil court.

L. Rental Property Agreement:

Property owners who wish to have the electric service to their rental units remain connected after the unit has been vacated must sign a Rental Property Agreement with the cooperative. The owner agrees to assume responsibility for the payment of all electricity and security light charges at the premises from the date of the tenant's disconnect order until a new tenant(s) requests service be connected in their name.