

PALMETTO ELECTRIC COOPERATIVE, INC.

POLICY C-8

RETURNED PAYMENTS

An attempt will be made to contact a member whose payment is returned for insufficient funds. If payment is not received according to the conditions stated below, the account will be disconnected. The amount of the account's past due balance or returned payment, whichever is greater, plus a twenty-five dollar (\$25.00) returned payment fee must be paid in full before the account can be reconnected.

Returned checks will not be re-deposited.

Payment in the form of credit/debit card, cash, money order, or certified check will be required to pay for a returned check. Cash money order or certified check will be required to pay for a returned electronic payment.

Should more than two (2) payments be returned on any one account within a twelve-month period, the member will be notified that the account is subject to disconnection without notice for any future returned payments. In addition, all future payments will be required to be in the form of cash, money order, or certified check

Amended: February 26, 2015

PALMETTO ELECTRIC COOPERATIVE, INC.

POLICY C-14

SERVICE RULES AND REGULATIONS

400 BILLING

402 RED FLAG PROGRAM FOR IDENTITY THEFT AND CREDIT REPORTING ACCURACY

A. Identity theft, under this policy, is defined as an actual or attempted fraud using the identifying information (name, address, social security number, account number, etc.) of a member or applicant.

B. A “red flag” under this policy is defined as a pattern, practice or specific activity indicating a risk of identity theft. Such red flags may include:

1. Incidents of identity theft experienced or detected in the past
2. Attempted use of a non-matching social security number, child’s social security number, or former spouse’s social security number
3. Alerts from consumer reporting agencies
4. The presence of suspicious documents or inconsistent data;
5. Suspicious name or address changes, or other personal identifying information
6. Suspicious account activity
7. Notices from members, other electric utility systems, victims of identity theft, and/or law enforcement personnel, concerning the possibility or reasonable suspicion of fraudulent activity involving a member account
8. Material changes in the rates of usage of Cooperative services;
9. Returned and undeliverable mail, despite continued usage of Cooperative services
10. Data breaches in violation of the Cooperative’s policy for securing confidential member and employee data while retaining and destroying records

C. The relevance of red flags shall be evaluated based on principles of common-sense and sound business judgment, taking into account all relevant factors relating to the member or applicant, the account and other circumstances.

D. The Cooperative shall implement reasonable procedures to prevent and detect identity theft in the application for service, which shall include a requirement for the applicant to provide a matching social security number as a condition of extending credit. Applicants for service at a rented premises shall be required to provide a security deposit and may be required to apply in person and present reasonable proof of eligibility to establish service at the location. In the event of any instance of identity theft, the Cooperative shall review then-existing procedures and determine whether they remain adequate under the circumstances.

E. The Cooperative shall implement reasonable procedures to verify the identity of persons for whom it obtains consumer reports, and reasonable procedures for reconciling the address of the consumer with the consumer reporting agency, and shall refrain from using a report where the consumer's identity cannot be so verified.

F. In the event of genuine address discrepancies, the Cooperative shall use reasonable means to verify the consumer's correct address and then provide such confirmed address to the consumer reporting agency, within the reporting period. Verification steps may include verification with the applicant, reviewing the accuracy of the Cooperative's records, verifying the address through third-party sources or using other reasonable means.

G. Management shall establish and implement reasonable training programs to ensure day-to-day application of this policy.

H. Management shall continue to monitor the adequacy of this policy and other policies and procedures that may already be in place, relating to the detection of red flags and other risks to the security of member and applicant data. The Cooperative shall update its program from time to time based on experiences with identity theft, changes in methods of identity theft, changes in methods to detect, prevent and mitigate identity theft, changes in the types of accounts offered to members and other changes in business arrangements and practices.

Adopted: October 21, 2008

PALMETTO ELECTRIC COOPERATIVE, INC.

POLICY C-16

SERVICE RULES AND REGULATIONS

400 BILLING

403 ADJUSTMENT OF BILLS

If it is found that Palmetto Electric Cooperative, Inc., (Cooperative) has directly or indirectly, by any device whatsoever, demanded, charged, collected or received from any customer a greater or lesser compensation for any service rendered or to be rendered by the Cooperative than that prescribed in the schedules of the Cooperative applicable thereto, or if it is found that any customer has received or accepted any service from the Cooperative for compensation greater or lesser than that prescribed in such schedules; or if, for any reason, a billing error has resulted in a greater or lesser charge than that incurred by the customer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be as provided by the following:

1. Fast or Slow Meters

If the overcharge or undercharge is the result of a fast or slow meter when the difference is \$25.00 or more, then the method of compensation shall be as follows:

A. In case of a disputed account involving the accuracy of a meter, such meter shall be tested upon request by the customer. In the event that the meter so tested is found to have an error in registration of more than two (2) percent, the bills will be increased or decreased accordingly, but in no case shall such a correction be made for more than sixty (60) days.

B. If the meter is found to be recording within this two percent (2%) (plus or minus) range, a thirty-five (\$35.00) dollar fee may be charged to the customer for this meter test.

2. Customer Inadvertently Overcharged:

If the Cooperative has overcharged a customer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human or machine error, except as provided in item number 1 of this policy, the Cooperative shall, at the customer's option, credit or refund the excess amount paid by that customer or credit the amount billed as provided by the following:

- A. If the interval during which the customer was overcharged can be determined, then the Cooperative shall credit or refund the excess amount charged during that entire interval, provided that the applicable statute of limitations shall not be exceeded.
- B. If the interval during which the customer was overcharged cannot be determined, then the Cooperative shall credit or refund the excess amount charged during the 12-month period preceding the date of the billing error discovery.
- C. If the exact usage and/or demand incurred by the customer during the billing periods subject to adjustment cannot be determined, then the refund shall be based on an appropriate estimated usage and/or demand.

3. Customer Undercharged Due to Willfully Misleading Company

If the Cooperative has undercharged any customer as a result of a fraudulent or willfully misleading action of that customer, or any such action by any person (other than the employees or agents of the Cooperative), such as tampering with, or bypassing the meter when it is evident that such tampering or bypassing occurred during the residency of that customer, or if it is evident that a customer has knowledge of being undercharged without notifying the Cooperative as such, then notwithstanding item number 1 of this policy, the Cooperative shall recover the deficient amount provided as follows:

- A. If the interval during which the customer was undercharged can be determined, then the Cooperative shall collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.
- B. If the interval during which the customer was undercharged cannot be determined, then the Cooperative shall collect the deficient amount incurred during the 12-month period preceding the date of the billing error discovery by the Cooperative.
- C. If the usage and/or demand incurred by that customer during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated usage and/or demand.
- D. If the metering equipment has been removed or damaged, then the Cooperative shall collect the estimated cost incurred in the investigation and restoration of the meter to proper working condition. Additional charges and deposits may apply.

4. Customer Undercharged Due to Human or Machine Error

If the Cooperative has undercharged any customer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any human or machine error, except as provided in items numbers 1 and 2 of this policy, then the Cooperative may recover the deficient amount as provided as follows:

A. If the interval during which a consumer having a demand of less than 50 kW was undercharged can be determined, then the Cooperative may collect the deficient amount incurred during that entire interval up to a maximum period of six (6) months. For a consumer having a demand of 50 kW or greater, the maximum period shall be twelve (12) months.

B. If the interval during which a consumer was undercharged cannot be determined, then the Cooperative may collect the deficient amount incurred during the six (6) month period preceding the date when the billing error was discovered. For a consumer having a demand of 50 kW or greater, the maximum period shall be twelve (12) months.

C. The customer shall be allowed to pay the deficient amount in equal installments added to the regular monthly bills over the same number of billing periods which occurred during the interval the customer was subject to paying the deficient amount.

D. If the usage and/or demand incurred by that person during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated usage and/or demand.

5. Equal Payment Plans

The Cooperative may provide payment plans wherein the charge for each billing period is the estimated total annual bill divided by the number of billing periods prescribed by the plan. The difference between the actual and estimated annual bill is to be resolved by one payment at the end of the equal payment plan year unless otherwise approved by the Cooperative. However, any incorrect billing under equal payment plans shall be subject to this policy.

Adopted: January 20, 1997

Amendment: August 25, 2014

PALMETTO ELECTRIC COOPERATIVE, INC.

SERVICE RULES AND REGULATIONS

400 BILLING

404 LEVELIZED BILLING

Under Levelized Billing, each monthly bill is the rolling average of electric usage for the most recent 12 months. Your electric bill will change only slightly from month to month, and the 12-month rolling average guards against drastic changes in your bill, even during the coldest and hottest months.

The only time you must reconcile your account is when you leave the Palmetto Electric system or when you decide you no longer want to participate in the Levelized Billing Plan.

Levelized Billing is free. There are no sign-up charges or monthly fees. All you need to do is keep your account current – which is easy if you also participate in our Auto Pay or Bank Draft Program.

You can participate in Levelized Billing if you meet the following simple requirements:

- A. You must be a co-op member for at least 12 months at the same service location
- B. You must have an acceptable credit history.
- C. You must keep your account current, by paying the Levelized Amount Due on each monthly bill.
- D. The account to be put on Levelized Billing must start with a zero balance. Members can sign up for Levelized Billing by contacting the local Palmetto Electric office or by accessing the online portal, MyEnergy Online.

PALMETTO ELECTRIC COOPERATIVE, INC.

SERVICE RULES AND REGULATIONS

400 BILLING

405 BANK DRAFT/AUTO PAY

Palmetto Electric Cooperative, Inc. bills can automatically be deducted from a checking account or credit/debit card each month. Choose between Auto Pay on Due Date, Auto Pay where you choose the payment date, or Bank Draft, where your account is automatically drafted on either one of two pre-selected dates by the Cooperative. NOTE: All draft authorization forms are required to be filled out and signed by the electric account holder or by a Power of Attorney who must submit the necessary legal and notarized documentation.