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BILLING DATES, PAYMENTS AND SERVICE DISCONNECTIONS

The purpose of this policy is to set the billing dates, provide for acceptance of advance payments from customers and provide procedures for disconnection of electric service due to non-payment of an electric bill. This policy applies to all customers and account types, except where noted in this policy.

Provisions:

Each meter will be automatically read as of the first day of each month by the District using the Automatic Metering Infrastructure. The District will then calculate the electric charges and bill each customer on or about the 10th of each month. The amount due as calculated shall be due and payable on the last day of the month billed. Payments received by mail will be considered paid as of the date received. Should the last day of the month fall on a Sunday or legal holiday, the following day will be the due date for payment.

Payments received after the due date shall be considered delinquent. Accounts which are delinquent shall be assessed a flat penalty of \$20.00, referred to as a "late payment penalty". This penalty is provided to cover administrative costs and to promote prompt payment. Payments made timely by check or ACH, but later returned by the bank unpaid will also be determined delinquent and the flat penalty will be assessed, since valid payment was not received by the due date.

A "return check charge" of \$20.00 will be assessed each account when payments (either by check or ACH) are returned by the bank unpaid. This charge is in addition to the above-described penalty.

The due date for payment from certain categories of customers, such as the State of Nebraska, Counties, Towns, Villages or Corporate accounts, may be adjusted if it is in the best interest of the District.

In the event a bill is not paid by the 3rd of the following month, a notice (referred to as a "final notice") shall be sent giving the customer seven (7) working days in which to pay the bill to avoid disconnection of electric service without further notice. This final notice shall be sent by first class mail in an

envelope marked "Urgent" in the manner and content as prescribed by State Law.

Should a bill remain unpaid on the date set forth on the final notice, the District will disconnect electric service without further notice. Should disconnection occur due to nonpayment of an electric bill, electric service will not be restored until all charges are paid in full. The charges shall include the unpaid bill plus the energy bill for the current month (up to the meter reading at time of disconnection) plus any penalties plus a \$150.00 disconnect and reconnect fee. If reconnection of electric service is required after hours, an additional disconnect and reconnect fee of \$200.00 shall apply, for a total of \$350.00. The District reserves the right to require an additional deposit as may be deemed necessary before service can be restored. (See Policy No. 7).

Reconnection of electric service will not be made outside of regular working hours except in case of emergency. The customer shall be responsible for any additional charges due to overtime expenses.

The District reserves the right to refuse payment made by check.

For the convenience of its customers, the District will accept payments from customers on account in advance of the due date. In accepting such advance payments, a reasonable estimate shall be used as a basis for the amount of such advance payments.

The District shall calculate the billings for unoccupied and idle service and stockwell accounts monthly. The annual minimum shall be due and payable at the beginning of each billing year with energy charges for kilowatts used in excess of the annual minimum billed at the end of each year. Accounts not paid by the due date will be subject to disconnection of electric service and other related charges.

Crop dryer and grain bin storage services shall be read and billed by the District. The bills for customers who used more than the annual minimum shall be due by December 31 of each year. The minimum annual charge, as set forth in the applicable rate schedule, will be billed each January and shall be due and payable on or before January 31 of each year. If a crop dryer or grain storage bin account is not paid by January 31st, a "final notice" shall be mailed to the customer. The customer shall have seven (7) working days to pay the bill to avoid disconnection of electric service without further notice. The account shall be subject to additional charges if service is disconnected.

Water reuse, pivot and pump irrigation services shall be read by the District and billed annually each October. The minimum annual charge, as set forth

in the applicable rate schedule, will be billed each April and shall be due and payable on or before June 1 of each year. If an irrigation account is not paid by June 1st, a "final notice" shall be mailed to the customer. The customer shall have seven (7) working days to pay the bill to avoid disconnection of electric service without further notice. The account shall be subject to additional charges if service is disconnected.

The irrigation service meters will be billed in October of each year for the energy used for the season for those customers whose use has exceeded the minimum annual charge. This final season billing (each October) shall be due and payable on or before November 1 of each year. Accounts not paid on or before November 1 are deemed delinquent and shall be assessed a finance charge of an additional one percent (1%) for each month, or part thereof, that the account remains delinquent, or twelve percent (12%) per annum. Interest shall be calculated from November 1st. Accounts not paid by November 1 will be subject to disconnection of electric service until all charges are paid in full.

Any landowner and/or operator who fails to pay an irrigation account by November 1 shall be required to provide the District with an irrevocable guaranteed letter of credit to guarantee payment of all charges the succeeding irrigation season. Such charges shall be estimated based on the prior year's electrical use. The District shall have no responsibility for any fees associated with a letter of credit. The irrevocable guaranteed letter of credit shall provide as follows:

We, the undersigned financial institution for (identify irrigator), hereby establish our irrevocable guaranteed letter of credit in the favor of Loup Valleys Rural Public Power District for the account of (identify irrigator) up to the aggregate amount of \$ _____ for any and all charges for electrical energy supplied to the Irrigator for the irrigation of crops for the (state year) farming season, over and above the minimum annual charge paid prior to the said irrigation season.

We hereby agree to pay the Loup Valleys Rural Public Power District for any and all billings for electrical energy supplied to the irrigator up to the aggregate amount set forth above within fifteen (15) days of receipt of the statement.

This letter shall be duly signed and notarized by the appropriate representative of the financial institution. The letter of credit must be delivered to the District on or before June 1. Letters not received by June 1 will subject irrigation account to disconnection of electric service until guarantee is received.