

POLICY NO. 311
BILLING AND PAYMENT FOR ELECTRIC SERVICE

I. OBJECTIVE

Lincoln County Power District No. 1 (Lincoln County Power) provides retail electric service throughout much of Lincoln County, Nevada and to a small portion of Clark County, Nevada. Unlike many commodities, electric service is delivered to and utilized by a customer prior to payment for the electric service by the customer. Billing for electric service and receiving payment for electric service is one of the primary interface points between Lincoln County Power and each of its customers. It is important that both Lincoln County Power and its customers clearly understand expectations regarding billing and payment in order to maintain a high level of satisfaction by both parties.

II. POLICY

It is the policy of Lincoln County Power to bill for electric service provided in a timely and accurate manner, and to receive payment from customers for electric service in a timely manner.

III. EXPECTATIONS

A. Meter Reading

Billing meters will be read by Lincoln County Power's automated metering infrastructure system (AMI). Bills shall show the meter readings at the beginning and end of the billing period, the date of the meter readings, the units consumed, the class of service and other information necessary to enable the customer to readily re-compute the amount of the bill. Each bill shall bear upon its face the date of the bill and the latest date it may be paid without penalty.

B. Final Bills for Service

When service is discontinued, a bill for final usage will be processed within 30 days following discontinuance.

C. Billing Period

Bills for regular service will be rendered monthly and shall be computed according to Lincoln County Power rate schedules then in effect. Using Lincoln County Power's

AMI system, the billing period shall generally coincide with calendar months, but may deviate therefrom by up to four days.

Bills for special, or short-term service, including the cost of connecting and disconnecting, may be rendered at Lincoln County Power's discretion and shall be due by the date stated on the bill.

D. Date Due

Bills for electric service are due and payable upon receipt by the customer and payment in U.S. currency shall be due by the date stated on the bill which shall in no case be less than 15 calendar days after calculation of the bill and electronic transmittal of the bill to the customer, or deposit of the bill with a postal service for delivery to the customer.

E. Customer Disputes of the Current Bill

If a customer disputes any portion of a current bill or charge on a current bill, the customer shall pay the full amount due under protest when due along with a written notice explaining the reasons for the protest in sufficient detail. Lincoln County Power shall promptly investigate any amount protested by the customer and shall render a written decision of its findings to the customer within thirty days after receiving notice of the dispute from the customer. If the protested portion of the payment is found by Lincoln County Power to be incorrect, Lincoln County Power shall credit to the customer any amount which was paid by the customer over the correct amount which should have been charged by Lincoln County Power. The amount over-collected shall appear as a billing credit on the next monthly bill for electric service rendered to the customer.

If Lincoln County Power determines, at its discretion and after conducting an investigation, that the customer owes more than paid, Lincoln County Power shall bill the customer any amount still owed by the customer on the next monthly bill for electric service rendered to the customer. Such amount shall not include any charges for late fees or penalties.

F. Time Limitation on Billing Errors

For other than meter errors, if Lincoln County Power determines that it has incorrectly billed a customer for electric service, either as a result of a written protest submitted by a customer for the current bill in accordance with section III.E of this Policy, or through subsequent audits of bills by Lincoln County Power, the customer shall only be liable to pay for the difference owed for any underbilling for the most recent billing period (during which the incorrect billing was identified) and

the two billing periods immediately preceding that most recent billing period. Similarly, Lincoln County Power shall only be liable to refund or to credit to the account of the customer the difference owed for any overbilling for the most recent billing period (during which the incorrect billing was identified) and the two billing periods immediately preceding that most recent billing period. For meter errors, the provisions of Policy 308 shall be followed for billing adjustments. Billing errors that could fall under this section III.F of this Policy include but are not limited to the application of the wrong rate schedule to a customer, mathematical or computer software errors in calculating a bill for service, or transposition of meter input data.

G. Address for Billing and Notices

Bills for electric service and any notice to be provided to a customer shall be sent to the address forth by the customer in the customer's application for electric service.

It is the customers responsibility to provide written notice to Lincoln County Power of any change in address. Failure to receive a bill will not entitle a customer to any discount or to the remission of any charge for non-payment within the specified time.

Customers may elect to receive bills for electric service and any notice required under Lincoln County Power policies via the U.S. Postal Service at a recognized postal delivery address or via electronic means through a valid email address. Customers shall denote such preference at the time of application for electric service and may update their preferences at any time by completing appropriate change of address forms available from Lincoln County Power.

H. Budget Billing

Customers receiving electric service under a residential rate schedule may request to participate in Lincoln County Power's Budget Billing Plan. To participate a customer must be current with their electric energy payments at the time of application and must stay current throughout the term of the Budget Billing Plan.

To qualify for a Budget Billing Plan, a customer must have at least 12 months of usage history at the requested budget billing service location and under the applicable residential rate.

A customer's Budget Billing Plan monthly bill amount will be determined by dividing the total amount of the customer's most recent 12 months bill at the requested location by 12. The customer's Budget Billing Plan monthly billing amount will be used as the customer's bill for electric service for the following 11 successive months with the final, or 12th-month payment, being a settlement amount equal to the

difference between the total payments made during the prior 11 months and the actual amount due for the 12-month period ended based on actual energy use by the customer and actual amounts due for such energy use. If the settlement amount is a credit balance, the amount will be credited to the customer's account. If the settlement is a debit balance, the amount will be due and payable on the due date indicated on the settlement bill. If the debit balance exceeds the average monthly payment by \$20.00 or more, the customer will be allowed to pay the amount owed over a two-month period with at least one-half (1/2) of the total amount owed being paid in the settlement month.

Normal collection procedures shall be applicable if a customer fails to pay any Budget Billing Plan payment. If a customer fails to pay any Budget Billing Plan payment when due, the customer shall be removed from the Budget Billing Plan, the entire outstanding amount of the account shall be due and payable along with all collection costs and reasonable attorney fees, and service may be terminated. Customers who are removed from the Budget Billing Plan for any reason, will not be eligible to re-apply for the Budget Billing Plan again for six months, and only after all other plan requirements have again been met. If a credit balance exists upon termination of the Budget Billing Plan, the amount will either be returned by Lincoln County Power, or credited to the customer's account.

I. Invalid Payment and Service Charge

If a customer attempts to provide payment for electric service with an invalid payment form, the customer's account will be assessed a service charge of \$20 to cover fees imposed on Lincoln County Power by payment processing entities. The service charge shall be in addition to late fees that shall be assessed pursuant to this Policy. Invalid payment forms include worthless checks, counterfeit funds, suspended credit cards, or insufficient funds in a bank account to cover debit cards or ACH transactions.

J. Delinquent Account

If valid payment for electric service is not received by Lincoln County Power by the date due, the account shall be considered delinquent. Delinquent accounts shall be assessed a late penalty and may be subject to termination of electric service pursuant to Policy 312.

K. Late Penalty

Accounts that are in delinquent status shall be assessed a late penalty. The late penalty shall be computed based on a periodic interest rate of 1 ½ percent per month, applied to the unpaid balance of the account due on the due date, or \$15;

whichever is the greater. Provided, however, the late penalty shall only be applied on accounts with an unpaid balance of \$5 or more and on accounts that have had one or more derogatory credit activities recorded against it in the previous 12 consecutive months. Derogatory credit activities include late payment for service, under payment for service, and invalid payments as defined in section III.I above. The late penalty shall continue to accrue and shall be applied for each subsequent billing period until such time as full payment has been received by Lincoln County Power.

L. New Applications for Electric Service

A customer who has an account for electric service that is delinquent pursuant to this Policy may not apply for and shall not receive new electric service at a new location until such time as all payments related to the delinquent account have been made to Lincoln County Power.

IV. LIMITATIONS

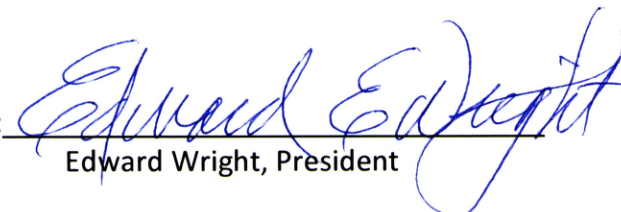
A. Waiver

Lincoln County Power reserves the right to enter into a written agreement with a customer that has a delinquent account with Lincoln County Power that establishes specific terms and conditions for payment of the amounts owed that may differ from and waive specific requirements of this Policy, if such deviation and waiver is deemed in the best interest of Lincoln County Power.

V. RESPONSIBILITY

- A. The general manager shall have primary responsibility to implement this Policy. The general manager shall report to the Board of Trustees on how this Policy is being carried out.
- B. The President of the Board of Trustees shall ensure that this Policy is followed.

Issued by: _____


Edward Wright, President