

Community Support - Member Assistance Programs (MAP) Policy PEDERNALES ELECTRIC COOPERATIVE, INC.

1. Purpose:

Pedernales Electric Cooperative, Inc. (the "Cooperative" or "PEC") has adopted a Community Support Policy to address the organizations and individuals for which PEC may make direct, monetary donations. This Member Assistance Programs Policy establishes the guidelines for the Cooperative's Member Assistance Programs (MAP) in order to assist members to keep the power-on or applicants to turn the power-on.

2. Scope:

The Member Assistance Programs Policy applies to the following types of assistance:

- (1) Payment Assistance Program
- (2) Burn Victim Assistance Program; or
- (3) Building Assistance Program.

This Policy also addresses how employees, contractors or other third parties utilize and administer the Member Assistance Programs.

3. Definitions:

- 3.1. Agency – means participating Community Action agencies, other qualified organizations, and county agencies that may establish the qualification of members for the Payment Assistance Program.
- 3.2. Building Assistance Charitable Organization - A 501(c)(3) organization sponsoring the construction of, or repair of, a residence receiving electric service and receiving assistance from PEC.
- 3.3. Building Assistance Program – means assistance for a Building Assistance Program Recipient participating with a Building Assistance Charitable Organization and subject to such other requirements described herein.
- 3.4. Building Assistance Program Recipient – A person receiving the residence, or repair of the residence from a Building Assistance Charitable Organization, and who has applied or will apply for electric service, or is already a member.
- 3.5. Burn Victim Assistance Program – means assistance for burned war veterans and subject to such other requirements described herein.
- 3.6. Member Assistance Program or "MAP" – means the programs of the Cooperative established as a component of the Cooperative's overall community support programs.
- 3.7. Payment Assistance Program – means assistance for members whose income is less than 250% of the published Federal Poverty Level and subject to such other requirements described herein.
- 3.8. Policy – means this Community Support – Member Assistance Programs Policy establishing the guidelines for the Cooperative's member assistance programs.
- 3.9. Private Charity/Assistance Sources or "PS" – means private

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charities/assistance sources that may establish the qualification of members for the Payment Assistance Program.

4. Policy Statement and Implementation:

This Policy establishes the program requirements for each of PEC's Member Assistance Programs.

4.1. Availability of Funds

4.1.1. PEC will allocate funds to Programs in this Policy through the budget approved annually by the Board for the Member Assistance Programs.

5. Qualifications for Payment Assistance Program:

5.1. Each qualifying member for the Payment Assistance Program will be limited to a maximum of \$300 per calendar year.

5.2. Payment Assistance Program distributions are limited to members only. Therefore, funds can only be used for the person whose name is on the account.

5.3. Payment Assistance Program distributions are limited to current account usage and billing only.

5.4. Payment Assistance Program distributions may not be used towards membership fees, deposits or meter tampering fees.

5.5. PEC reserves the right to refer Payment Assistance recipients for an energy audit, if appropriate.

5.6. PEC will assist members qualified to receive Payment Assistance Program by adjusting collection guidelines:

5.6.1. Suspending disconnection up to five business days on accounts Payment Assistance Program Agencies are assisting.

5.6.2. Waiving deposits reconnect fees, establishment fees, and current billing late fees.

5.6.3. Deposit and establishment fee waivers are limited to once per member. If the member's account requires a deposit or establishment fee for any reason after one has been waived, it will not be waived again.

6. Additional Qualifications for Eligibility:

6.1. If the member (or his or her spouse) has one closed, unpaid account that has gone to the collection agency, PEC will allow them to participate in the Payment Assistance Program under the following conditions:

6.2. The member must contact the collection agency and set up payment arrangements on the old debt within five business days.

6.3. After PEC verifies with the collection agency that arrangements have been made, PEC will apply the pledged Payment Assistance Program funds to the member's current account.

6.4. The member must keep their payment arrangements with the collection agency.

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- 6.5. Before Payment Assistance Program funds are applied, PEC will verify with the collection agency that arrangements are being kept.
- 6.6. Members who reach their Payment Assistance Program limit and subsequently fail to keep payment arrangements with the collection agency will be unable to participate again in the program until the old debt is paid in full.
- 6.7. PEC will notify the appropriate Payment Assistance Program Agency when a member is not eligible to participate in the Payment Assistance Program because of old, unpaid debt to PEC.
- 6.8. Updated collections processes have revealed instances of members or their spouse with more than one old, unpaid debt to PEC. A member (or their spouse) with more than one closed, unpaid account is ineligible for Payment Assistance Program participation until all the balances are paid in full. PEC will notify the appropriate Payment Assistance Program Agency when a member is not eligible to participate in the Payment Assistance Program because of old, unpaid debt to PEC.

7. Agency Involvement with Payment Assistance Program:

- 7.1. Participating Community Action agencies, other qualified organizations, and county agencies will qualify members seeking assistance through the PEC Payment Assistance Program consistent with Comprehensive Energy Assistance Program requirements.
- 7.2. Payment Assistance Program funds will be allocated to the agencies annually with the caveat that PEC will assess Agency use of funds on a quarterly basis, with the possibility of redistributing these limited funds to the best advantage of our members.
- 7.3. Agencies have the right to deny participation in the program to any member who perpetrated fraud against their Agency or is not willing to participate in programs required to support self-sufficiency.
- 7.4. PEC reserves the right to deny participation in the Payment Assistance Program to any member perpetrating or attempting to perpetrate fraud against the Cooperative, for example: meter tampering, providing false identification information, owing a debt to the utility on a closed account, returned checks.
- 7.5. PEC will contact each Agency at least once a month to facilitate communication between the Agencies and the Cooperative to optimize the benefit to our members in providing financial assistance. PEC will also communicate with Agency staff administering the program to review the effectiveness of the program and to resolve any issues.
- 7.6. PEC will provide each Agency with a report that includes details on each pledge to a member, identifies apparent exceptions to standard rules; the percentage of the total allocation distributed each month, and the balance amount of funds remaining for each Agency.
- 7.7. PEC will provide each Agency with a report that includes details on each

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pledge to a member, identifies apparent exceptions to standard rules; the percentage of the total allocation distributed each month, and the balance amount of funds remaining for each Agency.

7.8. The Agency will provide to PEC its distribution notification on the PEC pledge form, which confirms that the member has met the specified qualifications, attested to with an Agency representative's signature on the appropriate line.

7.9. PEC will not refund the member any monies that have been paid by an Agency. The monies will be refunded to the Agency. If an Agency makes an erroneous payment, the funds will be returned to the Agency.

8. Private Charity Qualifications for Payment Assistance Program:

8.1. In an effort to facilitate assistance for low income members, PEC will accept member qualification from private charities/assistance sources (PS) who agree to abide by the following guidelines. Members meeting these qualifications will be granted the same adjustments to our collection practices allowed to members qualified for our Payment Assistance Program.

8.2. PS agrees to verify the members' identity and need for Payment Assistance by requiring the following documents:

8.2.1. Photo ID (drivers' license, military ID, etc.).

8.2.2. Social Security Card & Social Security Numbers for ALL household members.

8.2.3. Proof of income for the past 30 days for anyone living at the residence (check stubs, Social Security [SSI and/or Disability] award letters for current year, unemployment benefits, veterans' benefits, child support, workers' comp, TWC registration printout, TANF award documentation, etc.).

8.2.4. Proof of 10% loss of income/ resources in last 60 days. The PS will verify that the member's income is less than 250% of the Federal Poverty Level.

8.3. At the PS's request and with member's authorization, PEC will provide the member's current utility bill and a cash transaction sheet showing the billing and payment history for at least the past twelve months.

8.4. If the PS advises PEC that the PS is satisfied that the member qualifies for assistance, PEC will authorize collection adjustments on a case-by-case basis, with the understanding that the member will be submitting an application to the appropriate Payment Assistance agency.

9. Veterans' Burn Victim Assistance Program:

9.1. PEC recognizes the hardship that climate can pose to severely burned war veterans, who may suffer a decreased ability to regulate internal body temperature. PEC wishes to assist these veterans through its Burn Victim Assistance Program.

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- 9.2. PEC will administer the documents and funds for the Burn Victim Assistance Program internally, and recipients may work directly with the Cooperative.
- 9.3. The recipient must be a military veteran, and must be able to provide a medical doctor's written certification that he or she has significantly decreased ability to regulate his or her body's core temperature because of severe burns received during armed conflict or in combat.
- 9.4. Certification of continuing medical eligibility may be required every 12 months to continue program participation.
- 9.5. Burn Victim Assistance funds may only be applied to the PEC account at the recipient's current primary residence.
- 9.6. Current Payment Assistance Program participation policies shall apply to the recipient of Burn Victim Program Assistance and the account.
- 9.7. Participation in the Burn Victim Assistance Program does not exempt the recipient from disconnection for non-payment.
- 9.8. To enroll, an applicant should submit a written request to participate, along with the required doctor's certification and evidence of military veteran status to the Member Services Administrator by email to map@peci.com.

10. Building Assistance Program:

- 10.1. PEC will provide assistance to Building Assistance Charitable Organizations and Building Assistance Program Recipients subject to the conditions herein.
- 10.2. The Building Assistance Program applies to Building Assistance Charitable Organizations which are 501(c)(3) organizations.
- 10.3. Qualifications – The following must be met prior to PEC providing any Building Assistance to a Building Assistance Charitable Organization or Building Assistance Program Recipient:
 - 10.3.1. To qualify for an extension to a permanent residential installation the location where the Building Assistance Charitable Organization is requesting service shall comply with the following provisions and the Tariff and Business Rules of PEC unless otherwise provided herein:
 - 10.3.1.1. Be a permanent location. To qualify as a permanent location, the Building Assistance Charitable Organization will either have a definite plan for or has commenced the construction of the building or permanent facilities stipulated in the application by installing a water well or slab/foundation.
 - 10.3.1.2. Be a single family residence.
 - 10.3.1.3. If located within a residential subdivision, the Building Assistance Charitable Organization must have complied with the residential development line extension policy of the Cooperative and paid all aid to

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construction required therein.

- 10.4. Point of Delivery. The Cooperative extends its electric facilities only to the Point of Delivery (as defined in its Tariff and Business Rules).
- 10.5. Routing. The routing of the line extension shall be in accordance with the Cooperative's Tariff and Business Rules.
- 10.6. Line Extension. The Cooperative shall estimate the cost for the line extension as provided in its Tariff and Business Rules.
- 10.7. During construction of the residence, PEC will waive the following fees for the Building Assistance Charitable Organization:
 - 10.7.1. Membership Fee
 - 10.7.2. Establishment Fee
 - 10.7.3. System Impact Fee
- 10.8. During construction, PEC will also provide its allowable investment of up to \$2,000 toward any line extension costs described herein for the Building Assistance Charitable Organization as provided in its Tariff and Business Rules. The Building Assistance Charitable Organization shall be required to pay as a contribution in aid of construction the estimated cost of any extension in excess of the Cooperative's allowable investment.
- 10.9. PEC will also provide electricity to the Building Assistance Charitable Organization at no cost during construction or repair of the residence.
- 10.10. PEC will not impose any security deposit requirements for the Building Assistance Charitable Organization during construction.
- 10.11. Upon completion of the residence, PEC will credit the Building Assistance Program Recipient's account with \$150, which should cover the Membership Fee and a portion of electric use. Building Assistance Program Recipients will be subject to all security deposit requirements.

11. Procedure Responsibilities:

Member Services, Communications and District Operations departments are responsible for implementation and administration of this Policy.

- 11.1. Communications is responsible for the Community Support Programs.
- 11.2. Member Services is responsible for coordination under the Payment Assistance Program, Burn Victim Assistance Program and recording the various waiver of fees specified in the Building Assistance Program and reporting to Finance.
- 11.3. District Operations is responsible for coordinating design of the line extensions and estimating line extension costs for the Building Assistance Program.

12. Enforcement:

The Board and Management shall enforce this Policy. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.

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13. Superseding Effect:

Except for adjustments as noted for collections pursuant to the Tariff and Business Rules, this Policy supersedes and replaces all previous resolutions, policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.

14. References and Related Documents:

Community Support Policy
Tariff and Business Rules

Policy Title:	Community Support – Member Assistance Programs Policy
Review Frequency:	Every 3 Years
Last Reviewed:	September 27, 2017
Date Adopted:	December 20, 2010
Effective Date:	January 19, 2016
Amendment Dates:	September 19, 2011, May 21, 2012, October 21, 2013, January 11, 2016, March 21, 2016, October 16, 2017
Approver:	Board of Directors
Applies to:	All applicants, members, employees or contractors or other third parties involved with the programs.
Administrator:	Member Services
Superseding Effect	Except for adjustments as noted for collections pursuant to the Tariff and Business Rules, this Policy supersedes and replaces all previous resolutions, policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.