

PART III – METER READING AND BILLING**A. GENERAL**

All electricity delivered to a Customer shall be metered as provided in the applicable rate schedule. Bills will be based on meter readings or estimated consumption as provided herein and in the applicable rate schedule for the service address specified by the Customer.

Customers have the choice of Cooperative Consolidated Billing or SMECO/Electricity Supplier Billing.

B. SERVICE APPLICATION CHARGE

Whenever a new account is established at the request of the Applicant, the Cooperative shall impose a service application charge. This charge covers the various expenses associated with recording the Applicant's membership and billing records and reading the meter.

The service application charge shall also be imposed each time an account for rental property is transferred from a tenant to the property owner. In addition, this charge shall apply to service reconnections when service was disconnected at the Customer's request, such as for reconnections of service to vacation homes.

The Service Application Charge shall be \$25 for each application for service where the Cooperative must read or set the meter effective with establishment of new service or the transfer of existing service. The Service Application Charge shall be \$10 where a meter reading is not required or when the service is transferred into the name of a Lessor where a signed Owner's Request For Transfer agreement is on file with the Cooperative.

This charge shall not apply when an account is transferred from a Customer to another family member who has shared the same residence. Such transfers as these might result from divorce or from the death of a spouse.

C. DEPOSITS

In compliance with the rules and regulations of the Maryland Public Service Commission, the Cooperative may require a Customer to make and maintain a cash deposit to secure the payment of a final bill. Such deposit for residential Customers shall not be less than \$5.00 nor more in amount than two-twelfths of the estimated annual charge for service. Such deposit for non-residential Customers shall be no more in amount than the maximum estimated charge for two consecutive billing periods, or as may reasonably be required in cases involving service for short periods or special occasions.

Simple per annum interest at a rate prescribed by the Commission will be paid on Customers' deposits for the time the deposit is held by the Cooperative.

If the Customer desires, the cash deposit may be paid in installments. Non-residential Customers may pay eight weekly installments if the deposit required is at least \$100. Residential Customers may pay eight weekly installments if the deposit required is \$50 to \$150, or 12 weekly installments if the deposit required is greater than \$150. However, the Cooperative may require the residential Customer to pay the greater of \$50 or one-third of

the total deposit by the date that service is provided. The Cooperative will provide the Customer with an installment payment schedule.

As an alternative to the payment of a cash deposit, non-residential and residential Customers may establish or re-establish credit in accordance with the methods adopted by the Commission in COMAR 20.30.01 and 20.30.02, respectively. Copies of COMAR are available for inspection at each Cooperative office.

A Customer 60 years old or older applying for residential service is exempt from any cash deposit requirement if the Customer provides the Cooperative with satisfactory proof of: 1) age; 2) intent to be the primary Customer of the service as evidenced by lease, mortgage, rental agreement or title to the dwelling unit to be served being maintained in the name of the applicant; and 3) the absence of any outstanding bill owed to the Cooperative for service.

A non-residential or residential Customer who has established credit and is receiving service, but who fails to pay a bill by the expiration date on a termination of service notice, may be required to pay a deposit in addition to paying the outstanding bill and a reconnection charge.

D. BILLING PERIOD

Bills for service will be rendered monthly unless otherwise specified. For billing purposes, the term "month" shall mean the period between any two consecutive meter readings, such readings to be taken as nearly as practicable every 30 days.

E. PAYMENT OF BILLS

All bills are due when rendered, and the net rates, as contained in the rate schedules, apply when the bills are paid within 20 days after date of rendition. When the 20 days allowed for payment shall expire on a holiday observed by the Cooperative or on a Saturday or Sunday, the payment period will be extended through the next ensuing business day.

The date of payment will be considered as the date upon which payment is received by the Cooperative.

Customers served under Standard Offer Service will have payments applied in the following order: 1) to arrearages for regulated utility service, oldest item first; 2) to current regulated charges and 3) to other authorized charges.

Customers served by an Electricity Supplier will have payments applied in the following order: 1) SMECO arrearages; 2) Electricity Supplier arrearages; 3) SMECO current charges; 4) Electricity Supplier current charges; and 5) other value-added services.

F. LATE PAYMENT CHARGES

If bills are not paid within 20 days after rendition, a late payment charge equal to 1.5 percent will be added to the net amount exclusive of applicable taxes and the Maryland Environmental Surcharge. At the end of the first nominal billing interval after that, an additional charge equal to 1.5 percent will be added to any portion of the original amount that remains unpaid. At the end of the second nominal billing interval, an additional charge equal to 2 percent will be added to any portion of the original amount that remains unpaid. The total of the late payment charges shall not exceed 5 percent of the original unpaid amount.

In accordance with Commission rules and regulations, all Customers within a service classification will be subject to late payment charge provisions, policies, and practices.

G. BILL EXTENDER PLAN

Qualifying customers making application and participating in the Bill Extender Plan shall be allowed thirty days to pay their bill without penalty charges being incurred.

Qualifying customers include: 1) those receiving Social Security benefits or other financial aid through government-sponsored assistance programs where such benefits or aid is the main source of income within the customer's household; and, 2) any customer 62 years of age or older.

Customers must request participation in the plan and may be required to provide adequate proof of eligibility.

H. RETURNED PAYMENTS

Customer payments that are returned to the Cooperative unpaid by the Customer's payment agency will result in a returned payment charge of \$11.00 per occurrence. Returned payments include, but are not limited to: returned checks, returned Automated Clearing House payments (ACH), and declined credit card payments. The returned payment charge shall apply to any and all returned payments incurred by the Cooperative. The additional \$11.00 returned payment charge will be added to the Customer's account.

Upon request by the Customer, the returned payment charge will be waived provided that no other such waiver has been made in the preceding 11 months.

I. EVEN MONTHLY PAYMENT ("EMP") PLAN

An EMP Plan is available to Customers who request this type of billing. Under provisions of the plan, application of this service may be made at any time, although Customers may not participate until all unpaid charges are paid in full.

Upon the Cooperative's approval, a customer participating in EMP will be billed as follows: For a customer receiving Standard Offer Service from SMECO, the EMP billing will be for all charges billed to the customer. For a customer receiving energy supply from an Electricity Supplier, the EMP billing will be for all charges billed to the customer except the charges from the Electricity Supplier. Charges from the Electricity Supplier will be billed to the customer each billing period at the amount invoiced by the Electricity Supplier. For all customers, the EMP billing will be even monthly charges of 1/11.5 (adjusted to the nearest

dollar) of the Cooperative's experience of EMP-covered charges for that Customer location during the most recent 12 months, adjusted as necessary for any changes in rates. In the absence of a 12-month history for that location, the Cooperative may, where a reasonable estimate may be made, accept the Customer on the plan. The billing under this plan will begin the month following acceptance of the request. SMECO will perform a settlement on an annual basis to revise the monthly EMP charge as needed and to deal with any outstanding balance or credit. SMECO may also adjust the monthly charge at any time if a significant overrecovery or underrecovery is occurring.

Upon discontinuance of EMP billing under this plan, the Customer's bill will be rendered for the difference between:

1. The accumulated EMP amounts previously billed and paid under this plan, and
2. The charges for actual usage at net rates including applicable taxes and other charges.

In the event an EMP Plan Customer elects to switch between Standard Offer Service and selecting an Electricity Supplier, SMECO will determine whether the account should be trued-up or otherwise adjusted immediately or later if the end of the plan year is near. Customers participating in the EMP Plan will be charged for the Cooperative's Distribution Services regardless of the Customer's choice for Competitive Supply Services or the billing method selected. Customers seeking to enroll in or terminate participation in the EMP Plan must do so by contacting the Cooperative.

Whenever the Cooperative deems it necessary to revise the basis used for the prevailing even monthly payment, the Customer will be notified of the revised even monthly payment to be billed thereafter.

J. DISCONNECTION FOR NON-PAYMENT

Each Customer whose bill is unpaid by the rendition of the next month's bill will be notified in writing that service is subject to disconnection. If the bill remains unpaid 14 days after the date of such notice, service will be disconnected unless payment or satisfactory written arrangement for payment is made with the Cooperative. At its option, but only with the Customer's consent, the Cooperative may elect to limit the Customer's use of service to 10 amperes in lieu of service termination. A load limiter shall be installed for a maximum of one (1) complete billing cycle (approximately thirty (30) days) unless a greater period is agreed upon by the Customer and the Cooperative. Full service shall normally be restored to the customer within 24 hours after customer meets requirements for removal of the limiter. The Customer agrees to accept responsibility for any loss, cost or damage that results from any interruptions occasioned by the Customer's load exceeding 10 amperes. The Cooperative's right to terminate service in accordance with PSC rules and regulations shall not be affected by the Cooperative's offer nor the Customer's acceptance of limited service.

K. RECONNECTION CHARGE

Reconnection to Customers whose services have been disconnected because of non-payment of bills shall be made only upon the payment of all overdue bills for service, plus a reconnection charge and a deposit, if applicable, in accordance with Part III B, Deposits.

Where the request for reconnection is made during normal Cooperative working hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (holidays excluded), the reconnection charge shall be \$36.00. A request for a reconnection to be made that same day at the above rate must be received not later than 5:00 p.m. that day.

Where reconnection is requested by the Customer and made outside of the normal Cooperative working hours, as noted above, the reconnection fee shall be \$133.00.

L. COLLECTION FEE

A collection fee of \$28.00 may be charged when a representative of the Cooperative is sent to the premises of the Customer for collection of a delinquent bill. This fee shall be charged no more than once a month.

M. FAILURE TO READ METER

Except as provided in Section Q, the Cooperative will endeavor to secure meter readings each month. However, when the Cooperative cannot secure a reading because of circumstances beyond its control, a minimum bill may be issued or the Customer may be billed on an estimated consumption. The bill will indicate that the meter reading is an estimate.

N. PARTIAL MONTH BILLING

When a non-residential Customer commences or discontinues service between the regular meter-reading dates, the Cooperative will prorate the "Energy Charge" blocks of the rate schedule in proportion to the number of days service was used. This will not apply in instances of temporary service where the period of temporary service is less than one month.

O. METER TAMPERING AND UNAUTHORIZED ELECTRICITY CONSUMPTION

1. **Meter Tampering:** In the event tampering with a meter or Cooperative equipment has occurred at the Customer's service address, the Cooperative will terminate service. The Customer shall pay all of the below charges, fees, and amounts as a condition to SMECO reconnecting service to the premise. The Customer must pay an Investigation Charge of \$252 designed to cover costs related to the Cooperative or contractor resources used to isolate and make safe the unauthorized connection or hazardous condition, to include but not limited to tampering or unauthorized service investigations and inspections. The Customer shall also pay (a) all past due debt, (b) a Service Application Charge as required in Part III. B of this Tariff, and (c) a deposit in accordance with COMAR 20.30.02.03, Reestablishment of Credit. If the tampering damages the Cooperative's equipment on the Customer's premise, the Customer shall be liable for the entire cost of repairs or equipment replacement. Upon discovery of tampering at the service address, the Cooperative may install protective equipment to prevent access by unauthorized persons. In addition, if the Customer has opted out of a smart meter per Rider AMI Opt-Out, the Cooperative may deem the Customer as being ineligible for Rider AMI Opt-Out and replace the Customer's meter with a smart meter.

2. **Unauthorized Electricity Consumption:** When the Cooperative has reasonable evidence that a Customer is obtaining all or part of his electricity by any method that (a) interferes with the proper metering of service delivered to the Customer's premise or (b) allows for any other unauthorized consumption of electricity, the Cooperative will terminate service. The Cooperative will present and the Customer will pay a bill for unmetered service resulting from such interference or unbilled service from other unauthorized electricity consumption. The Customer shall pay all of the charges, fees, and amounts set forth in section O(1) above as a condition to SMECO reconnecting service to the premise.

P. RESTRICTION OF USE

All energy is to be used by the Customer for the purposes designated or implied in the rate schedule applicable to his particular installation. Energy may not be resold or redistributed to other users except where otherwise specified by law or in the contract for service.

Q. CHECK METER READ

A customer may request that the Cooperative check the meter reading used for billing purposes. In the event the check determines the meter read to be in error, the Cooperative will rebill the customer using the corrected meter read and the customer will not be charged for the meter read check. In the event the check determines the meter read is correct, the customer will be charged \$28.00 for the check meter read.