

GENERAL INFORMATION FOR MEMBERS

OF SOUTH CENTRAL ARKANSAS ELECTRIC COOPERATIVE

Summary of Your Rights and Obligations

(Provided by order of the Arkansas Public Service Commission)

If you ever have questions or need information about your bill, your cooperative, or its operations, please feel free to contact us at one of the following addresses or telephone numbers.

HOME OFFICE:

South Central Arkansas Electric Cooperative, Inc.
4818 Hwy 8 W - PO Box 476
Arkadelphia, Arkansas 71923
1-800-814-2931 (Toll Free) or 870-246-6701 (Local)
Website: www.scaec.com

NOTICE TO CUSTOMERS

The Arkansas Public Service Commission governs many areas of customer service for this utility. The Commission's Rules contain important information about rights and responsibilities for applicants and customers. Copies of the Commission's Rules and Commission approved company tariffs and service regulations are on display in our office and are available for public inspection. A copy of any pertinent part of these Rules, tariffs, or service regulations is available to applicants and customers upon request.

Anytime that you feel that we are not providing satisfactory service or not answering your questions satisfactorily, you may contact the Arkansas Public Service Commission, 1000 Center, Box 400, Little Rock, Arkansas 72203. Phone: 1-800-482-1164.

I. ELECTRIC SERVICE RATES: All rates for service are on file with the Arkansas Public Service Commission and are available to our consumers on request at our business office at Arkadelphia, Arkansas. The monthly rates for basic residential are as follows:

A. Power Cost Adjustment: If the cost of energy to the Cooperative changes from the base cost of 28.295 mills per kilowatt hour purchased embedded in the Cooperative's rates, the Cooperative shall increase or decrease its rates by an amount sufficient to compensate for the change.

B. Tax Adjustment: This adjustment shall apply to any excise, license, privilege or franchise taxes which the Cooperative may hereafter have to pay, which are levied or imposed, or increased or decreased by laws or ordinances of any municipal taxing authority. Such adjustments shall be covered only from those consumers within jurisdictional boundaries of the taxing bodies and shall be shown on the face of the bill.

C. Cost of Debt Adjustment: If the cost of debt to the Cooperative changes from the \$1,084,337 cost embedded in the Cooperative's base rates, then the Cooperative shall increase or decrease its retail rates by a corresponding amount.

II. BILLING PROCEDURES: All bills will contain the following information:

- A. Member's name
- B. Period covered by the bill
- C. Previous month's payment
- D. Number of kWh used
- E. Charges for electricity, all taxes, charges for non-utility merchandise or services purchased through the utility (itemized)
- F. Any previous balance due
- G. Date bill was mailed
- H. Total amount of bill
- I. Due date of bill
- J. Rate code applicable to the bill
- K. Charges for any adjustment clauses
- L. Name, address and phone number of the cooperative.

III. PAYMENT DEADLINES AND PROCEDURES:

A. Payment Procedures: You may pay your bill in the office or to the following collection agents:

- Bank of Delight
- Bank of Prescott
- Diamond Bank -- Glenwood
- Diamond Bank -- Murfreesboro
- First State Bank of Gurdon
- Southern Bancorp - Bismarck

Phone Payment: You may phone in your payment by calling our toll-free automated line at 1-877-760-7445. You must have your account number in order to make your payment. The payment center accepts checks, debit, or credit cards. All phone payments are subject to a \$4.00 convenience fee charge.

E-Bill Payments: You may pay your bill online through our E-Bill payment service on our website, or by Smartphone. Log on to our website at www.scaec.com and register as an E-Bill user. This service accepts payment by check, debit, or credit card. E-Bill payments are subject to a \$4.00 convenience fee charge.

Automatic Bill Payment: You may enroll in our Automatic Bill Payment Plan whereby the bill will be debited by bank draft through your checking or savings account. If you would like to enroll, please fill out an authorization form and return to our office.

MoneyGram: South Central Electric is an authorized MoneyGram payee. Payments are accepted at any MoneyGram location and will be posted within 20 minutes of receipt. MoneyGram payments are subject to a \$1.50 fee. Members must use our Receiver Code of 15144 to ensure we receive payment.

B. Payment Deadlines: Bills are payable the day they are received and become delinquent after the 22nd day of the month. If bill payment is not received in our office, a "Shut-Off Notice" may be sent. Service may be disconnected for non-payment if payment or arrangements for payment have not been made within eight days of the mailing of the "Shut-Off Notice."

C. Late Payment Charges: If your bill is not paid by the due date, we will assess a late payment penalty fee to your account. The late fee is calculated by charging 10% of the first \$30 and 2% of any remaining balance.

D. Under Billing Correction: If the cooperative adjusts a member's billing due to a previous under-billing, the cooperative will send a letter to the member notifying them of the adjustment. The member will be permitted to make monthly payments to the cooperative over the same period of time as the under-billing occurred. Late fee penalties will be waived to members who pay the balance in monthly installments by the due date.

IV. VERIFICATION OF BILLS: Our bills are figured by computer, which operates on information fed into it. If after figuring your bill according to the rate schedule, you feel a mistake has been made, please contact us and we will re-figure the bill for you and explain the procedures used. Our representatives are trained to handle consumer inquiries promptly. Please contact our consumer service representative and state your complaint. If you have a suggestion for resolving the complaint, please state it. Write down the name of the person to whom you talked. If your complaint is not handled to your satisfaction, you may appeal to the service representative's supervisor.

If the bill is incorrect, we will make an adjustment on your bill before payment is made. If an overpayment has already been made, we will credit your next bill with the amount of overpayment.

V. METER READINGS: The dial on your meter measures the kWh's used and reads exactly like the odometer on your car which measures the number of miles traveled. Read your meter from left to right. In order to determine how many kWh you have used, simply read your meter and subtract the previous reading from the reading taken. The answer will give you the number of kWh used from one reading to the next.

VI. BILLING ESTIMATION: The cooperative reads each member's meter monthly either by computer or personnel. The cooperative will make every effort to obtain a monthly reading. Should the cooperative not be able to obtain a monthly reading for any reason outside their control, the cooperative has the authority to estimate the member's billing up to a period of two consecutive months. If the cooperative is still not able to obtain a meter reading after that two-month estimation, the cooperative will notify the customer in writing at the billing address on the customer account and explain the reason for estimation. Written notice shall outline any action to be taken on the part of the customer.

VII. MEMBERSHIP AND DEPOSIT REQUIREMENTS:

A. Memberships: Each company, firm or individual who receives service from South Central Electric must pay a membership fee prior to connection of service. This membership fee will be held by the cooperative as long as service is continued, and is refundable by application to the final bill when all services are terminated by the company, firm, or individual.

B. Deposits from Applicants: Each company, firm or individual who receives service from South Central Electric may be required to pay a service deposit to insure settlement of each account. The service deposit may equal but not exceed an amount equal to an average two months' bill. The deposit may be paid in two equal installments over a 30-day period. The deposit will accrue interest as approved by the PSC and will be credited to the electric bill plus interest after a one-year period of good payment record by the consumer. Additional deposits may be required under applicable commission rules. In lieu of a deposit, an applicant may present an approved credit letter from a like utility, or applicant may enter a third-party agreement whereby an existing member agrees to be responsible for up to the amount of deposit.

C. Deposits from Customers: You may be required to pay a new or additional deposit for any of the following reasons:

1. Failure to pay a "Shut-Off Notice" before the close of business on the last day to pay within the last 12 months.
2. Presenting two or more checks which were returned unpaid for reasons other than bank error in last 12 months.
3. Failure to pay bill by close of business on bill due date two times in a row or any three times in last 12 months.
4. Misrepresentation of identity or facts relevant to obtain or continue service.
5. Unauthorized use of service, utility equipment, or damage to equipment during last 2 years.
6. Filing for protection with U.S. Bankruptcy Court in accordance with USCA Title II § 366.

VIII. DISCONNECT/RECONNECT PROCEDURES:

A. Disconnect by Member Request: If you wish to have a service disconnected, you need to give us a five-day notice. Normally, we will disconnect a service the following day it is requested. However, you remain responsible for electricity used at the service until it is disconnected or 5 days after the request, whichever comes first. Disconnects may be requested by letter, phone or in person.

B. Other Reasons for Disconnects: The cooperative may disconnect service after proper notification for any of the following reasons:

1. Failure to pay a delinquent bill
2. Failure to comply with any payment agreements
3. Failure to post a deposit
4. Misrepresentation of your identity or facts to obtain service
5. Unauthorized or fraudulent use of service
6. Refusal to grant access to coop property
7. Violation of service rules
8. Violation of laws through use of service
9. Abandonment of premises served
10. Injury or threats to employees, their families, or damage to cooperative property

A service disconnect for any of the reasons above will only be performed between 8:00 a.m. and 4:00 p.m. of normal business days. No service will be disconnected when the temperature is forecasted to be 32 degrees or below.

C. Disconnect Notice: Before service is disconnected, we will try to eliminate the reason for disconnection. We will give you at least a five-day written notice (eight days if mailed) of the reason for disconnection. This notice may be delivered to you personally, left in a conspicuous place on your premises, or mailed.

D. Closed Accounts: A utility shall not close a disconnected account until the customer has been given seven calendar days to have service reconnected. Once an account is closed, the utility may treat a former customer applying for service as a new applicant.

E. Reconnects:

1. If disconnect was by member's request, reconnect is handled the same as a first-time service.
2. Otherwise, reconnects will be made when reasons for disconnection have been eliminated.
3. Reconnects will be given precedence, if cooperative was at fault. If the member was at fault, reconnects shall be made during normal course of the work load.
4. Cooperative may refuse to reconnect until ordered by the PSC if disconnect was for unlawful or fraudulent reasons.
5. Cooperative may require reasonable payment for estimated service in case of fraudulent use.
6. A reconnect fee will be charged if disconnect was fault of the member. Any delinquent or bad check which requires a cooperative trip to collect will be charged a trip charge.

IX. EXTENDED PERIODS OF ABSENCE: The following options are available to customers to avoid suspension of service during extended absences.

A. Different Address: If you plan to be gone more than one month, it would be advisable to leave with us an address where we can send a duplicate bill. This way you will continue to receive a bill while you are away.

B. Pre-Payments: If you plan to be away just one month, or if you cannot be reached at a different address, you may make a pre-payment. In this case, we will estimate the amount of your bill, based on previous billings, and let you pay in advance for the number of months you plan to be away.

X. THIRD PARTY NOTIFICATION: If you feel there may be circumstances under which a consenting third party may be able to prevent disconnection of service, we will notify the third party of your pending disconnect. If you wish a third party to be notified, you will need to complete the form and return to our office so that we may place the proper notification on your account.

XI. DELAYED PAYMENTS: If you have difficulties paying your bill, you may, if qualified, make payments in installments as follows:

A. Initial Partial Payment/Written Agreement for Balance: You must pay 1/4 of total amount due prior to close of business on the last day to pay printed on the shut-off notice.

B. Written Agreement for Future Bills: You must sign a written agreement to pay all future bills in full as they come due during the period of agreement. Failure to comply with the terms of the agreement may result in disconnection of your service. The cooperative is not obligated to offer a member a delayed payment arrangement if the member has failed to keep the terms of agreement within the past 12 months.

XII. EXTENDED DUE DATE PLAN: You may apply to have your due date extended if your income is from Aid to Families with Dependent Children (AFDC), Aid to the Aged, Blind and Disabled (AABD), Supplemental Security Income (SSI), Social Security or Veterans Administration disability or retirement benefits.

XIII. LEVELIZED BILLING PLAN: Any residential customer may request to be placed on levelized billing. Under this plan, the amount of the current bill will be based on the average amount actually owed during the most recent 12 months, plus or minus one-twelfth of the balance owed or credited. Where the customer has less than twelve months' billing history at present location or the billing history is not representative, estimates of monthly billing may be made solely for determining the current month's levelized billing amount.

XIV. MEDICAL EMERGENCIES: If you receive a "Shut-Off Notice" from the cooperative, we will postpone termination of service or reconnect previously terminated services for up to 30 days, if you present a physician's certificate stating that the suspension of utility service would give rise to a substantial risk of death or gravely impair the health of any permanent resident in the household where service is located. Certificate may be presented after notification by phone or in person.

XV. ELDERLY AND HANDICAPPED: Qualifying elderly and/or handicapped members will be given special attention and consideration regarding their electric service. "Elderly" is a residential consumer age 65 or older. "Handicapped" is a residential consumer who has a severe physical or mental impairment which substantially limits the ability to pay electric bills and who is certified as being physically or mentally disabled by a physician or other qualified person, agency or organization.

XVI. TENANTS/LANDLORDS: Certain landlords/tenants will receive special consideration regarding the delinquent shut-off of electric service. "Landlord" here means the owner, agent, manager, or lessor of premises in regards to which he receives rent or lease payments which include amounts for payment of electric service. A "tenant" is a person occupying these premises. If you qualify as a landlord/tenant, please contact the cooperative for full details of these special considerations.

XVII. PREPAY ELECTRIC PROGRAM: Prepay Billing is a voluntary program and is offered to residential consumers, community facilities, and seasonal accounts. With Prepay Billing, you pay for electricity before you use it. No deposits or late fees are charged to the account. A minimum payment of \$20 is required to start prepay billing. Traditional accounts may switch to Prepay Billing at any time during the billing cycle. For more information about our Prepay Electric Program, call our office.