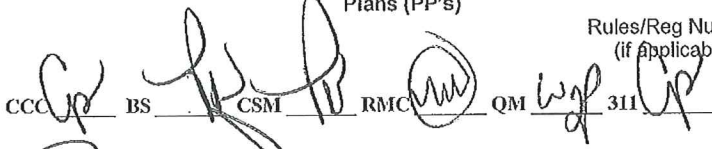



Austin Energy – Customer Care			
Group: <b>Customer Care</b>	Effective Date: 10/10/2011	Revision Date:	<i>Supersedes any CIS related Payment Arrangement Policies</i>
Section: <b>All</b>	Subject: CC&B Payment Arrangements/Payment Plans	Date of Previous Revision:	
Policy Number:	Policy Name: <b>Payment Arrangements (PA's) and Payment Plans (PP's)</b>	Document Number:	
		Rules/Reg Number: (if applicable):	
Process Manager Approval:			
Vice President of Customer Care Approval:			

## Residential Payment Arrangement and Pay Plan Procedure

### Purpose:

This Pay Plan and Payment Arrangement procedure is designed to define and communicate process for establishing Residential Pay Plans and Payment Arrangements and to effectively manage the number/dollar volume of delinquent accounts.

### Job Performer:

Contact Center Customer Service Representatives; Contact Center Senior Customer Service Representatives; Collections Representatives; Customer Solution Coordinators; Community Services Coordinators; Branch Office Representatives; Client Relationship Analysts; Client Relationship Coordinators; Customer Care Supervisors and Customer Care Managers

### Pay Plan Procedures:

- 1.0 Residential Pay Plan Qualifications.** A Residential account may be eligible for a Pay Plan if Customer is not restricted by any of the items in section 2.0 Pay Plan Ineligibility.
- 1.1 Preliminary Research on Active Accounts.** When a Customer requests a Pay Plan on an account, the Representative will review all accounts currently held by the customer. The Representative will utilize customer information such as the customer's social security number, driver's license number, or any other available identifier, as search criteria within CC&B to help search for any unpaid balances on Stopped Service Agreements. If account balances are found, with the exception of Bankruptcy, Dispute or Legally Extinguishable Service Agreements, the amount may be transferred prior to creating the Pay Plan. If the account has a Bankruptcy, Dispute or Legally Extinguishable Service Agreement, do not attempt to collect or transfer the balance of these SA(s). Process the Pay Plan request on the requested account as detailed in section 1.3.
- 1.2 Pay Plan Notification.** Pay Plans will not appear on the Customer's bill. Representative creating the Pay Plan should obtain verbal agreement from the Customer before issuing the Pay Plan.
- 1.3 Residential Pay Plan Processing.**

- A. **Requirements.** A Residential account must have fully met the terms of the prior PP in order for a new PP to be issued. If a Residential account did not fully meet the terms of their prior PP they must have brought their account to a zero (0) balance or credit balance at any point since the most recent PP defaulted. This requirement could be temporarily suspended due to executive memo.
- B. **Standard Pay Plan Length.** Pay Plans will be due within 15 calendar days (from the Pay Plan creation date). This requirement could be temporarily suspended due to executive memo.
- C. **Pledge Pay Plan Length.** All Pledged amounts will receive a Pay Plan due 45 days from the date the Agency called to make the pledge. Pledge Pay Plans will be dependent on Pledge amount.
- D. **Standard Pay Plan Contact Creation.** When a Pay Plan is created the account should be noted.
- E. **Pledge Pay Plan Contact Creation.** When a Pay Plan is created for a Pledge the account should be noted using the PLEDGE contact.
- F. **Third Party Payor.** Pledge Pay Plans will have a Third Party Payor Assistance Agency indicated
- G. **Payment Forms.** All normally accepted forms of payment are permitted for down payments and installments, provided the account is not considered a "cash-only" account (see 7.0c). Payments may be required to be verified based on customer payment history.
- J. **Number of Payment Pay Plans.** There is no limit to the number of Pay Plans available provided that account has been brought to a zero (0) balance or credit balance at any point since the most recent Pay Plan defaulted.
- K. **Penalty Exempt.** Standard Pay Plans are penalty exempt.
- L. **Deposits.** Deposits are allowed on PP's. If a PP is requested on the first bill the deposit must be paid with the first installment or down payment. Accounts can be disconnected due to non-payment of deposit.
- M. **PP Renegotiation.** The terms of an open PP may be renegotiated only if a material change has occurred on the account since the PP was originally set. Material change as defined in Section 6.0 Special Circumstance Arrangements.

**2.0 Pay Plan Ineligibility.** An account becomes ineligible for a Pay Plan if impacted by any of the following actions:

- A. **Accounts with Stopped Service Agreements with a debit balance.** If an account has stopped service agreements in CC&B, other than bankruptcy, dispute or legally extinguishable with debit balances, the Service Agreements may be transferred to the account receiving the Pay Plan, subject to section 1.1 Preliminary Research on Accounts. An Account must have active service agreements to receive a Pay Plan.
- B. **Meter Tampering.** Persons with accounts with meter tampering charges will not be eligible for Pay Plans for one (1) year from the time the tampering charges were applied to the account, and after one year will only be eligible for Pay Plans



if tampering charges and lost consumption have been paid in full. A single occurrence of a broken seal charge does not constitute tampering. Accounts with two or more validated meter tampering occurrences will not be eligible for PA(s) for five (5) years from the date of the most recent tampering occurrence.

- C. Previous Pay Plan or PA not paid in full.** If the previous Pay Plan or PA has not been paid in full, the account must have been brought to a zero (0) balance or credit balance at any point since the most recent Pay Plan or Payment Arrangement defaulted.
- D. Past Due Accounts with Pay Plan.** Accounts cannot be past due in order to be eligible for a PP. PP will not be allowed once late charges are applied to the current bill and / or previous bills remain unpaid.
- E. Customer's service is scheduled to be or has been disconnected for non-payment.** Customers who request Pay Plans on the day service is scheduled to be disconnected, or service has been disconnected, for non-payment will not be eligible for a Pay Plan. Proof of payment for the full past due balance must be rendered prior to the reconnect order being issued.
- F. Returned Payment on the account.** If the customer has a returned payment due to insufficient funds on the account, the customer is no longer eligible for a PP but can request a PA.

**3.0 Defaulted Pay Plans.** A Pay Plan can default for any of the following reasons:

- A. Payment not received.** The Pay Plan was not received by the utility on or before the required date.
- B. NSF Payment.** The payment was made with non-sufficient funds.
- C. Cash only accounts.** Account is coded "CASH ONLY" and payment is submitted in a non-cash form. Money orders, cashier checks and bank official check are considered cash equivalents bank guaranteed funds.

**3.1 Resetting Defaulted Pay Plan's**

- A. COA Error in Creating Pay Plan.** Should a customer's Pay Plan default due to a verified error by COA when the Pay Plan was initiated, the Pay Plan should be reset, provided the customer kept up their end of the agreement. Resetting the defaulted Pay Plan does not constitute an additional Pay Plan and the account should be noted using the RESET PP/PA contact.

**Payment Arrangement Procedures:**

**4.0 PA (Payment Arrangement) Ineligibility.** An account becomes ineligible for a PA if impacted by any of the following actions:

- A. Accounts with Stopped Service Agreements with a debit balance.** If an account has stopped service agreements in CC&B, other than bankruptcy or legally extinguishable with debit balances, the Service Agreements may be transferred to the account receiving the PA, subject to section 2.2 Preliminary Research on Accounts. An Account must have active service agreements to receive a PA.

- B. Meter Tampering.** Persons with accounts with meter tampering charges will not be eligible for PA(s) for one (1) year from the time the tampering charges were applied to the account, and after one year will only be eligible for PA(s) if tampering charges and lost consumption have been paid in full. A single occurrence of a broken seal charge does not constitute tampering. Accounts with two or more validated meter tampering occurrences will not be eligible for PA(s) for five (5) years from the date of the most recent tampering occurrence.
- C. Previous Pay Plan or PA not paid in full.** If the previous Pay Plan or PA has not been paid in full, the account must have been brought to a zero (0) balance or credit balance at any point since the most recent PA or Pay Plan defaulted. This requirement could be temporarily suspended due to executive memo.
- D. Customer's service has been disconnected for non-payment.** Customers who request payment arrangements on the day service has been disconnected, for non-payment will not be eligible for a PA. Proof of payment for the full past due balance must be rendered prior to the reconnect field activity being issued. This requirement could be temporarily suspended due to executive memo.
- E. Customer's service has a scheduled field activity generated by the system for non-payment.** Customers who request payment arrangements on the day service is scheduled to be disconnected for non-payment will not be eligible for a PA. Proof of payment for the full past due balance must be rendered prior to the reconnect field activity being issued. This requirement could be temporarily suspended due to executive memo.
- F. Returned Payment on the account.** If the Account has a returned payment due to insufficient funds on the account, the Account must have been brought to a zero (0) balance or credit balance at any point since the most recent NSF charge before becoming eligible for a PA.

**5.0 Residential PA Qualifications.** A Residential account may be eligible for a Payment Arrangement (PA), if the account is not restricted by any of the items in section 4.0 - PA Ineligibility.

**5.1 PA Notification.** PA monthly installment amounts will appear on the Customer's bill. Representative creating the PA should obtain verbal agreement from the Customer before issuing the PA. Upon Customer request, written details of the payment agreement will be provided.

**5.2 Preliminary Research on Active Accounts.** When a Customer requests a PA on an account, the Representative will review all accounts currently held by the customer. The Representative will utilize customer information such as the customer's social security number, driver's license number, or any other available identifier, as search criteria within CC&B to help search for any unpaid balances on Stopped Service Agreements. If account balances are found, with the exception of Bankruptcy, Dispute or Legally Extinguishable Service Agreements, the amount may be transferred prior to creating the PA. If the account has a Bankruptcy, Dispute or Legally Extinguishable Service Agreement, do not attempt to collect or transfer the balance of these SA(s). Process the PA request on the requested account as detailed in section 5.3.

**5.3 Residential PA Processing.**



- A. **Requirements.** A Residential account must have fully met the terms of the prior PA in order for a new PA to be issued. If a Residential account did not fully meet the terms of their prior PA they must have brought their account to a zero (0) balance or credit balance at any point since the most recent PA defaulted. This requirement could be temporarily suspended due to executive memo.
- B. **Standard PA Length.** The Representative should discuss monthly bill amount plus estimated PA amount to determine the ability of the customer to pay entire monthly balance. The minimum term on a PA should be two (2) monthly installments. A Representative may offer up to an eight (8) month PA for any balance. PA's beyond this term require Supervisor approval. Supervisors and Collections Representatives may offer up to a twelve (12) month PA for any balance. Customer Solutions Coordinators and Community Service Coordinators may offer Customers who are enrolled in the Customer Assistance Programs a PA up to thirty six (36) months in term for any balance; if Customer is not enrolled in CAP the PA may be up to twelve (12) months in term for any balance. PA's beyond these terms require Manager approval. This requirement could be temporarily suspended due to executive memo.
- C. **Contact Creation.** If creating a manual PA the account should be noted using the PAY contact.
- D. **Payment Forms.** All normally accepted forms of payment are permitted for down payments and installments, provided the account is not considered a "cash-only" account (see 7.0c).
- E. **Down Payment.** A Pay Plan will be created for the first installment.
- F. **Down Payment Due Date.** The down payment Pay Plan is due within fifteen (15) calendar days.
- G. **Monthly Payments.** The total balance divided by the number of months to pay the balance determines the monthly payment. The first installment of the PA is due on their first bill after the PA set up.
- H. **PA Installment Due Dates.** The PA Installment Due Dates is the due date on the customer's bill.
- I. **Number of Payment Arrangements.** There is no limit to the number of payment arrangements available provided that account has been brought to a zero (0) balance or credit balance at any point since the most recent PA defaulted.
- J. **Penalty Exempt.** Dollars owed that are in the PA are penalty exempt all new charges will NOT be penalty exempt.
- K. **Deposits.** Deposits are not allowed on PA's. If a PA is requested on the first bill the deposit must be paid with the first installment or down payment, if required. Accounts can be disconnected due to non-payment of deposit even if PA is current and being paid regularly.
- L. **PA Renegotiation.** The terms of an open PA may be renegotiated only if a material change has occurred on the account since the PP was originally set. Material change as defined in Section 6.0 Special Circumstance Arrangements.


## 6.0 Special Circumstance Arrangements

- A. **Backbilling.** Accounts back charged after being discovered to have been billed at the wrong rate, wrong multiplier or having a malfunctioning meter may be eligible for a special payment arrangement equaling the same length of time as was used to calculate the back charge.
  - 1. Representative must get approval from their supervisor or manager prior to extending the payment agreement to the customer.
  - 2. This special agreement may be extended even if prior PA was not paid in full.
- B. **Customer's Power Has Been Disconnected.** Special needs exceptions may be considered by the Customer Services Management staff.
- C. **Medical Payment Arrangements.** Customers who are certified as Seriously Ill, as defined by our Medically Vulnerable certification guidelines, will receive additional Payment Arrangements for as long as they are certified as Seriously Ill. Medical Payment Arrangements may only be created by Community Service Coordinators or Customer Solutions Coordinators.
- D. **Utility Errors and / or Omission.** The Customer Service Management team can set up payment arrangements that meet the needs of the customer with approval from their Manager.
- E. **Legal Decisions.** The Customer Solutions / Collections team can implement all PA's that are required or requested by hearing decision, policy change, rate implementation or legal interpretation.
- F. **AE Error in Creating New PA.** Should a customer's PA default due to a verified error by AE when the PA was initiated, the PA should be reset, provided the customer kept up their end of the agreement. Resetting the defaulted PA does not constitute an additional PA and the account should be noted using the RESET PP/PA contact.

**7.0 Defaulted PA's.** A PA can default for any of the following reasons:

- A. **Any Installment not received.** Any installment plus current bill charges not received by the utility on or before the required bill due date.
- B. **NSF Payment.** The payment was made with non-sufficient funds.
- C. **Cash only accounts.** Account is coded "CASH ONLY" and payment is submitted in a non-cash form. Money orders, cashier checks and bank official check are considered cash equivalent bank guaranteed funds.
- D. **Down Payment not received.**



Austin Energy – Customer Care					
Group:	<b>Customer Care</b>	Effective Date:	10/05/11	Revision Date:	06/14/12
Section:	<b>All</b>	Subject:	CC&B Payment Arrangements/Payment Plans	Date of Previous Revision:	
Policy Number:		Policy Name:	Payment Arrangements (PA's) and Payment Plans (PP's) - RESIDENTIAL	Document Number:	
Process Manager Approval:	CCC	BS	CSM	RMC	QM
Vice President of Customer Care Approval:					

### Payment Arrangement and Pay Plan Procedure: Residential

#### Purpose:

This Payment Arrangement and Pay Plan procedure is designed to define and communicate process for establishing Residential Payment Arrangements and Pay Plans and to effectively manage the number/dollar volume of delinquent accounts. A customer may not have an active Payment Arrangement and an active Pay Plan at the same time. This Payment Arrangement and Pay Plan Policy may be superseded at the discretion of the Vice President of Customer Care, or their designee, to direct specified policy deviations and the timeframe. Any deviations and/or timeframe changes will be provided through an executive memo.

#### Job Performer:

Contact Center Customer Service Representatives; Contact Center Senior Customer Service Representatives; Collections Representatives; Customer Solution Coordinators; Community Services Coordinators; Branch Office Representatives; Customer Care Supervisors and Customer Care Managers

#### Payment Arrangement Procedures:

- 1.0 PA (Payment Arrangement) Ineligibility.** An account becomes ineligible for a PA if impacted by any of the following actions:
- A. Accounts with Stopped Service Agreements with a debit balance.** If an account has stopped service agreements, other than bankruptcy or Legally Extinguishable, with debit balances, the account can be merged with the account receiving the PA or the balance of those Service Agreements may be transferred to the account receiving the PA, subject to section 2.2 Preliminary Research on Accounts. An Account must have Active service agreements to receive a PA.
  - B. Meter Tampering.** Accounts with meter tampering charges will not be eligible for PA(s) for one (1) year from the time the tampering charges were applied to the account, and after one year will only be eligible for PA(s) if tampering charges and lost consumption have been paid in full. A

single broken seal charge does not constitute tampering. Accounts with two or more validated meter tampering occurrences will not be eligible for PA(s) for five (5) years from the date of the most recent tampering occurrence.

- C. **Previous Pay Plan or PA not paid in full.** If the previous Pay Plan or PA has not been paid in full, the account must have been brought to a current balance or credit balance at any point since the most recent PA defaulted before a new PA will be issued.
- D. **Customer's service is scheduled to be or has been disconnected for non-payment.** Customers whose service is scheduled to be or have been disconnected for non-payment at the time of a PA request will not be eligible for a PA. Proof of payment for the full past due balance must be rendered prior to the reconnect order being issued.
- E. **Returned Payment on the account.** If the Account has a returned payment due to insufficient funds on the account, the Account must have made valid payments equal to or greater than the returned payment before becoming eligible for a PA.

2.0 **Residential PA Qualifications.** A Residential account may be eligible for a Payment Arrangement (PA), if the account is not restricted by any of the items in section 1.0 - PA Ineligibility.

2.1 **PA Notification.** PA monthly installment amounts will appear on the Customer's bill. Representative creating the PA should obtain verbal agreement from the Customer before issuing the PA. Upon Customer request, written details of the deferred payment agreement will be provided.

2.2 **Preliminary Research on Active Accounts.** When a Customer requests a PA on an account, the Representative will review all accounts currently held by the customer. The Representative will utilize customer information such as the customer's social security number, driver's license number, or any other available identifier, as search criteria within CC&B to help search for any unpaid balances on Stopped Service Agreements. If account balances are found, with the exception of Bankruptcy or Legally Extinguishable Service Agreements, the account can be merged prior to creating the PA. If the account has a Bankruptcy or Legally Extinguishable Service Agreements, do not attempt to collect or transfer the balance of these SA(s). Process the PA request on the requested account as detailed in section 2.3.

2.3 **Residential PA Processing.**

- A. **Requirements.** A Residential account must have fully met the terms of the prior PA in order for a new PA to be issued. If a Residential account did not fully meet the terms of their prior PA they must have brought their account to a current balance or credit balance at any point since the most recent PA defaulted.
- B. **Standard PA Length.** The Representative should discuss monthly bill amount plus estimated PA amount to determine the ability of the customer to pay entire monthly balance. The minimum term on a PA should be two



(2) monthly installments. A Representative may offer up to an eight (8) month PA for any balance. PA's beyond this term require Supervisor approval. Supervisors and Collections Representatives may offer up to a twelve (12) month PA for any balance. Customer Solutions Coordinators and Community Service Coordinators may offer Customers who are enrolled in the Customer Assistance Program (CAP) a PA up to twenty four (24) months in term for any balance; if Customer is not enrolled in CAP the PA may be up to twelve (12) months in term for any balance. PA's beyond these terms require Manager approval.

- C. **Contact Creation.** When a PA is created the account should be noted using the PAY contact and a reminder To Do will be sent to Customer Account Services to monitor the receipt of the first installment.
- D. **Payment Forms.** All normally accepted forms of payment are permitted for down payments and installments, provided the account is not considered a "cash-only" account.
- E. **First Installment Payment.** The first installment will be paid as a down payment.
- F. **First Installment Due Date.** The first installment is due within fifteen (15) calendar days.
- G. **Monthly Payments.** The total balance divided by the number of months to pay the balance determines the monthly payment.
- H. **PA Installment Due Dates.** The PA Installment Due Dates will coincide with the due date on the customer's bill.
- I. **Number of Payment Arrangements.** There is no limit to the number of payment arrangements available provided that account has been brought to a current balance or credit balance at any point since the most recent PA defaulted.
- J. **Penalty Exempt.** Payment Arrangements are penalty exempt.
- K. **Deposits.** A PA is allowed on the first bill if the first bill includes a deposit charge, however the deposit must be paid with the first installment. This option should only be offered if the Customer is unable to pay deposit in full.
- L. **PA Renegotiation.** The terms of an open PA may be renegotiated only if a material change has occurred on the account since the PA was originally created.

### 3.0 Special Circumstance Arrangements

- A. **Backbilling.** Accounts back charged after being discovered to have been billed at the wrong rate, wrong multiplier, or having a malfunctioning meter may be eligible for a special deferred payment arrangement equaling the same length of time as was used to calculate the back charge.
  - 1. Representative must get approval from their supervisor or manager prior to extending the deferred payment agreement to the customer.

2. This special agreement may be extended even if prior PA was not paid in full.

B. **Customer's Power Has Been Disconnected.** Special needs exceptions may be considered by the Customer Services Management staff.

C. **Medical Payment Arrangements.** Customers who are certified as Seriously Ill, as defined by our Medically Vulnerable certification guidelines, will receive additional Payment Arrangements, not to exceed 3 months in length, for as long as they are certified as Seriously Ill.

**4.0 Defaulted PA's.** A PA can default for any of the following reasons:

A. **Installment not received.** The first installment was not received by the utility on or before the required date or the required subsequent PA installment (full amount) plus the current bill charges were not received by the utility on or before the required date.

B. **NSF Payment.** The payment was made with non-sufficient funds.

C. **Cash only accounts.** Account is coded "CASH ONLY" and payment is submitted in a non-cash form.

**4.1 Resetting Defaulted PA's**

A. **AE Error in Creating New PA.** Should a customer's PA default due to a verified error by AE when the PA was initiated, the PA should be reset, provided the customer kept up their end of the agreement. Resetting the defaulted PA does not constitute an additional PA and the account should be noted using the RESET PP/PA contact.

**Pay Plan Procedures:**

**1.0 Pay Plan Ineligibility.** An account becomes ineligible for a Pay Plan if impacted by any of the following actions:

A. **Accounts with Stopped Service Agreements with a debit balance.** If an account has stopped service agreements, other than Bankruptcy or Legally Extinguishable, with debit balances, the account can be merged with the account receiving the Pay Plan or the balance of those Service Agreements may be transferred to the account receiving the Pay Plan, subject to section 2.2 Preliminary Research on Accounts. An Account must have Active service agreements to receive a Pay Plan.

B. **Meter Tampering.** Accounts with meter tampering charges will not be eligible for PA(s) for one (1) year from the time the tampering charges were applied to the account, and after one year will only be eligible for PA(s) if tampering charges and lost consumption have been paid in full. A single broken seal charge does not constitute tampering. Accounts with two or more validated meter tampering occurrences will not be eligible for PA(s) for five (5) years from the date of the most recent tampering occurrence.

C. **Previous Pay Plan or PA not paid in full.** If the previous Pay Plan or PA has not been paid in full, the account must have been brought to a



current balance or credit balance at any point since the most recent PA defaulted before a new PA will be issued.

- D. **Customer's service is scheduled to be or has been disconnected for non-payment.** Customers whose service is scheduled to be or have been disconnected for non-payment at the time of a Pay Plan request will not be eligible for a Pay Plan. Proof of payment for the full past due balance must be rendered prior to the reconnect order being issued.
- E. **Returned Payment on the account.** If the Account has a returned payment due to insufficient funds on the account, the Account must have made valid payments equal to or greater than the returned payment before becoming eligible for a PA.

2.0 **Residential Pay Plan Qualifications.** A Residential account may be eligible for a Pay Plan if Customer is not restricted by any of the items in section 1.0 Pay Plan Ineligibility.

2.1 **Pay Plan Notification.** Pay Plans will not appear on the Customer's bill. Representative creating the Pay Plan should obtain verbal agreement from the Customer before issuing the Pay Plan.

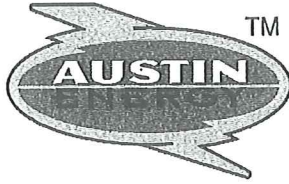
2.2 **Preliminary Research on Active Accounts.** When a Customer requests a Pay Plan on an account, the Representative will review all accounts currently held by the customer. The Representative will utilize customer information such as the customer's social security number, driver's license number, or any other available identifier, as search criteria within CC&B to help search for any unpaid balances on Stopped Service Agreements. If account balances are found, with the exception of Bankruptcy or Legally Extinguishable Service Agreements, the account can be merged prior to creating the Pay Plan. If the account has a Bankruptcy or Legally Extinguishable Service Agreements, do not attempt to collect or transfer the balance of these SA(s). Process the Pay Plan request on the requested account as detailed in section 2.3.

### 2.3 **Residential Pay Plan Processing.**

- A. **Requirements.** A Residential account must have fully met the terms of the prior Pay Plan or PA in order for a new Pay Plan to be issued. If a Residential account did not fully meet the terms of their prior Pay Plan or PA they must have brought their account to a current balance or credit balance at any point since the most recent Pay Plan or PA defaulted.
- B. **Standard Pay Plan Length.** Pay Plans will be due within fifteen (15) calendar days.
- C. **Pledge Pay Plan Length.** All Pledged amounts will receive a Pay Plan due 1 month from the date the Agency called to make the pledge.
- D. **Standard Pay Plan Contact Creation.** When a Pay Plan is created the account should be noted using the SETUP PP contact.
- E. **Pledge Pay Plan Contact Creation.** When a Pay Plan is created for a Pledge the account should be noted using the PLEDGE contact.

- F. **Third Party Payor.** Pledge Pay Plans will have a Third Party Payor Assistance Agency indicated.
  - G. **Payment Forms.** All normally accepted forms of payment are permitted for down payments and installments, provided the account is not considered a "cash-only" account.
  - H. **Number of Payment Pay Plans.** There is no limit to the number of Standard Pay Plans available provided that account has been brought to a current balance or credit balance at any point since the most recent PA defaulted.
  - I. **Penalty Exempt.** Standard Pay Plans are Penalty exempt. Pledge Pay Plans will be dependent on the Pledge Amount.
  - J. **Deposits.** A PP is allowed on the first bill if the first bill includes a deposit charge.. This option should only be offered if the Customer is unable to pay deposit in full.
  - K. **Pay Plan Renegotiation.** The terms of an open Pay Plan may be renegotiated only if a material change has occurred on the account since the Pay Plan was originally set.
- 3.0 **Defaulted Pay Plans.** A Pay Plan can default for any of the following reasons:
- A. **Payment not received.** The Pay Plan was not received by the utility on or before the required date.
  - B. **NSF Payment.** The payment was made with non-sufficient funds.
  - C. **Cash only accounts.** Account is coded "CASH ONLY" and payment is submitted in a non-cash form.
- 3.1 **Resetting Defaulted Pay Plan's**
- A. **COA Error in Creating Pay Plan.** Should a customer's Pay Plan default due to a verified error by COA when the Pay Plan was initiated, the Pay Plan should be reset, provided the customer kept up their end of the agreement. Resetting the defaulted Pay Plan does not constitute an additional Pay Plan and the account should be noted using the RESET PP/PA contact.





## Memorandum

**TO:** Customer Care Management Team  
**FROM:** Jawana Gutierrez, Vice President of Customer Care  
**CC:** Kerry Overton, Deputy General Manager  
**DATE:** June 15, 2012  
**SUBJECT:** Deviation to Residential Payment Arrangement and Pay Plan Procedure Policy

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As a result of CC&B stability and performance issues, Austin Energy has not actively collected within the new billing system since the October 2011 implementation. Prior to the October 2011 implementation; Credit & Collections were fully engaged in collection activities with the last disconnection of service occurring on July 1, 2011. As a result we anticipate that the percentage of late payers to have increased in CC&B. Credit & Collections anticipates increasing demand for payment arrangements with each phase of the Credit & Collections implementation, as well as increased difficulties for our utility customers to maintain the terms of the arrangements. Therefore, Credit & Collections has implemented an AR Initiative for FY 2011-12 within Customer Care known as ARPA (Accounts Receivable Payment Arrangement) which will offer utility customers an opportunity to remain in good standing with the utility while bringing their utility account current over an extended period of time.

Effective beginning Monday, June 25, 2012, Customer Care will deviate from the existing Residential Payment Arrangement and Pay Plan Procedure Policy. The terms of the policy deviation are to remain in effect through December 31, 2013 or until further notice on changes to this directive. The specified deviations are provided below and are intended to supersede the regular Residential Payment Arrangement and Pay Plan Procedure Policy sections listed:

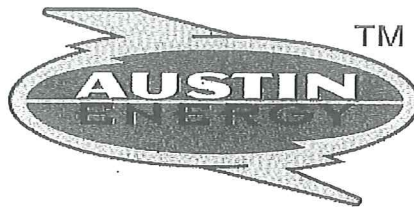
### **2.3 Residential PA Processing.**

- B. Standard PA Length...** A Representative may offer up to an eight (8) month PA for any balance. A Representative may offer PA's beyond this term up to twelve (12)

months with a required Supervisor approval. Collections and ARPA designated staff may offer PA's up to twenty four (24) months in term for any balance. Further deviations beyond these terms require manager approval.

- E. **First Installment Payment.** A first installment will not be required to enter into a payment arrangement upon Supervisor approval. Further deviations beyond these terms require manager approval.
- F. **First Installment Due Date.** If a first installment is negotiated the due date may be negotiated beyond the standard fifteen (15) calendar days. Further deviations beyond these terms require manager approval.
- I. **Number of Payment Arrangements.** ... Customers may have up to three (3) payment arrangements after a PA default on the first two (2) payment arrangements without bringing the account to a current balance or credit balance. Further deviations beyond these terms require manager approval.





## Memorandum

To: Jawana Gutierrez, Vice President - AE Customer Care  
From: Lisa Tamez, Customer Accounts Manager – AE Collections  
Date: Monday, July 01, 2013  
CC: Peggy Miller, Interim Process Manager – AE Customer Service  
Re: Change to ARPA and Decision Request

In the continuing effort to fairly and equitably collect revenues from delinquent City of Austin residential utility customers; the Customer Care Leadership Team is recommending a change to the current customer requirements for entering into a flexible payment arrangement (ARPA). The recommended change will shorten the turnover rate from broken payment arrangement to cut non-pay activity realizing revenues more effectively for the City of Austin while continuing to offer delinquent residential utility customers opportunities to come current. However, a decision point remains and guidance is required before enacting these changes within Customer Care.

As a recap, the flexible payment arrangement (ARPA) was effective on June 25, 2012 and it continues to allow residential customers to bring their delinquent account current over a longer period of time while remaining in good standing with the City of Austin. The flexible payment arrangement is intended to be available to delinquent residential utility customers through the end of 2013 and was originally intended to provide ample time for the Credit & Collections CC&B implementation piece to draw to a conclusion, and to transition the start up of 24 hour notice delivery and cut for non-pay activities. Collections implemented 24 hour notice activities on April 24<sup>th</sup>, 2013 and cut for non-pay began on May 17<sup>th</sup>, 2013.

The Credit & Collections Implementation Team are in the final stages of closing secondary issues relating to severance activity (24 hour notices and cut for non-pay). The terms to enter into a flexible payment arrangement have been re-evaluated and it has been determined that the current residential customer requirements must be updated as recommended below and scheduled to begin upon approval:

- Call Center thresholds for start-up will be increased to include CSR's up to 24 months and supervisors up to 36 months. Any requests for over 36 months will be forwarded to the Customer Solutions group.
- Credit & Collections staff will provide back-up to the Customer Solutions group for high demand requests.
- Only 3 flexible payment arrangements will be allowed and the Customer Solutions group will handle the communication for those customers making the request for more than 3 payment arrangements.
- 50% of the delinquent account balance down payment is required from the customer to enter into a flexible payment arrangement. The 50% down payment can be negotiated to a down payment of 30% of the delinquent account balance.
- We will reduce the total turnover rate for collection between a broken payment arrangement and a cut for non-payment. Regular cycle is 47 days to collection after a broken payment arrangement which will now be reduced to either 5 days or 11 days.

<u>Option 1</u>	<u>Option 2</u>
Verified down payment required to set up PA	Promise to pay the down payment within 7 days to set up PA
Revenue increase is verifiable and immediate	Revenue increase might not be realized with broken promises to pay
Collection cycle is 5 days to after a broken PA	Collection cycle is 11 days after a broken promise to pay

Following selection of one option offered above, the Customer Care Leadership team will implement these changes immediately with the potential to realize increase revenues for Austin Energy and the City of Austin.