

EXHIBIT A

Payment Arrangement Procedure

Customers who are eligible for the Customer Assistance Program Discount are eligible for payment arrangements as stated in Sections E. and F. of COA Regulation § 15-9-144 - **DEFERRED PAYMENT AGREEMENT**.

Payments for residential customers who receive historical debt transfers will be guided under separate procedures.

All other residential customers will be eligible for payment arrangements as outlined in this procedure.

A. Customers in “Good Standing” (Payment Arrangement No. 1)

When a customer pays the entire bill by the due date they are considered in good standing.

A customer with a deferred payment arrangement shall remain in good standing when the current monthly bill is paid in full by the due date and 100% of the deferred payment due is paid on or before the next bill due date.

A customer in good standing will not be subject to broken payment arrangement provision of payment arrangements or disconnection.

A customer who breaks a good standing payment arrangement falls into the Account Watch status.

B. Customers in “Account Watch” status (Payment Arrangement No. 2 or Bona Fide)

A customer with a deferred payment arrangement who does not remain in Good Standing but whose current monthly bill is paid in full by the due date and whose arrearage is less than \$1000, or an amount determined by the appropriate Customer Service staff member.

A customer in Account Watch status will be subject to the following payment arrangement terms:

(1) Except as provided for Customer Assistance Program Customers in 15-9-144 subsection (E), equal payment installments over a period of 24 months shall be presumed to be reasonable if a residential customer is unable to meet the payment arrangements as proposed under existing guidelines.

(2) The first equal installment under a deferred payment agreement shall be due as a down payment.

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(3) The utility shall renegotiate a deferred payment agreement if the customer can demonstrate a bona fide need for payment relief arising during the term of the agreement, such as but not limited to:

- a serious illness or injury suffered by the customer or a member of the customer's household;
- loss of employment or deportation;
- economic loss due to natural disaster;
- domestic violence against the customer;
- a commitment by an independent program to assist the customer with payment that requires terms other than those in the deferred payment agreement;

The customer in account watch status will be contacted by a specially trained Customer Service staff member who will be propose actions designed to resolve the situation.

A customer who does not meet the terms of the Account Watch payment arrangements will be "Subject to Disconnection".

c. Customers in "Subject to Disconnection" status (Payment Arrangement No. 3)

A payment arrangement requiring a 50% down payment of the total debt (due in 15 days) and a maximum of eight monthly installments. Customers may be required to sign a payment arrangement contract. If any of the terms of the payment arrangement are broken the customer will be subject to disconnection under the terms stated in COA Regulation **ARTICLE 7 – TERMINATION OF SERVICE**.

D. Reporting

Austin Energy will meet with consumer groups and council staff to identify performance measures for these proposed changes so that regular reporting on the payment arrangement metrics begins 60 days after adoption of the procedures and policy.