

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
COLLECTION OF DELINQUENT UTILITY ACCOUNTS	92-66	1402	02/18/92	1

BACKGROUND

The Customer and Field Services Division is charged with the responsibility of administering the utility billing and collection system for the electric, water, wastewater, solid waste and storm drain utilities.

PURPOSE

The purpose of this policy is to formalize procedures for the collection of past due utility accounts.

POLICY

Utility bills for services rendered by the City of Redding Utilities shall be mailed to customers on a monthly basis as a unified bill for all utility services provided.

Delinquency:

All bills so rendered shall be deemed late if unpaid twenty (20) days after the date of mailing and subject to late charges and penalties with the following exceptions:

1. A customer has selected a preferred due date. Such accounts will be deemed past due one (1) day after the preferred due date if the bill remains unpaid.
2. Bills for governmental agencies will be deemed past due if the bill remains unpaid for fifty (50) days after the date of mailing.

Notification of Termination of Services:

In compliance with Public Utilities Code Section (PUC §) 10010.1, all accounts deemed to be past due will be given a ten-day demand notice. This notice will be sent by first class mail to the customer's current mailing address, allowing an additional five (5) days for mailing. Late charges will be assessed at the time the Late Notice is generated.

If the past due bill has not been paid and/or an extension has not been approved by the Customer and Field Services Division within the above fifteen (15) day period, a Final Disconnection Notice will be sent via first class mail to the customer's current mailing address. The Final Disconnection Notice provides the customer seven (7) additional days to remit payment. Whenever a Final Disconnection Notice is mailed to the customer, the appropriate late charge will be assessed.

If the bill remains unpaid and a payment extension has not been authorized by the Customer and Field Services Division at the expiration of the Final Disconnection Notice, utility services may be terminated without further notice with the following exceptions:

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Third-Party Notification:

A third-party notification service is available upon request by the City for all residential customers who are 65 years of age or older, or who are dependent adults as defined in Section 15610 of the Welfare and Institutions Code. The Customer and Field Services Division will notify the third party designated by the customer of record, if that customer's account is past due and subject to termination. A duplicate Late Notice and Final Disconnection Notice will be mailed by first class mail to the third party and shall specify what is required to prevent termination of services.

Dispute of Utility Billing:

The utility account will not be terminated for Non-Payment of the disputed bill if the customer issues a complaint or requests an investigation into the utility charges within twenty (20) days of the issuance of the disputed bill. Within ten (10) days, Customer and Field Services will respond with an explanation of the disputed charges. The customer can then request a hearing with the Customer and Field Services Manager, or designee. The customer may appeal to the Redding City Council within thirty (30) days of that hearing to review the Customer and Field Services Manager's decision, if so desired. Additionally, the Customer and Field Services Manager, or designee, may alter the minimum criteria required to avoid disconnection or to reconnect utility services in cases of extreme or unusual hardship.

Master Meter Notification of Non-Payment Termination:

Whenever electric or water services are furnished to end users through a master meter where the owner or manager is the utility's customer, the Customer and Field Services Division will make every good faith effort to inform the actual users of these services if the account becomes past due and subject to termination. *In compliance with PUC § 10009.1, notification will be posted on the door of each residential unit at least fifteen (15) days prior to the scheduled termination of services.*

In compliance with PUC § 10009.1, the Customer and Field Services Division shall make service available to the residential occupants if one or more of the occupants or the representative of the occupants are willing to assume responsibility for subsequent utility charges for the entire premises and have met the conditions for utility service. The occupants furnished utility services through a master meter will not be required to pay the owner's or manager's delinquent account as a condition of establishing utility service.

Life Support Customers and Medical Facilities:

Life Support Customers for the purpose of this policy will be defined as a customer who would have a life threatening situation if they had a loss of power (i.e., operating a respirator, ventilator, or other life supporting medical equipment that requires electricity). Residential utility customers who assert that payment of utility charges by the due date of the utility bill is beyond the customer's means, the customer shall, upon request, be permitted to amortize over a period not to exceed twelve (12) months the unpaid balance of such bill. This request requires a signed statement from a licensed physician or

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surgeon prior to termination that such action by the utilities would result in a life-threatening situation to the customer (PUC § 10010 (3)). Late charges may be assessed at the time a Late Notice is generated.

Medical facilities for the purpose of this policy will be defined as hospitals, inpatient care clinics, nursing homes, outpatient clinics, and residential care facilities for developmentally and physically disabled persons, will automatically receive a 15-day extension. Notice of this extension will be sent by certified mail to the customer of record, any known third party, and a copy of such notice will be forwarded to the City Attorney's office.

Extreme and unusual hardship:

In the case of extreme and unusual hardship as outlined in Redding Municipal Code Section 14.20.020 (E), utility services may be continued for a designated and limited period of time by the Electric Utility Director or the City Manager, but shall not exceed 90 days.

Account Extensions and Amortizations:

Any residential customer with a qualifying, good payment history who has notified the Customer and Field Services Division prior to termination for nonpayment, may be granted an account extension up to three (3) days beyond the original due date. Customers may also be eligible to amortize an outstanding balance for a period not greater than twelve (12) months. The customer will be required to pay the amortized amount plus the current utility charges each month. Failure to pay the amortized amount plus the current charges each month will nullify the amortization agreement, and the customer will be required to pay the entire outstanding balance. The granting of a three (3) day extension and the amortization of an outstanding balance are each available one time within a twelve (12) month period.

Commercial customers may be granted amortization of an outstanding balance at the discretion of the Customer and Field Services Manager, or designee.

The Customer and Field Services Manager, or designee, may alter the minimum criteria required to avoid disconnection of residential or commercial utility services in cases of extreme or unusual hardship.

Nonpayment Reconnection:

Utility services disconnected for nonpayment will be reconnected upon payment with guaranteed funds of the entire outstanding balance due on the ledger, which shall include all past due utility charges, current charges, the closing bill, the appropriate reconnection fee, any outstanding or additional deposit, and any previous debts still owing. Utility services will not be restored to a customer until all conditions for service have been satisfied.

New customers applying for utility services at a location where utilities have been terminated as a result of nonpayment of account may be required to provide the Customer and Field Services Division with proper

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identification and a signed rental agreement from the landlord or proof of ownership from the property owner. New customers may be required to sign a utility service contract.

The Customer and Field Services Manager, or designee, may alter the minimum criteria required to reconnect residential or commercial utility services in cases of extreme or unusual hardship.

Multiple Tenant Occupancy:

The names of multiple tenants residing at the same residential location (roommates) shall be provided to the Utilities as a condition of receiving utility services. All occupants of legal age are jointly and equally responsible for the total charges for utility services incurred while in residence.

If the City has terminated utility services for nonpayment at a location where multiple tenants had been occupying a single residential unit, such utility services will not be reinstated for a new customer until proof is provided to Customer and Field Services by the owner or landlord that all the previous tenants who were financially responsible for the delinquent utility charges have vacated the premises. The outstanding balance due on the ledger, which shall include all past due utility charges, current charges, the closing bill, the appropriate reconnection fee, any outstanding or additional required deposit, and any previous debts still owing, will remain the equal responsibility of the vacated tenants and must be paid in full before utility services will be reinstated.

If those tenants move to another address within the City's utility service area, any outstanding balance will effect utility service provided by the City of Redding. The Customer and Field Services Division will actively pursue collection procedures up to and including termination of current utility services at the new location, from any and/or all of those tenants who resided at the previous address where outstanding utility charges were incurred.

Closed Delinquent Accounts:

A closing statement is due and payable twenty (20) days after the date of mailing. If payment is not received by the due date of this statement, a Closed Account Past Due Notice is mailed to the customer's mailing address on file, providing the customer with additional days to remit payment.

If payment is not received by the due date of the Closed Account Past Due Notice, then a Closed Account Final Notice is mailed to the customer's mailing address on file, providing the customer with fifteen (15) additional days to remit payment.

At the expiration of the Closed Account Final Notice, the Customer and Field Services Division may pursue collection through one or more of the following procedures:

1. Skip tracing, running credit reports, verification of employment, and contact with the customer via telephone and/or written correspondence.

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2. Filing of small claims action seeking a judgement to garnish wages, lien personal or real property, tap bank accounts and/or daily receipts.
3. Assignment of the delinquent account to a collection agency or attorney to initiate further legal action to collect outstanding utility charges.

Amended on November 19, 1996, by Resolution No. 96-207

Amended on August 3, 1999, by Resolution No. 99-109

Amended on June 15, 2009, by Resolution No. 2009-63

