



SERVICE POLICIES & PROCEDURES



City of Danville, Virginia Utilities Department

Customer Accounts

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Service policies and procedures are subject to change. The most current version of this document is always available on the internet at www.danvilleutilities.com.



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Authority for Service Policies & Procedures

Virginia Code Title 15.2, Chapter 21 authorizes local governments to operate public utilities. City Code Chapter 38, Utility Services, governs Danville Utilities. Code Chapter 2, Section 2-285 assigns to the Danville Utility Commission the responsibility for establishing such policies as non-consumption Utility fees, Utility extensions, service connection fees, and other general service policies not designated to the City Council, City Manager, or Utilities Director. To ensure that these policies and procedures are complete and understandable, the Utility staff has authority to expand, edit, and modify this document, subject to ultimate approval by the Utility Commission. However, no substantial change in a service policy or procedure may be put into effect without prior approval of the Commission. These Service Policies & Procedures shall be applied fairly and consistently without regard to the customer's race, color, creed, sex, national origin or marital status.

Service Reliability

Danville Utilities attempts to maintain very reliable, high quality water, wastewater, natural gas, electric, and telecommunications services. However, continuous and uninterrupted service cannot be guaranteed. Variations in service characteristics and temporary loss of service can result from weather and other natural events, accidents, fires, orders of public authorities, and necessity for making repairs or replacements of the Utility's facilities. As stated in City Code Section Sec. 38-11, the Utility shall not be liable to customer for damages or losses resulting from such interruption or variation in service, unless due to the gross negligence of the Utility. Neither shall such interruptions or variations constitute a breach of any obligations of the Utility under any contract for service with the customer. Interruption of service caused by failure of equipment installed by the customer on the customer's side of service connection shall be the responsibility of the customer.

Customer Accounts Office

The Customer Accounts Division located in the City's Charles H. Harris Financial Service Center at 311 Memorial Drive, Danville, Virginia 24541 is the primary contact between utilities customers and Danville Utilities for service initiations, transfers, and terminations, as well as enrollment for the Equal Pay and Bank Draft Plans. Office hours are 8:30 a.m. – 5:00 p.m., Monday through Friday. Customer Accounts can be reached by telephone at (434) 799-5155.

Emergency calls are taken 24 hours a day at the following telephone numbers:

Water or natural gas - for leaks, loss of service, or emergency - (434) 799-5284

Electric power - for loss of service or emergency - (434) 773-8300



Customers are asked to please not call 9-1-1, the public safety dispatcher, unless there is imminent threat to life or property, for example a gas leak.

Application for Utility Services

Each applicant for Utility service is required to sign a contract on a form provided by the Utility and, upon request, will be required to furnish the following information:

1. Name of applicant(s)
2. Proof of applicant's identification, such as a valid driver's license, or other valid government-issued picture I.D.
3. Location of premises to be served.
4. Lease or other proof of residence/ownership of the location (changed, modified and/or altered lease will not be accepted). Any one tenant who is listed and has signed the lease can initiate service.
5. Telephone number of the location to be served or where the applicant can be reached.
6. Date applicant wants service to start.
7. For a new service location, the purpose for which service is to be used.
8. Customer's mailing address.
9. Such other information as the Utility may reasonably require.
10. Social Security or Tax ID Number

This information is to be recorded on the contract at the time the service application is made and signed by the customer applicant. If the contract is mailed to the customer for his or her signature, then the signature must be notarized and returned within 10 business days.

A customer search on the Utility system will be made using name, social security number, and driver's license number before services are established for any customer. The Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transaction Act (FACTA) requires all organizations that extend credit to consumers, including utility service providers, to identify, mitigate and prevent identity theft and fraud. The Red Flag rules require all creditors including utility service providers to implement an effective identity theft and/or fraud prevention program. In order to comply with Red Flag Rules, a search will be made using name, social security number, driver's license number and previous address via third-party credit reporting agency to further confirm applicant identification, and payment history with other Utility providers.

Danville Utilities will not extend service to, or for the benefit of, persons who are in arrears to the Utility for current and/or previous services. Customers with unpaid



balances on previous inactive accounts must pay any balances, including applicable penalties and other late fees assessed the account in full before new service initiation. Customers must pay the past due balances on active accounts before new service initiation. Current balances and any applicable final bill balances on active accounts will be transferred to the customer's new account and payable according to the original billed due date, unless the debt is greater than five years. Customers may not have more than one residential utility account as a tenant.

Account Name Changes

Service terminations can be accomplished by a signed notarized letter or by appearing in person at the Customer Accounts office. Should a spouse or other family member of the account holder wish to terminate services and put them in his/her name, and the account holder is not available due to death, divorce, legal separation, abandonment, or other such circumstance, then affidavits, legal certificates, or other authoritative documentation must be presented to Customer Accounts before the request will be honored. In all cases, the account must have a zero balance before the name transfer will be approved and processed. Based on the payment history on the account, and/or the payment history of the person transferring service, a deposit may be required before the transfer is completed. If the customer is on the Landlord Approved list, a signed letter is not required.

Account Deposits

City Code Section 38-45 authorizes Danville Utilities to require security deposits to cover potential losses resulting from a customer's failure to pay Utility bills. The following guidelines are applicable to residential and commercial customers.

Good payment record: The following account deposit policies and procedures refer to "good payment record". This is defined as not having incurred delinquent account fees, returned check fees, or having services disconnected for non-payment during the most recent 12 or 36 consecutive month period, for residential and commercial customers, respectively.

When deposits are required: Security deposits are required for all new Utility accounts unless one of the following circumstances applies:

- The customer had previous Utility service with the City within the past five years and the account was active for at least 12 consecutive months if a residential customer or 36 consecutive months if a commercial customer and records verify that the customer had a good payment record.
- A customer moving into Danville Utilities service area supplies a letter of credit from their immediately preceding Utility supplier verifying that the



customer met good payment requirements (12 or 36 consecutive months for residential and commercial, respectively). Letters of credit will be accepted up to 60 days after the service with Danville Utilities has been established, and any deposit paid will be refunded, provided the customer has not been assessed penalties or other late fees or returned check fees within that period.

- An existing Danville Utilities customer meeting the time and good payment requirements stated above wishes to establish an additional service for a son, daughter, or ward that has not had service with Danville Utilities before, and assumes direct responsibility for paying that person’s Utility bills. After meeting the good payment requirements stated above, the son, daughter, or ward may apply for the services to be transferred to his or her name, with a deposit warning. A deposit warning states that if the account is subject to delinquent payment fees or termination because of non-payment, a deposit of twice the average monthly bill will be required and billed to the customer.
- Transfer Deposit Form – A customer can transfer a deposit from a final billed account to another person’s account if the account is paid to a zero balance and the form is signed by both parties. Form is then submitted to Service/Billing Customer Accounts Manager to manually move the deposit amount.

In addition to new customers, security deposits are required for existing customers who do not have a security deposit or a deposit equal to twice the average monthly Utility bill, and have been assessed delinquent payment fees, or had their Utility services disconnected for non-payment twice within a 12-month period.

Deposit amounts: Security deposits are based on an amount equivalent to twice the average monthly bill for the service location, based on the most recent 12-month billing average under the intended use. A minimum deposit amount will be used for residential accounts with no available customer history or in the event that the subject property has been vacant or in a different use during the past year. Minimum amounts take into account that renters deal with a variety of housing circumstances and that, in some cases, the landlord pays for certain services and the tenant for others. Deposits for residential customers shall be no less than the minimum amounts listed here and no more than \$750 per service location.

Minimum Residential Deposits	
<u>Service Billed</u>	<u>Deposit</u>
Water Only	\$ 100
Water & Sewer Only	150
Gas Only	200
Electric Only	200
Electric and Gas	300
Water, Sewer, Gas and/or Electric	400

If a customer’s services are disconnected, or subject to be disconnected, for non-pay of the Utility account, a deposit or additional deposit may be required. The amount of deposit required for this circumstance is equal to twice the average monthly bill, based on the most recent twelve-month billing average. Following the first event, the customer will receive a warning notice indicating that a deposit will be required. If the customer’s



service is subject to the disconnect processes a second time within the 12-month period, the customer will receive a final notice indicating that the required deposit amount will be billed.

Deposits are due when assessed to the account, and the account will be subject to disconnect for non-payment of the assessed deposit. Customers will be required to pay the assessed deposit amount as well as any delinquent balance, if applicable, before services can be restored. The account may also be subject to reconnect fees if a technician must be sent to the location to restore services.

The minimum deposit for a commercial account for which the most recent twelve-month billing average is unavailable is \$1,500. There is no maximum deposit amount for commercial accounts. The deposit for temporary electric service for construction at a residential or commercial account location is \$100.

Acceptable forms of deposit: Security deposits are due at the time service is initiated. Under certain circumstances, and with the approval of the Servicing/Billing Customer Account Manager or designee, deposit installments will be billed in accordance with terms agreed to in writing. If the customer fails to pay the required deposit according to the written agreement and billed amounts, the services will be subject to disconnection for non-payment of the deposit without further notice to the customer.

Deposits for commercial accounts accepted in lieu of cash can be made in the following forms:

- A letter of credit from a local bank or other financial institution guaranteeing the required deposit amount, or,
- An indemnity bond from a nationally recognized insurance company for the required deposit amount.

Letters of credit and indemnity bonds must be for a fixed period of 36 months for commercial service. The letter of credit or indemnity bond should stipulate that cancellation is not allowed without 60 days written notice to Customer Accounts. A full cash deposit for the remaining portion of the applicable term will be required and billed to the customer's account in the event that a letter of credit or indemnity bond is prematurely cancelled.

In addition to the acceptable forms of deposit above;

- Customers with a "good pay record", as defined below, may use their residential account history to establish a commercial account in either their name Trading As (T/A) or Doing Business As (DBA). After maintaining a good pay record for 36 consecutive months, the customer may transfer service to the name of the business without deposit.
- The Director of Finance may authorize the Servicing/Billing Customer Account Manager to further assist commercial customers by allowing only half of the minimum deposit be made as a cash payment with the balance noted in the form



of a warning. If the account becomes subject to overdue collection procedures or the customer is disconnected as a result of late payment or non-payment, the balance of the deposit shall become due immediately.

Commercial deposits are held until there are 36 consecutive months of good pay record.

A good pay record is defined as no returned check fees, delinquent account fees, or disconnections in the past 12 months.

Time limits for holding deposits: Deposits will be held until 12 consecutive months of good pay record is established for a residential customer and 36 months for a commercial customer.

In the event services are transferred from one service location to another, the deposit is transferred to the new account. When services are terminated, the deposit will be applied to any outstanding balance, including other active and/or inactive accounts in the customer's name, and any credit difference refunded to the customer.

Deposit interest and refund: Refunds of cash deposits will be provided to customers that satisfy good payment record requirements noted above. Simple interest on cash deposit will equal the average one-year U.S. Treasury bill rates for October, November, and December of the preceding year, commencing in January of each year, and will prevail until the following January. Customers will receive credit for interest on a monthly basis if their account has a good pay record for twelve consecutive months for residential and 36 months for commercial accounts. A good pay record is defined as not having incurred late fees, delinquent payment fees, returned check fees, or services disconnected for non-pay. Interest will accumulate monthly for each month the account maintains a good pay record; however, for any month that the account is assessed penalties or returned check fees, accrued interest will not be credited for that month. When the account returns to a good pay record, interest will resume accruing on a monthly basis and continue until either the 12 month / 36 month period of a good pay record is achieved and the deposit is refunded, or the account loses its a good pay record again and has to re-start the process of accruing interest.

Credit Rating

Customers will be assessed negative or positive credit rating points based on collection activities on the account. Penalty, delinquent payment fees, service disconnects for non-pay, returned check fees, etc. will result in negative credit points assessment. On time payments and the lack of penalties and other overdue collection processes will result in positive credit points assessment.



Billing Procedures

Meter reading cycles are established to allow for proper collection and processing of Utility consumption information for billing purposes. Residential customer accounts have their meters read and bills rendered monthly, as do all industrial and all commercial customers. Normally, a customer's meter is read on the same day of each monthly cycle; however, reading dates may vary as much as three days due to holidays, or other circumstances beyond the Utility's control. Estimated meter readings are used only in the event that the meter cannot be read directly due to obstruction or when a meter malfunctions. In that case the consumption recorded on the bill will indicate an estimated consumption was used.

Under normal conditions, a Utility bill will be rendered to a customer within one week of the date the meter is read. Residential customers have a minimum of 15 days (20 days for industrial and commercial customers) to pay the bill before a 1.5% late payment penalty is added to the billed amount. The bill render date as well as the bill due date is specified on each bill.

A late notice will be mailed to the customer approximately five days after the due date as a reminder for any outstanding bill balance. A delinquent notice will be mailed to the customer approximately 30 days after the bill due date advising the customer that all delinquent balances and penalties must be paid to avoid disconnect of services.

Seniors or customers on disability or other subsidized payments (fixed incomes) can request a "preferred due date", which allows the regular due date of the bill to be extended by up to 10 days to allow for payment without accruing penalties for late payment because of the date income is received. These requests are reviewed on an individual basis and must accompany proof of receipt of income, and in all cases the account must have a zero balance before the preferred due date is granted. If payment is not made according to the preferred due date and is allowed to become overdue/delinquent, then the account is subject to the normal overdue collections process of penalty assessment and other delinquent payment fees, up to and including disconnect of services for non-pay.

The utility will not knowingly disconnect any service for an individual with a serious medical condition which may require administration of specialized treatments, and may be dependent on medical technology such as ventilators, dialysis machines, enteral and parenteral nutrition support or continuous oxygen, and may include medications with special storage requirements, use of powered equipment or access to water. Each customer seeking serious medical condition status shall provide the appropriate certification by a physician of the serious medical condition and the equipment used. This certification/notification should also include the account holder name, patient name (if different from the account holder), account number, customer number, service location, and mailing address as well as the service location telephone number. Notification must be made annually to the Utility documenting that such condition still exists. Service medical condition designation does not guarantee there will be no interruption in electric service. Storms, accidents, and other emergencies are beyond



the Utility's control, therefore; the customer should have a plan of action or alternative procedures in case of loss of electric service. Accounts with a serious medical condition designation are not exempt from payments of any billed amounts and delinquent balances. Accounts with serious medical condition designation that become delinquent are subject to the assessment of penalties, late fees, and overdue collections processes up to and including restricted power until sufficient payment is made to bring the account current and full power is restored.

Account Balances / Transfers

When customers with previous Utility services with Danville Utilities apply for service, a deposit may be required based on the pay record for the previous account. In addition, all outstanding balances on previous Utility accounts, including delinquent accounts subject to the overdue collection procedures, must be paid in full prior to initiation of new service. Customers transferring services, from an active account must pay all past due balances before services are transferred. Any current, as well as the final bill amount will be transferred to the new account and due as originally billed. Any deposit on the current account will be transferred to deposit receivables on the new account. Additional deposit may be assessed on the new account depending on the amount of the deposit required for the new location. The deposit will be applied to any outstanding balance on a final billed account, and the credit balance, if any, refunded to the customer, or transferred to the customer's other active or inactive account. Both primary and secondary account holders have the authority to transfer services.

Service Disconnections for Non-Payment

Residential customer have 15 days between the bill render date and the bill due date (20 days for industrial and commercial customers) before penalties are assessed. Payments made before or by the bill due date will either establish or maintain a good pay record. To avoid penalties, full payment of the billed amount must be received by Customer Accounts – Collections by 5:00 p.m. on the due date, unless such day is a Saturday, Sunday or municipal holiday, in which case, payment must be received by 5:00 p.m. on the next business day. If payment is not received by 5:00 p.m. on the bill due date then a penalty of 1.5% is assessed and added to the amount due.

For purposes of the overdue collections process, "current bill" is defined as the most recently rendered bill still within the 15-day bill due period. "Bill in arrears" is defined as a bill past due greater than the 15-day bill due period. "Delinquent bill" is defined as a bill 30 days or more past due.

Balances remaining unpaid after the original bill due date and up to 35 days thereafter, are subject to the overdue collections process including but not limited to, assessed



penalties, past due and delinquent notices, assessed delinquent payment fees and disconnect of services for non-pay.

Billed deposit amounts remaining unpaid after the original billed date are subject to disconnect of services for non-pay of the deposit without further notification to the customer.

If the delinquent account balance is not paid by 5:00 p.m. on the 35th day after the original bill due date, a delinquent payment fee will be assessed and services may be disconnected the next work day. The customer must pay the delinquent portion of the account, including any assessed penalties and delinquent payment fees before services are restored. Restoration of utility services terminated for nonpayment will be made as soon as practicable, but is not assured any sooner than the next work day following payment of the account. Services will be restored after all delinquent balances are paid. The account may be subject to reconnect fees if a technician must be sent to the location to restore services.

Weather extremes will be considered prior to issuance of disconnect orders. Disconnects will not occur on days when the National Weather Service report for Danville projects temperatures to be lower than 32 degrees or higher than 90 degrees. Once temperature projections are within the designated temperatures for 24 hours, disconnect orders will be issued without further notification to the customer. No action will be taken to disconnect a service for non-pay after 1:00 p.m., or on the day before the weekend or a municipal holiday.

Payments returned from a bank or other financial institution, including checks, draft, electronic transfers and or other on-line payments are considered returned checks and the account is subject to a returned check charge and subject to the overdue collections process if not redeemed according to the customer notification letter. Checks and or on-line payments returned as "stop payment", "closed account", "fraud" or "no account found" will result in immediate disconnect of services. A check payment rendered to restore disconnected services returned from the bank or other financial institution for any reason will result in immediate disconnect of services. Returned checks may result in the account status designated as "cash only", and may be subject to a deposit or an additional deposit being assessed.

Electric will be the first service disconnected for non-pay. The total delinquent balance, including assessed penalties, other fees and delinquent payment fees, must be paid in full before service will be restored. If the delinquency remains unpaid after 10 days of the disconnection of electric service, all other services, including natural gas and water will be disconnected. If the delinquent balance remains unpaid after 60 days of the original bill due date, then a move out will be processed, the account closed and final billed and any deposit applied to the balance. The customer must then re-apply for services at the location; pay the remaining balance on the account as well as a security deposit before services can be reinitiated.

Reconnect of delinquent accounts will be performed by the Utility in a timely manner only after full payment of the delinquent balance has been made and customer owned



and controlled service entrance disconnects have been opened. In recognition of potential safety hazards within customer facilities, the Utility will not knowingly reconnect service to a customer premise where customer owned service entrance disconnects are closed. The reconnection schedule will be managed in a manner to assure speedy restoration of service while making the most efficient use of available personnel and equipment.

Final Account Reconciliations

Customers with unpaid balances on previous inactive accounts must pay any outstanding balances, including applicable penalties and other late fees assessed the account before new service initiation. Customers must pay any past due balances on an active account before service initiation at another location. Current and final bill balances, including applicable deposit and interest, will be transferred to the customer's new account and payable according to the original bill due date.

Outstanding balances on active accounts, including applicable penalties and other late fees not transferred through the normal service transfer process, will be transferred to the customer's active account and payable according to the original bill due date.

Customers with credit balances on final accounts will be refunded within 10 working days of the final bill due date. Checks are made payable to the account holder of record and mailed to the address provided at the time of termination or the address of record on the account.

In lieu of refund, credit balances may be transferred to an active account if the Collection Status is "overdue notice" or "pending disconnect", or to (an) other inactive account(s) with an outstanding balance.

Credit balances of \$1.00 or more will be refunded. Credit balances of \$1.00 or less will be transferred to the customer's active or inactive account. If the customer has no other active or inactive account with an outstanding balance, credit balances less than \$1.00 will be transferred to the Neighbors Helping Neighbors account.

Outstanding balances on an account with no other active account for transfer will be submitted to a third-party collection agency 60 days after the final bill due date. The customer will be responsible for any additional fees and related collection costs. All payments must be submitted directly to the collection agency, and the customer cannot initiate new service until full payment is confirmed by the collection agency and payment received is by the City, which may take up to 21 days.



Customer & Utility Responsibilities

Generally speaking, the line of demarcation between the customer's responsibility and that of the Utility for installation and upkeep of pipes, cables, and fixtures is the applicable service delivery point, which may be the service meter. For water service, the customer's responsibility begins at the property line. For electric and natural gas service, the Utility installs and maintains lines to, or near, the meter attached to, or next to, the customer's building. The City Manager is authorized to waive fees described below in certain circumstances.

In the case of gas service lines, industrial customers are charged the cost of installing service lines from an existing gas main in the street to the meter location and for the meter installation at direct cost, plus a current percent to recover overhead expense. All other classes of gas customers pay only that portion of gas line installations in excess of 100 feet from the existing gas main. Customers with natural gas appliances may qualify for additional feet of service line at no cost. If a customer has one or more qualifying major appliance, up to 300 feet of service line will be installed at no cost. An additional 50 feet will be installed if a customer has a second qualifying gas appliance. For each qualifying minor gas appliance, 50 feet will be installed free regardless of whether a customer has a qualifying major gas appliance.

Overhead electric service will generally be extended to serve new customers or developments at no expense. Applicants and developers are encouraged to discuss new service requirements with Utility electric engineering personnel and obtain a copy of the "Policies, Standards and Specifications for Electric Service to Residential, Commercial and Industrial Developments."

The cost of system extensions, changes, or improvements including relocation or resizing of mains or service lines made at the customer's request are normally fully charged to the customer in accordance with established fee schedules.

The Utility is not responsible for pipes, lines, fittings, fixtures, equipment, or appliances installed on the customer's side of the service delivery point. However, before initiating service, the Utility has the right to inspect customer owned facilities prior to rendering service and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof. The Utility must have continuing access at all reasonable times to the customer's premises to read meters and examine such items.



Equal Payment (Budget) Plan

The Equal Payment Plan (EPP) allows residential and small general service commercial customers, churches and non-profit agencies to pay for their utilities in equal monthly amounts rather than experience the seasonal fluctuations characteristic of normal billing payments. To be eligible, the customer must

- Have been at his or her current account location, for at least 12 months,
- Have no more than one bill that is more than 35 days past due.

The equal pay amount is determined by averaging the most recent 12-month billing history for the service location, including applicable utility taxes and the equal pay amount set for the forthcoming year. Thereafter, the equal pay will be re-calculated at the anniversary month using the most recent 12-month bill history, factoring in any debit or credit balance, and the equal pay amount set for the 12 month period ahead.

A customer may initiate enrollment in the EPP by telephone, fax, e-mail, or in person, and must sign a written agreement before the plan can be started. At the customer's request, an EPP agreement can be mailed with an enclosed business-reply envelope for its return. The agreement includes the service location address and account number, and sets forth the amount of the equal pay and the start date.

EPP customers will continue to receive monthly statements showing detailed consumptions and actual charges as well as the equal pay amount due each month.

EPP customers must pay the full-specified equal pay amount each month. Any customer who fails to pay the full equal pay amount each and every month will be removed from the program and required to pay any past due balance to bring the account current. The account will be subject to applicable penalties, delinquent payment fees, and disconnect of services if past due balances are not paid current by the next bill cycle.

Customers who are removed from the Equal Pay Plan for failure to pay the full payment amount each month will be removed from the program and must have six months of payment record with no delinquencies or disconnects before re-enrollment.

When an EPP customer transfers services to another location, the equal pay enrollment will be discontinued for the original account and any past due balance on the account must be paid before services can be transferred. The most current bill balance as well as the final bill amount will be transferred to the new account.

For added convenience enrollment in the EPP is continued until the customer notifies Customer Accounts to discontinue enrollment. An EPP customer can withdraw from the program and change his or her account to the conventional payment mode, however; the past due portion of the outstanding balance may be subject to the overdue



collections process up to and including penalties, delinquent payment fees, and/or disconnect for non-pay if not paid prior to the next bill cycle.

Bank Draft Plan

The Bank Draft Plan (BDP) is a convenience that allows customers to draft payments from their bank or other financial institution checking account to pay the Utility bill. A customer may initiate enrollment in the BDP by telephone, fax, e-mail, or in person, and must sign a written agreement and provide a void check before the plan can be started. At the customer's request, a BDP authorization agreement can be mailed with an enclosed business-reply envelope for its return. The agreement includes the service location address, account number, and start date. It must be submitted with a voided check displaying the bank code and account number from which the drafts will be drawn.

BDP customers will continue to receive monthly statements showing detailed consumptions and actual charges as well as the amount to be drafted from the customer's bank/financial institution account.

Drafts are processed once a week, usually on Wednesday. If the bill due date is prior to the Wednesday date, then the affected account is drafted on that Wednesday. If the bill due date is after the Wednesday date, the account is drafted the following Wednesday. BDP accounts are not subject to penalties or other late payment fees because of these time delays; however, failure to maintain sufficient account funds to cover Utility bill drafts will result in penalties and fees, and removal from the bank draft plan after two instances of returned drafts, and the account will be flagged as "cash only".

BDP customers should notify Customer Accounts as soon as possible for any change in bank/financial institution or account designations so that draft information can be updated to avoid any returned checks/drafts.

Customers Needing Payment Assistance

Danville Utilities does not waive or extend time for Utility payments. If a customer should experience a severe, unique circumstance that will prevent payment of the current utility bill by the disconnect date, the customer must contact Customer Accounts within 10 days after the bill due date to request consideration for a payment extension. Payment extensions will be considered only for the current billed amount.

Requirements must be met in order to qualify for consideration of a payment extension: (1) The account must have been established for at least 12 months; and (2) The account must have a good pay record. A good pay record is defined as not having delinquent payment fees, returned check fees or not having services disconnected for non-pay for the previous 12 months.



If the account meets the basic requirements, the customer will be required to complete a "Request for Payment Extension" form which may require documented verification regarding specifics of the unique circumstance. This form is available in the Customer Accounts Division Office at 311 Memorial Drive, Danville, VA 24541. The customer must obtain this form from either the Customer Accounts Division Director or the Collections Customer Accounts Manager.

The customer will have five days from the receipt date of the extension request to complete and return the request to Customer Accounts. The request will be reviewed and written notification will be mailed within five days advising for terms of approval or reason for denial. Approval of any payment extension for a unique circumstance is at the sole discretion of the Customer Accounts Division Director or Collections Customer Accounts Manager.

The Department of Community Development, Social Services Division, administers limited heating and cooling assistance programs for eligible low-income parents of young children, elderly, and disabled residents. Applications are accepted for city residents at the Social Services building on Patton Street, and for county customers at their respective county social services offices. The Southside Community Action Agency also offers limited emergency heating programs.

In addition, the Department of Community Development, Social Services in coordination with United Way administers limited funds donated to the Neighbors Helping Neighbors program. Applications are accepted for city residents at the Social Services building on Patton Street. Eligibility requirements must be met to receive these limited funds.

High Consumption Complaints & Investigations

The Utility will respond promptly to high consumption and billing complaints. If examination of historical Utility consumption information for a customer location suggests the possibility of a meter deficiency or an erroneous meter reading, the Utility will reread the meter and conduct a field investigation at no charge to the customer. If the examination is made at the customer's request and indicates no appreciable chance that the meter was misread or that it malfunctioned, the customer will be charged for conducting a field investigation. This fee will be waived if the field investigation verifies a meter error or malfunction. Unless the Utility has good reason to believe a meter to be faulty, it is not required to replace it.



Meter Tampering – Services on Without Authorization

Unauthorized service meter operations, and/or theft of service, results in loss of service and revenue to Danville utilities and the city, and can result in injury or death to the individual as well as damage to property as a result of fire.

Utility services shall not be turned on to any premises except by an authorized employee of Danville Utilities. It is unlawful for any person, not acting under the authority of Danville Utilities to turn on any utility service to any premises or to take, receive, or use such service without authority from Danville Utilities. No person except an authorized employee or agent/contractor of Danville Utilities shall undertake to repair, remove or in any way interfere with any utility meter or fixture attached.

All repairs or replacements of utility meters necessitated by carelessness, neglect or interference by unauthorized persons shall be made by the city at the expense of the owner or occupant of the property or the person responsible for the utility bill on which the meter is located.

There are a number of methods used to detect meters on without authority, including but not limited to, tamper alarms reports, monitoring disconnected accounts, and cycle readings. An investigation order will be sent to the applicable meter shop to field-investigate meters detected with consumption and/or reports that indicate operation anomalies. The technician will sufficiently investigate the meter anomalies, including photographs of meter, meter box and surrounding area, and upon the determination of meter operations without authority, the water or gas meter will be locked to prevent further tampering, and the electric meter will be removed and service line disconnected from the service pole to prevent further tampering.

The account holder or property owner will be assessed tampering/on without authority charges to include as applicable, 1) unauthorized meter operations, 2) damage to the meter, resulting in replacement of the meter, 3) disconnect service at pole, and 4) reconnect service at pole. In addition the customer will be assessed estimated consumption charges for the meter of time services were received and not measured through the meter. Estimated consumption will be based on customer history for daily consumptions. All meter tampering charges will be assessed to the account immediately and payable in addition to any delinquent charges before services are restored to the location. Estimated consumption charges will be assessed the account and included with the next regular cycle bill and due according to the billing cycle.

Meter tampering/unauthorized meter operations may also result in criminal charges, subject to penalties and sentencing for theft of services and/or receiving stolen services.



Rebates

Except in very unusual circumstances, all water, wastewater, gas, and electricity passing through a meter will be charged for, whether used or wasted, even though the building or premises may not be occupied.

Customer Accounts is authorized to issue rebates or credits for an excessive flow of water due to an underground leak, a water line leak caused by severe weather conditions, or a leak caused by City Utility work in the immediate area within the past 60 days, provided that, upon its detection, the leak was promptly and properly repaired and was inspected by the City's Inspection Office or written proof of repair by a licensed contractor is provided to that office and approved. The City Manager, Utilities Director, or Finance Director has the authority to grant rebates under other circumstances not mentioned above.

The Utility is authorized to issue rebates or credits for excessive electric consumption due to faulty equipment caused by equipment or wiring defects, where it is evident there is no negligence on the part of the customer and the defects are promptly and properly repaired. Customers must make the request in writing and include documentation to support their claim including but not limited to, nature of the defect, copies of the paid invoices for completed repairs, as well as equipment maintenance records. Adjustments for 50% of the excess electric consumptions shall be allowed for the billing period the defect was detected and repaired, and if applicable, for the subsequent billing period, and based on average consumptions for the same period. All claims for excess electric consumptions due to faulty equipment will be reviewed by the Electric Engineering office.

In all cases, billed consumptions and charges for other services must be paid according to the designated bill due date to avoid assessment of penalties or other delinquent payment fees until the excess consumption claim is investigated and a decision made.

Claims for Damages

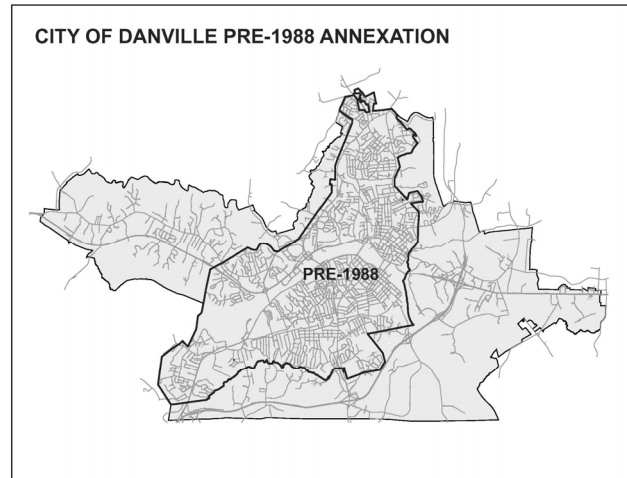
Claims against the Utility for any damage due to errors or negligence should be filed in writing with the City Attorney's Office, on the fourth floor of the Municipal Building at 427 Patton Street, Danville, Virginia. (Telephone 434-799-5122)

Reimbursement of Overcharges

Overcharges can result from any variety of errors, including incorrect listing of services delivered, or assignment of utility service codes and/or rate classifications. This can occur if the customer provides incorrect or incomplete information when signing up for services or if information provided is incorrectly recorded.

Occasionally, errors such as these can go undetected for extended time periods. When such an error is verified and adequate historical records are available to document overcharges, it is

the policy of the Danville Utilities to reimburse the current affected customer from the most recent billing back for as many as five years. No such reimbursement is provided to previous customers occupying the same service location. This surpasses the City's statutory obligation to pay no more than three years of documented overcharges.



Adjustment Process for Errors in Meter Readings

If it is found that the Utility has directly or indirectly, by any device whatsoever, charged, demanded, collected or received from any customer a greater or lesser compensation for any service rendered or to be rendered by such Utility than that prescribed in the schedules of such Utility applicable; or if it is found that any customer has received or accepted any service from a Utility for a compensation greater or lesser than that prescribed in such schedules; or if, for any reason, a billing error has resulted in a greater or lesser charge than that incurred by the customer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be as provided by the following:

- (1) If the Utility has inadvertently overcharged a customer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, the Utility shall at the customer's option, refund the excess amount paid by that customer or credit the amount billed as provided by the following:
 - a. If the interval during which the customer was overcharged can be determined, then the Utility shall credit or refund the excess amount charged during that entire interval provided that the applicable statute of limitations shall not be exceeded.
 - b. If the interval during which the customer was overcharged cannot be determined, then the Utility shall credit or refund the excess amount charged



during the 12 month period preceding the date when the billing error was discovered.

- c. If the actual consumption and/or demand incurred by that customer during the billing periods subject to adjustment cannot be determined, then the credit shall be based on an appropriate estimated usage and/or demand.
- d. If an overcharged customer owes a past due balance for the same type of service on which an overcharge occurred, the Utility may deduct the past due amount from any credit.

(2) If the Utility has undercharged any customer as the consequence of a fraudulent or willfully misleading action on that customer's part, or any such action by any person other than the employees or agents of the company, such as tampering with, or bypassing the meter where it is evident that such tampering or bypassing occurred during the residency of that customer, or if it is evident that a customer has knowledge of being undercharged without notifying the Utility as such the Utility shall recover the deficient amount as provided by the following:

- a. If the interval during which the customer was undercharged can be determined, then the Utility shall collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.
- b. If the interval during which a customer was undercharged cannot be determined, then the Utility may collect the deficient amount incurred during the six months period preceding the date when the billing error was discovered by the Utility. For a customer having an electric demand of 50 KW or greater, the maximum period shall be 12 months.
- c. If the service consumption and/or electric demand incurred by that customer during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated consumption and/or electric demand.
- d. The customer shall be allowed to pay the deficient amount, in equal installments in addition to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.

(3) If the Utility has undercharged any customer as the result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, except as provided in (2) above, then the Utility shall recover the deficient amount as provided by the following:

- a. If the interval during which a customer was undercharged can be determined, then the Utility may collect the deficient amount incurred during the entire interval up to a maximum period of six months. For a customer having a demand of less than 50 kW, the maximum period shall be six months. For a customer having a demand of 50 kW or greater, the maximum period shall be 12 months.



- b. If the interval during which the customer was undercharged cannot be determined, then the Utility shall collect the deficient amount incurred during the 12 month period preceding the date when the billing error was discovered by the Utility.
 - c. If the consumption and/or demand incurred by that customer during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated consumption and/or demand.
 - d. The customer shall be allowed to pay the deficient amount, in equal installments in addition to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.
- (4) This rule is not intended to prohibit equal payment plans, wherein the charge for each billing period is the estimated total annual bill divided by the number of billing periods prescribed by the plan. However, incorrect billing under equal payment plans shall be subject to this rule.
- (5) This rule shall not be construed as to prohibit the estimation of a customer's consumption for billing purposes when it is not feasible to read the customer's meter on a particular occasion.
- (6) If the meter error is found upon test to be not more than 2% fast or slow, the Utility shall not be required to make a billing adjustment under (1) above or allowed to make a billing adjustment under (3) above.

Dispute Hearings

An appeals process is available to address billing disputes. This procedure is available to address disputed billing amounts and/or the customer's rights to be served by the Utility. The dispute hearing process is not available to address matters pertaining to payment of deposits, penalties or other delinquent payment fees.

If a customer is not satisfied with the handling of a billing complaint by Danville Utilities personnel, he or she may request a dispute hearing presided over by a Hearing Officer, a non-Utility employee appointed by the City Manager. The Hearing Officer is responsible for conducting dispute hearings in a fair, non-confrontational manner. Dispute hearings are scheduled at the customer's convenience during normal business hours, Monday through Friday, 8:30 a.m. – 5:00 p.m. in the conference room at the Charles H. Harris Financial Service Center, 311 Memorial Drive, Danville, VA 24541.

A customer desiring a dispute hearing should forward the request to any Customer Accounts or Billing Clerk or to the Customer Accounts Director. The Utilities employee receiving the request is then responsible for initiating hearing arrangements.



The customer's obligation to pay undisputed and subsequent charges continues pending resolution of the appeal. However, the disputed service charges only will not subject to penalties or other delinquent fees or subject to service disconnect while a hearing/decision is pending.

Notice of the hearing and copies of pertinent information will be delivered to the customer, Hearing Officer, and participating Utility employees at least one week prior to the scheduled hearing. The customer also has the right to examine the Utility's records pertaining to the customer's service.

Utilities personnel involved in the dispute and the Customer Accounts Director or designee will attend the dispute hearing. The customer has the right to have a representative at the hearing, to testify, and to present witnesses.

The Hearing Officer will render a decision in writing within 10 business days following the dispute hearing of the customer and the Customer Accounts Director, outlining the course of action, if any, to resolve the matter. The decision of the Hearing Officer will be final. Any adjustments or other actions on behalf of the City as recommended by the Hearing Officer will be completed as soon as possible after the decision letter is received.

Outdoor Lighting

Danville Utilities will install a security light and pole on the customer's property at no expense, providing the customer agrees to keep the light and pay associated charges for at least 36 months. This minimum time commitment is 12 months if the light is installed on an existing Utility pole. Outdoor lighting service is available to residential and commercial customers. The owner(s) of the property must sign the contract.

Outdoor lighting facilities can remain in place indefinitely beyond completion of the minimum contract term, or until such time as the customer wishes to discontinue the service. If a customer wishes to terminate service prior to fulfilling the terms of the contract, the customer is responsible to remit payment equal to the sum of the monthly charges remaining on the contract. A customer moving from a location with a contracted outdoor light will be relieved from remaining contract payments providing the new customer is willing to assume responsibility for honoring the remainder of the contract's term.