

City of Traverse City and Traverse City Light and Power

Utility Customer Service Practices, Policies and Procedures



May 2007

**City of Traverse City and Traverse City Light and Power
Practices, Policies and Procedures
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1. Application for service

Requests for new services for water, sewer, and electrical are taken by the Customer Service Department at 400 Boardman Avenue or by calling 231-922-4431. There are several rates available to customers and the customer service representatives will inquire as to your situation to make sure you have the best rate available based on information provided.

Services established are to be in the name of the legal occupant of the property, i.e. the owner, legal tenant, or a guardian or personal representative if the owner or tenant should be incapacitated. Any service set in the name of a person who becomes deceased is required to be changed to the name of the legal occupant of the property. Commercial or primary rate customers will be required to provide their federal tax ID number.

When you request utility services, you may need to provide information such as your name, spouse or roommates name, service address, valid lease agreement and employer.

Service will be turned on within 24 hours of application of service.

The receipt and acceptance of the application for services constitutes the applicant becoming a customer of Traverse City Light & Power (“TCL&P”) and the City of Traverse City.

2. Refusal of service

TCL&P and City of Traverse City may refuse making utility services available to anyone who has outstanding or delinquent utility accounts with TCL&P.

3. Customer account change policy (Adopted July 28, 1998)

When a person requests that a residential utility account be placed in his or her name, and where that person has resided at the address where the utility service was provided and there is an outstanding past due amount, the customer account name will only be changed upon payment in full of all past due amounts.

4. Establishment of rates

The electrical rates are reviewed and established by the Light and Power Board and the water and sewer utility rates are reviewed and established by the City Commission.

This is in accordance with the City of Traverse City charter section 1044.16 for water, 1043.39 for sewer, and 179(h) for electricity.

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Rate schedules showing all of the available rates can be requested either by calling 231-922-4431 or visiting the Customer Service Department at 400 Boardman Avenue.

5. Choice of rates policy (Adopted July 28, 1998)

A customer may be eligible to have service billed on one of several electrical rates. TCL&P will endeavor to initiate electrical service for the customer on the most economical rate. Because of varying customer usage patterns and reasons beyond its reasonable knowledge or control, TCL&P does not guarantee that the economic applicable rate will be applied. It is the customer's responsibility to request, in writing, that they be put on a lower rate when applicable.

Upon request, TCL&P shall advise the customer in the selection of the rate, which is most likely to give the customer the lowest cost of service based on the information provided. The customer may then select the rate under which he is eligible to receive electrical service.

After TCL&P or the customer has selected the rate under which service shall be provided, the customer may not be permitted to change from that rate to another until at least twelve months have elapsed. The customer shall not be permitted to evade this rule by temporarily terminating service. However, TCL&P may, at its option, waive the provisions of this paragraph where it appears a change is for permanent rather than for temporary or seasonal advantage. The provision of this paragraph may also be waived where the customer can demonstrate that a bona fide change in load has occurred. The intent of this rule is to prohibit frequent shifts from rate to rate.

TCL&P shall not make refunds where the customer would have paid less for service had the customer been billed on another rate.

6. Security deposits policy

Security deposits for electrical service

Residential customers - All new residential customers (a new customer will be defined as a customer who has not had service with "TCL&P" in the past 12 months) may be required to pay an estimated two months billing based on similar existing electric customers unless the customer presents reliable estimates of KW demand KWH energy usage. In addition, TCL&P may require a deposit as a condition of providing service to a current customer due to any of the following provisions.

- The applicant misrepresents his or her identity.
- The service of the customer has been disconnected for fraudulent or unauthorized use of service or for equipment tampering; or it has been determined by TCL&P or the City that fraudulent or unauthorized use or equipment tampering has taken place.
- Applicant applied for an inappropriate rate, which they do not qualify under.
- The utility has received three NSF checks within a six month billing period.

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- The account has been delinquent five months out of a six month billing period.

The customer will be notified of the amount to be paid. Payment of the deposit will be expected in full at the time of notification or within one billing period after notification.

The deposit may be waived under the following conditions:

- The customer has established an acceptable payment history with TCL&P on a similar account.
- The customer's bill is paid in full by a government agency.
- The customer provides an acceptable credit reference letter from a similar utility.
- The customer is the legal owner of such property.

When an existing customer moves from one location to another and their account is current and serviced by TCL&P, the security deposit will be transferred to the new account.

After a year of service, a customer will have the security deposit returned as a credit towards the next electrical bill if,

- There has been no outstanding bill or portion thereof which has not been paid for more than 30 days after the due date, and
- The customer has not paid late more than 33 1/3% of the time.

If the customer does not meet the above requirements, the deposit will be held and new determinations will be made at six month intervals.

When a customer account is closed the deposit will be applied on any outstanding balance and if the deposit exceeds the billing, the difference will be refunded to the customer within two billing cycles. Deposit may be applied to all accounts the customer has with the TCL&P.

Commercial customers - Commercial customers may be required to pay an estimated two months billing based on similar existing electric customers unless the customer presents reliable estimates of KW demand and KWH energy usage. If the deposit is over \$100.00 and held for at least six months or longer TCL&P will pay 4% annual interest payable semi-annually. Deposit is held as long as utility service is provided. Deposit shall be applied to final billing upon termination of service. If the deposit exceeds the billing, the difference will be refunded to the customer within one billing cycle.

Primary service rate customers – The Deputy Treasurer will consult with the collections department to determine if a security deposit is required and to resolve any billing issues such as delinquency. If a security deposit is required and is over \$100.00 and held for at least six months or longer TCL&P will pay 4% annual interest payable semi-annually.

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Security deposits for water service

In each case where such a notice has been filed with the City by any lessor, the lessee shall deposit with the Treasurer a guarantee deposit before water may be turned on in, or continued to, the premises specified in such notice. Such guarantee deposit shall be in a sum estimated by the City Treasurer to be the rates and other charges to the premises affected equal to any two billing periods and shall be held by the City service and any damages to service pipe, service cock, stop box and water meters used in extending such services to the premises. Whenever any customer shall have promptly paid for rates and other charges for such services for two years and has otherwise established satisfactory credit the City, the Treasurer may refund the guarantee deposit, without interest.

7. Option of payment methods

For your convenience a variety of payment options exist:

Internet payments – Utility customers can now log on and pay their bill with a credit card by going to the City’s internet website <http://www.ci.traverse-city.mi.us/> clicking on Online Credit Card Payments on the left hand side and click on the appropriate selections. A convenience fee of 4% is assessed with a \$1 minimum fee.

Bank drafts – Utility customers can have their utility bills automatically drafted from their bank account by signing an authorization letter and dropping off a voided check to the Customer Service Department at 400 Boardman Avenue.

Mail – Utility customers may choose to mail a check each month. Please use the convenient return envelope included in your billing statement. Make sure to include your bill stub when paying by mail for faster, more accurate service. Please do not use tape or staples and please do not mail cash.

Customer Service Department – Utility customers may drop off payment at the Customer Service Department at 400 Boardman Avenue. We accept cash, checks, and money orders.

Phone – Utility customers can call 1-866-549-1010 and enter bureau code number 5597300 to pay by credit card. A convenience fee of 4% is assessed with a \$1 minimum fee.

Drop Box – Utility customers may drop their payments off at the red drop box located in front of the Governmental Center at 400 Boardman Avenue. Please remit the check and stub in an envelope, and please do not leave cash.

8. Late payment charges

Utility bills are rendered monthly and are due upon receipt. Accounts are considered past due if payment is not received by the due date indicated on the monthly statement. The

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Customer Service Department reserves the right to disconnect any or all of a customers' service for nonpayment of past due bills or for utility payment items returned unpaid by a financial institution. An unpaid utility account balance may be transferred to another utility account with the same customer.

A one time two percent penalty will be assessed on the current unpaid balance twenty days after the bill is generated.

If a payment is late, a customer will receive:

1. A reminder notice via first class mail five days after the due date.
2. A shut-off notice via first class mail ten days after the reminder notice, allowing the customer to pay the arrears amount within ten days.
3. A red tag or disconnect notice will be placed on the customer's door notifying the customer of cut-off from service ten days after the shut-off notice. A \$5.00 service charge for residential and \$10 service charge for commercial will be added to the account.
4. Service may be disconnected one days after red tag notice is received.
5. If a NSF check is received to avoid shut-off, the electric service will be disconnected immediately upon notice of non-sufficient funds. A \$15.00 service charge may be added to the account.

9. Payment arrangements

Payment arrangements can be entered into with the Collection Specialist by calling 231-922-4432 or by stopping by at the Customer Service Department at 400 Boardman Avenue. The customer may be required to sign an arrangement agreement and shall indicate a plan to pay current as well as delinquent portions of the bill, such that the balance owed declines rather than increases. A payment arrangement should typically not exceed sixty days for the delinquent portion of a billing, unless approved by the Customer Service Department.

Delinquent electrical, water, and sewer billings may be lienable on property taxes in accordance with *Codified Ordinances of Traverse City Michigan*.

10. Reconnection fees

There is no initial connection fee for new service, other than water tap fees.

Any customer who has service disconnected for non-payment and can be reconnected at the meter must pay, in advance, a reconnect fee of \$15 during working hours of 8am to 3:30pm Monday through Friday and \$45 after working hours to have service reinstated. Any customer who has service disconnected for non-payment and cannot be reconnected at the meter must pay, in advance, a reconnect fee to be determined.

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In addition, a security deposit, of up to two months may be required prior to service reinstatement, the amount and conditions depending on the specific circumstances. The customer may be required to pay their account in full including any current amounts due.

11. Billing adjustments for customers policy (Adopted January 28, 1997)

If TCL&P or City of Traverse City overcharges a customer due to a billing or metering error, the utility shall refund or credit the amount of the overcharge. The utility is not required to adjust, refund, or credit and overcharge for more than the three years immediately preceding discovery of the error. Any refunds over three years require Board approval.

If the utility undercharges a customer, the following provisions apply:

- In cases that involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge.
- In cases that do not involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge during the 12-month period immediately preceding discovery of the error, and the utility shall offer the customer reasonable payment arrangements for the amount of the backbill, taking into account the period of the undercharge.

12. Disputed bills policy (Adopted under the Light and Power Termination of Electric Service Policy dated January 9, 1996)

The following shall be the Department's policy in processing disputed bills:

1. Undisputed bills, or portions of bills, must be paid prior to investigation of disputed bills.
2. The Collection Department will record the date that any disputed bill, or disputed portion of a bill, first comes to the attention of the Department.
3. The Collection Department will promptly investigate the dispute and advise the customer as to its findings.
4. The Collection Department will attempt to resolve the dispute in a manner satisfactory to all parties.
5. If a settlement agreement is not reached, then the customer shall be advised that an opportunity for a hearing on the matter is available, and the Collection Department shall mail to the customer that section of this Collection Policy.

It shall be Department policy whenever a disputed bill is not resolved, that the customer may request a hearing before a Hearing Officer who will be an attorney appointed by the Light and Power Department or City of Traverse City. Hearings shall be conducted according to the following procedure:

1. After receiving notification from the Department that a hearing is available under provisions for handling disputed bills, the customer has five (5) days to request the hearing. The request can be made by either telephone, or in writing, to the Department.
2. On receipt of the hearing request, the Department will forward the request to the Hearing Officer.

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3. The Hearing Officer will schedule a date, time and location for the hearing during normal business hours, and notify all parties in writing. Failure of any party to attend the hearing will constitute a waiver of right of that party to the hearing.
4. The Department and customer shall:
 - a. Have the right to be represented by counsel or other persons of their choice.
 - b. Have the right to present evidence, testimony and oral and written argument.
 - c. Have the right to examine witnesses appearing on behalf of the other party.
5. For each hearing, the Hearing Officer shall compile a hearing record, which will contain:
 - a. A concise statement, in writing, as to the position of the Department in relation to the dispute.
 - b. A concise statement, in writing, as to the position of the customer in relation to the dispute.
 - c. Copies of all evidence submitted by the parties.
6. Upon closing the record of a hearing, the Hearing Officer shall state his or her decision, in writing, within five (5) working days after the hearing, and shall mail to both the customer, and the Department, a copy of the written decision which shall contain:
 - a. A concise summary of the evidence and argument presented by both parties.
 - b. A statement that the Hearing Officer's decision is based solely on the evidence presented, what the decision is, and the reasons therefore.
 - c. Advise that either party, or their representative, can file an appeal with the Department's Board, if done so within ten (10) days of the decision mailing date.
 - d. If the decision is not appealed by either party within ten (10) days, then the decision becomes binding.
7. In the event that a decision is appealed to the Department's Board, then the Board will determine a final resolution for the dispute.