

**City of Gladstone
Utility Shutoff Policy
Approved January 25, 2010**

Section 1. Definitions. As used in this Rule:

- A. "Critical care customer" means a customer who requires, or has a household member who requires, home medical equipment or a life support system, and who has provided appropriate documentation from a physician or medical facility to the provider identifying the medical equipment or life-support system and certifying that an interruption of service would be immediately life threatening.
- B. "Electric Service Limiter" means an electric meter or device used in conjunction with an electric meter that automatically interrupts all electric service to a customer without intervening direction from the utility when a City imposed peak usage limit is exceeded.
- C. "Eligible Low Income Customer" means a customer who can provide reasonable documentation that their household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives assistance and can provide documentation from a state emergency relief program, food stamps, or Medicaid. Reasonable documentation includes, but is not limited to, a variety of documents such as Federal tax return(s), current pay stubs, unemployment forms, or state or federal agency assistance documents.
- D. "Eligible senior citizen customer" means a utility customer who is 65 years of age or older, and who demonstrates his or her eligibility by completing a City approved form.
- E. "Heating Season" means November 1 through March 31.
- F. "Medical Emergency" means an existing medical condition of the customer or a member of the customer's household, as defined and certified by a physician or public health official on official stationery, that will be aggravated by the lack of utility service.
- G. "Senior Citizen Customer" means a City customer who is 65 years of age or older.
- H. "Utility" means the City of Gladstone.
- I. "City" means the City of Gladstone.

Section 2. Terms and Conditions. The Electric Shutoff Policy shall be part of the terms and conditions of the contract for service between City and the customer.

Section 3. Service Deposits. Metered rate services are established upon order of the customer, without prepayment thereof, except that the City requires:

- A. A service deposit, in accordance with Utility Rate Schedule, is required for residential customers that do not pay City property taxes. Customers that rent private residences and landlord pays property taxes to the City are exempt from this deposit. Deposit is due at time account is open.
- B. The City may require a service deposit or an additional service deposit for any City customer based on account history, that is issued a shut off notice, or has their service disconnected.
- C. The City may require a service deposit or an additional service deposit for any City customer that writes a closed account or non sufficient funds (NSF) check and does not pay the full amount due within the notice period provided.
- D. In cases of bankruptcies, deposits will be credited to any outstanding account balances as of the court file date. New deposits will be required for post-petition balances according to the above and in conformance with Bankruptcy laws.

Section 4. Electric Service Limiter. Electric service limiters will be not be used until after the Michigan Public Service Commission issues an order that establishes uniform standards for the use of electric service limiters. At that time the City may establish rules on the use of service limiters consistent with the Michigan Public Service Commission rules.

Section 5. Late Fee Refunds. City shall refund any late fees, fines, or payments related to a shutoff or resumption of service if those late fees, fines, or payments were improperly assessed because of the failure to provide notice as required by this policy.

Section 6. Third Party Consent. Subject to applicable third-party consent, a customer may be permitted to designate a third party to receive bill notifications, including shutoff notices, on the customer's behalf. Such notices may be provided to both the designated third party and the customer. The customer may be charged for this service.

Section 7. Utility Assistance Notices. The City shall supply information regarding utility assistance programs and protections to customers at least two (2) times a year in or on a customer's bill, in a bill insert, in a newsletter issued to customers, a public forum, newspaper announcement, an electronic

communication, or in any other manner approved by the governing body of the City:

- A. The energy assistance telephone line number at the Michigan Department of Human Services or an operable 2-1-1 system telephone number.
- B. Medical Emergency and Critical Care protections provided in these rules.
- C. Military shutoff protections pursuant to MCL 460.9 C
- D. Low income protections provided in these Rules.
- E. Senior citizen protections provided in these Rules.

Section 8. Senior Identification Notice. The City shall, at least once per year, attempt to identify senior citizen customers by at least one (1) of the following methods:

- A. Conducting customer interviews.
- B. Obtaining information from a consumer reporting agency or consumer reporting service.
- C. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
- D. First class mail.
- E. A personal visit to the customer.
- F. A written notice left at or on the customer's door.
- G. On a utility bill or in a bill insert.

Section 9. Temporary Shut Off. Notwithstanding other requirements of this policy, service may be shut off temporarily for reasons of health, safety, or in a state or national emergency. When service is shut off for reasons of health or safety, the utility shall attempt to leave a notice at the premises whenever reasonably possible.

Section 10. Termination of Service. City may shut off or terminate service to a customer for any of the following reasons:

- A. The customer has not paid a delinquent account that accrued within the last six (6) years.

- B. The customer has failed to provide a deposit or guarantee as required.
- C. The customer has engaged in unauthorized use of the utility's service.
- D. The customer has failed to comply with the terms and conditions of a Payment Agreement, a Winter Protection Payment Plan, or a Critical Care Customer and Medical Emergency Agreement.
- E. The customer has refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or replacement of equipment that is installed upon the premises or for the removal of a meter.
- F. The customer misrepresented his or her identity for the purpose of obtaining service or put service in another person's name without permission of the other person.
- G. The customer has violated any rules of City so as to adversely affect the safety of the customer or other persons or the integrity of the system.
- H. A person living in the customer's residence meets both of the following:
 - i. Has a delinquent account for service with City within the past three (3) years that remains unpaid.
 - ii. The customer lived in the person's residence when all or part of the debt was incurred. City may transfer a prorated amount of the debt to the customer's account, based upon the length of time the customer resided at the person's residence. This subdivision does not apply if the customer was a minor while living in the person's residence.
- I. The customer has not paid for service at a premises occupied by another person, and it is not feasible to provide service to the occupant as a customer without a major revision, as determined by the City, of existing distribution facilities.
- J. If it is feasible to provide service to the occupant as a customer without a major revision, as determined by the City, of existing distribution facilities and occupant refuses to put the account in their name.
- K. The customer paid with a non-sufficient funds check or with a check from a closed account to avoid a previously noticed shutoff.

Section 11. Late Penalties. All utility bills must be paid by their specified due date or a penalty will be assessed to the outstanding balance. The penalty will be two percent of total due. A \$25 charge will be assessed to your bill with each non-sufficient funds or closed account check.

Section 12. Payment Agreement. Special payment arrangements will only be made if the customer is issued the First Shutoff Notice, completes the City's Payment Agreement and the City executes the agreement. Special payment arrangements will typically be for only an additional fifteen (15) days. Under special circumstances, the City Manager will use his/her discretion and may allow a utility customer up to 90 days to pay off arrearages. The customer must pay an agreed upon sum per month or the actual monthly usage, whichever is greater, and an agreed upon sum per month for arrearages.

The City is not required to enter into a subsequent payment plan with a customer who defaulted on the terms and conditions of a payment plan within the last 12 months. The City will modify an existing payment plan if the customer is not in default, demonstrates a significant change in economic circumstances, and requests a modification of the payment plan.

If the customer has agreed to make a payment within fifteen (15) days of the date of the Payment Agreement or Winter Protection Payment Plan and fails to make that payment, the customer's electric service will be disconnected on the business day following the date of non-compliance, but not before the end of a ten (10) day notice period. If the customer fails to make a scheduled payment that is more than fifteen (15) days past the date of the Payment Agreement, the City will issue the First and Second Shutoff Notices

Section 13. First Shutoff Notice. The First Shutoff Notice will be issued after a utility customer is one month in arrears. The First Shutoff Notice will be mailed by first class mail to the customer's billing address and landlord, if applicable. The customer will be given ten (10) days to pay the bill in full or enter into a Payment Agreement.

Section 14. Second Shutoff Notice. If the customer does not abide by the First Shutoff Notice, a \$10.00 penalty will be assessed to your account if a Second Shutoff Notice has to be written for your residence. The Second Shutoff Notice will provide the customer two (2) days to pay the bill and additional penalties in full or have the electric service disconnected. If the customer is renting, the City will endeavor to mail the Second Shutoff Notice to the owner of record also.

Section 15. Shutoff Notices. The following Required Information, Time Lines, Delivery Methods, and Subsequent Notices will be utilized:

A. Eligible Shutoff Notices. The following notices qualify as eligible Shutoff Notices for purposes of meeting Shutoff Notice and time requirements:

i. The First Shutoff Notice.

- ii. The Second Shutoff Notice.
- iii. The execution of a Payment Agreement, Winter Protection Payment Plan or a Critical Care Customer and Medical Emergency Agreement.

B. Required Information. The First and Second Shutoff Notices shall contain all of the following information:

- i. The name and address of the customer, and the address at which service is provided, if different.
- ii. A clear and concise statement of the reason for the proposed shutoff of service.
- iii. The date on or after which service may be shut off unless the customer takes appropriate action.
- iv. The customer has the right to enter into a payment plan.
- v. The telephone number and address where the customer may make inquiry or file a complaint.
- vi. Shutoff may be postponed if it can be documented that there is a certified Medical Emergency at the customer's residence.
- vii. Shutoff may be postponed during the heating season if the customer is an eligible low-income customer that enters into a winter protection payment plan and provides documentation that they are actively seeking emergency assistance from an energy assistance program.
- viii. The phone number for financial assistance 211.

C. Time Lines. Service shall not be shut off unless a Shutoff Notice is issued to the customer not less than ten (10) days before the date of the proposed shutoff.

D. Delivery Attempts. For an involuntary shutoff, not fewer than two (2) attempts shall be made at least one or more days before the shutoff of the service, to contact the customer by one (1) or more of the following methods. All attempts to contact the customer shall be documented.

- i. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail. The City must include its local telephone number that

may be used to contact a representative regarding restoration of service.

- ii. Mail shutoff notice by first-class mail.
- iii. City staff attempt to make contact with customer at their premises.
- iv. Post a Shutoff Notice on the customer's premises.

E. Subsequent Notice Shutoff. Service may be shut off to a customer on the date specified in the notice of the shutoff or within fifteen (15) days following that date. If service is not shut off within the fifteen (15) day notice period, the First and Second Shutoff Notices must be issued before disconnecting the service.

Section 16. Shutoff Day and Time. Shut off shall occur only between the hours of 8 a.m. and 1:30 p.m. Service shall not be shut off on a day, or a day immediately preceding a day, when the City is not open for normal business.

Section 17. Notice Posted At Shutoff. At least two hours before the close of the City's business on the day service is shut off, a notice shall be left at the customer's residence stating that service has been shut off and providing the address and telephone number where the customer may arrange to have service restored.

Section 18. Restoration of Service. Once the service is disconnected, it will not be reconnected until the bill and all penalties and fees are paid in full. Reasonable efforts shall be made to restore service on the day the customer requests restoration. Except for reasons beyond the control of City, the service shall be restored not later than the first working day after the customer's request.

The customer will be charged a \$15.00 reconnection fee when the utility service is reconnected during regular business hours before 3:00 P.M. and \$50.00 reconnection fee after 3:00 P.M. Fees will be added to utility account and must be paid prior to reconnection of service. All connections must be done during daylight. The customer must have a responsible individual present at the premises when the electric/water service is reconnected.

Section 19. Eligible Senior Citizen Shutoff Notice. In addition to meeting other notice and shutoff provisions of these rules, if an Eligible Senior Citizen Customer is shutoff, the City will attempt to contact the Eligible Senior Citizen Customer by one of the following means no later than three (3) business days after shutting off service:

- A. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail. The City must include its local

telephone number that may be used to contact a representative regarding restoration of service.

- B. Mail the Notice Posted at Shutoff by first-class mail.
- C. City staff attempt to make contact with customer at their premises.
- D. Post a second Notice Posted at Shutoff on the customer's door.
- E. Make a documented referral of the customer to a social service or government agency.
- F. Any other method approved by the governing body of the utility.

Section 20. COOLING SEASON SHUTOFFS. If the temperature forecast for the current day or the following day is 95 degrees or greater, eligible senior citizen customers will not be disconnected on the current day.

Section 21. HEATING SEASON SHUTOFFS. The City shall not shut off service to an Eligible Senior Citizen Customer or Eligible Low Income Customer during the heating season for nonpayment of an account if:

- A. The Eligible Senior Citizen Customer demonstrates that:
 - i. They live at the address as their primary residence.
 - ii. Any other method approved by the governing body.
- B. The Eligible Low Income Customer demonstrates that:
 - i. They live at the address as their primary residence.
 - ii. Provide a state drivers license or state identification that shows the address of the residence.
 - iii. Has the lease agreement, mortgage, title or tax bill in their or their partner's name.
 - iv. Has the utility bill in their or their partner's name.
 - v. Any other method approved by the governing body.
- C. The customer is an Eligible Senior Citizen Customer;
- D. If an Eligible Low Income Customer enters into a winter protection payment plan to pay the City a monthly amount equal to 7 percent of the customer's estimated annual bill; or the Eligible Low Income Customer and the City mutually agree upon a Winter Protection Payment Plan with different terms and the eligible low income customer demonstrates, within 14 days of requesting shutoff protection, that he or she has applied for state or federal heating assistance.

If an arrearage exists at the time an eligible low income customer applies for protection from shut off of service during the heating season, the customer may

be permitted to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season.

During the Heating Season the Winter Protection Payment Plan will require the Eligible Low Income Customer to pay any past due amount in equal payments from the date of application to the start of the next Heating Season. Through the remainder of Heating Season the customer will also pay a monthly amount equal to seven percent of the estimated annual bill. After the Heating Season the Utility will apply any over collection to the bill. Any under collection will result in a true-up of the equal payments due through the start of the next Heating Season. In addition to the past due payments, the customer will have to pay the current bills in full each month.

Service will be shut off to an eligible low-income customer who does not pay the monthly amounts required under a Winter Protection Payment Plan after giving notice to the customer.

If an eligible low income customer fails to comply with the terms and conditions of a Winter Protection Payment Plan, service may be shut off after giving the customer a notice, by personal service or first class mail, which contains all of the following information:

- A. That the customer has defaulted on the Winter Protection Payment Plan.
- B. The nature of the default.
- C. That unless the customer makes the payments that are past due within ten (10) days of the date of the notice, service will be shut off.
- D. The date on or after which service will be shut off, unless the customer takes appropriate action.
- E. That the customer may dispute the claim in writing before the date of the proposed shutoff of service.
- F. That the utility will not shut off service pending the resolution of a dispute.
- G. The telephone number and address where the customer may make inquiry or file a complaint.
- H. That the customer should contact an assistance agency by using the 211 system or a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance.

- I. That the shut off will be postponed if a Critical Care or Medical Emergency exists at the customer's residence.
- J. That a deposit and restoration charge may be required if the utility shuts off service for nonpayment of a delinquent account.

If an Eligible Senior Citizen Customer or Eligible Low Income Customer fails to pay the full amount due on their electric bill during the Heating Season, they will be charged the City's standard late fees each month until the balance is paid in full.

If an Eligible Senior Citizen Customer has an outstanding balance on March 21, the City may issue Shutoff Notices that provide a ten (10) day period to pay the bill in full, enter into a Payment Agreement, or the utility services will be disconnected.

Section 22. SHUTOFF OF CRITICAL CARE CUSTOMERS OR MEDICAL EMERGENCY. Shutoff shall be postponed for not more than 21 days if the customer or a member of the customer's household is a Critical Care Customer or has a certified Medical Emergency. The customer's certification shall identify the medical condition, any medical or life-supporting equipment being used, and the specific time period during which the shutoff of service will aggravate the medical emergency.

Shut off may be extended for further periods of not more than 21 days, not to exceed a total postponement of shutoff of service of 63 days, only if the customer provides additional certification that the customer or a member of the customer's household is a Critical Care Customer or has a certified Medical Emergency.

If shutoff of service has occurred without any postponement being obtained, the service shall be restored for not more than 21 days if the customer provides proper certification that the customer or a member of the customer's household is a Critical Care Customer or has a certified Medical Emergency, and shall continue for further periods of not more than 21 days, not to exceed a total of 63 days in any 12-month period per household member. Annually shutoff extensions totaling more than 126 days per household will not be given.

If the customer has agreed to make a payment within ten (10) days of the date of the Critical Care Customer and Medical Emergency Agreement and fails to make that payment, the City will issue the Second Shutoff Notice. If the customer fails to make a scheduled payment that is more than ten (10) days past the date of the Critical Care Customer and Medical Emergency Agreement, the City will issue the First and Second Shutoff Notices.

To keep the customer's medical information confidential, the City will review the information provided and may immediately return it to the customer, shred the information, or store the information in a secure location similar to that required for employee's personnel or medical records.

Section 23. SERIOUS INJURY OR DEATH NOTICE. If a shutoff of service results in death or serious injury the City will notify the Michigan Public Service Commission by email or phone within 24 hours and in writing within three business days.

The current contact information is as follows: Mr. Michel L. Hiser, PhD, Service Quality Division, Michigan Public Service Commission, 6545 Mercantile Way Suite 7, Lansing MI 48911, (517) 241-6046, hiserm@michigan.gov.

Section 24. UTILITY BILL DISPUTE. A Customer may submit a Utility Bill Dispute on a City approved form if they believe there is something wrong with the bill. The customer must provide specific detail about why they believe there is something wrong with the Utility Bill. The City Manager will review the customer's Utility Bill Dispute, City utility billing information, and make a determination. The customer may appeal the City's Manager's decision to Gladstone City Commission.