

FOR: ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original 14 SHEET NO.

CANCELLING P.S.C. KY. NO. 9

SHEET NO. _____

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION

Pay-As-You-Go (PrePay) Residential Rider

Purpose

To provide members with a payment option that may assist them in managing and controlling their energy purchases.

Availability

This is an optional rider to Farmers RECC's Schedule R - Residential tariff and is available to all members being served under that tariff.

Terms and Conditions

Pay-As-You-Go ("prepay") is a voluntary program. Members who qualify for this rider may choose to enroll their electric account(s) in this program. All members who participate in this program are subject to the following:

1. Each member choosing the prepay option will be subject to all other applicable rules and regulations which apply to members using the residential tariff without the prepay rider.
2. Members should have internet access to participate in this voluntary program.
3. A new member will be required to pay the membership fee and be entitled to all member benefits as current members.
4. All members enrolling in the Pay-As-You-Go program shall sign a prepay agreement. The agreement shall be in effect until the member desires to cancel. The member may convert to normal monthly credit/payment terms at any time by request. At this point the member will be subject to conditions of the residential tariff without the prepay rider. This may include the requirement of a deposit. If any special equipment has been issued to the member for participation in this program, the member will be required to return the equipment. Refusal by the member to return all equipment in working order shall result in being charged for replacement cost of the equipment.
5. The Customer Charge will be the same as Farmers RECC's regular residential tariff. The Program Fee shall be \$3.18. Both the Customer Charge and Program Fee will be pro-rated and deducted from the member's account on a daily basis.

DATE OF ISSUE: 05-15-2013

DATE EFFECTIVE: 06-15-2013

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2012-00437 Dated: January 23, 2013

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 6/15/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR: ALL TERRITORY SERVED
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P.S.C. KY. NO. 10

Original SHEET NO. 15

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Pay-As-You-Go (PrePay) Residential Rider

6. A one-time service fee of \$30.00 will be charged to install the equipment for prepay use. Should the member cease participation in the program, a one-time fee of \$30.00 will be charged to uninstall the equipment for prepay use.
7. The Energy Charge will be the same as Farmers RECC's regular residential tariff.
8. The Fuel Adjustment and the Environmental Surcharge will be charged or credited to the account based upon the time of purchase. The Fuel Adjustment and Environmental Surcharge will be the rates in effect for the month of purchase.
9. The Pay-As-You-Go account will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
10. At the time the prepay account is activated, the initial purchase is recommended to be a minimum of \$100.00. Purchases beyond the point of activation will be at an increment of the member's choosing, with a minimum purchase being \$10.00.
11. When an existing member chooses to convert to the prepay program and has a deposit on file with the Cooperative, the deposit and accumulated interest will not be refunded, but converted into a credit on the account going forward. No crediting of the deposit to the prepay account shall occur if the deposit is needed to cover a pre-existing indebtedness by the member or the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s).
12. Once enrolled in the Pay-As-You-Go program, no additional payment arrangements will be made.
13. If an agency submits or has already submitted (but not yet paid) a voucher or other financial assistance to an account, the full amount of the assistance will be applied to the prepay account.
14. If a member who has not been in the Pay-As-You-Go program is disconnected for non-payment, they may request to be reconnected and enrolled in the program. If they are unable to pay their account balance in full, they will be offered a payment plan whereas future purchases will be split 70/30 until the old debt is retired. Seventy percent (70%) of the payments will be applied to new purchases, and thirty percent (30%) will be applied towards retirement of the previous balance minus any applicable deposit.
15. Members may check the status of their account(s) by utilizing the Cooperative's website or by calling the office at any time.

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TITLE: President & Chief Executive Officer

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Original _____ SHEET NO. _____ 16

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**FARMERS RURAL ELECTRIC
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Pay-As-You-Go (PrePay) Residential Rider

16. Members may apply funds to their prepay account(s) by mail, telephone, or via the Cooperative's website by E-Check, Visa, MasterCard, or Discover credit cards. Payment may also occur in person during the Cooperative's regular office hours.
17. If a payment on a prepay account is returned for any reason, the account is subject to the service charge listed in Farmers RECC's Rules and Regulations.
18. Members who present a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 5:006, Sections 14, 15, and 16 will be removed from the program and the account will become a post-pay account.
19. A monthly paper bill will not be mailed to members who elect to receive the Pay-As-You-Go program. However, the member may view their prepay account status on the Cooperative's website. Due to the Pay-As-You-Go status of an account, a delinquent notice will not be mailed as the account should never be in arrears.
20. If a member elects to enroll an account in prepay, the total amount of any existing payment arrangements/contracts will be applied to the account so the full unpaid balance will be reflected on the prepay account.
21. When the amount of funds remaining in a prepay account reaches the threshold of \$25.00, automated message(s) will be sent to the member rather than a written notice sent by U.S. Mail.
22. A Pay-As-You-Go account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperature as the member is responsible for ensuring that the prepay account is adequately funded. If the member cannot ensure proper funding, Farmers RECC recommends the member not utilize the prepay service.
23. If a prepay account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy services. Likewise, if the account is disconnected and the member applies funds to the account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected.

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ISSUED BY *William J. Arthur*
TITLE: President & Chief Executive Officer

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JEFF R. DERQUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
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FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION

Pay-As-You-Go (PrePay) Residential Rider

24. Prepay accounts will be billed at least once a day to show the remaining funds on the account. If a meter reading is not available, the account will not be billed until a reading is available. In addition, a month-end billing will be done to "true up" any unbilled charges. Charges such as the customer charge, kWh, fuel adjustment and environmental surcharge, franchise fee, security lights and applicable taxes will be prorated daily. Charges such as Operation WarmHearts (Roundup), EnviroWatts, etc. will be charged during the first billing of each month.
25. When a member requests to have the power disconnected and they have a credit balance on their prepay account, their remaining balance will be refunded. If the member has another account the credit will be transferred to that account, otherwise, the refund will be issued to the member in the form of a check.
26. The member will be billed for replacement cost of any damaged equipment such as the meter or meter collar, when such damage occurs as a result of malice or neglect by the member.

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ISSUED BY *William J. Prather*
TITLE: President & Chief Executive Officer

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KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
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**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
AGREEMENT FOR PARTICIPATION IN THE PAY-AS-YOU-GO PROGRAM**

Member Name _____	Home Phone _____
Account No. _____	Cell Phone _____
Service Address _____	Cell Phone Carrier _____
E-mail _____	

The undersigned (hereinafter called the "member") hereby applies for participation in the voluntary Pay-As-You-Go Electric Service Program offered to members of Farmers Rural Electric Cooperative Corporation (hereinafter called the "Cooperative"), and agrees to the following terms and conditions:

1. The member shall purchase electric energy from the Cooperative in accordance with the present and any future rate schedule of the Cooperative on a Pay-As-You-Go basis for the above referenced account.
2. The member understands that the terms and conditions set forth in the member's Application for Membership continue to apply in addition to the terms and conditions of this Agreement for Pay-As-You-Go Electric Service, subject, however, to any changes set forth in this agreement.
3. The member shall pay any membership and fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission as may be required for the member to participate in the Pay-As-You-Go Electric Service Program.
4. Any deposit on the above referenced account will be applied to the account before the account changes to Pay-As-You-Go. Any credit remaining on the account will be applied to the Pay-As-You-Go account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described.
5. As a result of participation in the Pay-As-You-Go Program, the member will not be mailed a monthly paper bill for electric usage or other applicable fees or charges.
6. The member shall pay an additional daily program fee. This amount will be in addition to the charges included in the Cooperative's Residential rate schedule.

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TITLE: President & Chief Executive Officer

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7. The Pay-As-You-Go Account shall not be subject to deposits, late fees, disconnect fees, and reconnect fees.
8. If a member changes any of the contact information (i.e. e-mail address, phone number, etc.) provided on this agreement, it is the responsibility of the member to notify the Cooperative of any such changes immediately. It is the member's responsibility to manage their own communication devices.
9. When the amount of funds remaining on a Pay-As-You-Go account reaches the established threshold of \$25.00, an automated message will be sent to the member rather than a traditional, written notice sent by U.S. Mail. Farmers will not be responsible for any failure of the member to receive the automated message for any reason(s).
10. The member shall be responsible for regularly monitoring the balance on the Pay-As-You-Go account and understands that the electric service will be subject to disconnection without any written notification from the Cooperative to the member once the balance of the account goes negative. If the member cannot ensure proper funding, Farmers RECC recommends the member not utilize the Pay-As-You-Go service.
11. Levelized budget billing, automatic payment draft and net metering are not eligible for Pay-As-You-Go.
12. Should the member have a payment returned for any reason, the returned payment will be charged to the Pay-As-You-Go account. The member's account shall also be charged a return payment fee in addition to the returned payment amount. If there are not sufficient funds to cover the returned item and fee, the account will be disconnected immediately.
13. If a Pay-As-You-Go account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy services. Likewise, if the account is disconnected and the member applied funds to the Pay-As-You-Go account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected and holds the Cooperative harmless from any damages arising from such a reconnection.
14. By signing this agreement, the member affirms there are no residents in the home currently that have medical conditions that will be impacted by loss of service. Should this status change, the member shall contact the Cooperative in writing, upon which the account will be removed from the Pay-As-You-Go program. It is the responsibility of the member to confirm the Cooperative is in receipt of the written request for removal from the program.

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15. A Pay-As-You-Go account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperatures as the member is responsible for ensuring that the Pay-As-You-Go account is adequately funded. Pay-As-You-Go accounts shall not be eligible for payment arrangements with the Cooperative and energy assistance shall not be applied until received as payment on the member's Pay-As-You-Go account.
16. If a member on a Pay-As-You-Go account presents a Certificate of Need, a Medical Certificate or qualifies for a Winter Hardship Reconnect, the member will be required to transfer to a post pay account.
17. The member authorizes the Cooperative to transfer the unpaid balance of \$ _____ from the member's post pay account to the Pay-As-You-Go account. The member also authorizes the kWh used since the last bill date until the meter is changed to Pay-As-You-Go meter be calculated and transferred to the Pay-As-You-Go account. The member further agrees that thirty percent (30%) of any payments made on this account in the future shall be applied to the balance until said balance is paid in full. Any fees/penalties (returned payment, meter tampering, etc.) shall be paid before any payments are applied to the member's Pay-As-You-Go account.
18. If a member wishes to disconnect service, the member shall be refunded any balance on the Pay-As-You-Go account. Any refund will be processed in the same manner as post pay account refunds
19. The member is required to confirm that he/she can receive electronic communications to be eligible for the Pay-As-You-Go program.
20. The Pay-As-You-Go agreement shall be in effect until the member desires to cancel. If discontinuing, the member will have to meet the requirements of a post-pay member for continued service.

Member Signature: _____ SSN: _____ Date: _____

Member Signature: _____ SSN: _____ Date: _____

CSR Signature: _____ Date: _____

By Authority of Order of the Public Service Commission in Case No. 2012-00437, Dated January 23, 2013

OFFICE USE ONLY	
SO Number _____	Date Installed _____
Customer NO. _____	Initials _____
Comments _____	

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