**Section 280.120 Deferred Payment Arrangements**

a) Intent: Payment arrangements shall be structured and administered to maximize the successful retirement of past due utility service amounts owing to the utility while allowing the customer to retain active utility service.

b) Eligibility:

1) Mandatory offering by the utility: A residential customer owing a past due amount for utility service shall be eligible for a deferred payment arrangement so long as the customer has not failed to complete a previous DPA in the past 12 months.

A) At any time a customer's account balance owing is brought to current status, the utility shall consider all previous DPAs completed.

B) A customer who is eligible for a DPA under this subsection (b) shall remain fully eligible until utility service is disconnected.

2) Optional offering by the utility:

A) At the utility's discretion, an applicant owing a past due amount for utility service may enter a DPA to retire the debt.

B) At the utility's discretion, a non-residential customer owing a past due amount for utility service may enter a DPA to retire the debt.

C) At the utility's discretion, a residential customer owing a past due amount for service, but who is not automatically eligible for a DPA under subsection (b)(1), may enter into a DPA to retire the debt.

c) Amounts Included in DPA: The DPA shall only include amounts owing for utility service for which the utility would otherwise be entitled to disconnect the customer's service after proper notice if the customer was not on the DPA. DPA default shall not occur as a result of failure to pay non-utility service charges.

d) Transfer: When a customer transfers service, an existing DPA established at the old premises shall transfer with the customer to the new premises. A utility may be allowed to start an entirely new DPA at the new premises to accommodate its billing systems programming so long as the "new" DPA is identical to the previous DPA.

e) Bill Itemization:

1) Each bill rendered to a customer who has established a DPA with the utility and has not defaulted shall include the following information:

A) The total balance remaining on the DPA;

B) The amount of the installment;

C) The number of remaining installments on the DPA; and

D) A statement explaining that:

i) a late or partial payment may result in the cancellation of the DPA, causing the total deferred amount and current charges to become immediately due in full; and

ii) non-payment of the full amount due may result in disconnection.

2) If a DPA defaults and is not reinstated prior to the next bill statement, the utility shall notify the customer of the default by at least one of the following methods:

A) A message on the next bill statement stating the amount required to reinstate the DPA if paid in full by a specific date and that a later payment may result in additional charges or the cancellation of the DPA; or

B) A separate written notice stating the amount required to reinstate the DPA if paid in full by a certain date and that a later payment may result in additional charges or the cancellation of the DPA; or

C) A live phone call to the customer. The utility shall make a record of the date, time of day and utility personnel involved in the phone call, and retain the record for two years. If the utility is unable to speak with the customer directly, it shall provide either a message on the next bill statement or separate written notice of default in accordance with subsection (e)(2)(A) or (B).

f) Down Payment:

1) In order to initiate a DPA, the customer must pay a minimum of 25% of the past due amount for utility service.

2) By agreement with the customer, the utility may include current billing amounts with the past due amount as the total balance from which the 25% down payment may be calculated.

3) At the utility's discretion, the down payment amount may be decreased.

g) Length of DPA:

1) The amount of time negotiated with the customer for the completion of the DPA shall be set between 4 to 12 billing cycles, with the utility having the discretion to agree to more than 12 billing cycles for completion of the DPA.

2) In determining the length of time to offer, the utility shall take into account the ability of the customer to successfully complete the DPA.

3) If a residential customer's household income will not allow the customer to successfully complete a DPA of any length, the utility shall advise the customer of the availability of local assisting agencies.

h) Installments:

1) The installments shall be equal amounts, unless unequal amounts are established by agreement with the customer.

2) The installments shall be due at the same time as the regular bill due dates.

i) Default:

1) A utility may consider a DPA in default when a customer fails to pay the full amount of the installment and the current bill by the second day after the bill due date.

2) The utility may resume collection activity after a DPA defaults, including delivery of a disconnection notice and subsequent disconnection of the service unless the customer pays the full amount past due or pays the reinstatement amount and any applicable reinstatement fee in order to resume the DPA.

j) Reinstatement:

1) A utility is not obliged to reinstate a defaulted DPA once it has disconnected service to the customer for nonpayment.

2) A customer may reinstate a previously defaulted DPA by paying the required amount of the DPA installments owing up to that date, including all past due bills that were not included in the original DPA amount. The default notice shall state that DPA reinstatement is possible for a stated amount if paid in full by a certain date and that reinstatement subsequent to that date may include additional charges.

3) The utility shall not assess a reinstatement fee for the first reinstatement of a defaulted DPA.

4) For each subsequent default after the first, in addition to paying the amounts required under subsection (j)(2), the customer shall pay a reinstatement fee if the utility has filed a tariff establishing a reinstatement fee.

k) Renegotiation:

1) A customer whose financial conditions change during the course of a DPA shall be allowed to renegotiate the length of the DPA with the utility to ensure its successful completion.

2) One renegotiation is allowed during the course of a DPA, so long as:

A) The customer is willing to discuss the customer's financial circumstances;

B) The customer has at least made the down payment on the original DPA; and

C) The DPA is not currently in default status.

3) Through renegotiation, the utility shall not be obliged to extend the term of the DPA any longer than 4 to 12 additional billing cycles beyond the original term of the DPA; provided, however, that the utility and customer may renegotiate the DPA for a longer term if both parties agree.

4) Renegotiation does not preclude a customer's right to reinstate a defaulted DPA prior to disconnection.

l) Overlapping Arrangements: Multiple arrangements of any type under this Section shall not be employed simultaneously without the consent of both the utility and the customer. However, the utility shall not maintain an otherwise defaulted arrangement to prevent a customer from using another type of payment arrangement for which the customer is eligible.

m) Eligibility for Winter DPA: A customer's right to establish a winter DPA under Section 280.135 shall be unaffected by any default on a DPA under this Section.