

**City of New York Mills
Municipal Utilities Policies**

Billing Policies

Establishing a utility service

New services installed only during normal business hours. A 48 hour notice is required.

Utility services may only be in the property owner's name. In the case of rental, a copy of the bill may be sent to the renter, but the owner of the property is ultimately responsible for all utility bills.

Terminating a utility service

When a utility service is shut off at the customer's request, the natural gas/and or water meter will be turned off and locked. At the time a customer requests the service to be turned on, city of New York Mills/ New York Mills Municipal Gas personnel will remove the lock only when someone is at the house, but it is the responsibility of the customer to have all pilot lights relit. The monthly minimum charge and gas plant, gas maintenance, water maintenance and sewer base charges will still remain in effect whether or not the service is actually being used. If a customer requests that meters be removed for an extended period of time, the monthly minimum charges will not apply; however, a \$50.00 per meter fee to remove the meters will be charged. There is a \$150.00 fee for reconnection of the gas meter and \$200.00 fee for reconnection of the water meter when the property is reconnected to the City's water, sewer and natural gas lines.

A customer may request to have gas/and or water service temporarily discontinued in order to make repairs to the property. Public Works will temporarily turn water off at the curb stop at no charge to the customer.

Seasonal customers may request to have services temporarily discontinued. Please call the City Office at 218-385-2213 for information regarding seasonal disconnection of services. Gas plant, gas maintenance, water maintenance and sewer base charges for water and gas will remain in effect.

Upon request, meters will be read out on the closing date of a sold property. It is recommended that buyers and sellers do not rely on the realtors to supply this information. To ensure a reading on the closing date and to receive accurate owner information, it is required that the buyer fill out a utility application form to place the utility in their name. The seller should contact the City Office to supply forwarding address information.

Definitions of your bill

Your billing statement shows:

- Account number
- Dates the meters were read
- Present and previous meter readings
- Amount used
- Sales tax and any other surcharges billed
- Total amount due the City of New York Mills
- Previous balance
- Date payment is due

Adopted by the City Council on June 14, 2011

The meters are read the last 2 days of the month. Estimated readings may be used if the meters are inaccessible or if the meter has stopped working.

Payments of Your Bill

Payments are due on the 25th of each month. Payments may be made by cash, check, money order, or by automatic bank payment plan only. No second party or post dated checks will be accepted. Checks will not be held. Payments will always be applied to the most delinquent charges on the utility account. Failure to receive a bill or past due notice shall not relieve the responsibility to pay.

A non-sufficient fund check is treated as a non-payment. If notification of the NSF check is received by the City of New York Mills, the customer will be charged a \$30 NSF processing fee. If three or more returned checks (NSF) are from the same customer within a twelve month period, that customer shall be required to make all future payments in "cash or cashier's check only" until such customer has made twelve (12) consecutive "on time" payments.

During business office hours customers may present payment at City Hall located at 28 W. Centennial 84 Dr. in New York Mills. Payments may be mailed to the City of New York Mills, P.O. Box H, New York Mills, MN 56567. The Farmers and Merchants State Bank in New York Mills also accepts New York Mills Utility payments.

Explanation of Billing Procedure

A bill for services will be mailed to the address provided by the customer on approximately the 7th of each month. Payment is due on or before the 25th of each month. Bills not paid by the due date will have a penalty applied of 1.5% per month or 18 percent annually.

Any customer who is over 30 days delinquent on payment of their utility bill will receive a disconnect notice requesting payment or a payment plan within 10 days. If no response is received to that notice, utilities will be disconnected and not turned back on until the balance is paid in full plus a \$50.00 reconnect fee. A payment schedule may be set up prior to the disconnection of service if the City billing clerk and the customer come to an agreement of terms. If the customer does not set up payment arrangements and has not paid by the disconnect date, the utilities shall be disconnected. If a customer sets up a payment schedule to avoid disconnection and fails to make payments on the date agreed, the utilities will be disconnected. Failure to make agreed payments on the arranged due date will forfeit the customer's ability to enter into any future agreements with the City. If a customer who has received a disconnect notice pays a delinquent bill with a check that comes back non-sufficient funds, it will be considered the same as non-payment and utilities will be disconnected.

Any delinquent charges owed to the City of New York Mills for gas, water or sewer charges shall be enforced in any of the following manners:

- Charges certified to Otter Tail County Taxes. Any delinquent fees will be assed to property taxes throughout the year with a \$10.00 administrative fee, payable with the following year's property taxes.
- Collection Agency. Any fees incurred by the City of New York Mills to recover payment of delinquent charges shall be the responsibility of the customer.
- Civil Action. The delinquent charges may be recovered from the user in a civil action brought by the City of New York Mills in any court of competent jurisdiction. Any court/legal fees incurred

by the City of New York Mills to recover payment of delinquent charges shall be the responsibility of the customer.

Automatic Payment Plan

Payments may be made directly through withdrawals out of a checking or savings account. These payments are withdrawn on the 23-24 day of each month. The customer must fill out an Authorization for Automatic Payment form supplied at the City office. The customer will receive their monthly utility statement showing the payment amount that will be withdrawn. The customer may contact the utility billing department before the amount is withdrawn if they do not agree with the billing or have any questions. The customer will have approximately 14 days to review their billing statement before the payment is withdrawn.

If a customer has non-sufficient funds for two consecutive months, that customer will be removed from the automatic payment plan.

Budget payment plan

A budget payment plan is available for natural gas customers with a good payment record for the six months prior to the beginning of the budget year. Natural gas is the only service that this program applies to. The budget amount is calculated based on the previous 12 months of natural gas used. The budget amount is reviewed after the heating season and adjusted accordingly.

Errors in Billing

Over charges for reading errors will be credited on the next months billing statement or refunded on the final billing. If a customer feels there may be a reading or billing error on their account they may contact the utility billing department for the City of New York Mills at 385-2213.

Disconnection of Utility Service

Any time utility service has been disconnected due to non-payment there is a \$50.00 charge to unlock the meter(s) once the account has been brought current. It is then the responsibility of the customer to contact a plumbing/heating contractor qualified to work with natural gas to light any pilots lights needed.

Once payment of the balance due on the account and the \$50.00 reconnect charge is received, the City of New York Mills has a maximum of 48 hours to reinstate the affected utility services.

Utility service will be disconnected without notice in the event of unauthorized use of, or tampering with, the equipment of the City of New York Mills. The customer will also be charged for the cost of repairs or replacement of the equipment.

THE CITY OF NEW YORK MILLS SHALL NOT BE RESPONSIBLE FOR ANY DAMAGE OR CLAIMS INCURRED AS A RESULT OF DISCONNECTION OF SERVICE, EITHER AT THE CUSTOMER REQUEST OR FOR NON-PAYMENT.

The Minnesota Cold Weather Rule is designed to protect residential customers who may have trouble paying heating bills in the winter. The Minnesota Cold Weather rule applies from October 15 to April 15. The rule, established by the Minnesota Public Utilities Commission, means that the City of New York Mills Municipal Gas cannot disconnect residential natural gas service during this time period if the customer meets all four of the following requirements.

Adopted by the City Council on June 14, 2011

- Utility disconnection would affect the customer's primary heat source;
- The customer has declared inability to pay, forms provided by the City of New York Mills Municipal Gas and provided sufficient proof of income;
- The household income of the customer is less than 185 percent of the federal poverty level, as documented by the customer to the utility; and
- The customer's account was current for the billing period immediately prior to October 15 or the customer has entered into a payment schedule and is reasonably current with the payments under the schedule.

If the customer is having trouble paying their heating bill, local agencies may be able to provide payment assistance. The customer may contact the Otter Tail-Wadena Community Action Council – energy assistance office at 218-385-3333 or Social Services at 218-998-8150 or 218-385-5450.

If the customer knows they will have trouble paying utility bills, please contact the City of New York Mills Municipal Gas at 218-385-2213 to try and work out a payment schedule.

Meter Testing

The City of New York Mills will periodically test natural gas meters for accuracy. Meters that have an average accuracy of 100 percent, plus or minus two (2) percent, will be considered accurate. Average accuracy is the average of the open and check flow accuracies.

Service Policies

Service Requirements – Natural Gas

Natural Gas Meter Placement

Access to all meters shall not be obstructed (example: shrubs, bushes, fences, locked gates, dogs, etc.), so that the City of New York Mills personnel may be able to read, change, work on or inspect the meters as required.

Reasonable care should be used by the customer and/or contractor to protect all meters when remodeling, roofing, painting, etc. If a meter is damaged and reasonable care was not used, the customer and/or contractor may be charged for the cost of repairing or replacing the meter.

No natural gas meter or regulator shall be located under a window or fresh air intake. All gas meters shall be located outside. If owner requests that a gas meter and/or service line be relocated, it will be at the owner's expense.

No service line valve or any portion of the natural gas meter may be buried. All meters and valves raised will be at the customer's expense.

The single metering of multiple family dwellings, apartment buildings or multi business establishments within a single building is permitted to the extent that each building is centrally heated. Individual metering is required for all individually heated, single family private residence and each separately owned and/or operated business.

Natural Gas Service Work

New York Mills Municipal Gas personnel will perform leak investigations and carbon monoxide testing at no charge to the customer. New York Mills Municipal Gas does not service or repair any of the customer's natural gas appliances.

Service Requirements – Water

All new construction, residential or commercial, within the city limits of the City of New York Mills is required to connect to the nearest water main, provided the cost of this connection is not so high as to prohibit this connection. There is a water maintenance fee on each monthly bill to cover the cost, repair and maintenance of water meter and lines. The water meter will be repaired or replaced at no cost to the customer if necessary.

Actual installation of the customer's water service line is done by local contractors. The customer or builder chooses the contractor and is responsible for any charges incurred.

Service Requirements- Sanitary Sewer

All new construction, residential or commercial, within the city limits of the City of New York Mills is required to connect to the city's sanitary sewer system if possible. If a property has its own septic system, it can not in any way tie into the City sewer system.

Actual installation of the customer's sanitary sewer service line is done by local contractors. The customer or builder chooses the contractor and is responsible for any charges incurred.

Locating Customer's Underground Utilities

All public utilities are located when necessary at no charge to the customer provided the customer has complied with all Gopher State One Call requirements. Customers may contact Gopher State One Call toll free at 1-800-252-1166. Customers must call 48 hours prior to the time they want the service located.

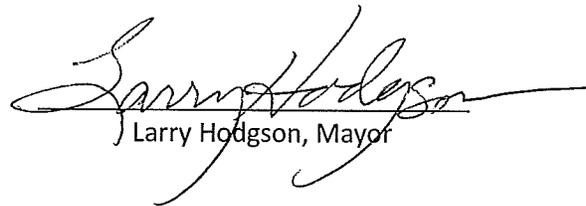
A customer's private underground City natural gas service lines may be located and marked by City utility staff at the customer's request. There will be a charge for this service at the normal hourly rate currently charged by the City of New York Mills Municipal gas with a one hour minimum charge. The City of New York Mills Municipal Gas accepts no liability for any damage that may be incurred due to this service. With the information given to us, we will make our best effort to accurately locate and mark these private service lines.

Policies and Requirements

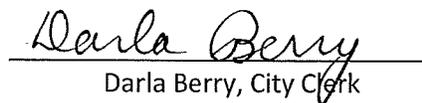
The policies and requirements are provided for the convenience of the customer. Every attempt has been made to provide the customer with accurate information regarding the policies and requirements of the City of New York Mills. The City of New York Mills reserves the right to change its policies at any time and to adopt new and amended policies when, in its sole discretion, the City of New York Mills deems it necessary to do so. The City of New York Mills also reserves the right to make exceptions to the policies and requirements when, at the sole discretion the City of New York Mills deems it necessary to do so. Customers with individual problems or concerns regarding services provided by the City of New York Mills are encouraged to make those concerns known to the City of New York Mills staff.

Effective Date: This policy shall become effective immediately upon approval of the City Council.

This policy was adopted by the New York Mills City Council this 14th day of June, 2011


Larry Hodgson, Mayor

ATTEST:


Darla Berry, City Clerk

Adopted by the City Council on June 14, 2011