

**CLAVERACK RURAL ELECTRIC COOPERATIVE, INC.
WYSOX, PENNSYLVANIA 18854**

Policy Bulletin No. B-22

SUBJECT: Accounts in bankruptcy proceedings and still receiving service from Claverack REC.

POLICY:

Cooperative members who are the subject of bankruptcy proceedings who do not, within 30 days after the date of the order for relief, furnish adequate assurance of payment for services provided after the date of the order, shall cause the service to be disconnected.

RESPONSIBILITY: President & CEO and Chief Financial Officer

PROCEDURE:

Adequate assurance of payment amount for the account in bankruptcy will be determined. The amount will be equal to two months average billing, due as a cash deposit.

The member will be notified by certified letter of this policy once the cooperative has received notification that a bankruptcy proceeding has been initiated.

If the adequate assurance of payment is not received within 30 days from the date of the certified letter, the account will be disconnected with no further notice. Thereafter, upon receipt on the account of the adequate assurance of payment plus the normal reconnection fee in effect at that time, the service will be reconnected. The reconnection will be done only during normal business hours.

When there is a balance due on the account after the normal monthly due date, the account will be disconnected without further notice.

When a discharge notice is received by Claverack from the bankruptcy court, the assurance of payment amount - less a security deposit fee - will be credited to the account balance.

To process the account record to dissolve the proper debt, Claverack will get an actual reading of the meter as soon as officially notified of the date of the order. If this is not possible, the most recent reading may be used.

Definitions:

1. **“Adequate assurance of payment”** is a two-month average bill as determined by average of the last 12 months or if on line less than 12 months, the average of the months on line multiplied by two.

2. **“Date of order”** is the date on which the court enters an order for relief.

3. **“Balance due”** is the amount owing after the normal due date.

4. **“Due date”** is the day each month payments are due.