

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**SERVICE RULES AND REGULATIONS**

**400 BILLING**

**401 BILLING PERIOD AND PAYMENT OF BILLS**

All members shall be billed monthly. All bills will include South Carolina sales tax where applicable.

Bills are due and payable the first through the twentieth day after the billing date shown on the regular bill. The regular bill will be mailed with a special notice on the bill stating the last date the bill can be paid before additional charges are incurred. If a regular bill remains unpaid, a final notice will be mailed to the member prior to termination of service for nonpayment. The final notice shall specify the date by which payment must be received to avoid termination of service, office phone numbers to contact, and it also shall contain notice of the right to a hearing, if requested by the member, prior to termination of the electric service. If a delinquent account is not paid in accordance with the final notice and the member has failed to show good cause at a requested hearing as to why service should not be terminated, then the electric service shall be subject to immediate termination without further notice. All terminations of electric service shall be in compliance with applicable law of South Carolina. Delinquent accounts and accounts terminated for nonpayment shall be subject to certain service charges as set forth in these Service Rules and Regulations (Refer to Section 600B).

Terminated electric services will be scheduled for reset only between the hours of 8:00 a.m. and 7:00 p.m. daily. Collections will not be accepted by service personnel at the member's location.

Payment of electric service bills may be mailed in or made in person at facilities of the Cooperative at 254 Longs Pond Rd., Lexington, S.C., and the Dutch Fork office at 7524 Broad River Road, Irmo, S.C. Both Cooperative offices are equipped with night deposit boxes for member convenience. The Cooperative reserves the right to refuse to accept a check tendered as payment on a member's account. In addition, a service charge will be incurred for returned checks.

Other payment electives are available through an approved Budget Billing (Refer to SRR 406), Bank Draft (Refer to SRR 407), Credit Card/Checking Account Convenience Plan (Refer to SRR 408), and criteria for disconnects during certain temperatures and special needs (Refer to SRR 409). Reference Appendix section for applicable service charges.

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**402 ADJUSTMENT OF BILLS**

The Cooperative will adjust bills, as outlined below, when sufficient evidence is presented indicating that a bill has been prepared incorrectly or based on incorrect information:

- A. Adjustments shall be made as required for over or under billing due to incorrect meter readings, meter failing to register properly, meter tampering, or application of incorrect rate.
- B. Adjustments made relative to the accuracy of meters shall be made in accordance with Section 300 (302 and 303) of these Service Rules and Regulations.
- C. Normally, when errors are evident in an estimated bill, the adjustment will be made in the bill for the following month; however, upon request the adjustment will be made in the bill for the current month.
- D. Adjustments concerning mis-identification of apartment meters will be made for only those accounts that are presently active. The amount due to the Cooperative from inactive accounts will be billed to the apartment complex.

If the interval during which the member was overcharged can be determined, the adjustment will be made for that entire period. If the interval cannot be determined then the adjustment shall not exceed the previous twelve (12) months from the date the error was discovered.

If the member has been undercharged due to a Cooperative machine (human) error, adjustments may be made, at the discretion of management. The member may make payments over the same period of time that the error occurred.

When theft of electricity or meter tampering is evident, adjustments may be made for the entire period of time it can be determined that tampering existed, provided, the applicable statute of limitations is not exceeded. If the period of time cannot be determined, adjustments may be made for the twelve (12) month period preceding the date the condition was discovered (Refer to Section 102). In addition to the lost revenue, the Cooperative may also bill any expenses associated with finding, correcting and/or prosecuting theft of service.

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**403 FAILURE TO RECEIVE A BILL**

All written notifications and bills for electric service shall be deemed delivered by the Cooperative when deposited in the U.S. mail or electronically addressed to the most current address on record with the Cooperative.

Failure of a member to receive a bill or notification will not entitle that member to be given an extension of credit or be exempt from disconnect for nonpayment. In the event such notice or bill is returned to the Cooperative by the U.S. postal system or electronically, then this will serve as justification to remove any additional charges incurred if the error was that of the Cooperative.

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**404 DISPUTED BILL**

A member who disputes the amount of a bill must pay that bill by its due date to avoid disconnection. However, if proper notice is received by the Cooperative of the disputed bill, a thorough investigation will be made and should such dispute be legitimate, appropriate action will be made to correct the error.

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**405 EXTENSION OF CREDIT**

The Cooperative may deviate from its policy on cut-offs for delinquent bills only in accordance with the following standards upon notification by the member:

- A. When it is determined that extension of credit for a fixed time or arrangement for installment payments of the bill will not unduly impair the Cooperative's ability to ensure final collection on the bill; or
- B. When disconnection of service might pose immediate danger to the member or other persons due to illness or when the household is immediately and directly affected by a death; or
- C. When a member shall properly notify the Cooperative and request an extension of credit, due consideration may be given such request.

The above extensions of credit will be in conjunction with the "Notice of Termination" that affords all members "due process."

Any exception to a regular scheduled disconnect (arrangement) may require, at the Cooperative's option, a signed form.

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**406 BUDGET BILLING**

Eligible members may elect to make payment for electric bills through an "Equal Payment Plan." Eligibility requirements are as follows:

- A. Billed for residential use only.
- B. Request participation in the plan thirty (30) days prior to the next bill date.
- C. Existing account with an "A" credit rating or new account that is exempt from the deposit requirement.
- D. No past due account balance.

The equal payment amount is based on average usage for the past twelve months (12) and projected costs for the next year. The Cooperative reserves the right to increase or decrease the payment amount should a significant difference occur between the budgeted and actual amounts, or in the event of a rate change.

Accounts may be removed from the plan as follows:

- A. The member requests removal by phone or in writing.
- B. Failure to make monthly equal payment plan payments.
- C. Failure to maintain an "A" credit rating.

Normal adjustments to the Budget Billing amount will be reflected on the June and December bills each year. Credit or debit balances will be factored into the adjustments. Accounts terminated from the plan fall under standard terms and conditions for payment.

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**407 BANK DRAFT PLAN**

Members may elect to have electric bill payment(s) automatically paid from their bank account or debit/credit cards monthly.

The member can enroll for EFT with SmartHub as a recurring payment or complete and sign a “Bank Draft Authorization” form (Refer to Appendix section) if in person.

EFT payments are made on the due date listed on the bill. Members may request to have their payments made on a specific day each month as long as it is before the due date listed on the bill.

A new authorization form will be required if the member changes financial institutions. If the member moves from one location to another within the Cooperative’s service territory and wishes to continue drafting the electric payment, the member is responsible for requesting transfer of the bank draft to the new location.

Accounts may be removed from the plan as follows:

- A. The member requests removal by phone, in writing or on SmartHub.
- B. The bank fails to honor a draft request more than one time within a six (6) month period. A returned payment charge will be assessed for each occurrence. An account removed from the plan for this reason will not be eligible to re-enter the plan for at least twelve (12) months.

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**408 ELECTRONIC PAYMENTS**

Members may elect to have electric bills paid through various electronic methods. In the event that the member's account is due for any type disconnect, it is the member's responsibility to ensure that any electronic payment has been posted by the Cooperative on or before the scheduled due date.



# MID-CAROLINA ELECTRIC COOPERATIVE, INC.

## SERVICE RULES AND REGULATIONS

### 400 BILLING

### 409 DISCONNECT LEGISLATION OF 2005

Procedures for Termination of Service to:

- 1) All Residential Members During Weather Conditions Marked by Extremely Hot or Cold Temperatures; and
- 2) Special Needs Account Members Due to Nonpayment

Filed with the South Carolina Office of Regulatory Staff Pursuant to S.C. Code §§ 33-49-1410 through 1450.

#### I. Termination of Residential Service During Extreme Weather

On any day when, as of 8:00 a.m., the National Weather Service forecasts temperatures for Columbia, SC to be below 33 degrees Fahrenheit or above 98 degrees Fahrenheit or issues a Heat Advisory for Columbia, SC, no termination of residential service for non-payment may take place.

#### II. Qualification as a Special Needs Account Member

“Special Needs Account Member” means the account of a residential member where the member furnishes to the Cooperative a certificate in the form of the document attached to this policy as “Attachment A” and signed by a licensed health care provider stating that termination of electric service would be dangerous to the health of the member or a person residing in the member's household at the premises to which electric service is rendered. “Licensed Health Care Provider” means a licensed medical doctor, physician's assistant, nurse practitioner, or advanced-practice registered nurse. Such a form shall be re-validated annually. Upon the form's expiration, the member must submit a new form to retain qualification as a Special Needs Account Member.

#### III. Initial Notice to Special Needs Account Members of Termination Due to Nonpayment

The Cooperative may terminate service to a Special Needs Account Member for nonpayment of a delinquent account. “Delinquent Account” means an account for residential service that remains unpaid for at least twenty-five (25) days after the bill is rendered. The exact due date shall be printed on the face of the bill. The Cooperative will not terminate service to any Special Needs Account Member due to nonpayment unless written notice is delivered by mail or hand delivery. The written notice must contain:

- A. The Cooperative's statement of termination policy.
- B. An identification of the member and service account affected by the proposed termination.
- C. A statement of reasons for termination.
- D. The date of proposed termination.
- E. The amount of the reconnection fee.
- F. A summary of rights and remedies, including procedure to dispute the termination notice, provisions relating to Special Needs Account Members described below, and sources of financial assistance.
- G. Instructions on how service can be restored.

IV. Investigation and Special Payment Arrangement Plans for Special Needs Account Members

After initial notice of termination is served on a Special Needs Account Member, a Cooperative customer service representative will attempt to contact that member regarding the status of the account. The Cooperative may deviate from its policy on termination of service due to nonpayment for Special Needs Account Members at this time.

When a Special Needs Account Member cannot pay a bill in full, the Cooperative may continue to serve the member if the member has a satisfactory payment history and the member and the Cooperative can agree on a reasonable portion of the outstanding bill to be paid immediately and the manner in which the balance shall be paid. In determining if a Special Needs Account Member has a satisfactory payment history, the Cooperative will consider the member's entire payment history. In deciding on the reasonableness of a particular agreement, the Cooperative shall take into account the member's ability to pay, the size of the unpaid balance, the member's payment history, the amount of time, and reasons why the debt is outstanding. Extension of a payment agreement requires completion of a Special Needs Arrangement (attachment B) issued by the Cooperative at the member's request, signed by a licensed health care provider (defined in Section II) and returned to the Cooperative by the final due date for payment. Responsibility for proper completion by the licensed health care provider and return to the Cooperative by the final due date rests with the member.

V. Final Notice to Special Needs Account Members Prior to and at the Time of Termination

- A. If the Cooperative and the Special Needs Account Member do not agree to a payment arrangement plan by the due date on the regular monthly statement, a second and final notice will be mailed.

- B. If the Special Needs Account Member has been mailed a final written notice and has not secured a signed Special Needs Arrangement, the Cooperative may terminate service on the business day following the final due date for the payment. Service may also be terminated if the Special Needs Account Member has remitted a check with insufficient funds, used a credit card fraudulently or fails to meet the terms of a previously agreed upon payment arrangement.
- C. Prior to termination of service, the Cooperative will make an attempt to contact the Special Needs Account Member, either in person or by telephone, to apprise the member of the proposed action.

VI. Post-Termination for Nonpayment Notice to Special Needs Account Members

When service is terminated, the Cooperative employee terminating service shall leave a post-termination notice upon the premises in a place conspicuous to the Special Needs Account Member that service has been terminated. This post-termination notice shall provide the address and telephone number of the Cooperative where the member may arrange to have service restored. The Cooperative shall have personnel available after the time of termination and during normal business hours authorized to reconnect service if the conditions cited as grounds for termination are corrected to the Cooperative's satisfaction and upon payment of any reconnection charge specified.

VII. Termination Notice to Special Needs Account Members for Non-Payment – When Prohibited

A notice of termination of service will not be issued for nonpayment of a delinquent account if the entire amount is disputed by the Special Needs Account Member and the member is currently negotiating the dispute with the Cooperative. The Cooperative may, however, issue a notice of termination of service with respect to that portion of any delinquent account which is not disputed by the member.

VIII. Time of Termination of Service to Special Needs Account Members

Service to a Special Needs Account Member shall not be discontinued on a day, or a day immediately preceding a day, when the services of the Cooperative are not available to the general public for the purpose of reconnecting terminated service. Service may be terminated only between the hours of 8:00 a.m. and 3:00 p.m.

IX. Method of Termination of Service to Special Needs Account Members

- A. Actual termination may not take place until 24 hours after service of final notice to the Special Needs Account Member.

- B. The Cooperative's employees shall attempt to inform the occupant of the affected residence that service is to be discontinued. Upon presentation of evidence, which reasonably indicates that the charge has been paid or is subject to a dispute previously registered with the Cooperative, service shall not be terminated.
  - C. The employee shall be authorized to accept payment. If payment in full of all delinquent charges is tendered, service shall not be terminated.
  - D. Payment may be tendered in any reasonable manner including personal check. Payment by personal check is not reasonable if the member has paid the utility with checks returned for insufficient funds twice or more within the previous six months.
  - E. Before termination, the Cooperative will notify the Special Needs Account Member of local social service agencies that the member may contact to determine the availability of public or private assistance with the payment of electric bills.
  - F. If no special arrangement plan agreement is reached or the account is not paid in full prior to the time set out in the notice, service will be disconnected.
- X. Reconnect Charges for Special Needs Account Members
- A. To have a service reconnected, all delinquent charges must be paid up to the disconnected reading, as well as a reconnect fee. Reconnect fees will be charged (Refer to Section 700B).
  - B. The Cooperative may also require a deposit to guarantee payment of any future bills.
- XI. Emergency Disconnects

Notwithstanding the procedures contained in this policy, the Cooperative may terminate service to any member without prior notice if it determines that a condition immediately dangerous or hazardous to life, physical safety, or property exists.

(Attachment A)

Account Name: «Name» Cin #: «Cin»
Address: «Add1» Account #«ACCT»
«Add2»
«CITY», «STATE» «ZIPCODE»

Home Phone #: \_\_\_\_\_

\*\* THE FOLLOWING TO BE COMPLETED AND SIGNED BY PHYSICIAN OR LICENSED HEALTH CARE PROVIDER. THIS FORM MUST BE RETURNED (NO FAXED COPIES)\*\*

Patient's Name \_\_\_\_\_

Patient's Address \_\_\_\_\_

- ☐ The above patient does not require electrically driven life support equipment, but depends on electricity to maintain a constant environment due to life-threatening health problems.
☐ The above patient depends on electrically driven life support equipment (described below)

Type of life support equipment required and schedule of use

Signed (Physician/Licensed Health Care Provider) Date Telephone #

SC Medical License Number

\*\*\*\*\*

Response to outages requires that we ensure a valid need exists. It may be necessary to verify this information to keep our list of special accounts current. By submitting this form to Mid-Carolina Electric, permission is granted for a representative from Mid-Carolina Electric to contact the physician or licensed health care provider named above and/or make a visit to the home.

Signed (Patient/Responsible Individual) Date

(A\*SPECIAL\* designation does not exempt an account from termination for delinquent electric bills. Payment arrangements can be made by contacting Mid-Carolina Electric.)

Mid-Carolina Electric strives to provide quality service to all customers. Due to the nature of the electric supply system, we cannot guarantee uninterrupted service. If a continuous electrical supply is vital to your household, we recommend that a backup system be available should an outage occur. Please contact us about safety precautions when installing generators.

(Attachment B)



**(803) 749-6400 \* TOLL FREE IN SC 1-888-813-8000**  
**FAX: (803) 749-6495**  
**EMAIL: customerservice@mcecoop.com**

### SPECIAL NEEDS ARRANGEMENT

Member Name: \_\_\_\_\_ Member Phone: \_\_\_\_\_  
Account # \_\_\_\_\_ CIN# \_\_\_\_\_  
Patient Name (if different) \_\_\_\_\_ DOB: \_\_\_\_\_  
Member Address: \_\_\_\_\_  
\_\_\_\_\_

To prevent termination of electrical service due to special medical needs, the member named above assumes responsibility for return of this completed document prior to the termination date of:

\_\_\_\_\_

**\*\*\* To be completed by the Health Care Provider \*\*\***

I hereby certify that termination of residential electric service to the above-referenced member of Mid-Carolina Electric Cooperative, Inc. would be dangerous to the health of the member or person residing in the member's household at the premises to which electric service is rendered (shown above).

Licensed Health Care Provider Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Licensed Health Care Provider's Name (please print): \_\_\_\_\_

Health Care Provider Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_ SC Medical License Number: \_\_\_\_\_

**\*\*\* Member Information – To be completed when form is returned to MCEC\*\*\***

Payment is due by 5:00 p.m. on \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.

Customer Service Representative: \_\_\_\_\_

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**410 RED FLAG POLICY**

**Section VI: Member Identity Theft Protection Program**

**Introduction:**

On October 31, 2007 the Joint Committee of the OCC, Federal Reserve Board, FDIC, OTS, NCUA and the Federal Trade Commission passed the final legislation for Section 114 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003 also known as the Red Flag Rules. The law was effective January 1, 2008 and the deadline for compliance has been extended.

The Federal Trade Commission Regulations, adopted as 16 C.F.R. § 681.2 require creditors to adopt red flag policies to prevent and mitigate identity theft with respect to covered accounts. Pursuant to the Regulations, utility companies that extend credit to citizens for services and accept payments for such in arrears are considered creditors. As a result, Mid-Carolina Electric Cooperative, Inc. is considered a “creditor” for purposes of the Red Flag Rules since it bills member accounts in arrears.

Mid-Carolina Electric Cooperative, Inc. has studied the methods it provides to open covered accounts, the methods it provides to access its accounts, any previous experiences with identity theft, and the possibilities for identity theft in its accounts, and it adopts the following Member Identity Theft Prevention Program to protect its Members.

The purpose of this Program is to comply with 16 C.F.R. § 681.2 and to protect members in order to detect, prevent, and mitigate identity theft and to protect the personal identification information of our members. In accordance with the Red Flag Rules, Mid-Carolina Electric Cooperative, Inc.’s Program includes reasonable policies and procedures to identify relevant patterns, practices and specific forms of activity known as “Red Flags” that signal possible identity theft, and incorporates those into the Program. The Program also includes reasonable policies and procedures to detect Red Flags and respond appropriately to them to prevent and mitigate identity theft. Finally, the Program includes methods to ensure that it is updated periodically to reflect changes in risks to members and to the safety and soundness of Mid-Carolina Electric Cooperative, Inc. from identity theft.

This Program requires certain employees to undergo training and periodic review of changes. It also requires approval by the Board of Trustees. As required by the Red Flag Rules, Mid-Carolina Electric Cooperative, Inc. must also document training, the program’s effectiveness, significant events and any recommendations for changes.

## PART 1 – DEFINITIONS

For purposes of this Program,

1. The term "*Covered Account*" means an account that Mid-Carolina Electric Cooperative, Inc. offers or maintains for utility service, primarily for personal, family or household purposes, that involves or is designed to permit multiple payments or transactions and any other account that Mid-Carolina Electric Cooperative, Inc. offers or maintains for which there is a reasonably foreseeable risk to members or the safety and soundness of Mid-Carolina Electric Cooperative, Inc. from identity theft, including financial, operational, compliance, reputation, or litigation risks.
2. The term "*Identity Theft*" means a fraud committed or attempted using the identifying information of another person without authority.
3. The term "*Personal identifying Information*" means a member's electric utility account number, bank account information, debit card information, credit card account information, driver's license number, tax identification number or Social Security Number, mother's birth name and date of birth.
4. The term "*Red Flag*" means a pattern, practice, or specific activity that indicates the possible existence of identity theft. Part 2 provides a specific description of Red Flags applicable to Mid-Carolina Electric Cooperative, Inc.
5. The term "*Service Provider*" means a person that provides a service directly to or for Mid-Carolina Electric Cooperative, Inc.

## PART 2 – OPENING A COVERED ACCOUNT

In an effort to ensure proper detection of Red Flags, all members must provide at least the following information/documentation before any new covered account may be opened:

1. Full Name;
2. Date of Birth (Individual);
3. Proof of address of current or future electric service location. A separate mailing address may be provided for the electric bill. For a person other than an individual (such as a corporation, partnership, or trust), a principal place of business, local office, or other physical location; and;
4. Proof of identification, which includes, but is not limited to: (i) For a U.S. person, a taxpayer identification number and a valid driver's license with photo; or (ii) For a non-U.S. person, one or more of the following (one must have a valid photo): a taxpayer identification number; passport number and country of issuance; alien identification card number; or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.
5. Covered accounts must be opened in person at a Mid-Carolina Electric Cooperative, Inc. office or through a Mid-Carolina Electric Cooperative, Inc. telephone representative.



**PART 3 – ACCESS TO PERSONAL IDENTIFYING  
INFORMATION OF COVERED ACCOUNTS**

1. Internal access to Mid-Carolina Electric Cooperative, Inc.'s covered accounts shall be password protected and shall be limited to authorized Mid-Carolina Electric Cooperative, Inc. personnel.
2. Such password(s) shall be changed by *[for example, the director of the department providing the service for which the covered account is created, or the Vice President, Information Technology]* on a regular basis and shall contain letters, numbers and symbols.
3. Any unauthorized access to or other breach of covered accounts is to be reported immediately to the President and CEO and the Attorney and the password changed immediately.
4. Personal identifying information included in covered accounts is considered confidential and any request or demand for such information shall be immediately forwarded to the President and CEO and the Attorney.
5. Personal identifying information included in covered accounts shall not be provided to anyone outside Mid-Carolina Electric Cooperative, Inc. nor to unauthorized Mid-Carolina Electric Cooperative, Inc. personnel unless the member provides written authorization, or unless such information is required to be disclosed by court order or other legal basis.

**PART 4 – CREDIT CARD, BANK DRAFT AND DEBIT CARD PAYMENTS**

1. In the event that credit card, bank draft and debit card payments that are made over the Internet are processed through a third-party service provider, such third-party service provider shall certify that it has an adequate identity theft prevention program in place that is applicable to such payments.
2. All credit card, bank draft and debit card payments made over the telephone or Mid-Carolina Electric Cooperative, Inc.'s website shall be entered directly into the member's account information in the computer data base.
3. Account statement and receipts for covered accounts shall include only the last four digits of the credit or debit card or the bank account used for payment of the covered account.

**PART 5 – IDENTIFICATION OF RELEVANT RED FLAGS**

After careful examination of our accounts, including the methods by which Mid-Carolina Electric Cooperative, Inc. opens and accesses accounts, and based on past experience with identity theft, the following events/occurrences reasonably indicate the potential for identity theft and should be considered "Red Flags" for purposes of this policy. All Mid-Carolina Electric Cooperative, Inc. employees responsible for opening, recovering, or accepting payment on a covered account shall check for these Red Flags.

- A. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services. For the purposes of this policy Mid-Carolina Electric Cooperative, Inc. will be utilizing Equifax as its third party consumer reporting organization to act as service provider. Examples of alerts include, but are not limited to:**
1. A fraud, active duty or other cautionary alert that is received from a consumer credit report.
  2. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
  3. A consumer reporting agency provides a notice of address discrepancy.
  4. Indications of a pattern of activity in a consumer report that is inconsistent with the history and usual pattern of activity of a member, such as:
    - a. A recent and significant increase in the volume of inquiries.
    - b. An unusual number of recently established credit relationships.
    - c. A material change in the use of credit, especially with respect to recently established credit relationships; or
    - d. An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.
- B. The presentation of suspicious documents, such as:**
1. Identifying information provided to Mid-Carolina Electric Cooperative, Inc. is not consistent with identifying information on file or documents provided for identification appear to have been altered or forged.
  2. Identification on which the photograph or physical description is not consistent with the appearance of the applicant or member presenting the identification.
  3. Other information on the identification is not consistent with information provided by the person opening a new covered account or member presenting the identification.
  4. Other information on the identification is not consistent with readily accessible information that is on file with Mid-Carolina Electric Cooperative, Inc., such as a signature card or a recent check.
  5. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.
- C. The presentation of suspicious personal identifying information, such as a suspicious address changes:**
1. Personal identifying information provided is inconsistent when compared against external information sources used by Mid-Carolina Electric Cooperative, Inc. For example:
    - a. The address does not match any address in the consumer report;
    - b. The Social Security Number (SSN) has not been issued;
    - c. The SSN is listed on the SSA's Death Master File.
  2. Personal identifying information provided by the member is not consistent with other personal identifying information provided by the member. For example, there is a lack of correlation between the SSN range and date of birth.
  3. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by Mid-Carolina Electric Cooperative, Inc. For example:
    - a. The address on an application is the same as the address provided on a fraudulent application; or
    - b. The phone number on an application is the same as the number provided on a fraudulent application.

4. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the financial institution or creditor. For example:
  - a. The address on an application is fictitious, a mail drop, or a prison; or
  - b. The phone number is invalid, or is associated with a pager or answering service.
5. The SSN provided is the same as that submitted by other persons opening an account or other members.
6. The person opening the covered account or the member fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
7. Personal identifying information provided is not consistent with personal identifying information that is on file with Mid-Carolina Electric Cooperative, Inc.
8. If Mid-Carolina Electric Cooperative, Inc. uses challenge questions, the person opening the covered account or the member cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.
9. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of applicants or members.

**D. The unusual use of, or other suspicious activity related to, a covered account. Examples of suspicious activity include, but are not limited to:**

1. Mail sent to the member is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the member's covered account.
2. Mid-Carolina Electric Cooperative, Inc. is notified that the member is not receiving paper account statements.
3. Mid-Carolina Electric Cooperative, Inc. is notified of unauthorized charges or transactions in connection with a member's covered account such as billing for services that the account holder did not request.
4. Any person or organization requesting information, balances due, and payment due dates about a covered account that is not listed in the requestor's name.
5. Emails or other correspondence requesting account information (known as "phishing") that do not originate from Mid-Carolina Electric Cooperative, Inc. but are disguised as being from Mid-Carolina Electric Cooperative, Inc.

**E. Notice from members, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by Mid-Carolina Electric Cooperative, Inc.**

1. Mid-Carolina Electric Cooperative, Inc. is notified by a member, a victim of identity theft, or a law enforcement authority that it has opened an allegedly fraudulent account for a person engaged in identity theft.

## **PART 6 – DETECTION, PREVENTION AND MITIGATION**

### **A. Detection**

To assist with detection of Red Flags, Mid-Carolina Electric Cooperative, Inc. will implement the appropriate computer programs tailored to Mid-Carolina Electric Cooperative, Inc. business needs to help authenticate members, monitor transactions, and change of address requests. The following programs are being used and Mid-Carolina Electric Cooperative, Inc. continued use thereof is incorporated and made part of this policy:

### **B. Preventing and Mitigating Identity Theft**

In the event that any Mid-Carolina Electric Cooperative, Inc. employee responsible for or involved in opening a covered account or restoring an existing covered account or accepting payment for a covered account becomes aware of Red Flags indicating possible identity theft with respect to existing covered accounts, such employee shall use his or her discretion to determine whether such Red Flag or combination of Red Flags suggests a threat of identity theft. If, in his or her discretion, such employee determines that identity theft or attempted identity theft is likely or probable, such employee shall immediately report such Red Flags to their immediate supervisor. If, in his or her discretion, such employee deems that identity theft is unlikely or that reliable information is available to reconcile Red Flags, the employee shall convey this information to their immediate supervisor, who may in his or her discretion determine that no further action is necessary.

In the event a Red Flag is detected, Mid-Carolina Electric Cooperative, Inc. is committed to preventing the occurrence of identity theft and taking the appropriate steps to mitigate any harm caused thereby. In order to respond appropriately to the detection of a Red Flag, Mid-Carolina Electric Cooperative, Inc. shall consider any aggravating circumstance(s) that may heighten the risk of identity theft. After assessing the degree of risk posed, Mid-Carolina Electric Cooperative, Inc. will respond to the Red Flag in an appropriate manner, which may include:

1. Monitoring a covered account for evidence of identity theft;
2. Contacting the member;
3. Changing any passwords, security codes, or other security devices that permit access to a covered account;
4. Reopening a covered account with a new account number;
5. Not opening a new covered account;
6. Closing an existing covered account;
7. Not attempting to collect on a covered account or not selling a covered account to a debt collector;
8. Notifying law enforcement;
9. Determining that no response is warranted under the particular circumstances; or
10. Taking other appropriate action to prevent or mitigate identity theft.

For the protection of Mid-Carolina Electric Cooperative, Inc. members with respect to their covered accounts, Mid-Carolina Electric Cooperative, Inc. shall, to the best of its ability, confirm with the service providers with whom it contracts that the service provider's activities are conducted in accordance with these policies and procedures, and that the service provider has agreed by contract to comply with these policies and procedures for the identification, prevention and mitigation of identity theft.

### **PART 7 – PROGRAM UPDATES**

Mid-Carolina Electric Cooperative, Inc. is committed to maintaining an Identity Theft Prevention Policy that is current with the ever-changing crime of identity theft. To that end, Mid-Carolina Electric Cooperative, Inc. will reassess this policy on a periodic (annual) basis. In reassessing this policy, Mid-Carolina Electric Cooperative, Inc. will add/delete Red Flags in Part 3, as it deems necessary, to reflect changes in risks to members or to the safety and soundness of Mid-Carolina Electric Cooperative, Inc. from identity theft. The determination to make changes to this policy will be within the discretion of the responsible parties, identified in Part 8 of this policy, after careful consideration of the following:

1. Mid-Carolina Electric Cooperative, Inc.'s experience with identity theft;
2. Changes in known methods of identity theft;
3. Changes in known methods to detect, prevent, and mitigate identity theft;
4. Changes in the types of accounts that Mid-Carolina Electric Cooperative, Inc. offers or maintains; and
5. Changes in the business arrangements of Mid-Carolina Electric Cooperative, Inc., including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

### **PART 8 – PROGRAM ADMINISTRATION**

The Vice President, Information Technology and Vice President, Member Services are responsible for oversight of the Program and for program implementation. The President and CEO and Attorney are responsible for reviewing reports prepared by staff regarding compliance with Red Flag requirements and with recommending material changes to the program, as necessary in the opinion of the President and CEO and Attorney, to address changing identity theft risks and to identify new or discontinued types of covered accounts. Any recommended material changes to the program shall be submitted to the Board of Trustees for consideration by the Board of Trustees.

1. The Vice President, Information Technology and Vice President, Member Services will report to the President and CEO and Attorney at least annually, on compliance with the Red Flag requirements. The report will address material matters related to the Program and evaluate issues such as:
  - a. The effectiveness of the policies and procedures of Mid-Carolina Electric Cooperative, Inc. in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
  - b. Service provider arrangements;
  - c. Significant incidents involving identity theft and management's response; and
  - d. Recommendations for material changes to the program.
2. The Vice President, Information Technology and Vice President, Member Services are responsible for providing training to all employees responsible for or involved in opening a new covered account, restoring an existing covered account or accepting payment for a covered account with respect to the implementation and requirements of the Identity Theft Prevention Program. The Vice President, Information Technology and Vice President, Member Services shall exercise his or her discretion in determining the amount and substance of training necessary.

### **PART 9 – ADDRESS DISCREPANCIES**

Pursuant to 16 C.F.R. § 681.1, the purpose of this Part is to establish a process by which Mid-Carolina Electric Cooperative, Inc. may form a reasonable belief that a consumer report relates to the member about whom it has requested a consumer report when Mid-Carolina Electric Cooperative, Inc. has received notice of an address discrepancy.

#### **A. For purposes of this Part 9:**

1. Notice of address discrepancy means a notice sent to a user by a consumer reporting agency pursuant to 15 U.S.C. § 1681(c)(h)(1), that informs the user of a substantial difference between the address for the consumer that the user provided to request the consumer report and the address(es) in the agency's file for the consumer.<sup>1</sup>

#### **B. In the event that Mid-Carolina Electric Cooperative, Inc. receives a notice of address discrepancy, the Mid-Carolina Electric Cooperative, Inc. employee responsible for verifying consumer addresses for the purpose of providing the utility service or account sought by the member, shall do one or more of the following activities, as determined to be appropriate by such employee:**

1. Compare the information in the consumer report with:
  - a. Information Mid-Carolina Electric Cooperative, Inc. obtains and uses to verify a consumer's identity in accordance with the requirements of the Member Information Program rules implementing 31 U.S.C. § 5318(l);
  - b. Information Mid-Carolina Electric Cooperative, Inc. maintains in its own records, such as applications for service, change of address notices, other member account records or tax records;
  - c. Information Mid-Carolina Electric Cooperative, Inc. obtains from third-party sources that are deemed reliable by the relevant Mid-Carolina Electric Cooperative, Inc. employee; or
2. Verify the information in the consumer report with the consumer.

#### **C. Furnishing Consumer's Address to Consumer Reporting Agency:**

1. In the event that Mid-Carolina Electric Cooperative, Inc. reasonably confirms that an address provided by a consumer to Mid-Carolina Electric Cooperative, Inc. is accurate, Mid-Carolina Electric Cooperative, Inc. is required to provide such address to the consumer reporting agency from which Mid-Carolina Electric Cooperative, Inc. received a notice of address discrepancy with respect to such consumer. This information is required to be provided to the consumer reporting agency when:
  - a. Mid-Carolina Electric Cooperative, Inc. is able to form a reasonable belief that the consumer report relates to the consumer about whom Mid-Carolina Electric Cooperative, Inc. requested the report;
  - b. Mid-Carolina Electric Cooperative, Inc. establishes a continuing relation with the consumer; and
  - c. Mid-Carolina Electric Cooperative, Inc. regularly and in the ordinary course of business provides information to the consumer reporting agency from which it received the notice of address discrepancy.
2. Such information shall be provided to the consumer reporting agency as part of the information regularly provided by Mid-Carolina Electric Cooperative, Inc. to such agency for the reporting period in which Mid-Carolina Electric Cooperative, Inc. establishes a relationship with the member.