

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **M-11**

Subject: **Member Deposits**

Objective: To limit losses due to non-payment of bills by accounts considered to be high risk.

- Policy:
- A. Types of accounts that may be required to pay a deposit:
 - 1. Property owners and renters.
 - 2. Those that previously received any type of service from the cooperative and still have an outstanding balance.
 - 3. Payment record from previous service shows that disconnect for non-payment occurred or still have an outstanding balance.
 - 4. Location is used for a business as well as a residence.
 - 5. All commercial applications.
 - 6. Anyone disconnected for non-payment.
 - 7. Realtors and financial institutions requiring connection of service to clean-up and/or sell a property.
 - 8. Any other situation that may, in the opinion of the cooperative, warrant a deposit.
 - B. Deposits may be waived under the following conditions:
 - 1. Polk-Burnett will not run an Online Utility Exchange report or require a deposit for members that have had another active electric account with the cooperative within the past two years, for a minimum of six consecutive months, with an excellent credit history and no late payment penalties.
 - 2. Potential Delinquency Risk returned by Online Utility Exchange is 0-10 for residential accounts or Intelliscore is 90-100 for commercial accounts.
 - 3. Documentation from their previous energy supplier indicates a satisfactory payment history for a minimum of 12 consecutive months.
 - 4. Credit report run by another business within the last 90 days, provided to Polk-Burnett by the potential member, indicates a satisfactory credit history.
 - 5. A social security number (SSN) or federal identification number (FIN) is provided by a small to medium sized commercial application. It must exactly match the SSN or FIN of another active account at Polk-Burnett with an excellent payment history and no late payment penalties.
 - 6. Enrollment in the prepay program.
 - C. The amount of the deposit for residential or commercial accounts shall be equal to three (minimum \$300) or four (minimum \$400) times the average bill for the service location in the previous 12-month period determined by the Potential Delinquency Risk returned by Online.
 - D. The maximum deposit will be required from:
 - 1. Existing members that have been disconnected for non-payment.
 - 2. A member that has an unpaid utility bill (at Polk-Burnett or another cooperative returned by Online Utility Exchange).
 - 3. A service applicant who provides a social security number that is returned as deceased, non-issued, belonging to a person under the age of 18, or is fraudulent.
 - 4. A service applicant who refuses to provide their social security number that has chosen not to utilize any of the other options available to waive the deposit in Section B of this policy. (Polk-Burnett cannot demand they provide their social security number; however they pose a greater risk.)

Policy M-11 Consumer Deposits (continued)

- E. Deposits and unpaid utility bills at Polk-Burnett are required to be paid in full prior to the time a connect order is issued or an account change.
- F. Deposits shall accrue no interest.
- G. Refunds:
 - 1. Deposits shall be applied to the account after 24 months of satisfactory payment history and no late payment penalties for commercial or business services.
 - 2. Deposits shall be applied to all other accounts after one year of satisfactory payment history and no late payment penalties.
 - 3. Upon termination of service, the deposit will be applied against any unpaid bills of the member. Any remaining balance will be returned to the member.

Edward O. Gullickson, President
March 23, 2015