

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. A deposit may be required from new or existing members in these circumstances:
 - 1. Those that previously received any type of service from the cooperative and still have an outstanding balance or had poor payment history when they were a member.
 - 2. Anyone disconnected for non-payment.
 - 3. New or existing members who do not meet the requirements for waiving the deposit listed below, assuming they have not been disconnected for non-payment.
 - 4. Any other situation that may, in the opinion of the cooperative, warrant a deposit.
 - B. Deposits may be waived under the following conditions:
 - 1. Members that have had an 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 excellent 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. 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 Utility Exchange.
 - 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.)
 - E. Deposit payments:
 - 1. For services disconnected for non-payment, prior to the reconnection of service the deposit is required to be paid in full along with any unpaid utility bills.
 - 2. For account changes, the deposit must be paid by the first bill's due date
 - 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.

Policy M-11 Consumer Deposits (continued)

2. Deposits shall be applied to all other accounts after one year of satisfactory payment history and no late payments.
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
September 26, 2022