

CLEARWATER POWER COMPANY
Lewiston, Idaho 83501

POLICY BULLETIN NO. 81

SUBJECT: Member Security Deposits

POLICY:

In cases where it is deemed necessary, a Security Deposit or other guarantee will be required from existing and new Members as security for the payment of future and final bills before the Cooperative will render or continue to render service.

A satisfactory credit reference letter, for the past twelve (12) months, from the Member's previous electric utility or a satisfactory credit report from a national credit rating agency may be accepted in lieu of the Security Deposit.

RESPONSIBILITY:

Manager of Member Services, Director of Member Services and Member Services Personnel

PROCEDURE:

1. Requirement of Security Deposit. A Security Deposit will be required from Members requesting service from the Cooperative unless the Member has established a satisfactory credit rating as outlined above.

2. Treatment of Bankruptcy. Any deposit held by the Cooperative at the time of filing bankruptcy will be applied towards the bankruptcy.

A Security Deposit will be required if a Member files bankruptcy listing a delinquent electric bill as a dischargeable debt, and who continues to receive service from the Cooperative after the filing of bankruptcy. The Security Deposit will be equal to the minimum deposit in Section 3 or two (2) times the highest monthly billing, whichever is greater. The Security Deposit is assurance of future electric bills and will not be applied to the previous delinquent account(s) discharged in bankruptcy. The deposit(s) shall be calculated separately for each account involved. Service may be discontinued or refused if neither the trustee in bankruptcy nor the Member (debtor) provides said Security Deposit within twenty (20) days after the date of the order for relief.

3. Amount of Security Deposit. Security Deposits will be in accordance with the following schedule:

- a. Residential and HD Residential - \$300 or two (2) times the average monthly bill whichever is greater. The average monthly bill may be estimated if billing history is not available.
- b. Small Commercial - \$500 or two (2) times the average monthly bill whichever is greater. The average monthly bill may be estimated if billing history is not available.
- c. Irrigation, Large Commercial, Industrial - Two (2) times the average monthly bill. The average monthly bill may be estimated if billing history is not available. A Letter of Credit issued to the Cooperative from a financial institution may be used in lieu of the Security Deposit.

4. Refund of Security Deposit. All Security Deposits shall be promptly refunded upon receipt of notice of termination from the Member and upon the payment of all charges due the Cooperative, or they may be applied against the final bill.

After twelve (12) consecutive months of prompt payment and the credit of a Member has not been previously impaired, the Cooperative may refund the Security Deposit upon the request of the Member.

5. Interest. No interest, in any form, will be allowed on Security Deposits placed with the Cooperative, except as may be required by law.

SOURCE: Adopted by Board Resolution – November 18, 1959.
Amended in Part – November 13, 1961; December 21, 1966;
June 18, 1975; October 19, 1977; April 21, 1982; May 22, 1985;
March 16, 1988; February 21, 1990; February 16, 2005; October 24, 2007
March 17, 2010; July 21, 2010.
Board Reviewed – March 20, 2013