



**CUSTOMER POLICY 207
Consumer Deposits**

This policy establishes when a deposit is required prior to connection or after service is established.

From the effective date of this policy, a deposit will be required on all new accounts connected for consumers with no prior satisfactory payment history with the District. Satisfactory payment history is defined as no disconnection notices or payments returned unpaid from the consumer’s financial institution within the last 12 months of service by the District.

All required deposits, other than industrial, large power, and commercial rate class accounts, will be calculated based on the consumer’s credit score obtained through a credit reporting agency. The score will be converted to a tiered rating system. The District will not have access to the consumer’s exact credit score, only into which tier their score falls. Consumers whose credit score falls outside of the top tier will be required to make a deposit and will receive notices as required by law.

A consumer will also be required to make a deposit if any one of the following criteria applies:

- Consumers whose service is disconnected for non-payment will be required to make a deposit equal to the greater of 2 times the calculated monthly average for the service location or \$400 prior to reconnection.
- Consumers whose service has had unauthorized alternations will be required to make a deposit equal to the greater of 2 times the calculated monthly average for the service location or \$400.
- Consumers who owe a balance on a prior account will be required to clear the prior account and make a deposit on the new account before service is connected. The deposit shall be calculated using the credit scoring system below.

The tiered credit scoring system the District uses is based on a series of stars. The top tier is represented by 5 stars; the second tier by 4 stars; the third tier by 3 stars; the fourth tier by 2 stars; and the final tier by 1 star. The tiers use ranges of FICO (Fair Isaac Company) scores obtained from a credit reporting agency. Consumers may obtain a copy of the FICO score ranges associated with each tier from the District’s Supervisor of Consumer Accounting and Records. Each tier is assigned a minimum deposit amount as listed below.

<u>STARS</u>	<u>MINIMUM DEPOSIT</u>
5	None
4	\$100
3	\$200
2	\$300
1	\$400

Approved By Board: April 13, 2016

Effective: May 1, 2016
Reviewed:

Industrial, large power, and commercial rate class consumers shall be subject to a deposit equal to the greater of 2 times the calculated average for the service location or \$500.

Dawson Power reserves the right to adjust the required deposit to 3 times the average monthly billing based on the consumer's history in any rate class.

Deposits will be applied to a farm/residential consumer's electric account after one year of prompt full payments on the account to which the deposit is made. There must have been no forfeited discounts, charges or payments returned unpaid by the consumer's financial institution. Deposits required on industrial, large power, and commercial accounts may be retained at the discretion of the District and applied when the account is billed for the final time.

Approved By Board: April 13, 2016

Effective: May 1, 2016
Reviewed: