

NORTHEAST NEBRASKA PUBLIC POWER DISTRICT  
Wayne, Nebraska

OPERATIONS POLICY BULLETIN No. 11-07

SUBJECT: SECURITY DEPOSITS AND ASSURANCE OF PAYMENT OPTIONS

I. OBJECTIVES:

The purpose of this policy is to establish a fair and equitable method for the customer to assure the District of his(her) ability to pay for monthly electric service and to protect the District from non-payment of electric bills.

II. POLICY CONTENT:

A. The applicant applying for service shall determine from the options made available by the District, the best method of assuring the District of his(her) ability to pay the monthly electric bill in a prompt and orderly manner.

B. Option #1- The following schedule of security deposits will apply to new and existing customers:

Residential and Annual Billed Services:	\$200.00
Commercial Service:	\$300.00
Farm Services:	\$325.00
Large Commercial Service (LP rate):	1.5 to 2.0 times average bill on case by case basis

The Deposit must be paid prior to service being connected. The District shall hold all deposits for a period of not less than twelve (12) consecutive months or termination of service. Security Deposits may be held indefinitely when Customer's credit standing warrants. When deposits are refunded upon termination of service, then any outstanding bills due to the District will be subtracted from the deposit amount.

C. Option #2- The customer shall provide to the District an acceptable credit reference from the customer's previous electric or natural gas utility. For these purposes a good payment record is defined as no more than one late payment within the last 12 months.

D. Option #3- The customer may secure a co-signor who will assume payment of the account in the event of disconnection for non-payment. The co-signor must be an active customer of the District and have a good payment record with the District. For these purposes a good payment record is defined as no more than one late payment within the last 12 months.

E. Option #4- If a renter or tenant, the customer shall provide to the District a guarantee from the landowner in which the landowner states that all electric energy bills will be paid when due or the balance may be transferred to the landowners account. For these purposes a good payment record is defined as no more than one late payment within the last 12 months.

F. The customer shall enact one of the four (4) options when making application for service. Service will not be connected without payment of security deposit or if energized the service may be disconnected if the customer fails to select an option including the payment of the deposit.

III. HIGH RISK ACCOUNTS:

The District does not have a practice of determining the credit worthiness of a new or existing customer. However, there are situations where a customer can exhibit such poor payment practices that management would be remiss not to adjust the deposit amount upward to protect the interest of other customers and the District. Such cases would include a bankruptcy; a large prior bill that was defaulted on; numerous bad checks offered in payment; or a poor payment record resulting in

numerous disconnections of service for non-payment. In these and other appropriate cases management has the flexibility to increase the security deposit amount up to the sum of the two highest month's bills within the last 24 month's plus any administrative charges management feels may be likely; such as trip charges for disconnection and reconnection of service, bad check fees, etc.

III. RESPONSIBILITY:

It is the Manager's responsibility to see that the provisions of this policy are being adhered to.

Date Adopted: February 22, 2005

Attested: \_\_\_\_\_  
Dan Gansebom, Secretary

Date Reviewed: October 23, 2007  
Date Modified: November 25, 2008  
Date Modified: May 26, 2009  
Date Reviewed: May 24, 2011  
Date Modified: June 28, 2011