

1. The Cooperative will require deposits in the following situations:
 - a. The customer or applicant has an outstanding prior service account with the Cooperative that, at the time of application for service, remains unpaid and not in dispute;
 - b. The customer's or applicant's service from the Cooperative has been terminated for one or more of the following reasons:
 1. Nonpayment of any undisputed delinquent bill;
 2. Failure to reimburse the company for damages due to negligent or intentional acts of the customer;
 3. Obtaining, diverting, or using service without the authorization or knowledge of the utility.
 - c. Information provided by the applicant upon application for service is materially false or materially misrepresented;
 - d. The applicant is applying for service for the first time with the Cooperative and does not have a favorable credit rating, as determined by the independent credit rating agency used by the Cooperative.
 - e. The applicant did not have service with the Cooperative for a period of at least twelve (12) consecutive months during the last four years and does not have a favorable credit rating, as determined by the independent credit rating agency used by the Cooperative.
 - f. The applicant requests service at a location where a former customer who has a past due balance for service still resides or conducts business;
 - g. The applicant for service, or customer, has sought any form of debt relief under the Federal Bankruptcy Law, has been brought within the jurisdiction of the bankruptcy court or has had a receiver appointed in a state court proceeding within the five (5) year period immediately preceding the request for service, then a deposit may be demanded as allowed by the Federal Bankruptcy Act of 1978, as amended, or as directed by the state court; or
 - h. Any other factor having a realistic bearing on the customer's financial dependability.

2. Deposit Amount Required

- a. The required deposit shall not exceed the amount of an applicant's average estimated bill for ninety (90) days of service. The Cooperative shall not require a deposit as a condition of new or continued electric service based

upon property ownership or location, income level, source of income, employment tenure, nature of occupation, race, creed, sex, age, national origin, marital status, number of dependents, or any other criterion not authorized by the Cooperative's policies.

- b. If a deposit is required and the average usage has not been established at the location, the required deposit will be the average estimated bill for ninety (90) days of service or \$150, whichever is greater.

3. Interest on Deposits

- a. Simple Interest will be paid by the Cooperative on customer deposits at the rate assigned by the Wyoming Public Service Commission to all Montana and Wyoming customers. Interest will only be applied on deposits held for at least six (6) months. Interest on customer deposits shall be calculated upon return of the deposit, for the time the deposit is held by the Cooperative.

4. Return of Deposits

- a. A customer deposit shall be returned after a customer has demonstrated creditworthiness. Creditworthiness is established when a customer has received twelve (12) consecutive months of service, there has been no cause to disconnect, and bills have been paid by the payment due date.
- b. The returned deposit may be either applied to the customer's electric account or paid by check to the customer.
- c. If a customer has not established creditworthiness, upon final discontinuance of service the Cooperative shall refund to the customer any amount held as a deposit plus applicable interest. If at the time of discontinuance of service the customer is indebted to the Cooperative, the deposit and applicable interest may be applied on the account due, and a refund made of the balance due the customer.

5. Review Date

This policy should be reviewed at the first Board of Trustees meeting two years after the last revision or review.

6. APPROVED:



President, Beartooth Electric Cooperative



Secretary, Beartooth Electric Cooperative

Approved: August 13, 2004

Revised: May 13, 2008 (effective upon approval of Rules & Regulations by WYPSC-June 1, 2010).

July 27, 2011 (change to Sections 1d and 1e – favorable credit rating, added 2b)

Reviewed: June 30, 2010

July 27, 2011