

POLICY NO. 303
ESTABLISHING CREDIT AND ELECTRIC SERVICE DEPOSITS

I. OBJECTIVE

Lincoln County Power District No. 1 (Lincoln County Power) provides retail electric service throughout much of Lincoln County, Nevada and to a small portion of Clark County, Nevada. As a not-for-profit entity, Lincoln County provides retail electric service on a cost basis. Costs incurred by Lincoln County Power to provide electric service are ultimately paid by those customers receiving electric service through the rates established by Lincoln County Power. It is the objective of Lincoln County Power to limit or minimize the impact of payment default by a customer on other customers of Lincoln County Power by implementing requirements for the establishment of credit and for the collection of electric service deposits as necessary.

II. POLICY

Lincoln County Power, as a general improvement district, is regulated by the laws and regulations of the State of Nevada, including but not limited to Nevada Revised Statutes (NRS) Chapter 318. NRS §318.197(4) allows Lincoln County Power to require deposits or the prepayment of charges in an amount not exceeding 1 year's charges from persons receiving service from Lincoln County Power. NRS §318.197(4) provides that in case of nonpayment of all or part of a bill, the deposits or prepaid charges can be applied as necessary to liquidate the cumulative amount of the charges plus penalties and cost of collection. It is the policy of Lincoln County Power to require applicants for electric service to establish credit or to post a deposit with Lincoln County Power before receiving service.

III. EXPECTATIONS

A. Electric Service Credit Determination

In order to receive electric service, all applicants must either have a proven history of good credit or they must post the required deposit for electric service. Lincoln County Power shall be the sole determinant as to whether an applicant has good credit or not. An applicant may be considered to have good credit,

1. if the applicant had previously been a customer of Lincoln County Power and had a record of providing payment on time when due for at least twelve consecutive months immediately prior to discontinuing service and if the customer had paid all final amounts due at the time service was previously disconnected, or

2. if a credit report obtained by Lincoln County Power on the applicant identifies them as a non-credit risk. Credit reports utilized by Lincoln County Power shall be from nationally recognized credit reporting agencies in the utility industry but may change from time to time as determined by Lincoln County Power.

B. Electric Service Deposits

If a customer for electric service is deemed by Lincoln County Power to not have a proven history of good credit, the applicant shall be required to provide a deposit for electric service. The deposit shall be \$150.00 or an amount equal to two times the highest bill for the location where service is being requested, whichever is higher.

If a customer who had previously been considered to have a proven history of good credit is disconnected for non-payment, then that customer shall be deemed to no longer have good credit and shall be required to post a deposit in accordance with this Policy before their electric service will be reconnected.

C. Use of Electric Service Deposits

If a customer fails to make payment for electric service when due, then Lincoln County Power may utilize all or some of the funds held on deposit to pay amounts owed to Lincoln County Power by the customer for electric service. The customer shall be required to post a new deposit in accordance with this Policy before their electric service will be reconnected.

IV. LIMITATIONS

A. Interest on Deposits

Although Lincoln County Power is not a public utility as that term is defined in NRS §704.020 and as such is not obligated by law to provide interest on electric service deposits held, Lincoln County Power has determined it appropriate and reasonable to do so. As such, customer deposits, when required, shall bear interest at the rate established by NRS §704.655 for public utilities, which is generally determined as the 6 Month Treasury Bill Rate.

B. Refund of Electric Service Deposits

Lincoln County Power may refund a customer's electric service deposit if the customer has been determined by Lincoln County Power as being a non-credit risk, and if the customer has requested such refund. Factors to be considered by Lincoln County Power in determining if a customer is a non-credit risk shall include credit

reports utilized by Lincoln County Power from nationally recognized credit reporting agencies in the utility industry and the customer's record of payment for electric service to Lincoln County Power.

Electric service deposits will be refunded only to the name(s) listed on the account for electric service. Refunds to others including heirs shall require presentation of sufficient proof of legal entitlement as determined by Lincoln County Power.

If a customer moves from Lincoln County Power's service area or requests disconnection of electric service for any reason on the account in question, the final bill for electric service shall be deducted from the deposit amount and the balance, if any, shall be refunded.

Deposits refunded will include accrued interest.

V. RESPONSIBILITY

- A. The general manager shall have primary responsibility to implement this Policy. The general manager shall report to the Board of Trustees on how this Policy is being carried out.
- B. The President of the Board of Trustees shall ensure that this Policy is followed.

Issued by:



Edward Wright, President