

ELECTRIC SERVICE REGULATION NO. 9

STATE OF IDAHO

Deposits and Advance Payments

1. DEPOSIT REQUIREMENTS AND CUSTOMER ADVANCES

(a) Residential Customers

The Company will not require or hold any deposit from any current residential customer or applicant for service without proof that the customer or applicant is likely to be a credit risk or to damage the property of the Company. The customer or applicant shall be assumed to be a satisfactory credit risk unless:

- (1) The customer or applicant has outstanding a prior service account with the Company that accrued within the last four years and at the time of application for service remains unpaid and not in dispute; or
- (2) Within the last four years, the applicant's service from the utility has been terminated due to one of the following: nonpayment of any undisputed delinquent bill(s), misrepresentation of the customer's or applicant's identity, failure to reimburse the Company for damages due to negligent or intentional acts of the customer, or obtaining, diverting or using service without the authorization or knowledge of the Company; or
- (3) Information provided by the applicant upon application for service is materially false or materially misrepresentative of the applicant's true status.
- (4) The applicant did not have service with the utility for a period of at least twelve (12) consecutive months during the last four (4) years, and does not pass an objective credit screen.
- (5) Initiation or continuation of service to a residence where a prior customer still resides and where any balance for such service to that prior customer owes a past due bill.
- (6) The utility has given the customer two (2) or more written final notices of termination within the last twelve (12) consecutive months.

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(b) Small Commercial Customers

An applicant may be required to pay a deposit as a condition of service for the reasons stated in **(a)** above, or additionally, when the applicant is applying for service for the first time from the Company.

(c) Industrial and Large Commercial Customers

The Company may require a deposit from current and prospective industrial or large commercial customers for the reasons stated in **(b)** above, or additionally:

- (1)** The customer fails to pay the account on or before the date such payment is delinquent.
- (2)** The nature of the customer's operation is extremely speculative or subject to a high probability of failure.

(d) Irrigation Customers

The Company may require a deposit or advance from past, current, and prospective irrigation (Schedule 10) customers prior to providing electric service.

(1) Irrigation Advance

A. An advance may be required from current, previous, or prospective Schedule 10 customers prior to providing electric service under the following conditions:

1. If the customer had a cumulative past due balance equal to or greater than \$25,000 on December 31;
2. If the customer had service disconnected for nonpayment during the last four (4) years; or
3. If at any time the customer sought any form of relief under the Federal Bankruptcy Laws, or has been discharged from bankruptcy, or whose receivership proceeding has been terminated, or whose bankruptcy proceedings have been dismissed.

B. As an alternative to payment, an advance may be satisfied by:

1. A guarantee of payment from a bank or financial institution acceptable to the Company; or
2. A guarantor acceptable to the Company.

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(d) Irrigation Customers (continued)

(1) Irrigation Advance (continued)

- C. The customer may be required to pay an advance on all Schedule 10 accounts for which the customer is financially responsible and requesting service.
- D. The advance will be equal to the estimated monthly billings for the upcoming irrigation season, based upon the previous 12 months of metered usage at each service point or estimated using the new customer's connected horsepower. If the previous 12 months includes inactivity the estimate may include earlier periods.
 - 1. A portion of the advance will be applied to satisfy each monthly bill until the advance is depleted.

(2) Irrigation Deposit

- A. A deposit may be required from a current or previous Schedule 10 customer prior to providing electric service under the following conditions:
 - 1. If the customer received two (2) or more past due notices for non-payment of Schedule 10 service during the most recent irrigation season or the last 12 month period during which service was received;
 - 2. If the Schedule 10 customer was required to pay an advance for the previous irrigation season and the balance on December 31 was less than \$25,000; or
 - 3. If the applicant is requesting service for the first time.
- B. As an alternative to payment of a deposit, the applicant may obtain:
 - 1. A guarantee of payment from a bank or financial institution acceptable to the Company; or
 - 2. A guarantor acceptable to the Company.
- C. A Schedule 10 customer that meets the requirements for payment of a deposit may be required to pay a deposit for each Schedule 10 account for which the customer is financially responsible and requesting service.

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(d) Irrigation Customers (continued)

(2) Irrigation Deposit (continued)

D. The deposit for each metered service point is equal to the estimated monthly bill for the two highest months of usage within the last two (2) irrigation seasons. For new customers, deposits will be calculated using the bills from the previous customer at the new customer's location or estimated using the new customer's connected horsepower.

(3) Irrigation Advance or Deposit Guarantor

To be considered acceptable to the Company a guarantor must be:

A. An active Rocky Mountain Power Schedule 10 customer;

B. Current on all accounts at the time of the application with no more than one past due notice in the previous twelve months; and

C. Have cumulative usage for all active Schedule 10 metered services during the previous season that equals or exceeds the estimated usage for the customer or applicant needing a guarantor.

2. BANKRUPT CUSTOMERS

If an applicant for service or a customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit or advance may be required as a condition of service.

3. EXPLANATION OF DENIAL OF SERVICE OR REQUIREMENT OF DEPOSIT

If the Company denies service or requires a deposit as a condition of providing service, then it must immediately provide an explanation regarding the reason for the deposit or denial of service. If service is currently being provided to the premises occupied by an applicant, the Company shall provide written notice of its refusal to serve.

4. AMOUNT OF DEPOSIT

A deposit required as a condition of service shall not exceed one-sixth of the Company's estimate of annual billings for residential and small commercial customers. For industrial and large commercial customers, deposits shall not exceed two (2) months of the Company's estimated peak billings. The Company shall advise the customer or applicant that the deposit may be paid in two (2) equal installments with the first installment paid at the time of application and the second installment paid in one (1) month. For Irrigation customers, see Sheet No. 9R.4 (d) (2) D.

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5. INTEREST ON DEPOSITS

Interest on deposits held by the Company shall be accrued at the rate established annually by the order of the Idaho Public Utilities Commission. Interest shall be computed from the time the deposit is made until it is returned or applied to the bill. Interest will not accrue on a deposit if service is terminated temporarily at the request of a customer who leaves the deposit with the Company for future use as a deposit, or if service has been permanently terminated and the Company has been unsuccessful in its attempt to refund a deposit.

6. RETURN OF DEPOSIT – ALL CUSTOMER CLASSES

- (a) If the customer has paid all undisputed bills and has no more than one (1) past due notice during the past twelve (12) consecutive months of service, the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.
- (b) Upon termination of service, the deposit, with accrued interest, shall be credited to the final bill. The balance of the deposit remaining, if any, shall be returned promptly to the customer.
- (c) The Company may withhold the release of the deposit pending the resolution of a dispute. For residential and small commercial Customers, interest will be paid for the entire period over which the deposit was held. For industrial, large commercial and irrigation customers, the Company will continue to pay interest if the resolution is in the Customer's favor.

7. TRANSFER OF DEPOSIT

A Deposit, less any outstanding balance, shall be transferable and applicable for service to the same customer at a new location within the Company's service area. Deposits shall not be transferred from one customer to another customer or between classes of service.

8. RECEIPT FOR DEPOSIT

When payment of a deposit is made, a receipt shall be furnished to each applicant or customer for the amount deposited.

9. RETURN OF IRRIGATION ADVANCE PAYMENTS

Any customer advance remaining at the end of the irrigation season will first be applied to any required deposit for the upcoming season before being refunded to the customer. Upon customer request, the Company will conduct an in-season review of the actual electric consumption and associated advance payment. The Company may refund at the customer's request, the portion of the advance in excess of the revised usage estimate for the remainder of that season.

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10. LARGER OR NEW DEPOSITS AND IRRIGATION ADVANCES

Nothing in this regulation shall prevent the Company from requiring a deposit or advance or a larger deposit or advance from existing customers in conformity with the standards set forth in this regulation. Should a larger or new deposit or advance be required, the reason therefor shall be specified in writing to the customer.