

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF WYOMING**

IN THE MATTER OF THE APPLICATION OF	)	
POWDER RIVER ENERGY CORPORATION	)	
SUNDANCE, WYOMING, TO ESTABLISH	)	DOCKET No. 10014-111-CT-09
REVISIONS TO ITS DEPOSIT RULES AND	)	
REGULATIONS	)	

APPLICATION

Powder River Energy Corporation (PRECorp), the Applicant herein, respectfully requests an Order of the Wyoming Public Service Commission approving the proposed Rules and Regulations incorporated herein as Wyoming PSC Tariff No. 3, Revised Sheets 5R-5bR, to be effective July 1, 2009.

In support of its application, PRECorp offers the following facts:

1. The Applicant is a non-profit Cooperative electric utility organized and existing under, and by virtue of, the laws of the State of Wyoming. The Cooperative, pursuant to the laws of the State of Wyoming, is qualified to do business as a corporation within the State of Wyoming.
2. PRECorp has existing Rules and Regulations in effect and on file with the Public Service Commission. The proposed revisions to the existing Rules and Regulations are clearly marked herein, attached as Exhibit 1 and accompanied by the supportive testimony of two witnesses who are employees of PRECorp.
3. The Rules and Regulations proposed herein, when approved, will replace 1<sup>st</sup> Revised Sheet 5R and insert Original Sheets 5aR and 5bR, Wyoming PSC Tariff No. 3, of PRECorp's existing Rules and Regulations on file at the Wyoming Public Service Commission.
4. PRECorp's Rules and Regulations were updated in 2007. Due to the current

economic environment, however, there is a need to make improvements and clarifications to the deposit portion of the rules and regulations. The proposed revisions herein better reflect the current circumstances in which PRECorp operates and provides service to its members.

5. PRECorp has posted on its website, [www.precorp.coop](http://www.precorp.coop), the changes being made to its Rules and Regulations in a form that highlights each change. In addition, PRECorp is planning to notify its members of these changes and referring them to its website by notice in the May and June bills and in the June customer newsletter.
6. Communications in regard to this Application are to be addressed to Mr. Michael E. Easley, General Manager and Chief Executive Officer for the Applicant, Post Office Box 930, Sundance, Wyoming 82729 and Mr. Mark L. Hughes, Attorney for the Applicant, Post Office Box 456, Sundance, Wyoming 82729.
7. The Cooperative is respectfully requesting changes to its Rule and Regulation effective July 1, 2009, pursuant to the attachment testimony and exhibits, and that such changes are contained in this filing and by reference are hereby made a part of this application.

Dated at Sundance, Wyoming, this 22nd day of April, 2009.

POWDER RIVER ENERGY CORPORATION



Michael E. Easley  
Chief Executive Officer

Powder River Energy Corporation  
P.O. Box 930  
Sundance, WY 82729

Wyoming PSC No. 3  
~~2<sup>nd</sup>~~ ~~1<sup>st</sup>~~ Revised Sheet No. 5R  
Cancels ~~1<sup>st</sup>~~ Revised ~~Original~~ Sheet No. 5R

## General Information

## Section III

### DEPOSITS

~~The applicant for electric service shall be required to make a security deposit unless they shall qualify for one or more of the following exemptions:~~

- ~~1. The applicant is an existing customer with an acceptable credit history.~~
- ~~2. The applicant is a corporation with an acceptable Dun and Bradstreet rating.~~
- ~~3. The applicant supplies a verified, acceptable credit history from a utility company for a recent 12 month history.~~
- ~~4. An acceptable credit rating is received by a computerized credit check, performed by the Corporation under the permission and at the expense of the applicant. Refer to Section VII for the appropriate charge. This charge will be paid at the time of the credit check.~~
- ~~5. Security instruments as required for CBM customers are outlined in the CBM Line Extension Policy found in Section VI.~~

~~The amount of the security deposit shall be the average three (3) months estimated billing. When a customer has been disconnected for non payment in accordance with the collection policy, the customer will be required to make a security deposit in the amount indicated above before service is reconnected if such a deposit is not already being held by the Corporation.~~

~~Deposits will be refunded after twelve (12) consecutive months of acceptable credit history. The occurrence of any one of the following may render a twelve (12) month credit history unacceptable:~~

- ~~1. More than two late payments~~
- ~~2. Payment by NSF check~~
- ~~3. Disconnect for non payment~~

~~Service deposits, which are held for more than six months, shall bear interest from the date of deposit at the annual rate as assigned by the Wyoming Public Service Commission~~

Issued by  
Michael E. Easley, Chief Executive Officer

Issued: ~~July 27, 2007~~ April 22, 2009

Effective: ~~October 16, 2007~~ July 1, 2009

Dkt. No. ~~10014-98-CR-07~~ 10014-111-CT-09

General Information

Section III

SECURITY DEPOSITS

I. SECURITY DEPOSIT REQUIREMENTS

The Corporation shall require an applicant for electric service or a current electric service customer to provide a security deposit if one or more of the following circumstances exist:

- A. The applicant is applying for service for the first time and does not pass an objective credit screen.
- B. The applicant did not have service with the Corporation for a period of at least twelve (12) consecutive months during the past year and does not pass an objective credit screen.
- C. The customer fails to maintain an acceptable credit history with the Corporation and is requesting a new service. Any existing services that do not have an acceptable credit rating at that time will also require a security deposit.
- D. The customer fails to maintain an acceptable credit history with the Corporation and has an average billing in excess of \$5,000 for 90 days of service.
- E. The applicant or customer has an outstanding balance on a prior service account with the Corporation, or any other balance due the Corporation, for one or more of the following reasons:
  - 1. Non-payment of any undisputed delinquent bill.
  - 2. Failure to reimburse the Corporation for damage due to negligent or intentional acts of the applicant or customer.
  - 3. Obtaining, diverting, or using service without the authorization or knowledge of the Corporation.
- F. The applicant or customer provided information in the application for service that was materially false or materially misrepresented.
- G. The applicant or customer requests service at a location where a former customer who has an outstanding prior service account with the Corporation, or any other balance due to the Corporation, still resides or conducts business.
- H. The applicant or customer has sought any form of debt relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court, or has had a receiver appointed in a state court proceeding within the last five (5) year period immediately preceding a request for service, as allowed by the Federal bankruptcy Act of 1978, as amended, or as directed by the state court.

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**General Information**

**Section III**

The Corporation shall not require a deposit as a condition of new or continued electric service based on 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 these rules and regulations. Rules governing deposits shall be applied uniformly.

II. ACCEPTABLE CREDIT HISTORY

An acceptable credit history is one in which the following requirements apply to all of the customer's service accounts:

- A. No more than two (2) late payments within the most recent twelve (12) month period.
- B. No NSF checks within the most recent twelve (12) month period.
- C. No disconnects for non-payment within the most recent twelve (12) month period.

III. OBJECTIVE CREDIT SCREEN

The Corporation shall conduct an objective credit screen on new applicants for electric service through the use of commercially available services, such as Dun and Bradstreet, ONLINE Utility Exchange and other similar services deemed appropriate by the Corporation. The factors to be analyzed by the Corporation may include the following:

- A. Overall credit rating
- B. Accounts payable metrics
- C. Customer's payment history with the Corporation
- D. Other available criteria

Recent information will be weighted more heavily during the objective credit screen process.

IV. ADMINISTRATION OF SECURITY DEPOSITS

- A. The amount of a security deposit shall be no more than the average of three (3) months estimated billing.
- B. Security deposits shall be required on new services and/or on existing services that do not have an acceptable credit history.
- C. Security deposits which are held for more than six months shall bear interest from the date of deposit at the annual rate as assigned by the Wyoming Public Service Commission.

Issued by  
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**General Information**

**Section III**

- D. When a customer has been disconnected for non-payment in accordance with the collection policy, the customer will be required to make a security deposit in the amount indicated above before service is reconnected if such a deposit is not already being held by the Corporation.
- E. The Corporation shall keep records to show the payment address of applicants and existing customers making a security deposit, the date and amount of the deposit, and each transaction concerning a deposit.
- F. The Corporation shall comply with all rules and regulations as may be adopted by the Wyoming Public Service Commission regarding deposits.
- G. The Corporation shall manage deposits as required by the Uniform Unclaimed Property Act as adopted or amended by the State of Wyoming.

V. REFUNDS OF SECURITY DEPOSITS

- A. Security deposits will be refunded after twelve (12) consecutive months of acceptable credit history provided the customer does not have a past due balance at the end of the twelve (12) month period.
- B. Upon final discontinuance of service the Corporation shall refund a customer's security deposit with accrued interest due thereon, provided the customer has no outstanding amount due to the Corporation. If at the time of discontinuance the customer has an outstanding amount due to the Corporation, any deposit and accrued interest will be applied to the amount due with the remaining balance, if any, refunded to the customer.
- C. If the Corporation is unable to make a refund due to a lack of knowledge of a customer's location, it shall retain the deposit until claimed, but no interest will accrue thereon from the date the service was discontinued.

IV. LIEN FOR MATERIALS AND SERVICE

In addition to any security deposits which may be required pursuant to these Rules and Regulations, the Corporation shall have a lien for materials and services provided to a customer. The lien shall attach to the real property of the customer at the location where the materials and services were provided when the amount due to the Corporation is greater than \$5,000 and has been unpaid for ninety (90) days.

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Michael E. Easley, Chief Executive Officer

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Dkt. No. ~~10014-98-CR-07~~ 10014-111-CT-09

**BEFORE THE  
WYOMING PUBLIC SERVICE COMMISSION  
DIRECT TESTIMONY  
OF  
MICHAEL E. EASLEY  
POWDER RIVER ENERGY CORPORATION  
Docket No. 10014-111-CT-09**

1 **Q: Please state your name and address.**

2 A: My name is Michael E. Easley and my business address is Powder River  
3 Energy Corporation, P.O. Box 930, Sundance, WY 82729.

4 **Q: What is your present occupation?**

5 A: I am employed as General Manager and Chief Executive Officer of  
6 Powder River Energy Corporation (PRECorp).

7 **Q: What are your duties as General Manager and Chief Executive Officer  
8 of Powder River Energy Corporation?**

9 A: My duties are to supervise the operations of the Cooperative, to  
10 administer the policies adopted by the Board of Directors, to make  
11 recommendations to the Board with respect to policy, to provide both  
12 short-term and long range plans for the operation, construction, and  
13 financing of the Cooperative, to be responsible for maintaining an  
14 adequate and suitable work force, and to keep the Board informed in all  
15 aspects of the management of the Cooperative.

16 **Q: Please state your educational background and professional**  
17 **qualifications.**

18 A: I have a BS degree in Electrical Engineering from Oklahoma State  
19 University and I am a graduate of the Ken Blanchard Executive MBA  
20 program at Grand Canyon University. I am also a graduate of the National  
21 Rural Electric Cooperative Association Management Internship Program  
22 from the University of Nebraska-Lincoln. I hold professional electrical  
23 engineering licenses in the states of Oklahoma, Alaska, and Michigan. I  
24 have been employed in the utility field since 1983. I worked at Western  
25 Farmer's Electric Cooperative in Anadarko, Oklahoma, for five years as an  
26 Engineer and Construction Supervisor. I was employed for 10 years at  
27 Copper Valley Electric Association in Glennallen and Valdez, Alaska  
28 where I held several senior management positions, the last of which was  
29 Chief Operating Officer. I was employed at Wolverine Power Supply  
30 Cooperative in Cadillac, Michigan as Vice President of System Operations  
31 for almost two years and I have been the CEO of PRECorp since October  
32 of 2000.

33 **Q: What is the purpose of your testimony?**

34 A: The purpose of my testimony is to describe the effectiveness of  
35 PRECorp's current PSC approved rules for customer deposits under the  
36 current economic environment and to describe improvements and  
37 clarifications that PRECorp would like to make to its deposit rules.

38 **Q: Can you explain the current economic environment in which**  
39 **PRECorp is doing business.**

40 A: Over the past twelve months PRECorp has seen an unanticipated  
41 increase in the amount of write-offs it has been experiencing due to  
42 customer's failure to pay for electric service. We attribute this to  
43 increasingly difficult economic times for all of our customer classes.

44 **Q: Can you quantify the types and amounts of losses that PRECorp has**  
45 **been experiencing?**

46 A: In the past 12 months PRECorp has written off just over \$500,000 in bad  
47 debt. These losses have come from bankruptcy actions involving larger  
48 members and increases in customers defaulting on their accounts.  
49 PRECorp has also seen an increase in late payments from customers.

50 **Q: What does the current policy allow?**

51 A: PRECorp has been requesting deposits from customers who are applying  
52 for electric service and who do not have an acceptable credit history. The  
53 deposit amount is based upon an estimated three month average bill for  
54 residential customers and a two month average bill for non-residential  
55 customers. If the customer has other accounts with PRECorp that do not  
56 have an acceptable credit history, we request deposits on those accounts  
57 at this time as well.

58 **Q: What improvements are you requesting in your proposed deposit**  
59 **regulations?**

60 A: PRECorp's new deposit tariff comports very closely with the PSC Rules  
61 and Regulations for security deposits. It provides more detail and  
62 clarification of its security deposit requirements. It also provides PRECorp  
63 authority to collect deposits from existing customers who do not maintain  
64 an acceptable credit history with PRECorp, even when those customers  
65 are not requesting service additions or modifications.

66 **Q: Can you explain in more detail the changes you are requesting?**

67 A: Dolly Schloredt, PRECorp's VP of Customer Service, will explain each of  
68 these improvements in her testimony.

69 **Q: Will PRECorp's financial risk be reduced by the institution of these**  
70 **revised security deposit requirements?**

71 A: Yes, if PRECorp applied the terms of this revised deposit policy it would  
72 be reducing the financial risk to its 11,790 members caused by  
73 approximately 1,000 accounts, which could be required to pay a deposit  
74 under these tariff changes.

75 **Q: Does this conclude your testimony.**

76 A: Yes.

**BEFORE THE  
WYOMING PUBLIC SERVICE COMMISSION  
DIRECT TESTIMONY  
OF  
DOLLY SCHLOREDT  
POWDER RIVER ENERGY CORPORATION  
Docket No. 10014-111-CT-09**

1   **Q:   Please state your name and address.**

2   A:   My name is Dolly Schloredt and my business address is Powder River  
3       Energy Corporation, P. O. Box 930, Sundance, WY 82729.

4   **Q:   What is your present occupation?**

5   A:   I am employed as Vice President of Customer Service for Powder River  
6       Energy Corporation (PRECorp).

7   **Q:   What are your duties as Vice President of Customer Service of  
8       PRECorp?**

9   A:   I plan, direct, coordinate, review, and monitor all customer service  
10       functions to ensure that Powder River Energy Corporation is providing  
11       prompt, efficient and courteous customer service, accurate information to  
12       the consumer on matters pertaining to their electric service.

13  **Q:   Please state your educational background and professional  
14       qualifications.**

15 A: I have been employed with PRECorp (formerly Tri-County Electric) for 25  
16 years. I have served in several capacities within the Customer Service  
17 Department and am a graduate of the NRECA Management Internship  
18 Program from the University of Wisconsin-Madison.

19 **Q. What is the purpose of your testimony?**

20 A. The purpose of my testimony is to provide information which will support  
21 this application directed at revising PRECorp's current PSC approved  
22 customer security deposit tariff. The current PSC approved rule for  
23 customer security deposits needs to be revised in the current economic  
24 environment in order to provide security for all of our membership.

25 **Q. What specifically are you requesting to revise?**

26 A. We are requesting that PRECorp be allowed to collect security deposits  
27 from applicants, and from current customers under certain conditions.

28 **Q: Can you describe the difference between an applicant and a current  
29 electric customer?**

30 A: An applicant is a natural person or a business that is applying for a new  
31 service and an existing customer is a natural person or a business that is  
32 receiving electrical service from an existing meter location.

33 **Q: Under what conditions is PRECorp requesting the authority to  
34 require security deposits for electrical service from an applicant?**

35 A: PRECorp is requesting that it be allowed to collect security deposits from  
36 applicants that do not have an acceptable credit history with PRECorp or  
37 that do not pass an objective credit screen.

38 **Q: What are the sources PRECorp will use to conduct an Objective**  
39 **Credit Screen?**

40 A: PRECorp will use a commercially available service such as Dun and  
41 Bradstreet, ONLINE Utility Exchange, PRECorp history, or other similar  
42 service to ascertain credit worthiness.

43 **Q: What factors from the Objective Credit Screen will be used to**  
44 **determine creditworthiness of an applicant?**

45 A: PRECorp will look at overall credit rating, accounts payable history,  
46 customer payment history with PRECorp, or available criteria to make  
47 determinations. PRECorp will weight the most current information more  
48 heavily.

49 **Q: How will PRECorp define an Acceptable Credit History?**

50 A: PRECorp defines an acceptable credit history as one with no more than  
51 two late payments, no insufficient checks, or disconnects for non-  
52 payments within the most recent 12 month period.

53 **Q: Are there any other circumstances in which PRECorp is requesting**  
54 **to authority to collect a security deposit for electric service from an**  
55 **applicant or a customer?**

56 A: Yes, PRECorp is requesting authority to collect a security deposit for  
57 electrical service from a customer or an applicant if they have an  
58 outstanding balance on a prior service or any other balance due from non-  
59 payment of an undisputed bill, failure to pay for damages, or theft of  
60 service. PRECorp is also requesting authority to collect security deposits  
61 for electrical service if a customer provided false information on an  
62 application for service, if they are requesting service at a location where a  
63 former customer with an outstanding balance resides or conducts  
64 business, or if they have a bankruptcy within the past five years.

65 **Q: What is the amount of security deposit for electric service that**  
66 **PRECorp will require?**

67 A: PRECorp will require no more than 3 months estimated billing as security  
68 deposit on accounts that do not have an acceptable credit rating.

69 **Q: What threshold will PRECorp use in requiring security deposits for**  
70 **electric service on existing customers?**

71 A: PRECorp will require security deposits from customers who do not  
72 maintain an acceptable credit history and whose average aggregated  
73 billing for such accounts is in excess of \$5,000 for 90 days of service.

74 **Q: Will PRECorp refund the security deposits and pay any interest on**  
75 **amounts held?**

76 A: PRECorp will comply with PSC guidelines for refunds and interest  
77 payments. Interest will begin to accrue on security deposits after being

78 held for six months and security deposits will be refunded after 12  
79 consecutive months of acceptable credit history and providing the  
80 customer does not have any past due amounts at the end of the 12 month  
81 period. Customers who discontinue service will receive a refund of the  
82 security deposit with accrued interest less any amounts due PRECorp.

83 **Q: What information will you provide to applicants and customers**  
84 **regarding your security deposit requirements?**

85 A: The information that PRECorp provides its customers and applicants at  
86 the time they sign up for service is attached as Exhibit 2.

87 **Q: What will PRECorp do to inform its existing customers of the new**  
88 **security deposit requirements?**

89 A: A separate letter will be sent to all members that exceed the threshold of  
90 the over \$5,000 three month average billing criteria. We will also have an  
91 article in our monthly newsletter that is included with the bills.

92 **Q: What will PRECorp do to transition its existing customers during the**  
93 **implementation of these new security deposit tariff requirements?**

94 A: PRECorp will inform all existing customers that meet the over \$5,000  
95 three month average billing criteria that they will be deemed to have  
96 acceptable credit history at the time the new Tariff is approved and will  
97 then monitor their accounts and apply the terms of this new policy from  
98 then on.

99 **Q: Are there any other additions to PRECorp's security deposit tariff**  
100 **that you would like to discuss?**

101 A: There is one additional provision that has been added to allow PRECorp  
102 to file liens for service. In 2007, the State of Wyoming passed legislation  
103 which allows PRECorp to file a lien on real property of the customer for  
104 service when the amount due is greater than \$5,000 and has been unpaid  
105 for ninety days. Our proposed security deposit tariff provides notice that  
106 this lien could be applied.

107 **Q: Does this conclude your testimony?**

108 A: Yes.



# Security Deposits

## Residential Services

### Reason for security deposits:

When a customer is sent a bill, it is for electricity used at least 30 days prior. By the time that billing is delinquent and the required additional written notice is given, the customer will have been billed again for another 30 days of usage.

The deposit is collected in advance and held to protect the Cooperative just in case the customer is not able to pay the bill once disconnected. Having this security in place helps to keep the Cooperative financially sound and thereby contributes to keeping our rates as low as possible.

### Requirements:

#### New Members/Customers:

PRECorp will waive the requirement for a security deposit if customer provides an acceptable letter of credit from a previous utility (must be recent 12 months) or passes an objective credit screen. However, if customer defaults on payments and is disconnected for non-payment, a security deposit will be required in addition to the balance due and reconnect fee.

#### Existing Members/Customers adding new services:

PRECorp will look at customer's credit history prior to a new service being constructed to determine if a deposit will be necessary. If customer's credit is unacceptable, a deposit will be required for the new service as well as any existing service(s) with unacceptable credit history. All balances due will also need to be paid in full before the service is metered.

### Definition of Acceptable Credit History:

- No more than 2 late payments in past twelve (12) consecutive months
- No NSF Checks in past twelve (12) consecutive months
- No Disconnects for non-payment in past twelve (12) consecutive months

## How is the Deposit amount calculated?

### Newly constructed services per service

- Residential – 3 month average residential bill = \$250.00

### Existing services per service with unacceptable credit history

- 3 month average bill based on billing history for that service

## When is the deposit collected?

- Deposit will need to be paid, as follows, prior to service being constructed or meter transferred or connected.
  - Full 3 month deposit amount paid immediately; **or**
  - ½ can be paid upfront; **and**
  - Remaining ½ billed in installments of up to 3 months

## When is the deposit returned?

- The deposit is held until:
  - Customer has 12 consecutive months with no more than 2 late payments; and
  - No past due balance at the end of the 12 month period; or
  - Customer has ceased taking service, whichever comes first
- Simple Interest is accrued while deposit is held (if held more than 6 months) at the rate set by the Wyoming Public Service Commission. The interest rate is set on an annual basis and is currently 3.74%.

*Bills are due upon receipt, but considered delinquent if not paid by 20 days from the statement date. A late charge of 1.5% is assessed on all delinquent amounts.*

Should customer have any trouble paying by the delinquent date, contacting our Credit Representatives to set up acceptable payment arrangements will prevent disconnection as long as arrangement is kept.

### **Some helpful options to meet 20 day terms may include:**

- Automatic Payment by check
- EFT
- Online billing ([www.precorp.coop](http://www.precorp.coop))
- PRECorp can fax or e-mail invoice as soon as it is processed to avoid mail time
- Third party bill-pay service
- Investigating methods to send bill information electronically

Powder River Energy Corporation  
P.O. Box 930  
Sundance, WY 82729

Wyoming PSC No. 3  
1<sup>st</sup> Revised Sheet No. 5R  
Cancels Original Sheet No. 5R

**General Information**

**Section III**

DEPOSITS

The applicant for electric service shall be required to make a security deposit unless they shall qualify for one or more of the following exemptions:

1. The applicant is an existing customer with an acceptable credit history.
2. The applicant is a corporation with an acceptable Dun and Bradstreet rating.
3. The applicant supplies a verified, acceptable credit history from a utility company for a recent 12-month history.
4. An acceptable credit rating is received by a computerized credit check, performed by the Corporation under the permission and at the expense of the applicant. Refer to Section VII for the appropriate charge. This charge will be paid at the time of the credit check.
5. Security instruments as required for CBM customers are outlined in the CBM Line Extension Policy found in Section VI.

The amount of the security deposit shall be the average three (3) months estimated billing. When a customer has been disconnected for non-payment in accordance with the collection policy, the customer will be required to make a security deposit in the amount indicated above before service is reconnected if such a deposit is not already being held by the Corporation.

Deposits will be refunded after twelve (12) consecutive months of acceptable credit history. The occurrence of any one of the following may render a twelve (12) month credit history unacceptable:

1. More than two late payments
2. Payment by NSF check
3. Disconnect for non-payment

Service deposits, which are held for more than six months, shall bear interest from the date of deposit at the annual rate as assigned by the Wyoming Public Service Commission.

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Issued by

Michael E. Easley, Chief Executive Officer

Issued: July 27, 2007

PUBLIC SERVICE COMMISSION

Effective: October 16, 2007

APPROVED  
EFFECTIVE: OCT 16 2007

Dkt. No. 10014-98-CR-07

DOCKET NO. 10014-0098 - CT-07  
STATE OF WYOMING



# Security Deposits

## Commercial and Industrial Services

### Reason for security deposits:

When a customer is sent a bill, it is for electricity used at least 30 days prior. By the time that billing is delinquent and the required additional written notice is given, the customer will have been billed again for another 30 days of usage.

The deposit is collected in advance and held to protect the Cooperative just in case the customer is not able to pay the bill once disconnected. Having this security in place helps to keep the Cooperative financially sound and thereby contributes to keeping our rates as low as possible.

### Requirements:

#### New Members/Customers:

PRECorp will waive the requirement for a security deposit if customer provides an acceptable letter of credit from a previous utility (must be recent 12 months), passes an objective credit screen or provides PRECorp with an acceptable Dun & Bradstreet rating. However, if customer defaults on payments and is disconnected for non-payment, a security deposit will be required in addition to the balance due and reconnect fee.

#### Existing Members/Customers adding new services:

PRECorp will look at customer's credit history prior to a newly constructed service being metered to determine if a deposit will be necessary. If customer's credit is unacceptable, a deposit will be required for the new service as well as any existing service(s) with unacceptable credit history. All balances due will also need to be paid in full before the service is metered.

### Definition of Acceptable Credit History:

- No more than 2 late payments in past twelve (12) consecutive months
- No NSF Checks in past twelve (12) consecutive months
- No Disconnects for non-payment in past twelve (12) consecutive months

## How is the Deposit amount calculated?

### Newly constructed services per service

- General Service – 2 month average general service bill = \$326.00
- Large Power – 2 month average estimated bill based on the minimum billing demand for this service, plus basic charge and anticipated usage.

### Existing services per service with unacceptable credit history

- 2 month average bill based on billing history for that service

## When is the deposit collected?

- Customer's credit history will be evaluated just prior to metering to determine if deposit is required.
- Credit Representative will contact customer with the deposit amount required, if applicable.
  - Deposit will need to be paid, as follows, prior to service being metered
    - Full 2 month deposit amount paid immediately; **or**
    - ½ can be paid upfront; **and**
    - Remaining ½ billed equally over the next 2 months

## When is the deposit returned?

- The deposit is held until:
  - Customer has 12 consecutive months with no more than 2 late payments; and
  - No past due balance at the end of the 12 month period; or
  - Customer has ceased taking service, whichever comes first
- Simple Interest is accrued while deposit is held (if held more than 6 months) at the rate set by the Wyoming Public Service Commission. The interest rate is set on an annual basis and is currently 3.74%.

*Bills are due upon receipt, but considered delinquent if not paid by 20 days from the statement date. A late charge of 1.5% is assessed on all delinquent amounts.*

Should customer have any trouble paying by the delinquent date, contacting our Credit Representatives to set up acceptable payment arrangements will prevent disconnection as long as arrangement is kept.

### **Some helpful options to meet 20 day terms may include:**

- Automatic Payment by check
- EFT
- Online billing ([www.precorp.coop](http://www.precorp.coop))
- PRECorp can fax or e-mail invoice as soon as it is processed to avoid mail time
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Wyoming PSC No. 3  
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**General Information**

**Section III**

DEPOSITS

The applicant for electric service shall be required to make a security deposit unless they shall qualify for one or more of the following exemptions:

1. The applicant is an existing customer with an acceptable credit history.
2. The applicant is a corporation with an acceptable Dun and Bradstreet rating.
3. The applicant supplies a verified, acceptable credit history from a utility company for a recent 12-month history.
4. An acceptable credit rating is received by a computerized credit check, performed by the Corporation under the permission and at the expense of the applicant. Refer to Section VII for the appropriate charge. This charge will be paid at the time of the credit check.
5. Security instruments as required for CBM customers are outlined in the CBM Line Extension Policy found in Section VI.

The amount of the security deposit shall be the average three (3) months estimated billing. When a customer has been disconnected for non-payment in accordance with the collection policy, the customer will be required to make a security deposit in the amount indicated above before service is reconnected if such a deposit is not already being held by the Corporation.

Deposits will be refunded after twelve (12) consecutive months of acceptable credit history. The occurrence of any one of the following may render a twelve (12) month credit history unacceptable:

1. More than two late payments
2. Payment by NSF check
3. Disconnect for non-payment

Service deposits, which are held for more than six months, shall bear interest from the date of deposit at the annual rate as assigned by the Wyoming Public Service Commission.

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Issued by  
Michael E. Easley, Chief Executive Officer

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