



Your Touchstone Energy® Cooperative  
*The power of human connections*



### **Security Deposit and Credit Policy:**

As a nonprofit electric cooperative, Lake Region is committed to providing the best service at the lowest possible cost to its members – and this means operating at the height of efficiency.

With that purpose in mind, Lake Region Electric Cooperative has implemented the following procedures regarding a security deposit that will help cut costs due to losses from delinquent accounts and bad debt write-offs.

LREC, by allowing a member to use electricity during a month and billing him or her the following month, is simply extending credit to the member. Therefore, a security deposit is required on all accounts.

### **Security Deposit for Existing Accounts:**

If an existing member has more than two late payments in a twelve month period, we will request that that customer pay a security deposit in order to adequately protect other members against the possibility of non-payment on the amount owed. This deposit amount is two times the highest monthly electric bill. The reason for this is that it usually takes sixty days to disconnect a member's electric service for non-payment (thirty days before it is billed and thirty days after the bill is mailed out). This is an industry standard that is followed by most electric utilities and sanctioned by the Oklahoma Corporation Commission and not unique to LREC.

The mentioned deposit is automatically added to any account that does not have a security deposit on file and has more than two late payments in the past twelve months. However, our customer service representatives are given the flexibility to remove the added deposit (one time only) on a case by case basis for long time members who have historically had a good payment history and explaining to the member the need for a timely payment.

We highly recommend that all members consider enrolling in LREC's "Automatic Bank Draft" and "Budget Billing" programs. The Budget Billing program averages your past twelve month's electric bill and that becomes your fixed budget amount for the year. In the month of May of each year, we compare your actual usage with your budget usage and any overage or underage will be settled at that time. This program will offer you the ease of budgeting with equal monthly payments. The "Automatic Bank Draft" program allows LREC to draft your bank on a certain date every month for the amount of your bill. You have the choice of one of our four convenient dates that better fits your budget. Combine Budget Billing with Automatic Bank Draft and you are set for a year at a time.

LREC also offers a pre-paid account similar to a pre-paid phone service. Under this option, no deposits are required. A member simply purchases a certain amount of electricity in advance. The

member will be notified by phone or email when the balance is low. The member can then purchase more energy. This can be done daily, weekly, monthly or as often as one wishes. If a meter runs out of money, the account will be disconnected automatically. More information can be found on our website at [www.lrecok.coop](http://www.lrecok.coop).

**Security Deposit for New Accounts:**

A security deposit is required on all new accounts. The amount of the security deposit will be equal to two times the highest bill for that location for existing services or \$300.00 for a new construction. However, this security deposit can be waived under the following circumstances:

- A. A new member may choose to have LREC perform a credit check to determine if a security deposit is needed (\$5.00 credit application fee paid by member). If the credit check indicates that a security deposit is not required, the deposit amount will be waived.
- B. LREC also offers a pre-paid account similar to a pre-paid phone service. Under this option, no deposits are required. A member simply purchases a certain amount of electricity in advance. The member will be notified by phone or email when the balance is low. The member can then purchase more energy. This can be done daily, weekly, monthly or as often as one wishes. If a meter runs out of money, the account will be disconnected automatically. More information can be found on our website at [www.lrecok.coop](http://www.lrecok.coop).