Setup Requirements

Enable all of the following within NorthStar to receive the full benefit of the functionality.

- Credit Rating Limits
- Credit Rating Events
- Service Orders / Linking to Credit Events
- Service Type Setup
- Deposit Calculation Rules
- Payment History Rules
- Deposit Refund
- Refund Method
- Bank Group Setup
- Standard Statistic Profile
- Program Key Values (DEPRFTYPE & REFTYPEDEF)

Credit Rating Limits

Credit Rate Limits need to be setup to determine when the customer will reach the credit rating that will trigger eligiblity for the Deposit Calculation.

By using Service Orders to identify disconnected or winter moratorium non-pay accounts, the Utility may apply a high credit score and use it to identify accounts eligible for deposits.

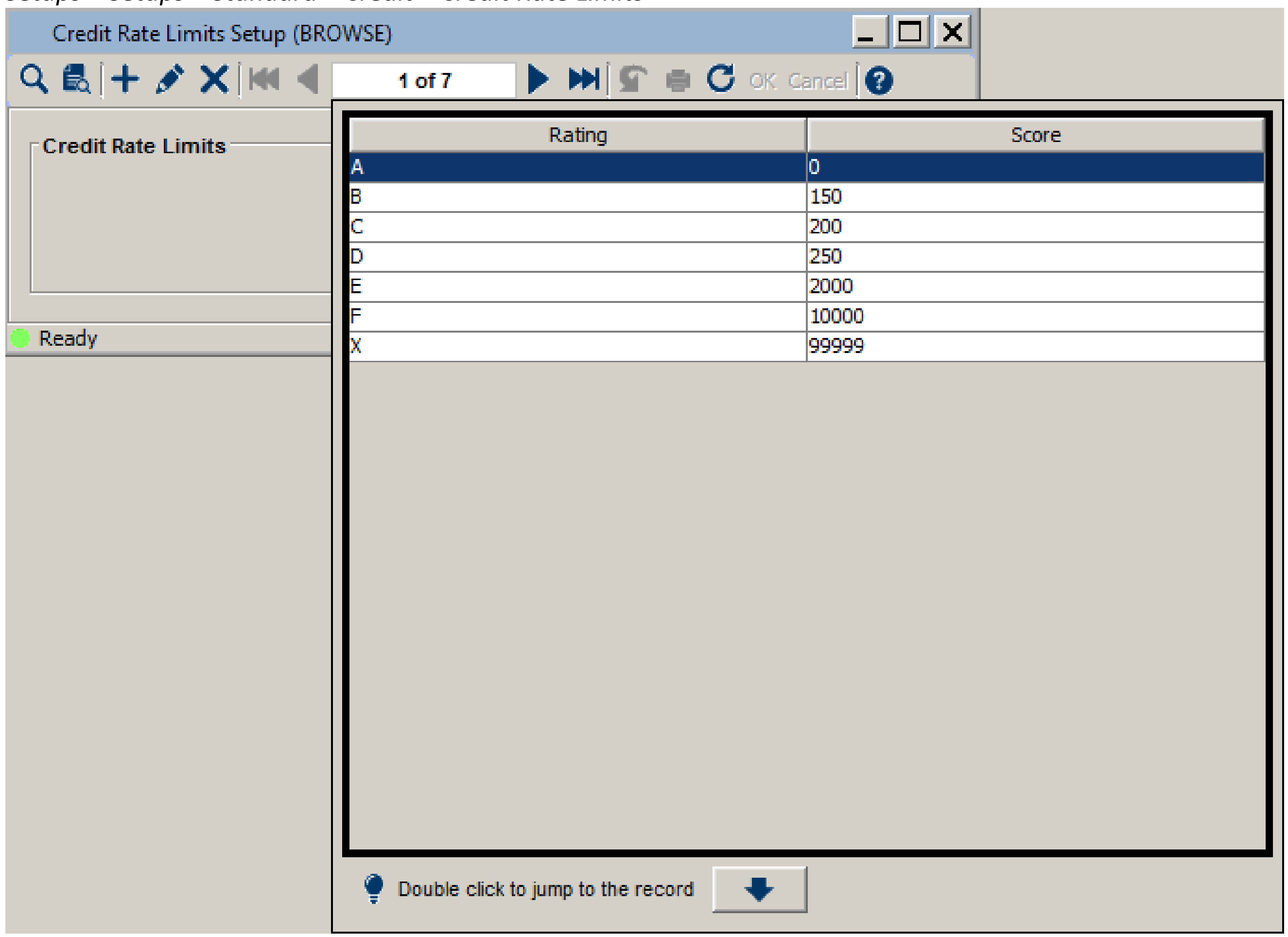
Open **Credit Rate Limits** to view the current settings.

Click **Edit** if a setting needs an adjustment.

Click **Add** if a new score and rate limit needs to be included.

Click **OK** to save.

Setups > Setups > Standard > Credit > Credit Rate Limits



Credit Rating Events

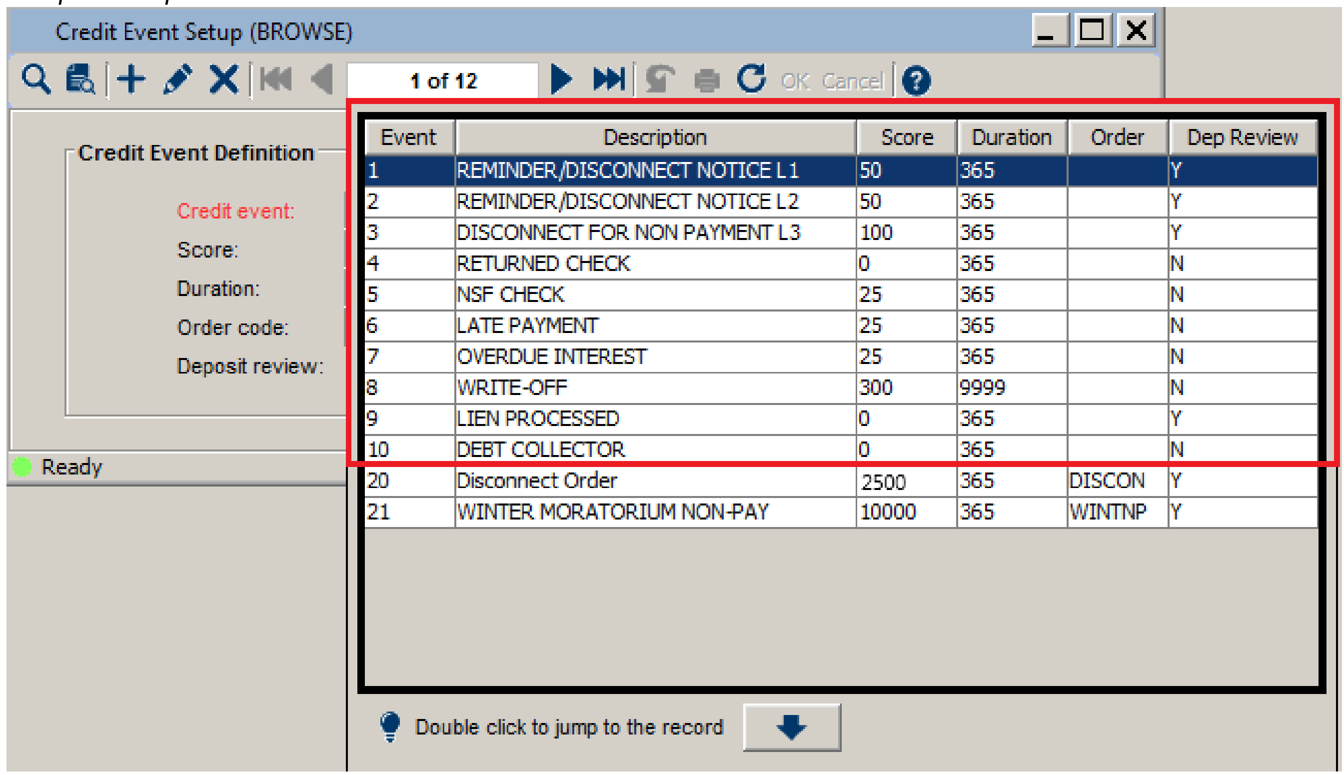
Credit Rating Events may be used to identify existing accounts eligible for a deposit.

Certain Credit Rating Events are referenced by the Payment History Rules used during the Deposit Review process. If 'Y' is selected, these events will be included in the Deposit Review process.

Events 1-10 are NorthStar default settings. The utility may assign scores and durations based on the 'severity' of the event, but the order and event should not be changed.

Even when no score is associated to an event, NorthStar automatically captures the events under the Credit Score table in Account Gateway.

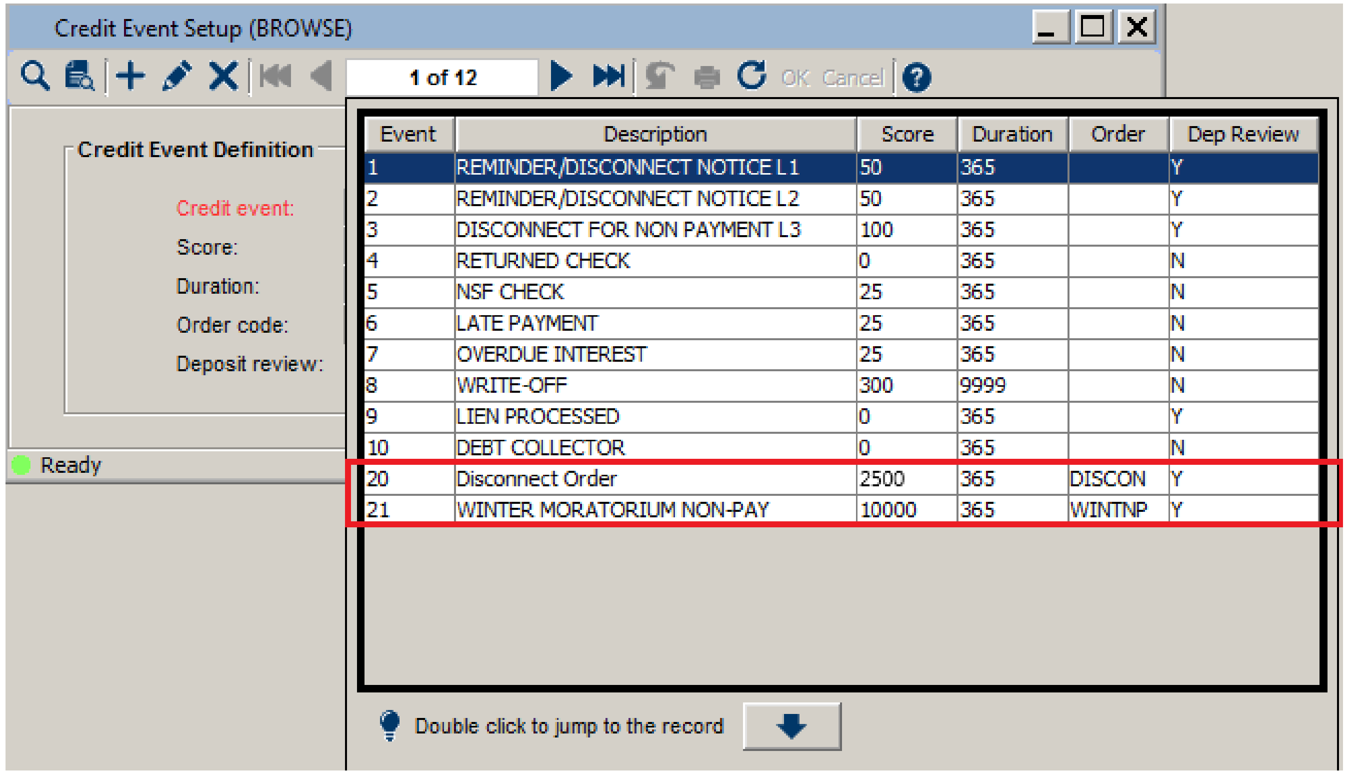
Setups > Setups > Standard > Credit > Credit Event



Event	Description	Score	Duration	Order	Dep Review
1	REMINDER/DISCONNECT NOTICE L1	50	365		Y
2	REMINDER/DISCONNECT NOTICE L2	50	365		Y
3	DISCONNECT FOR NON PAYMENT L3	100	365		Y
4	RETURNED CHECK	0	365		N
5	NSF CHECK	25	365		N
6	LATE PAYMENT	25	365		N
7	OVERDUE INTEREST	25	365		N
8	WRITE-OFF	300	9999		N
9	LIEN PROCESSED	0	365		Y
10	DEBT COLLECTOR	0	365		N
20	Disconnect Order	2500	365	DISCON	Y
21	WINTER MORATORIUM NON-PAY	10000	365	WINTNP	Y

Utilities may use Service Orders to add Event Scores.

The example shown added the Disconnect Order (Event 20) and the Winter Moratorium Non-Pay Order (Event 21).



Event	Description	Score	Duration	Order	Dep Review
1	REMINDER/DISCONNECT NOTICE L1	50	365		Y
2	REMINDER/DISCONNECT NOTICE L2	50	365		Y
3	DISCONNECT FOR NON PAYMENT L3	100	365		Y
4	RETURNED CHECK	0	365		N
5	NSF CHECK	25	365		N
6	LATE PAYMENT	25	365		N
7	OVERDUE INTEREST	25	365		N
8	WRITE-OFF	300	9999		N
9	LIEN PROCESSED	0	365		Y
10	DEBT COLLECTOR	0	365		N
20	Disconnect Order	2500	365	DISCON	Y
21	WINTER MORATORIUM NON-PAY	10000	365	WINTNP	Y

To add a Credit Event:

Click the **Add** icon.

Enter the **Credit Event** number and description.

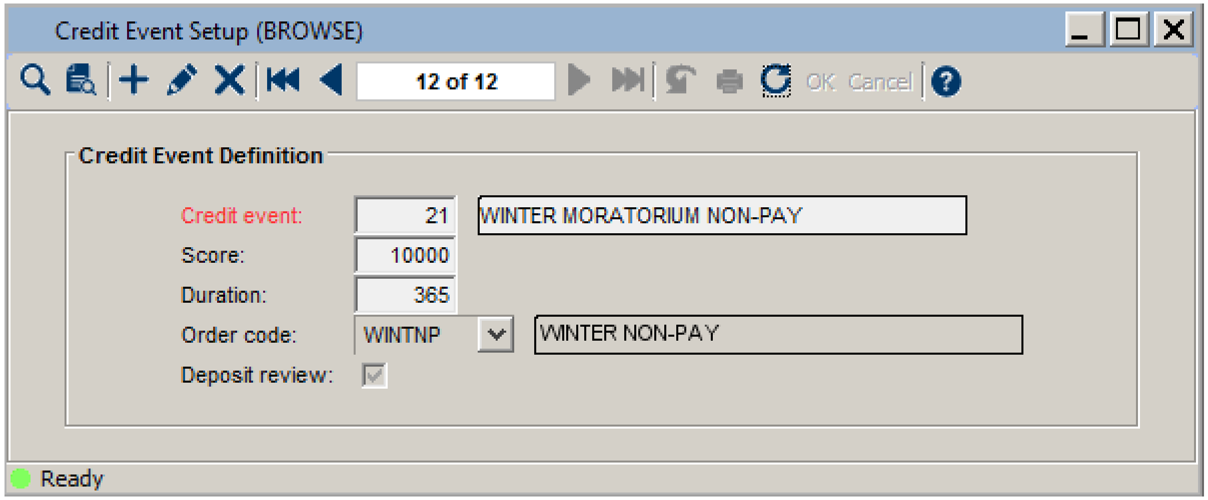
Enter the **Score** assigned to the event.

Set the **Duration** (number of days) the event will remain active.

Choose the **Order Code** to apply to the event.

Check the **Deposit Review** box if the event should be included in the calculation process.

Click **OK** to save.



Link Service Order to Credit Event

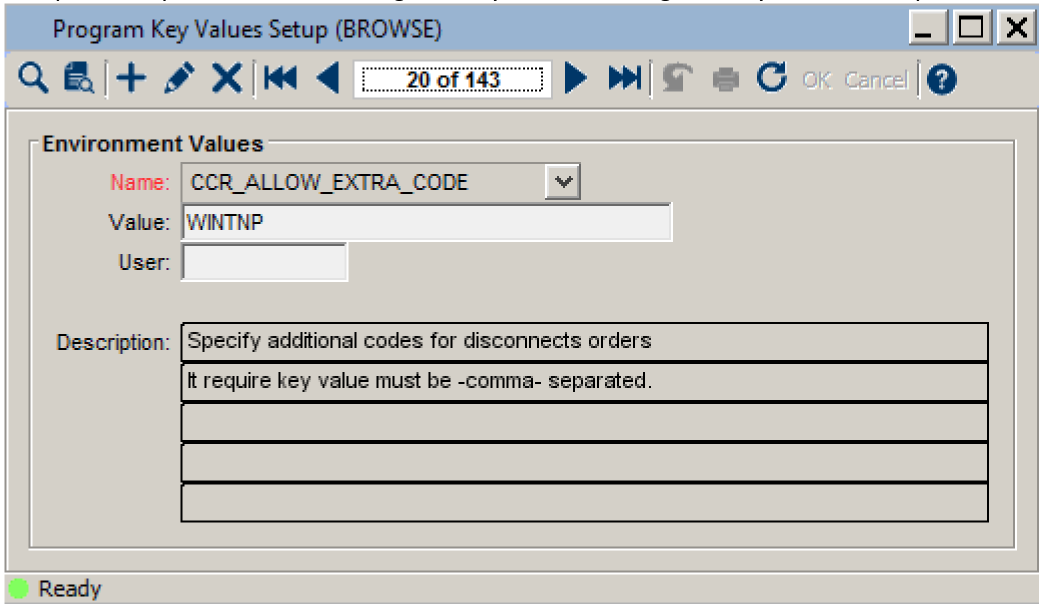
Note: If the WINTNP Service Order is not setup NorthStar, refer to the ***New Service Order Setup*** document for Step-by-Step instruction to create the new Service Order.

The Program Key Value **CCR_ALLOW_EXTRA_CODE** allows a non-disconnect service order type to be mass generated through Credit Control.

This may be used to identify accounts with no payments during the winter moratorium.

At **Value** enter the Service Order code. If multiple service orders are being linked to the credit event, separate the value with a comma (,).

Setups > Setups > Standard > Program Key Values > Program Key Values Setup



Service Type Setup

Select the **Service Type** the Utility will use to collect deposits.

Click the **Edit** icon.

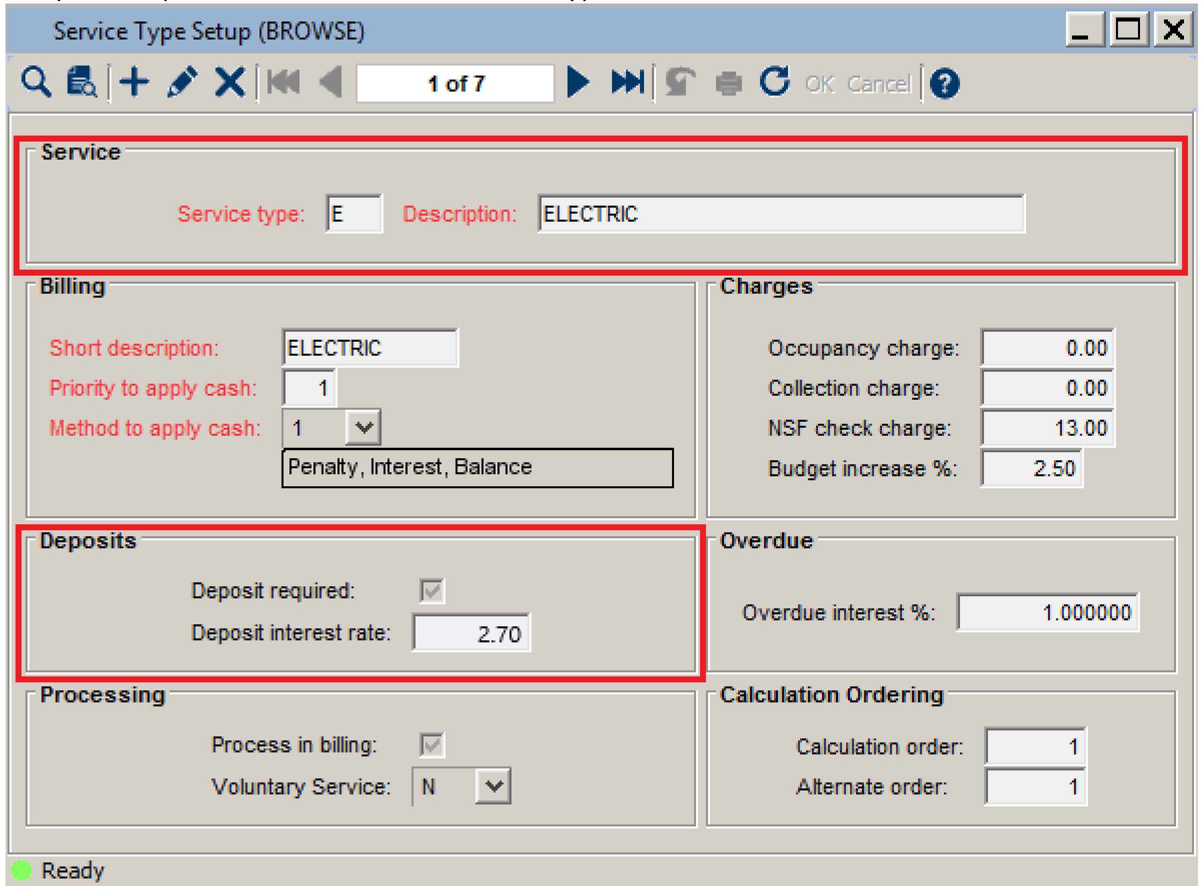
In the **Deposits** section, check the **Deposit Required** box to allow deposits for this service.

At the **Deposit Interest Rate**, enter the rate percentage for interest paid to customers on deposits.

Note: This will need to be updated yearly when the deposit interest rate changes. Interest must be applied to the deposit each year prior to updating the Deposit Interest Rate.

The current [Deposit Interest Rate] is located on the PSC website.
Expand the third (3rd) section under General FAQs titled '*What is the interest rate on customer deposits?*' to see the current rate and a [listing of historical rates].

Setups > Setups > Standard > Service > Service Types



Deposit Calculation Rules

In order for NorthStar to calculate a deposit based on the member's pre-defined criteria, the deposit calculation rules must be setup.

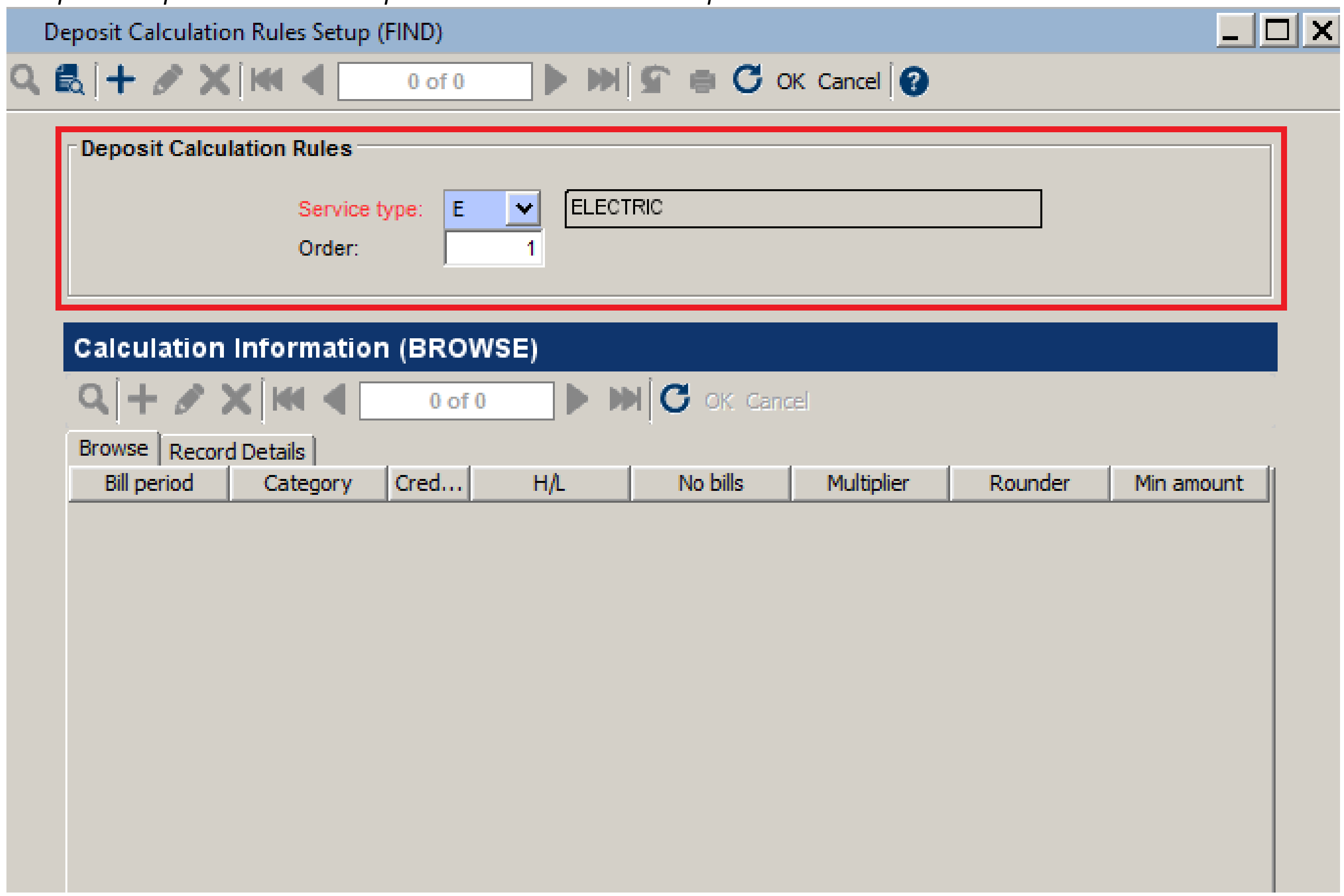
Select the **Service Type** from the dropdown menu.

In the **Order** field, enter a number to represent the service's position in the deposit calculation.

'Non-Deposit' service charges may be included in the deposit calculation by entering the Service Type with a *negative* Order number.

In the example, the Electric deposit will calculate first based on the Order set to 1.

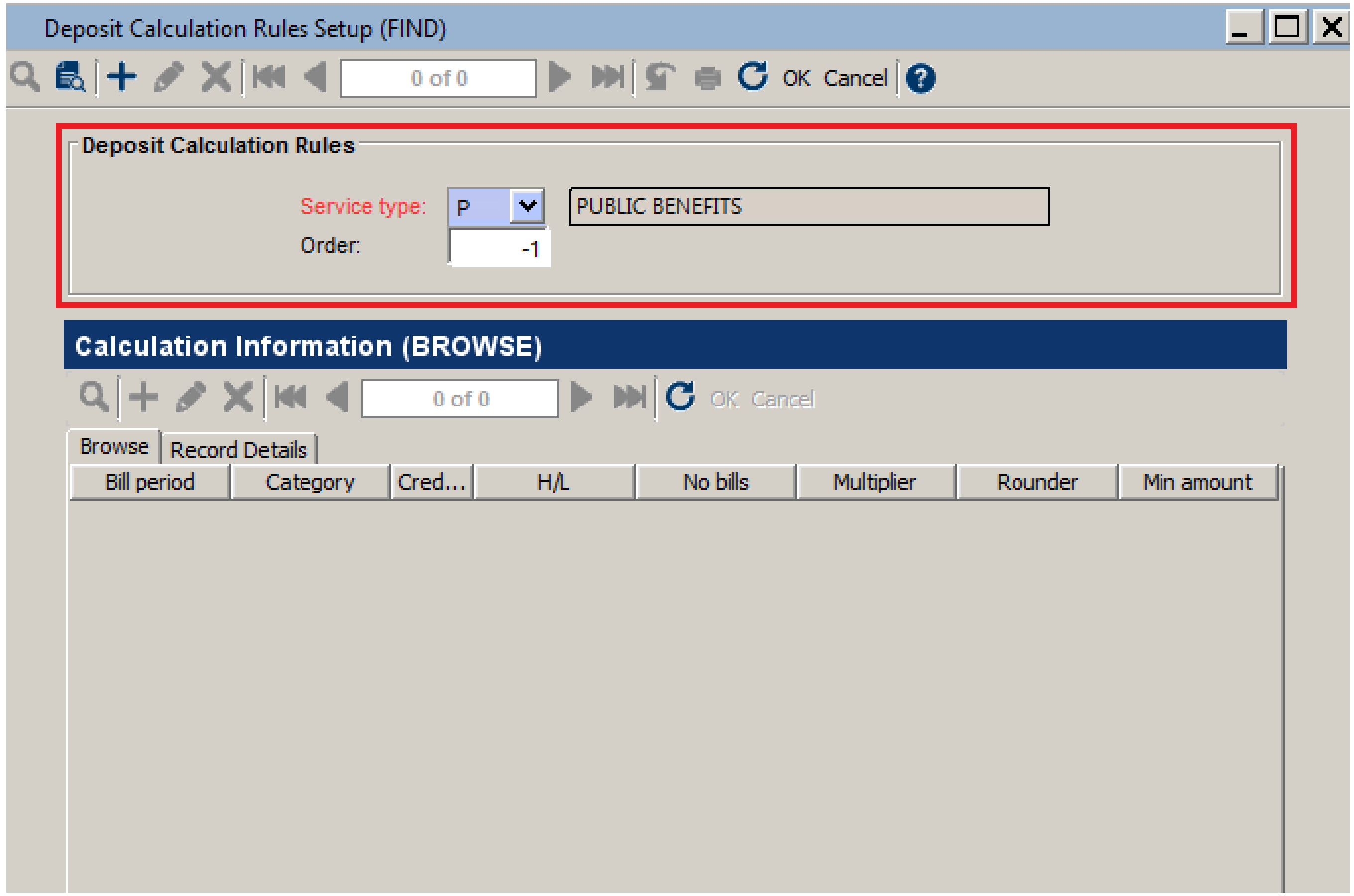
Setups > Setups > Standard > Deposit Calculation Rules Setup



If including charges on the public benefits service in the calculation, add the Public Benefits service and set the Order to -1.

If requiring separate deposits for Electric and Water services, set up the Water Service Type with the Order set 2 and Sewer set to -2.

Click **OK** to save the Deposit Calculation header record.



Click **Add i**n the **Calculation Information** section to define the criteria for the calculation rules.

Set **Category** if separate deposit criteria by category are used.

Select **Bill Period** as ‘1’ (monthly bill).

Select the **Credit Rating** to identify accounts eligible for deposits.

Set **Highest** field to ‘H’ (highest) or ‘L’ (latest) to determine if the highest or latest number of bills is used in the deposit calculation.

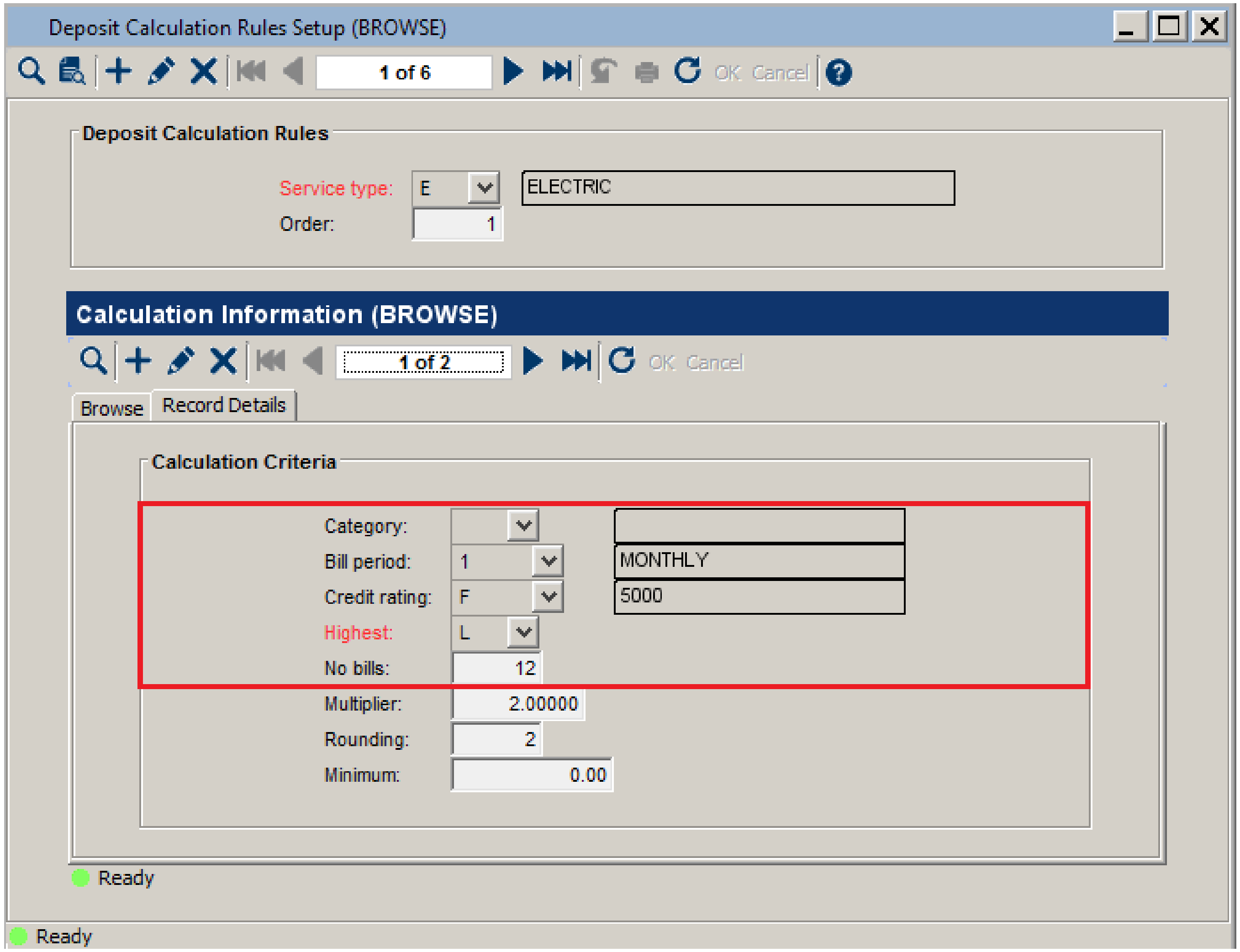
At **No Bills,** enter the number of bills to be included in the calculation.

If the utility sets Highest to ‘H’ and No Bills to 12, the system will include the account’s 12 highest bills in the deposit calculation.

If the utility sets Highest to ‘L’ and No Bills to 12, the system will include the account’s 12 most recent bills in the deposit calculation.

Note: Wisconsin utilities will likely exceed regulation if using Highest ‘H’, as this considers history extending beyond the most recent 12 months.

At **Multiplier,** enter the number to multiply by the average bill. Up to five (5) decimal places allowed.



Set **Rounding** to the number of decimal places the bill average result will round to.

Enter the **Minimum** bill amount the deposit calculation should consider.

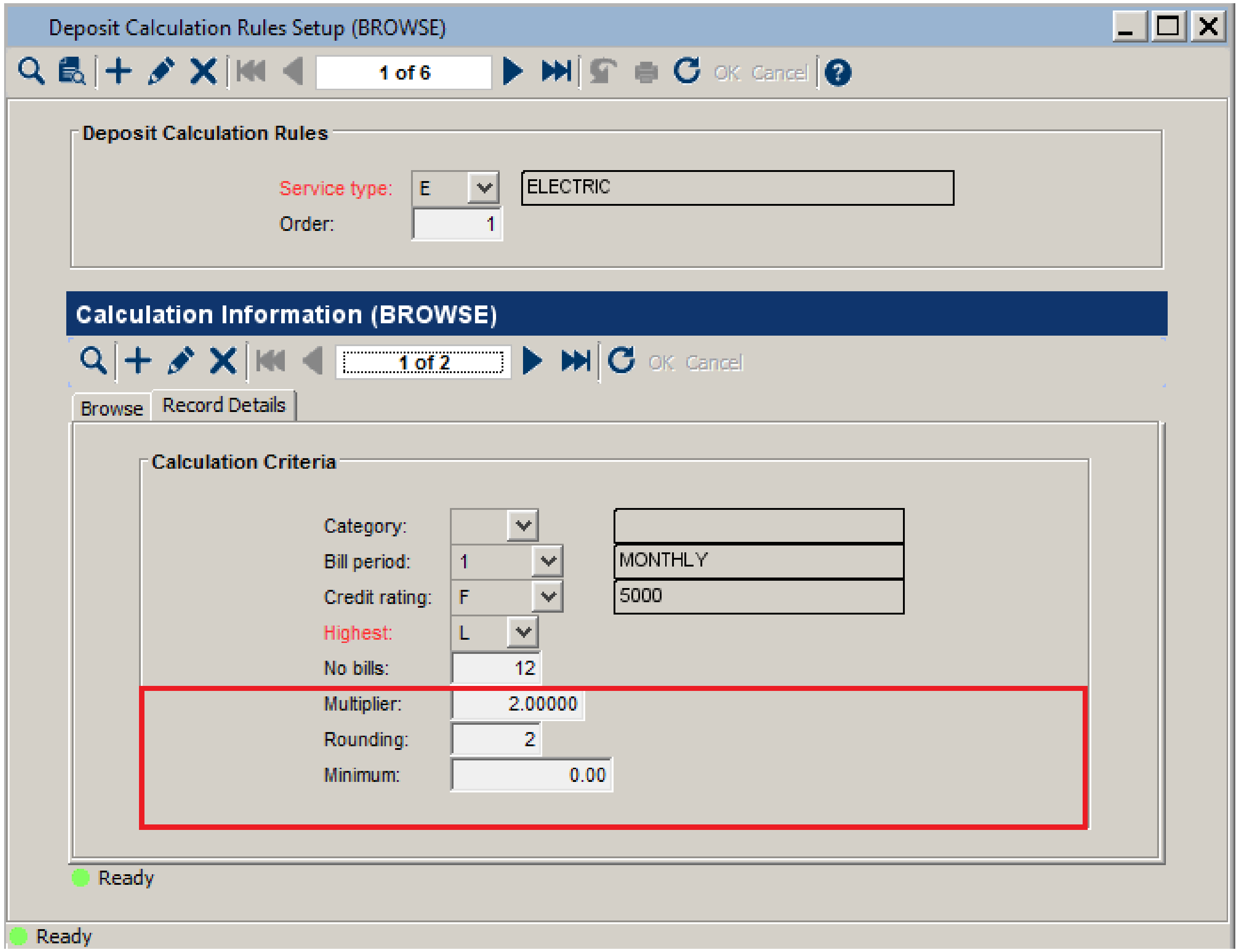
Click **OK** to save.

Recommended Practice: Use the calculation criteria below for residential accounts disconnected within the past 12 months.

- *Bill Period = 1*
- *Credit Rating = F*
- *Highest = L*
- *No Bills = 12*
- *Multiplier = 2.00000*
- *Rounding = 2*
- *Minimum = 0.00*

Use the calculation criteria below for residential accounts during the Winter Moratorium.

- *Bill Period = 1*
- *Credit Rating = X*
- *Highest = L*
- *No Bills = 12*
- *Multiplier = 4.00000*
- *Rounding = 2*
- *Minimum = 0.00*



Payment History Rules

The Deposit Review Journal uses the Payment History Rules to identify which Credit Events trigger a review on an account.

Note: The rules must be setup for every category <u>and</u> every credit event the review process applies to because the rules are different for each customer type.

An account will not be eligible for a deposit refund if any of the events defined in the Payment History Rules have been triggered.

From the Payment History Rules table, click the **Add** icon.

Select the **Service Type** the rule will apply to.

Choose the **Category** from the dropdown menu.

Set the **Credit Event** using the dropdown options. Be sure to include the Winter Moratorium Non-Pay and Disconnect Order.

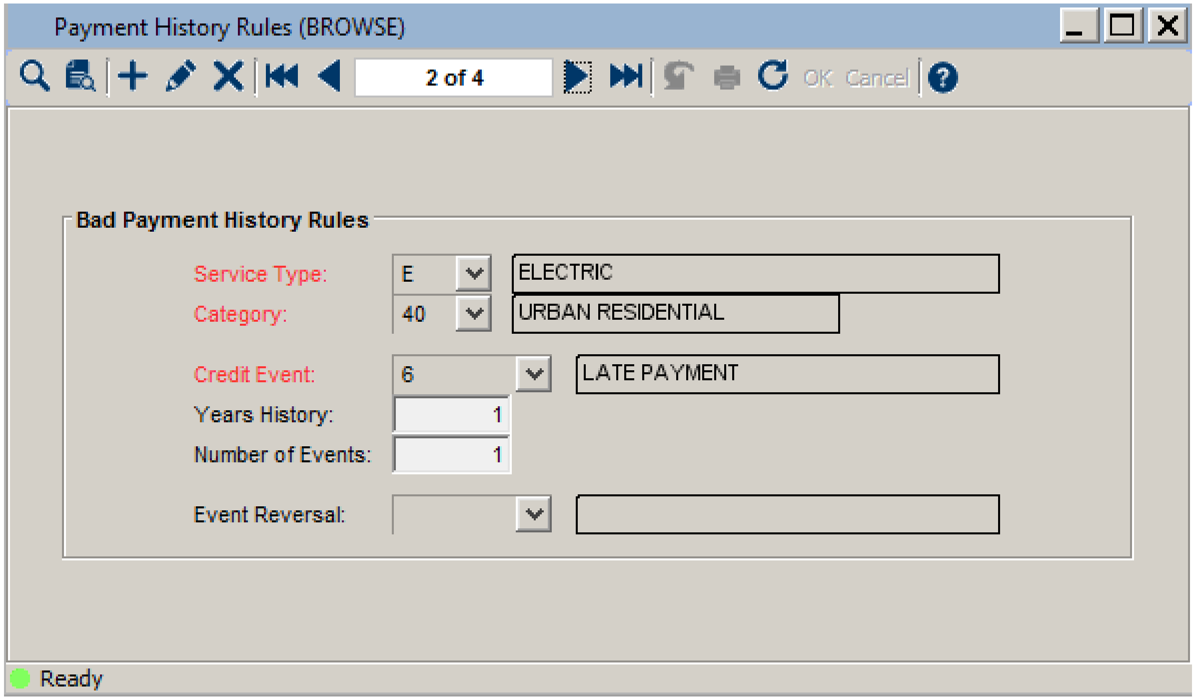
Enter the **Years History** to be included in the event.

Enter the **Number of Events** to be included in the review.

Click **OK** to save.

Note: If the Utility collects deposits on water, the Water service will also need to be setup.

Setups > Setups > Standard > Payment History Rules



Deposit Refund

This table contains the default criteria for refunding a deposit. This is a global setting.
Additional refund criteria may be defined in the Refund Journal under the batch header and filters.

In the **Deposit / Interest** section of the table, enter the criteria settings.

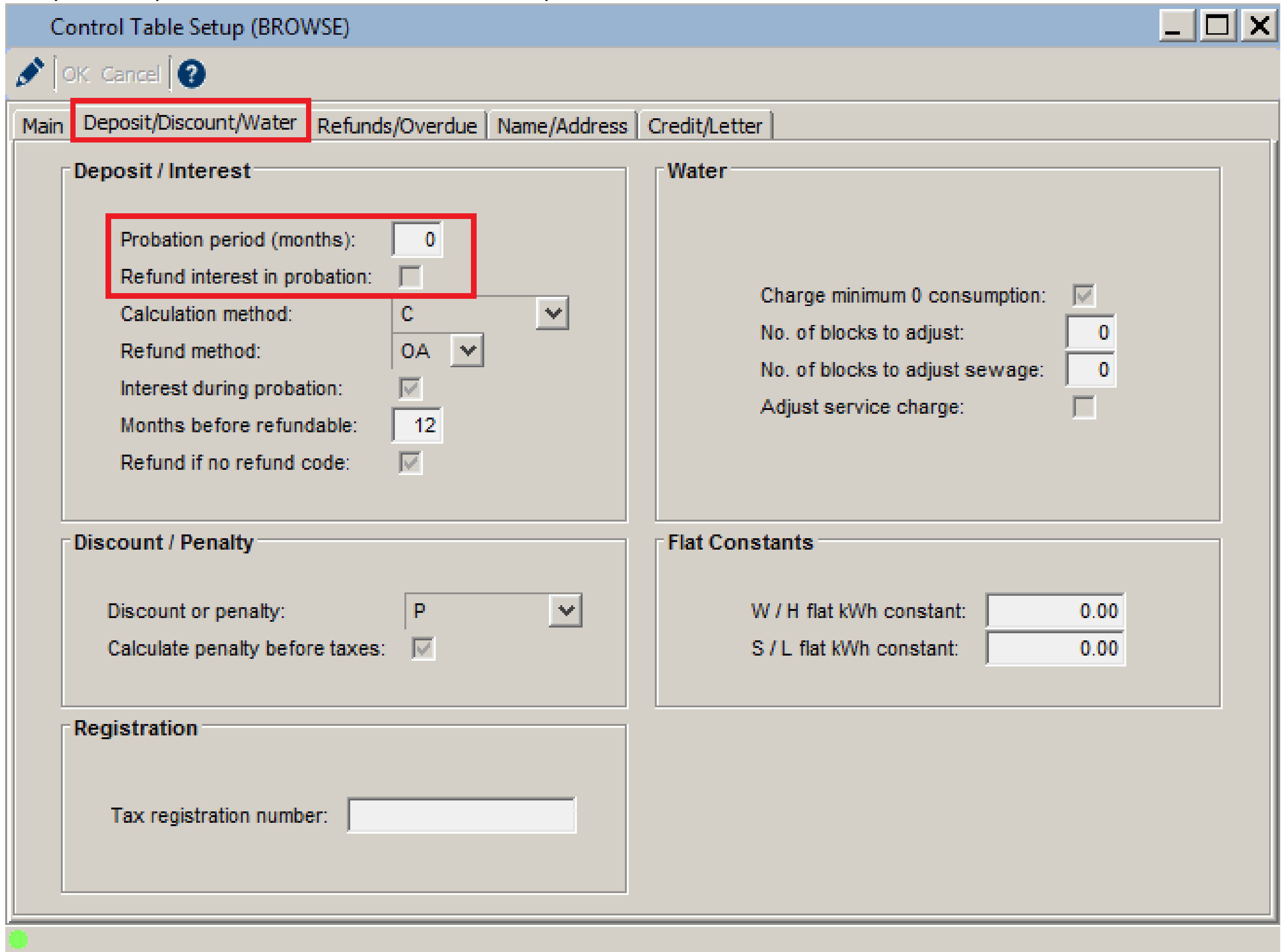
Probation Period (months)
Enter the number of months for which a deposit must be on file before interest is credited to the customer's account.

This is used if you have a period of time in which the interst is not applied if the deposit is returned.

Note: This needs to be set to '0' for interest to refund properly.

Refund Interest in Probation
Check the box if interest is refunded when the deposit is returned during the probation period. Leave the box unchecked if the interst is not refunded when the deposit is returned during the probation period.

Setups > Setups > Standard > Control Table > Deposit/Discount/Water

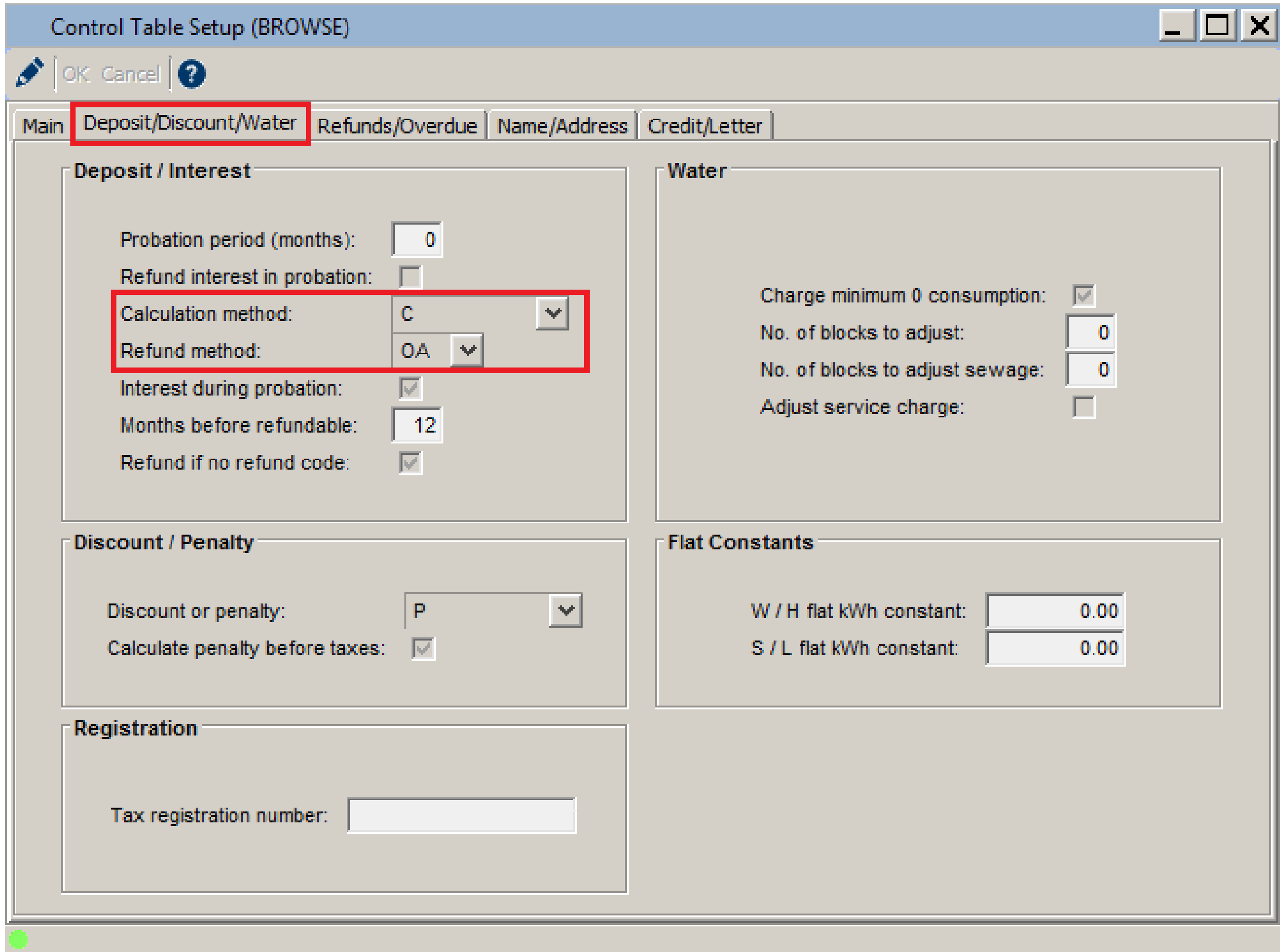


Calculation Method

Enter ‘S’ for the simple interest calculation. This does not affect the original deposit as it always calculates on the same amount and kept separate from that amount.

Enter ‘C’ for the compound interest calculation. The compound interest is calculated and added to the deposit. The next interest calculation includes the deposit and the interest.

Note: ‘C’ – compound interest calculation is generally used.



Refund Method

If the Calculation Method is set to ‘S’, enter OA, AP, or AR.

- **OA** – Hold the interest until the deposit is refunded
- **AP** – Pay the customer’s deposit interest by check
- **AR** – Credit the customer’s deposit interest against the customer’s account balance

If the Calculation Method is set to ‘C’, the Refund Method only allows OA.

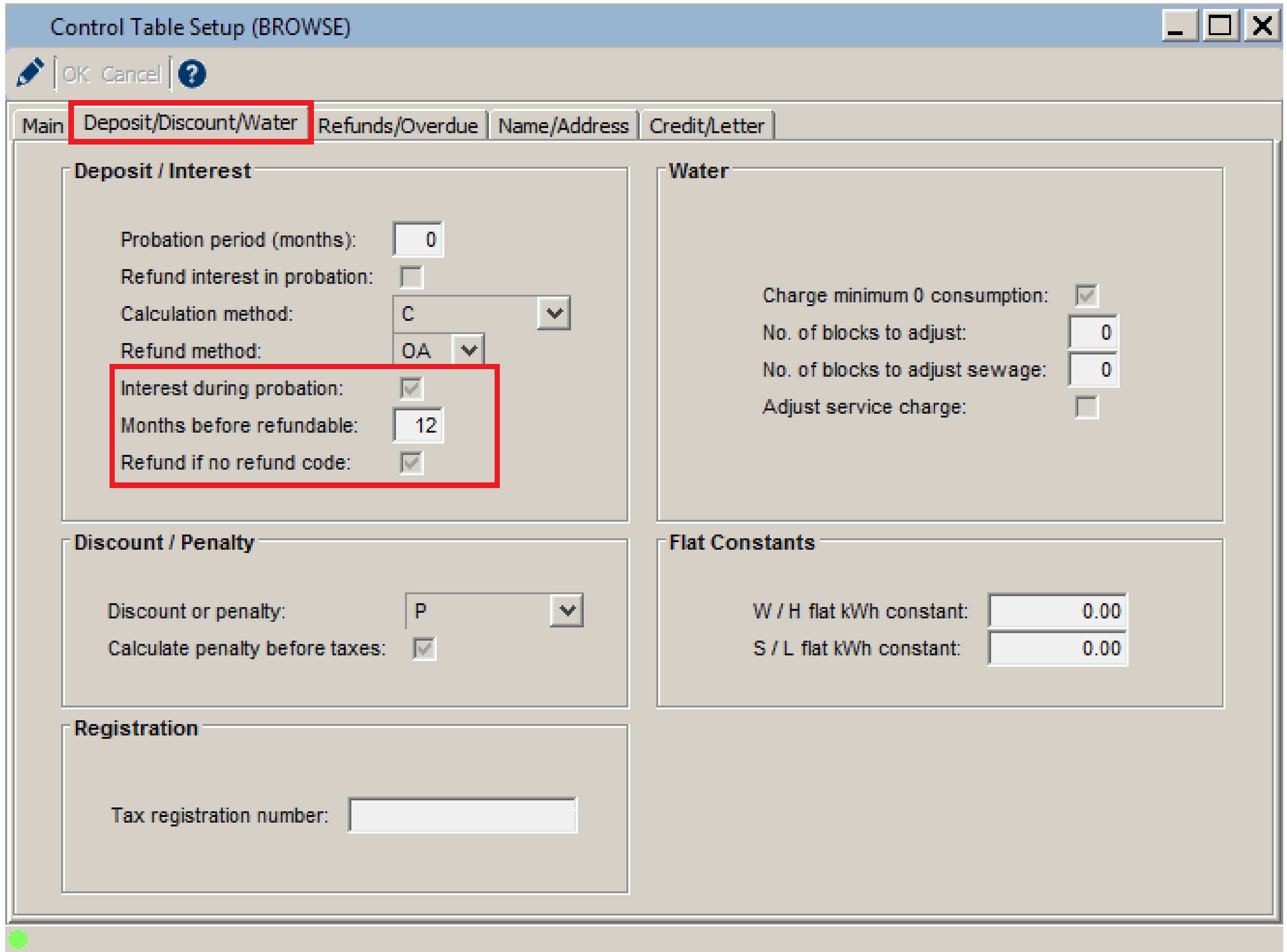
Interest During Probation - Check the box to allow the customer's deposit to earn interest during the probation period. Leave the box unchecked if no interest on the deposit is earned during the probation period.

Months Before Refundable – Enter the number of months the Utility holds the deposit before refunding the deposit to the customer.

Refund if No Refund Code – Check the box to refund the customer's deposit if no refund criteria is set.

If the box is unchecked, the deposit will not be refunded if no refund criteria has been set.

*Note: If the probation period is six (6) months and the customer moves out in three (3) months, the customer would not receive any interest on the deposit if **Interest During Probation** and **Refund Interest in Probation** are both set to 'N' (unchecked).*



Refund/Overdue Method

Set the **Method (AR/AP).**

The Utilities' preferred refund method determines the setting.

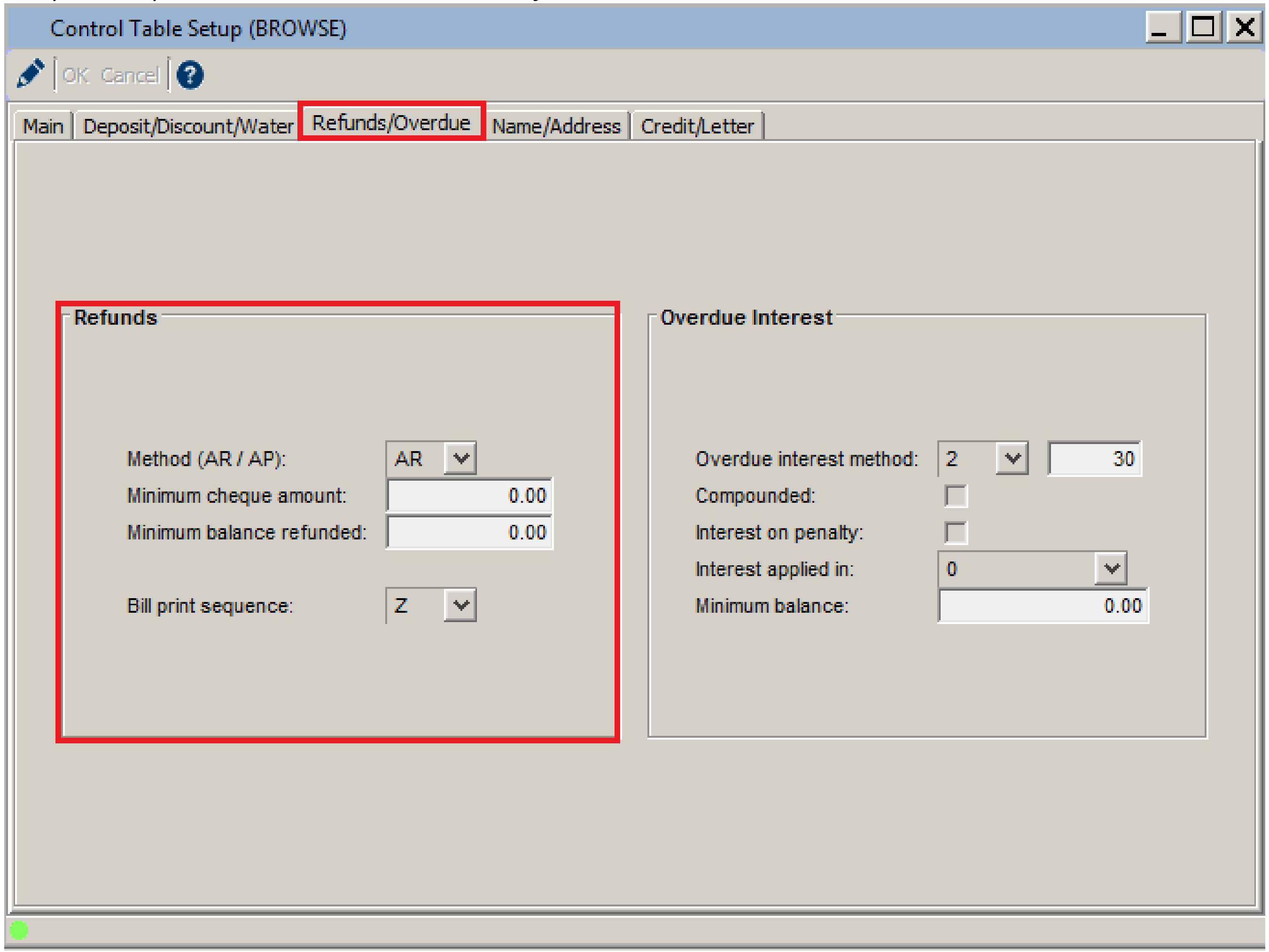
- Enter AP to pay the customer's deposit by Check.
- Enter AR to credit the customer's deposit to the customer's account

Set the **Minimum Check Amount.**

Set the **Minimum Balance Refunded.**

Choose the **Bill Print Sequence** to use from the dropdown menu.

Setups > Setups > Standard > Control Table > Refunds/Overdue



Bank Group Setup

In order for a deposit to be applied to the correct G/L, the statistic code must be present on the corresponding service.

From the **Cashiering** module, open the **Bank Group Setup** table.

Select the **Bank Group** the deposit is associated.

Move to the **Record** Details tab.

Review the **Service Type** setups.

Verify the **Deposit Rev:** field is set to ‘x’-DEP for any service a deposit may be collected.

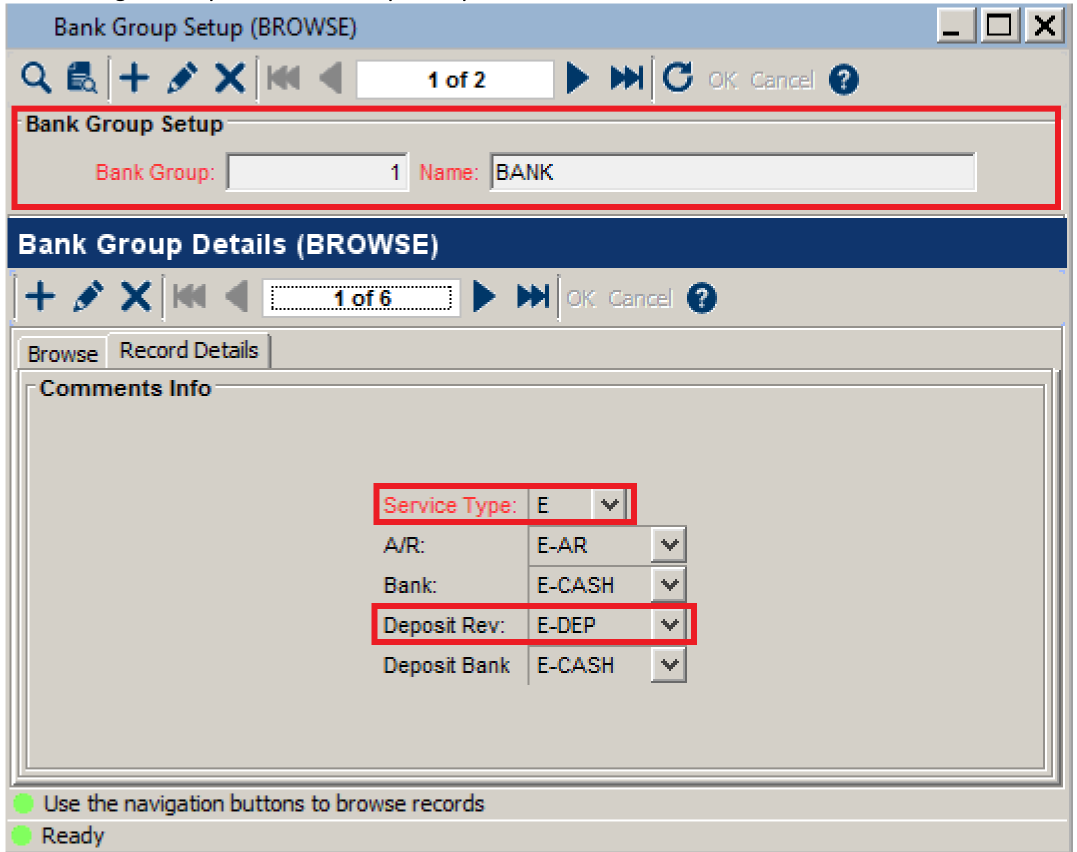
If the Deposit Rev: field is not set, click the **Edit** icon.

Select **E-DEP** or **W-DEP** from the dropdown menu.

Click **OK** to save the changes.

Note: The example shown is for the Electric service type. The Deposit Rev: field is set to E-DEP. Water would be set to W-DEP.

Cashiering > Setups > Bank Group Setup



Standard Statistic Profile

The Standard Statistic Profile must be set for each service type that a deposit may be collected. This, in conjunction with the Bank Group Setup, will allow the deposit to be applied to the correct G/L.

Open the **Standard Statistic Profile** table.

Review each **Service Type** where a deposit may be collected.

On the **Standard Profiles** tab, review the selected stat codes for deposits.

The **Deposits:** field should be set to 'E-DEP' or 'W-DEP.'

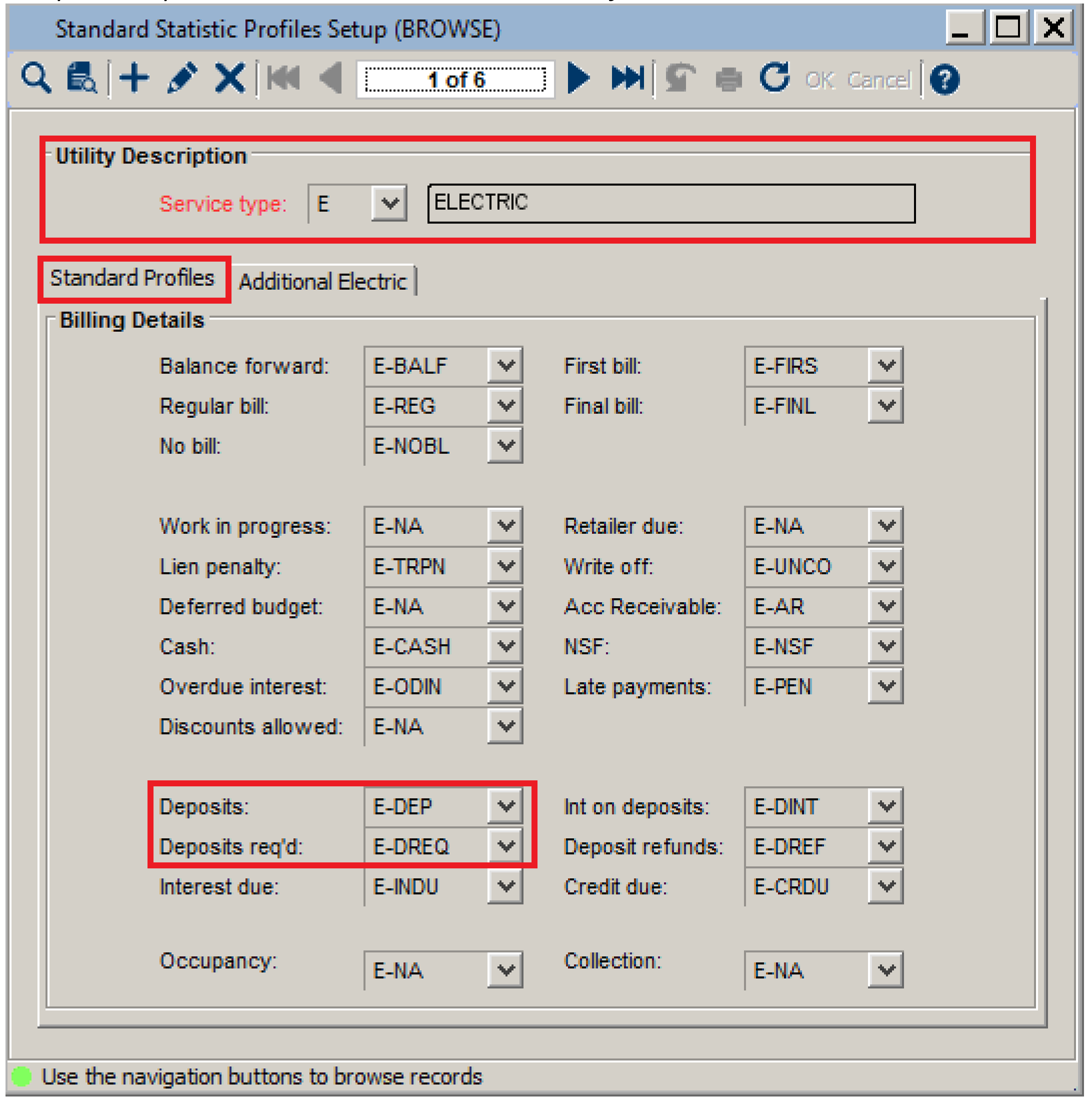
The **Deposits Req'd:** field should be set to 'E-DREQ' or 'W-DREQ.'

If the stat codes are not set, click the **Edit** icon.

Select the **stat code** from the dropdown menu based on the service type.

Click **OK** to save the changes.

Setups > Setups > Standard > Standard Statistic Profile



Program Key Values

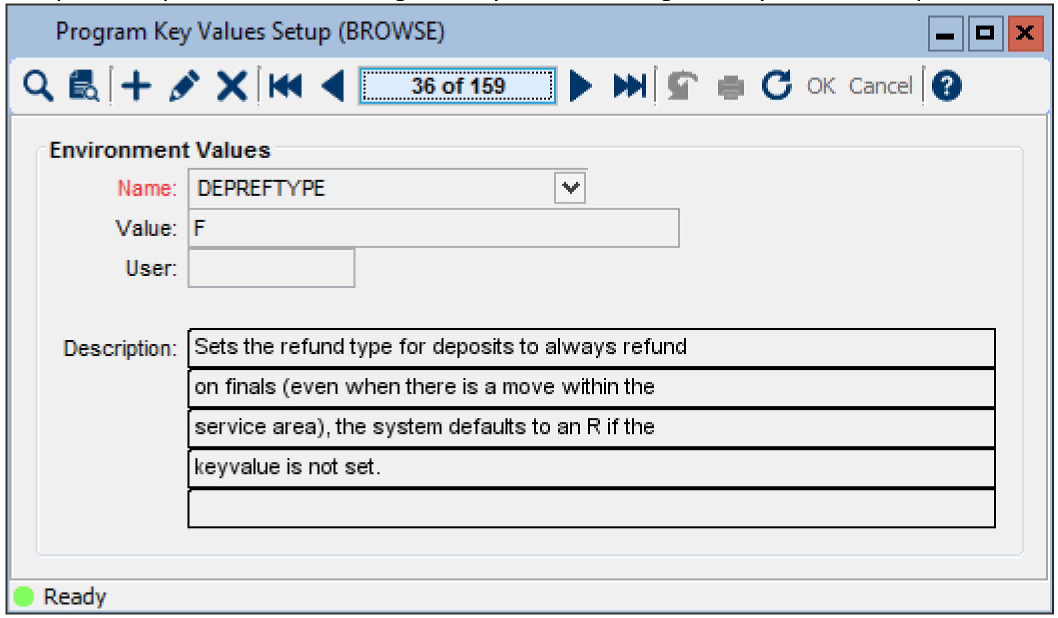
DEPREFTYPE (Deposit Refund Type)

Value is set to ‘F’.

This sets the refund type for deposits to always refund on *Final* accounts, even when the move is within the service area.

If no Value is set, the system defaults to ‘R’.

Setups > Setups > Standard > Program Key Values > Program Key Values Setup

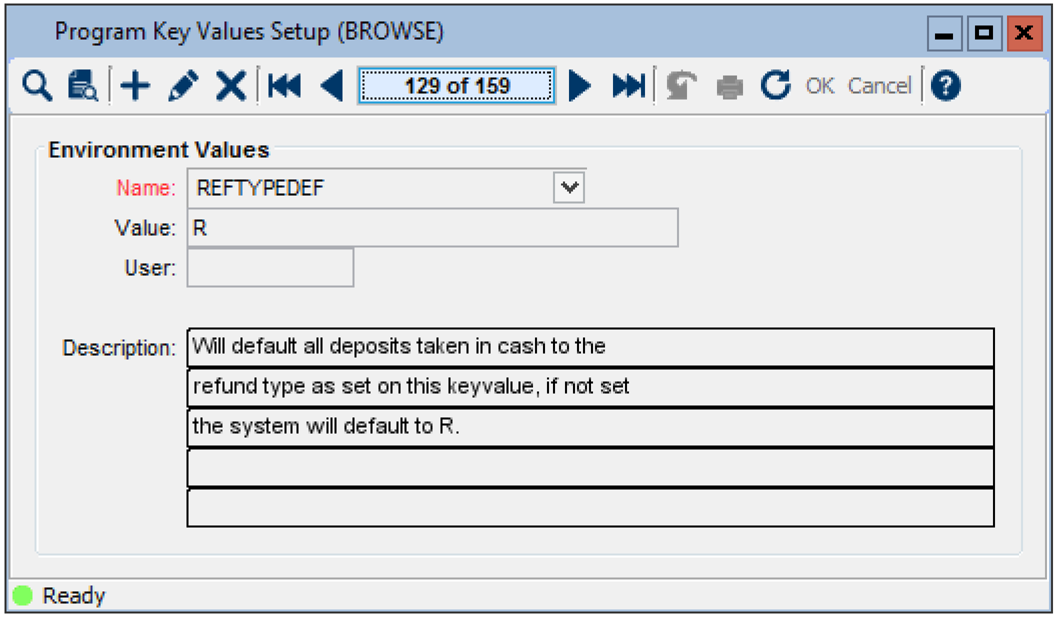


REFTYPEDEF (Refund Type Default)

Value is set to 'R'.

This defaults all deposits taken in cash to the refund type set in the Value field.

If no Value is set, the system defaults to 'R'.



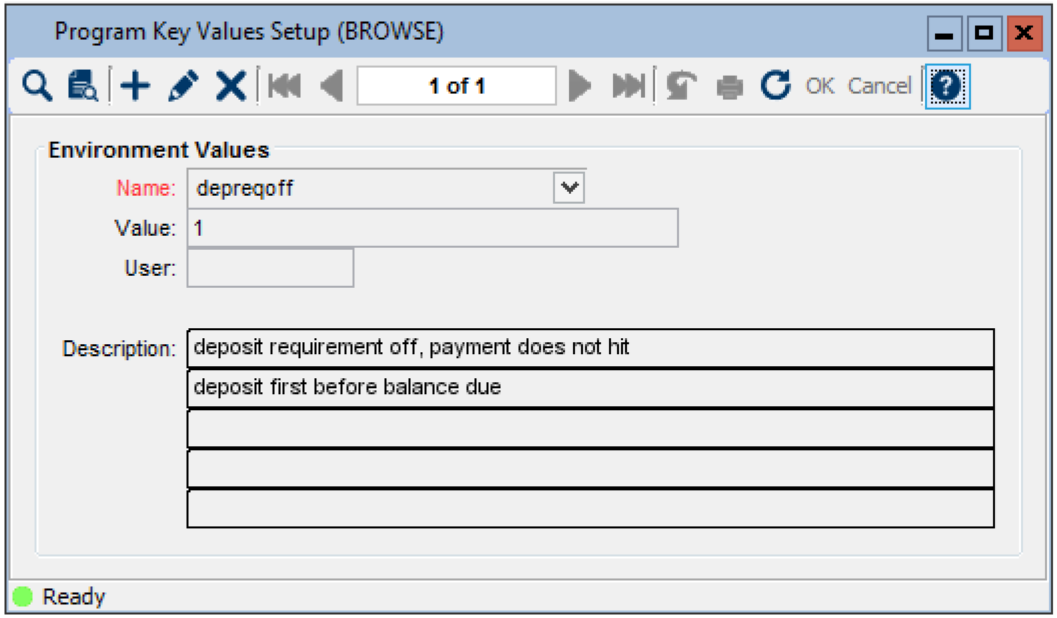
Optional Program Key Values

Note: The Program Key Values shown below are optional and determined by individual utilities' protocol.

depreqoff

Value is set to '1'.

When set, any account with a deposit owing, payments will be applied to the balance due before the deposit.



depnotapply

Value is set to ‘1’.

If set, the deposit is not applied to the total balance on the printed receipt.