

POWELL VALLEY ELECTRIC COOPERATIVE

POLICY NO. 100 – 2 C

DEPOSITS – ELECTRIC SERVICE

I. OBJECTIVE

To set forth guidelines regarding customer deposits.

II. ENERGY DEPOSIT REQUIREMENTS

A. Deposits will be required of *all* existing and prospective customers, *unless* a deposit waiver requirement is met.

1. Definitions:

- a.** A *good credit* is defined as having no delinquent payments within the preceding 12 months history of service with the cooperative.
- b.** An *acceptable credit* is defined as having made all payments (or arrangements) before the disconnect date within the preceding 12 month history of service with the cooperative.

2. Deposit requirement *is waived* for the following depending on the type of credit established:

- a.** Residential or *Small Commercial up to \$500 deposit amount.*
 - 1)** Customer must have an *acceptable credit*.
 - 2)** Applicant has a co-signer who is an active customer of the cooperative with a *good credit*.
 - 3)** New applicant's former utility submits an *acceptable credit* reference on behalf of applicant.
 - 4)** Applicant's member account (*with an acceptable credit*) may be used by members who are opening small commercial accounts.
- b.** Small Commercial with a deposit over \$500.
 - 1)** Customer must have a *good credit*.
- c.** Large commercial customers with a *good credit* may connect other commercial accounts under the same membership number.

B. Residential

1. Deposit Amount

a. Existing Location

- 1)** *Two (2) times the average bill* in the past 12 months

b. New Location

- 1)** House, Mobile Home **260.00**
- 2)** Apartment, Condo **160.00**
- 3)** Cabin (*seasonal*), Houseboat **100.00**
- 4)** Camper **70.00**

C. Commercial

1. Deposit Amount
 - a. **Existing Location**
 - 1) *Two (2) times the average bill* in the past 12 months
 - b. **New Location**
 - 1) Barn, Electric Fence **50.00**
 - 2) Pump, Garage **70.00**
 - 3) Church **200.00**
 - 4) School **400.00**
 - 5) Business – Single Phase **270.00**
 - 6) Business – Poly Phase *Case x case*
 - a. Calculated by Engineer
 - i. *Two (2) times the estimated average bill*

D. Multi-Accounts

1. Deposit amounts for temporary services will be based on the location's final purpose.

E. Dormant Locations

1. Locations that have been inactive or have significantly reduced usage within the past 12 months.
 - a. Use *New Location* deposit requirement
 - b. Engineering may calculate the deposit for a business having different power requirements than the previous business in that location.

F. Deposit Security

1. Acceptable forms
 - a. Cash
 - b. Co-signer w/ 3rd party agreement
 - c. Irrevocable letters of credit from a bank.
 - d. Other forms may be acceptable on a case by case basis as approved by the General Manager.

G. Deposit Collection

1. Deposits may be collected in payments over two months.

H. Interest

1. Interest will be paid on all deposits or increments thereof
 - a. Interest shall be paid at the rate earned on PVEC's primary bank account as of January 1 of each year.
2. Interest on un-refunded deposits shall be applied to the customer's account annually.

I. Deposit Refunds

1. Energy deposits will be returned after one year during which the customer has not been delinquent at all (*paid all bills prior to penalty date*). Deposits will be applied to the member's account or refunded if the customer requests.
2. Return of facility deposits shall be covered in the customer's contract.

J. Deposit Amount Review

1. When a customer is disconnected, the account's deposit will be reviewed to determine if it is adequate based on II. above.
 - a. Update co-signer or deposit, if current co-signer's credit record disqualifies them.
 - b. Additional deposit may be required before re-connection
2. Annually, upon written request of the customer or at the discretion of the cooperative, the deposit balance and earned interest, may be reviewed by the customer and re-evaluated by PVEC based on the most recent usage.

K. Deposits and the Unclaimed Property Act

1. When a member owning a deposit moves and the cooperative has deducted all outstanding charges, the balance of the deposit will be mailed to the member at his/her last known address. In the event the member has left no forwarding address and the letter is returned, the cooperative will hold the deposit until the member calls for it or it becomes necessary to pay it to the State under the Unclaimed Property Act. During the period of time from the attempt to return it until claimed or paid to the State, such amounts will accrue no further interest.

L. Facility Deposits

1. See Policy Series 100-3 for facility deposit requirements

III. RESPONSIBILITY

The Billing Department shall develop and administer policies.