POWELL VALLEY ELECTRIC COOPERATIVE

POLICY NO. 100 – 2 C

DEPOSITS – ELECTRIC SERVICE

I. OBJECTIVE

To establish fair and consistent requirements for electric service deposits, including deposit amounts, waiver eligibility, acceptable security, collection, interest, review, and refunds, while protecting the financial interests of the Cooperative and its members.

II. ENERGY DEPOSIT REQUIREMENTS

A. General Requirements and Credit Definitions

Deposits shall be required from existing and prospective members unless a waiver is available under this policy. "**Good credit**" means no delinquent payments during the preceding twelve (12) months of service with the Cooperative. "**Acceptable credit**" means that all payments were made, or satisfactory payment arrangements established, before the applicable disconnect date during the preceding twelve (12) months of service with the Cooperative.

B. Deposit Waivers

1. Residential and small commercial (GSA1) accounts with a calculated deposit of $500 or less may qualify for a waiver when: (a) the applicant has **good** or **acceptable** credit; (b) an active Cooperative member with **good** credit serves as an approved co-signer; (c) a former utility provides a **good** or **acceptable** credit reference; or (d) an existing member with **acceptable** credit opens a qualifying small commercial account.
2. For small commercial (GSA1) deposits greater than $500 and up to $1,000, a waiver requires **good** credit from the Cooperative. Co-signers shall not be accepted for waivers in this category.
3. Deposit requirements for large commercial accounts classified as GSA2 or greater shall be governed by the applicable individual power contract.

C. Residential Deposits

The deposit shall equal two (2) times the average monthly electric bill for the location during the preceding twelve (12) months, or the established amount for a new location, whichever is greater.

Established new-location amounts are:

House or mobile home: $260

Apartment or condominium: $160

Seasonal cabin or houseboat: $100

Camper: $70

D. **Commercial Deposits**

The deposit shall equal two (2) times the average monthly electric bill for the location during the preceding twelve (12) months, or the established amount for a new location, whichever is greater.

Established new-location amounts are:

Barn or electric fence: $50

Pump, garage, or service on pole: $70

Church: $200

School: $400

Single-phase business: $270

Poly-phase business: Case-by-case amount based on two (2) times the estimated average monthly bill, as calculated by Engineering.

E. **Temporary and Dormant Locations**

1. **Temporary Service**
   Deposits for temporary electric service shall be based on the location's intended final use, subject to the established minimum deposit amount for that type of service.

2. **Dormant Locations**
   For locations that have been inactive or have experienced significantly reduced electric usage during the preceding twelve (12) months, the deposit shall be based on two (2) times the estimated average monthly electric bill or the established minimum deposit amount for that type of service, whichever is greater.

F. **Deposit Security**

Acceptable security includes cash or an approved co-signer agreement for qualifying deposits of $500 or less. Other forms of security may be accepted on a case-by-case basis with General Manager approval.

G. **Deposit Collection**

Residential and small commercial (GSA1) deposits may be collected in installments over two (2) months.

H. **Interest on Deposits**

Interest shall be paid on deposits or increments thereof at the rate earned on PVEC's primary bank account as of January 1 of each year. Interest on deposits retained by the Cooperative shall be credited to the member's account annually.

I. **Deposit Refunds**

Residential and small commercial (GSA1) deposits shall be eligible for return after twelve (12) consecutive months without delinquency, with all bills paid before the penalty date. Eligible deposits shall be applied to the member's account or refunded upon request. Deposits for other commercial accounts (GSA-2 or greater) shall remain with the Cooperative while the account is active. Upon closure, deposits shall be applied to outstanding charges and any remaining balance refunded.

J. **Deposit Reviews and Adjustments**

Following disconnection for nonpayment, the Cooperative may review the adequacy of a deposit or co-signer and require additional security before reconnection. Upon written member request, or at the Cooperative's discretion, deposit balances and earned interest may be reviewed annually and deposit requirements reevaluated based on recent usage.

K. **Unclaimed Deposits**

After termination of service and satisfaction of outstanding charges, any remaining deposit and applicable accrued interest shall be returned to the member. Unclaimed amounts shall be administered in accordance with applicable state unclaimed property laws.

III. **RESPONSIBILITY**

The Billing Department shall administer this policy and maintain related procedures.

Original Adoption Date: August 24, 2015
Revision Dates: October 17, 2016; October 26, 2026