

POLICY:

Deposits or prepayments may be required by new or existing members to secure payment of future and final electric bills.

PROCEDURE:

1. **REQUIREMENT OF DEPOSIT:** Deposits or other guarantees may be required under the following conditions:
 - a. Where a new member's credit is not established, or where an existing member's credit has become impaired. Such impairment is shown by an electric bill that is three or more months delinquent or by seeking protection under bankruptcy laws.
 - b. For service to new irrigation installations, in which case a two-year annual minimum must be paid in advance.
 - c. For electric service to existing irrigation installations where electric bills are delinquent for three or more months. The prepayment (deposit) shall be the greater of \$10.00 per nameplate horsepower or the amount as specified in the current irrigation rate schedule. This prepayment must be paid before irrigation installations will be connected for the next irrigation season.
 - d. For electric service to commercial accounts where the anticipated monthly electric bill is \$500.00 or greater.
 - e. Under any other circumstances where the Board deems it necessary to protect the Cooperative.

2. **AMOUNT OF DEPOSITS:** Deposits required may be based on the following criteria:
 - a. The average monthly electric bill multiplied by the number of months to be secured **per Policy 301 3(a)**.
 - b. The horsepower rating of irrigation or other loads.
 - c. Other factors relating to the individual situation.

3. **PAYMENT OF DEPOSITS:**
 - a. Deposits or prepayments must be made in cash **and paid before service is connected**.

4. **REFUND OF DEPOSIT:**
 - a. After all contractual obligations have been met, all deposits shall be promptly refunded upon receipt of notice of termination from the member and upon payment of all charges due to the Cooperative.
 - b. As a member's contractual obligation is decreased over a period of time, the amount of the deposit required may be decreased proportionally.
 - c. If member keeps the electric bill current for a period of (12) months, the security deposit may be refunded as per Policy 301 (3)(a)(1) .

5. **INTEREST:**
 - a. No interest in any form will be allowed on deposits placed with the Cooperative.

RESPONSIBILITY:

Board of Trustees, Manager, and Billing Department