



*"Pioneers In America's Rural Electrification"*

### **Service Policy No. 1**

Effective September 9, 2015

SUPERCEDES POLICY DATED OCTOBER 2, 1986

### **DEPOSITS**

1. Deposits are to be applied without regard to race, color, creed, sex, age, national origin, or marital status.
2. All new residential customers or residential customers that have had service terminated for more than 30 days due to the non-payment of a bill and wish to be reconnected are required to provide a cash deposit of \$200 which is based on the residential class average.
3. For non-residential customers, a cash deposit or suitable guarantee equal to one times the highest monthly bill will be required. In the event that no prior billing history exists, the deposit amount will be estimated based on similarly sized buildings and estimated energy takings.
4. In a 12-month period, if there is more than one disconnection for non-payment or more than three months in which late payment charges were applied, the non-residential customer's deposit amount may be increased to two times the highest monthly bill based on prior billing history.
5. In no case will a deposit for non-residential accounts be greater than two times the highest monthly bill.
6. Suitable guarantees include but are not limited to cash deposited with Pontotoc Electric Power Association, surety bonds issued for an initial minimum of three years and guaranteed renewable, irrevocable letters of credits from banks guaranteeing payment of bills, property liens, and certificates of deposit in a local bank in the name of Pontotoc Electric Power Association.
7. Cash deposits made by members which are greater than a one-month average bill and are held by Pontotoc Electric Power Association for one (1) year or longer shall earn simple interest at a rate approved annually by the Board of Directors of Pontotoc Electric Power Association. The rate to be paid shall be comparable to but not lower than the average of the market rates of the interest earned during the preceding year on bank accounts of the Association. The Association reserves the right to round this rate to the nearest one-tenth of one percent.

8. Interest earned on deposits shall be accrued annually on a calendar-year basis and credited to the customer's electric account or paid in cash as soon as practicable, but no later than June 30<sup>th</sup> of the following year.
9. Upon termination of electric service, the deposit and any accrued interest may be applied against any unpaid bill of the customer and for damage and loss of all utility property. If any balance remains after such application is made, said balance shall be refunded to the customer.
10. Upon request, the deposit balance including earned interest is available for review by the customer and Pontotoc Electric Power Association. Deposit amounts may be increased or decreased based on a review of customer's usage and payment history.
11. Residential customers may negotiate monthly installments for initial service deposits in excess of \$100, provided that the entire amount of the deposit is paid within 60 days. Pontotoc Electric Power Association will also allow installment payments for residential deposits in cases of residential hardships such as hospice care, certified victims of domestic violence, and catastrophic loss of a residence due to fire, hail, flooding, tornados, or other weather-related disasters. For residential hardship cases, the full deposit must be paid within 65 days from the date that electric service commences.
12. Pontotoc Electric Power Association shall keep records to show (1) the name of the customer making the deposit, (2) the account number or other identification of the premises occupied by the customer making the deposit, (3) the amount and the date of making the deposit, and (4) a record of each transaction concerning the deposit.
13. Pontotoc Electric shall issue to every customer from whom a deposit is received a non-assignable receipt. Pontotoc Electric shall provide reasonable ways and means whereby the depositor who makes application for the return of his deposit or any balance to which he is entitled but is unable to produce the original receipt may receive his deposit or balance.
14. In addition to applicable deposits, a membership fee in the amount of \$50 is required of all applicants for service before service is connected.