

## **Section 3: Deposits**

### 1.0 General

- 1.1 The role of security deposits is to help reduce bad debt losses which protects those Customers that pay bills from those that do not.
- 1.2 After the deposit is paid in full, interest will accrue on a deposit held longer than twelve (12) months. The interest rate will be determined by the rates the Utility earns on its general fund account.
- 1.3 Interest accrued on all deposits will be applied annually to Customers account or refunded at the time the account is closed. Customer, upon written request may review deposit and earned interest balances.
- 1.4 Upon termination of service, deposit and any accrued interest may be applied by Utility against unpaid bills of Customer, and if any balance remains after such application is made, said balance shall be refunded to Customer.
- 1.5 A Customer that signs up for the Utility's Pre-Pay program, section 10 part 5.0, will not be required to make a deposit.
- 1.6 The Utility may, at its sole discretion, accept installment payments for deposits. At least half (50%) of the deposit must be paid at the time of application for service. The remaining balance must be paid within 30 days or the first bill due date, whichever is earliest.
- 1.7 A customer, upon written request, may review deposit and earned interest balances.

### 2.0 Deposits for Residential Service

- 2.1 A deposit or suitable guarantee approximately equal to twice the average monthly bill for residential class may be required of any Customer before electric service is supplied.
- 2.2 Whether a deposit will be required prior to the establishment of residential electric service is based on a Customer's credit rating. A Customer may be exempt in part or whole based on any of the following conditions.
  - 2.2.1 A letter of credit is provided from another Utility where service was previously held by Customer. The letter must state that for the most recent twelve (12)-month period, all payments were made on or before the due date, no payments were rejected or declined by the Customer's financial institution or credit card companies, and a satisfactory credit rating is maintained.
  - 2.2.2 The Customer has had service with Rockwood Electric for at least twelve (12) months and has made all payments on time, without penalty or returns.
  - 2.2.3 Satisfactory credit score upon performing a credit check

2.3 Upon written request from Customer, Utility may return deposit after twelve (12) consecutive months if all payments were made on or before the due date, no payments were rejected or declined by the Customer's financial institution or credit card companies, and a satisfactory credit rating is maintained.

### 3.0 Deposits for General Service

3.1 The deposit for General-Service Customers is set by the Manager of Customer Services or his/her designated representative and may be up to two (2) times the highest monthly bill.

3.2 Customers that are under a rate other than residential may provide the Utility with any of the following as a form of deposit or other guarantee: Cash, Check, Money Order, Letter of Credit, Security Bond, etc.

3.3 If eligible and approved, the Customer may participate in security deposit programs offered by the Utility or its associations.