

SAND MOUNTAIN ELECTRIC COOPERATIVE

SUBJECT: Deposits on Residential Accounts

I. OBJECTIVE

- A. To establish a uniform policy for the payment of deposits that shall be required of cooperative members or prospective members.
- B. To assure that the deposit policy shall be applied without regard to race, color, creed, sex, age, national origin, marital status or a handicap.

II. CONTENT

- A. When applying for electric service, all residential members or prospective members shall be required to pay a deposit, or deposits, as classified below, unless member is on Pre-Pay in which case no deposit is required.
 - 1. The prospective member, with acceptable credit, who purchases a membership and opens a residential account shall be required to pay a base security deposit of \$60.00 unless member is on Pre-Pay.
 - 2. Members in good standing requesting additional accounts may be billed the deposit amount and connection fee in lieu of coming to the office in person to pay.
 - 3. The security deposit requirement shall be enforced without regard to the type of residence involved (i.e. mobile home, permanent fixture, apartment, etc.) or number of services held by the member.
 - 4. Prospective members or existing members requesting new service who are considered high risk by our applicant screening system (currently ONLINE Utilities) will be charged a \$200.00 deposit. Those with a previous SMEC bad debt or disconnect for non-payment must pay all amounts due and post a deposit of up to \$400.00.
 - 5. A member in good standing may transfer from one location to another without paying additional deposits. The standard connection fee will be charged.
- B. No letters of credit or other credit recommendations shall be accepted in lieu of the basic cash security deposit.
- C. Upon termination of service, any retained deposit and interest shall be applied toward unpaid bills of members and if any balance shall remain it shall be refunded to the member.

- D. Interest shall be paid on all deposits. The interest rate earned on the deposit shall be comparable to the annual rate of interest earned by the cooperative on its primary bank account and shall be credited to the members deposit amount and returned to the member as spelled out in section C. above.

III. RESPONSIBILITY

It shall be the responsibility of the Manager of Finance and Office Services with the assistance of the Supervisor of Consumer Accounts to see that this policy is complied with.

Attested _____
Secretary

Date Adopted: February 24, 1981
Date Revised: February 8, 1983
Date Revised: September 22, 1984
Date Revised: October 23, 1990
Date Revised: August 24, 2004
Date Revised: October 28, 2014
Date Revised: November 25, 2014
Date Revised: March 24, 2015