

**APPALACHIAN ELECTRIC COOPERATIVE
SERVICE POLICIES**

POLICY NO. 1220

DEPOSITS: RESIDENTIAL AND RESIDENTIAL APPURTENANCES

The Cooperative shall require (in addition to a membership fee) sufficient deposit to protect the Cooperative from losses and must be paid prior to connection of service.

I. DEPOSIT AMOUNT:

- A. **\$300.00** maximum deposit amount. The maximum deposit amount has been determined by calculating approximately twice the average monthly bill for the residential rate classification.
- B. Deposit may be set based upon an approved credit report generated by an AEC representative. A \$3.00 fee will be charged for said report and must be paid in advance. The deposit determined from said report is to be set as follows:

<u>Residential Deposit</u>	<u>FICO Credit Scores</u>	<u>Rating</u>
\$0.00	700-850	Satisfactory
\$150.00	660-699	Good
\$300.00	Less than 660	Fair/Poor

- C. **\$0.00** Deposit for Co-op FlexPay (Prepay) accounts

II. REFUNDABLE CONDITIONS

- A. After two (2) years of continuous electric service at the same location, in which all payments were made on or before the due date, no payments were rejected or declined by the member's financial institution, and a satisfactory credit rating is maintained then the deposit is subject to be applied to the Member's electric bill.
- B. Upon termination of electric service, the deposit including earned interest will be applied by the Cooperative against any unpaid bills of the Member and, if any balance remains after such application is made, said balance shall be refunded to the Member.

III. INTEREST PAYMENTS

Interest will accrue monthly on a cash deposit held longer than twelve (12) months at the interest rate earned on the Cooperative's primary bank account and applied to the electric account annually on July 1 of each year.

IV. REVIEWS

The deposit balance including earned interest is subject to review by the customer and the Cooperative at any time.

Approved:

AEC Board:	July 28, 2015
TVA:	October 2, 2015