

SULLIVAN COUNTY RURAL ELECTRIC COOPERATIVE, INC.
FORKSVILLE, PA

Board Policy No. 610

SUBJECT: Security Deposits

I. PURPOSE

The cooperative may require a security deposit from applicants who are tenants or who are renters of land on which a mobile home is located. Likewise, the cooperative may require a security deposit from any applicants who were formerly members and had a delinquent account with the cooperative. It is the intent that the deposit shall be used to offset or at least partially offset losses due to non-payment of accounts.

II. CONTENT

- A. The deposit shall be collected in advance of the connection of electric service.
- B. If the member has paid all of his or her first twelve monthly electric bills on or before the respective due dates, the deposit shall be held for a period not to exceed fourteen (14) months. In the event the member has been delinquent in paying any of his or her monthly electric bills during the first twelve (12) months of receipt of service, the deposit may be held for an additional twelve (12) months or more.
- C. Whenever a deposit is refunded, interest shall be added at the rate of six percent (6%) per annum.
- D. The amount of the deposit shall be calculated as follows based on the Online Utility Potential Delinquency Risk Indicator. The Risk Indicator is calculated based on credit score and past payment records of other utilities.
 1. Consumers with a Green Indicator (less than/equal to 10% Risk) will pay no deposit.
 2. Consumers with a Yellow Indicator (greater than 10% but less than/equal to 25% Risk) will pay a deposit of \$200.
 3. Former consumers who had an outstanding unpaid balance with the cooperative or with a Red Indicator (greater than 25% Risk) will pay a deposit of \$400 or two months' average bill whichever is greater.

4. Regardless of the Risk Indicator, consumers occupying a rental unit with electric heat or with double the average residential usage in the past year shall pay a deposit equal to two months of past year's average monthly bill.
5. Nursing home facilities shall give the cooperative a letter of credit from a bank equal to two-months' average bill. The nursing home's billings will be reviewed periodically and the consumer may be asked to increase the letter of credit.

III. **RESPONSIBILITY**

It shall be the responsibility of the Chief Executive Officer to administer this policy.

- IV. This policy supersedes and cancels all other policies which relate to the subject matter herein and which may be in conflict herewith.

Date adopted:	January 21, 1982	Attest: Josiah P. Alford, Secretary
Revised:	January 20, 1983	Josiah P. Alford, Secretary
	March 20, 1986	Kathy A. Robbins, Secretary
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	March 30, 2000	Walter E. Botsford, Secretary
	April 19, 2001	Walter E. Botsford, Secretary
	May 17, 2001	Walter E. Botsford, Secretary
	May 10, 2007	Walter E. Botsford, Secretary
	February 26, 2009	Walter E. Botsford, Secretary
	February 17, 2011	Walter E. Botsford Secretary
	February 26, 2013	Walter E. Botsford, Secretary
	May 21, 2013	_____ Walter E. Botsford, Secretary

