

Board Policy No. 610

SUBJECT: Security Deposits

I. PURPOSE

The cooperative will require a security deposit from applicants whose credit scores have a yellow or red indicator. Applicants who refuse to provide the information necessary to calculate the credit score will be charged a deposit at the red level.

II. CONTENT

- A. The deposit shall be collected in advance of the connection of electric service. The Cooperative may also require the applicant to come into the office to complete a membership application and pay the deposit.
- B. If the member has paid all of their 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 their 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 equal to the PA Department of Revenue's overpayment rate in effect at that time.
- 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. Applicants with a Green Indicator (less than/equal to 10% Risk) will pay no deposit.
 2. Applicants with a Yellow Indicator (greater than 10% but less than/equal to 25% Risk) will pay a deposit of \$200.
 3. Former members who had an outstanding unpaid balance with the cooperative or with a Red Indicator (greater than 25% Risk) will pay a deposit of \$500 or two months' average bill whichever is greater.

4. Nursing home facilities shall give the cooperative a letter of credit from a bank equal to two month's 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

The Chief Executive Officer is responsible for compliance.

- IV.** This policy supersedes and cancels all other policies which relate to the subject matter.

Date adopted:	January 21, 1982	Attest:	Josiah P. Alford, Secretary
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	March 20, 1986		Kathy A. Robbins, Secretary
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	May 10, 2007		Walter E. Botsford, Secretary
	February 26, 2009		Walter E. Botsford, Secretary
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	May 21, 2013		Walter E. Botsford, Secretary
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	February 15, 2024		

Kathy A. Robbins, Secretary