

CANEY FORK ELECTRIC COOPERATIVE, INC.
Policy Bulletin #214

Revised 12/6/2024

SUBJECT: Member Deposits

POLICY:

The Cooperative's deposit policy shall be applied to the accounts of members without regard to race, age, color, creed, sex, disability, national origin or marital status.

1. A security deposit or suitable guarantee may be required of any member before electric service is provided. Payment of the full amount of the security deposit will normally be required as a precondition to electric service. A receipt for the security deposit shall be issued to the member at the time of payment.

2. DEPOSITS BY CLASS

Residential deposits will be based on historical usage for that residence when available; if no history is available then residential class average for the highest month in the past twelve month period will be used as the basis for the deposit. General power, commercial and industrial deposits will be based on historical usage when available; if no history is available, then the deposit will be based on connected load and usage projections provided by the member and evaluated by the Cooperative.

A. Residential Deposits –Whether a deposit will be required prior to the establishment of residential electric service will be based on the member's credit rating as provided by Online Utility Exchange or previous credit history with the Cooperative. Members receiving a "green light" or satisfactory credit rating will not be required to pay a deposit. Members receiving a "yellow light" or fair credit rating will pay a deposit equal to the highest one month's bill in the previous twelve month period for that residence. Members receiving a "red light" or poor credit rating will pay a deposit equal to twice the highest one month's bill in the previous twelve month period for that residence.

In case no historical usage is available, members receiving a "yellow light" will pay one month's class average and members receiving a "red light" will pay two month's class average as deposit.

For cases of hardship in which a member is unable to pay the aforementioned deposit, the member will be offered participation in the PrePay program as described in Policy Bulletin #222.

- B. General Power (Class GSA1) Deposits – A deposit of twice the highest month’s bill will be required for this class. Consideration for exemption or reduction in deposit will be given where there is established credit history with the member or commercial entity.
- C. Commercial and Industrial Deposits (Classes GSA2 and above) – A deposit of twice the highest month’s bill will be required for this class.
3. The Cooperative will normally retain the security deposit for the entire length of service to the member. In the case of residential members, the security deposit may be refunded to the member after three (3) years of continuous service provided the member has timely paid all bills within that period and has no returned checks recorded with the Cooperative. Timely payment means a bill is paid on or before the date that the gross billing amount attaches to the member’s bill. A security deposit may also be returned to a member when conditions under which the member receives electric service becomes such that a security deposit would not normally be required by the Cooperative.
 4. The Cooperative will accrue interest to the member’s deposit annually as of the 30th day of June of each year and the interest will be credited to one of the member’s next two succeeding bills. The rate at which interest will be accrued to deposits for the ensuing year will be the higher of the average pass book savings rate in effect in the service area on June 1, or such other rate as the Board of Directors may determine from time to time.
 5. Upon the termination of a member’s electric service, any retained deposit and any accrued but unpaid interest will be applied against the unpaid bill or bills of the member. Any remaining balance shall be refunded to the member.
 6. Deposits are subject to review at any time by the member or the Cooperative. The Cooperative may require any member to increase their deposit if the member becomes delinquent or if inflation or increased use of service has caused the deposit to be less than the maximum required under this policy.

RESPONSIBILITY:

General Manager
Director of Financial Services
Director of Billing and Administrative Services

EFFECTIVE DATE:

12/6/2024

REFERENCE:

Minute Book #20, 11/06/92; Minute Book #25, 05/07/99; Minute Book #31, 07/10/15;
Minute Book #33, 09/06/19; Minute Book #36, 12/6/24