

**FORT LOUDOUN ELECTRIC COOPERATIVE  
VONORE, TENNESSEE  
Board Policy No. 306**

**SUBJECT:**               **CONNECT CHARGE, MEMBER DEPOSITS; DISCONNECTS; METER  
TAMPERING; POWER DIVERSION**

**POLICY:**

The following guidelines are established to clarify how the Cooperative will charge for operational activities associated with membership services. Also, the below guidelines address how the Cooperative will react in assessing costs associated with power theft and/or tampering with the Cooperative's equipment.

**CONNECT CHARGE:**

A service charge of ten (\$10.00) shall be collected for each meter set.

No service charge shall be collected in cases of settling an estate where it is necessary to get the account in the proper name of the heir or heirs to receive the electric bill.

**DEPOSITS:**

A deposit equal to that stated in the below schedule may be required of any customer before electric service is supplied.

Deposits are to be required without regard to race, color, creed, sex, age, national origin, or marital status.

It is the policy to collect security deposits from all residents who do not meet the cooperative's credit requirements.

All residential applicants will be required to undergo an identity check and meet all other FLEC criteria before electricity will be put into their name. The identity check will be performed in accordance with the rules of the Red Flag FACT Act – FLEC Board policy 342.

All residential class members will be required to pay a membership and service charge. Proof of right to occupy must be an official document such as a property deed, other legal proof of ownership, or agreement with owner allowing occupation (i.e. rental agreement, etc.).

FLEC's criteria for good credit for existing members is 24 months excellent pay history (no missed payments and only two (2) late payments within the past 24 months) with the cooperative. FLEC's criteria for good credit for new members is to pass a credit check through the cooperative's current credit agency. "Good credit" is defined as a "green light" rating as determined by the current credit agency guidelines. A resident with good credit shall pay no deposit. A resident whose credit check reveals less than good credit (a "red light" rating as determined by the current credit agency guidelines) must pay a deposit of twice the average

amount of the monthly bill at the location, in addition to the membership and meter set fees; if usage history is unknown, the deposit for the residential member will be estimated based on energy usage. -The credit check will determine the deposit amount required.

The Cooperative holds the right to evaluate residential accounts and the Cooperative may ask for additional security or refund based upon deposit evaluation.

At the member's request, a residential member who has paid a deposit and has 24 months excellent pay history with the cooperative will receive a deposit refund. The refund will be applied to the member's account. All deposits (after the payment of the deposit in full) shall accrue interest which shall be processed and paid once annually toward the account balance or prorated whenever the account is finalized. The interest rate earned on the deposit shall be comparable to the market rates of interest earned on the Cooperative's passbook savings account.

Residential member deposits may be paid in no more than two (2) installments. However, the Board of Directors/Trustees and Management are sensitive to the need and hardships of many of the members, particularly those on low or fixed incomes or those with a hardship circumstance. An extension of time may be granted to these members, with management approval. Customer Accounting Internal Controls shall be complied with when dealing with special circumstances concerning deposits.

**Commercial** Members who have a 100 amp or less service disconnect (capacity of switchgear, not breaker) shall be required to make a deposit in an amount of \$50.00, in addition to the membership and meter set fees. A commercial member that has 24 months excellent pay history with the cooperative may have the \$50.00 deposit waived. Verification if needed, will be provided by the FLEC Engineering Department

**Commercial** and **industrial** members who have a service disconnect larger than 100 amp (capacity of switchgear, not breaker) shall be required to make a deposit in an amount equal to two (2) month's highest billing taken from the previous 12 month billing history. If there is no billing history or if the business type has changed and the usage is expected to be higher or lower, the deposit will be determined by the FLEC engineering department or by analyzing an already existing comparable FLEC account.

Commercial deposits will be refunded or applied only after termination of electric service. All deposits shall accrue interest which shall be processed and paid once annually toward the account balance or prorated whenever the account is finalized. The interest rate earned on the deposit shall be comparable to the market rates of interest earned on the Cooperative's passbook savings account. Customer Accounting Internal Controls shall be complied with when dealing with special circumstances concerning deposits.

The Cooperative holds the right to evaluate the commercial and industrial accounts and at the Cooperative's discretion, may ask for additional security or refund based upon deposit evaluation.

