

CLARKSVILLE DEPARTMENT OF ELECTRICITY

Operating Policy 2-4b

Subject: Commercial Security Deposits for Temporary Service

Policy:

Commercial construction temporary service deposits will be \$150 for single phase service not exceeding 200 amps or \$300 for single phase services not exceeding 400 amps. Deposit for services of greater capacity will be calculated based on electrical load estimation.

Deposits for residential construction temporary service will be \$50. Requests for service through a structure's permanent meter base will not be considered temporary service and the appropriate CDE policy will apply.

In lieu of deposit, CDE will accept one of the following:

1. An "Irrevocable Letter of Credit" for the amount of deposit. It is the responsibility of the customer to see that the letter is renewed 60 days prior to its expiration.
2. A "Surety Bond" on CDE's Surety Bond form (or a form providing the same requirements). In the event of cancellation, it will be the responsibility of the customer to provide an alternative method of security deposit 60 days prior to cancellation.

After five years of continuous service, a commercial customer may be allowed to add additional service(s) in the same name, provided a review of the customer's previous 12 months history of all accounts indicates no more than two late payments, no payments made after the last date to pay, and no returned checks. However, any existing deposits held by CDE will not be returned.

B. Upon final termination of service, any retained cash deposit and accrued interest, if applicable, will be applied against unpaid bills of the customer. If any balance remains after such application, said balance shall be refunded to the customer in accordance with CDE Operating Policy 2-11. Interest shall accrue after 90 days, retroactive to day one. The annual rate shall be simple interest paid on CDE's primary bank account and may change from time to time as needed.

C. Any accrued interest will be paid at the time the deposit is refunded or at the time it is applied against a final bill. However, upon demand by the customer, interest which has accrued through the anniversary date of deposit will be paid anytime during the following year. Upon request by the customer, the deposit balance including interest accrued, may be reviewed.

D. CDE may negotiate deposit installment payments, but the deposit must be paid in full within 90 days from the date electric service commences.

E. CDE may require any customer to establish or increase his deposit(s) to two times the highest bill on all accounts if the customer becomes a payment risk, has falsified information on the application for service. If appropriate billing history is unavailable, the deposit amount will be two times the highest bill based on calculated electrical load estimation.

Definition

Payment Risk - Accounts with less than a *maximum* deposit and two or more payments made after the last day to pay or two bad checks or a combination of one of each or more within the previous 12 months. Accounts with an existing or previous bad debt with CDE shall also be included.