

General Rules and Regulations

9.0 MEMBER DEPOSITS

9.1 DEPOSIT REQUIREMENTS

Under the circumstances enumerated below, the Association will require a deposit from all members and prospective members to guarantee the payment of current bills, to be paid in full at time of application, before a meter is set or upon determination of load requirement. All deposits will be in addition to any contribution, deposit, advance, or guarantee required by this Association under any of its other Rules, Regulations and Tariffs. If the member is unable to pay the full amount of the deposit, arrangements may be made upon approval of a Supervisor. This arrangement will extend not more than 15 days from the effective date of application.

Residential Services - For residential rate members, the deposit required will be equal to three (3) times the average monthly billing of the previous thirty-six (36) months or available monthly billing history, whichever is greater, for the current service location but not less than \$300.00 which will be charged at time of application.

Deposits will be required equal to comparable facilities of similar: size, number of occupants, types of appliances, and methods of heating, based upon a load survey that will be required from the applicant for service at the time of making application for service. A minimum deposit of \$300.00 will be charged at the time of application.

Deposits will be based upon load requirements or historical consumption. The member will be notified of the deposit if required.

Commercial Services - For commercial rate members, the deposit required will be equal to three (3) times the highest monthly billing of the previous thirty-six (36) months based upon existing services to: facilities of similar: size, types of electric requirements, and methods of heating, based upon a load survey that will be required from the applicant for service at the time of making application for service. A minimum deposit of \$500.00 will be charged at the time of application.

New construction account deposits will be required equal to comparable facilities of similar: size, type of electrical requirements, and methods of heating, based upon a load survey that will be required from the applicant for service at the time of making application for service. A minimum deposit of \$500.00 will be charged at the time of application.

Deposits will be based upon load requirements or historical consumption. The member will be notified of the deposit if required.


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9.2 NOTICE OF DEPOSIT CHARGED

Written notice of initial deposit and deposit adjustment, if any, will be sent to the member. The due date on a notification letter supersedes any due date on notices processed after the deposit has been charged.

9.3 CREDIT RISK SCORE

The credit risk score is based upon a scoring system that assigns a specific number of points for every negative credit event on a member account. This credit rating is being used to determine unacceptable payment history within the last twelve (12) months.

Below are the negative credit events for the Association and the number of points assigned for each event:

Event	Points
Tampering with equipment at the service location	9
Returned payment	3
Broken payment arrangement	2
Penalty applied because payment not received	1
Balance moves to 30 days past due	1
Association initiates an automated phone call	1
Disconnect notice generated	1
Trip made to service location for collection	1
Disconnect for non-payment	5

9.4 DEPOSIT ADJUSTMENT

Residential Services – The required deposits will be increased to equal up to three


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(3) times the average monthly billing for the previous twelve (12) months for members whose accounts have been involuntarily disconnected by the Association for non-payment. All minimum deposit amounts required in 9.1 DEPOSIT REQUIREMENTS still apply.

Commercial Services – The required deposits will be increased to equal up to three (3) times the highest monthly billing for the previous twelve (12) months for members whose accounts have been involuntarily disconnected by the Association for non-payment. All minimum deposit amounts required in 9.1 DEPOSIT REQUIREMENTS still apply.

Irrigation Services – The required deposit adjustment will be a deposit equal to three (3) times the highest monthly billing for the previous twelve (12) months but not less than a minimum deposit amount of \$500.00 for members whose accounts have been involuntarily disconnected by the Association for non-payment.

All deposit adjustment amounts will be due and payable immediately.

9.5 WAIVER OF DEPOSIT

A deposit may not be required for applicants who are not members of the Association, if a letter concerning credit from the current or preceding utility for a similar rate classification is provided and indicates the following:

1. Received service from a previous utility which provided service within the previous 18 months;
2. Received service for at least twelve (12) consecutive months;
3. Received no delinquent notices during the previous twelve (12) months of service; and
4. No balances past due

A deposit may not be required for applicants who have been active members of the Association for twelve (12) months or more and are presently served within the rate classification for which the application is being made and whose account shows no payment received after the due date in the previous twelve (12) months.

A deposit may not be required for applicants who are not active members of the Association but rendered payment to the Association for electric service which was in another person's name within the rate classification for which the application is being made. Applicants must provide evidence, i.e. cancelled check or cash receipt,


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that they have paid for service for twelve (12) consecutive months with no payment received after the due date.

For residential applicants who are not currently members of the Association at the time the deposit is required, the deposit may be waived when the applicant(s) agree to provide the Association with information necessary to obtain a risk assessment score from a consumer credit reporting agency, and such report reflects a rating acceptable to the Association.

A deposit may not be required for applicants who enroll in auto pay for the following twelve (12) consecutive months with no payment received after the due date.

For applicants with multifamily residential units (apartment building) the deposits may be waived when the applicant(s) provide a letter of credit from a commercial bank that guarantees payment to MVEA for the following twelve (12) consecutive months or applicants(s) agree to auto pay for the following twelve (12) consecutive months.

9.6 DEPOSIT ON FILE

The making of a deposit will not relieve any member from the payment of current bills as such bills become due and no deposit will be applied by the Association to any indebtedness of the member to the Association except to a bill for utility services due or past due after service is terminated.

9.7 RETURN OF DEPOSIT

Deposits will be returned to the member as a credit to the member's account upon termination of service or when credit history reflects all payments received on or before the due date in the previous twelve (12) months, whichever occurs earlier.

For members who have diverted power, caused damage to the meter or other property belonging to the Association in an effort to divert power, the deposit will be retained and applied as a credit to the member's account upon termination of service.

9.8 INTEREST TO BE PAID ON DEPOSITS

Interest on deposits will be earned for the time held by the Association and will be calculated from the date the deposit is received by the Association to the date


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payment of the deposit is credited to the member's account. For deposits retained for periods longer than twelve (12) months, the interest on the deposit amount will accrue at the effective interest rate for the time held in the interest period. Interest payments will be credited to the member's account annually in December.

The rate of interest will be the rate set by Farmers State Bank as of the last week of December that is paid on their money market accounts.

9.9 RECORDS OF DEPOSIT

At the time the deposit is made, the Association will provide the depositor with a record of the deposit, indicating the name of the depositor, the date and amount of the deposit.

The Association will keep a record of all such deposits containing the following information:

1. The name of the member making the deposit;
2. The premises occupied by the member when making the deposit and each successive premises occupied while the deposit is retained by the Association;
3. The amount and date of the deposit;
4. A record of all transactions affecting the deposit including interest credited, interest paid, refunds, etc.



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