

RULES AND REGULATIONS

28. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460.1 will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history, and required deposits will be returned after five (5) years if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

- ~~In determining whether a deposit will be required or waived, the following criteria will be considered:~~
- ~~1. Previous payment history with the Cooperative. If the customer has no previous history with the Cooperative, statements from other utilities, banks, etc., may be presented by the customer as evidence of good credit.~~
 - ~~2. Whether the customer has an established income or line of credit.~~
 - ~~3. Length of time the customer has resided or been located in the area.~~
 - ~~4. Whether the customer owns property in the area.~~
 - ~~5. Whether the customer has filed bankruptcy proceedings within the last seven years.~~
 - ~~6. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.~~

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Cooperative may collect any under payment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

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