

FOR Entire Territory Served
Community, Town or City
P.S.C. No. 6
Original SHEET No. 36
CANCELING P.S.C. No. 5
Original SHEET No. 8A

Owen Electric Cooperative, Inc.
Name of Issuing Corporation

RULES AND REGULATIONS

13. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for members 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 will accrue on the paid deposit at a rate of six percent (6%), compounded annually and will be refunded when the deposit is returned.

The deposit may be waived upon a member's showing of a satisfactory credit or payment history. Deposits on residential accounts will be returned after three (3) years if the customer has established a satisfactory payment record for that period. Deposits on non-residential accounts will be returned after five (5) years if the member has established a satisfactory payment record for that period. If a deposit has been waived or returned and the member 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 member's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit and any interest earned and owing will be credited to the final bill with any remainder refunded to the member. An appropriate amount of the deposit may be retained and transferred to another existing account of the same member if the credit history is not satisfactory.

In determining whether a deposit will be required or waived the following criteria will be considered:

- A. Previous payment history with the Cooperative. If the member has no previous history with the cooperative, residential members may have their immediate past provider of electric service complete the Cooperative's Letter of Referral for approval. Letters must indicate a satisfactory payment history for a minimum of twelve (12) consecutive months with the previous provider.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 15 1997

CANCELLED
JUL 12 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

PURSUANT TO 807 KAR 5:01 ISSUED July 15, 1997
SECTIONED BY: Frank K. Downing

DATE EFFECTIVE August 15, 1997
TITLE President/CEO

BY: Jordan C. Neal authority of an Order of the Public Service Commission of
FOR THE PUBLIC SERVICE COMMISSION Kentucky in Case No. _____ Dated _____.

FOR Entire Territory Served
 Community, Town or City
 P.S.C. No. 6
 Original SHEET No. 37
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 Original SHEET No. 8B

Owen Electric Cooperative, Inc.
 Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

RULES AND REGULATIONS

AUG 15 1997

13. DEPOSITS

PURSUANT TO 807 KAR 5011,
 SECTION 9 (1)

A. (Continued)

BY: Jordan C. Neal

Non-residential members may complete a credit application with the Cooperative listing several sources/lines of established credit and banking history. Sources/lines of credit must have been established for a satisfactory period of time and must be of comparable quality and amount to waive a deposit.

- B. Whether the member has an established income.
- C. Length of time the member has resided or been located in the area.
- D. Whether the member owns property in the area.
- E. Whether the member has filed bankruptcy proceedings within the last seven years.
- F. Whether another member with a good payment history is willing to sign as a guarantor for payment of the account.
- G. Whether the member has a satisfactory credit record and rating as reported by credit bureaus/agencies.
- H. Whether the member has been suspected of previous diversion or tampering of service.

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

CALCULATED DEPOSITS

CANCELLED
 JUL 12 2012
 KENTUCKY PUBLIC SERVICE COMMISSION

All member deposits shall be based upon actual usage of the member at the same or similar premises for the most recent twelve (12) month period, if such information is available. If information is not available, the deposit will be based on the average bills of similar members and premises in the system. The deposit amount shall not exceed 2/12ths of the member's actual or estimated annual bill.

DATE OF ISSUE July 15, 1997
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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ Dated _____.