

LACLEDE ELECTRIC COOPERATIVE

POLICY NO. A-1

SUBJECT: MEMBERSHIP FEE AND SERVICE DEPOSITS

POLICY: Each member is required to pay one membership fee in the amount of \$20. A service deposit will also be required on all accounts. The service deposit and/or membership fee when applicable will be refunded to the member upon payment of all final bills.

The service deposit will be set initially in accord with the provisions of this policy and may be adjusted based upon credit history and account experience.

Interest will not be paid on any membership fee or service deposit.

RESIDENTIAL ACCOUNTS SERVICE DEPOSIT:

1. Standard Service Deposit – A service deposit of \$300 will be required at the time of application for residential service except those qualifying for reduced deposits as outlined below:

A. Credit History Check with 3rd Party Vendor – The applicant may choose to allow Laclede Electric to check the applicant's credit history through a national credit bureau reporting agency. The deposits required will be based on the following:

1. Good Credit History – The deposit shall be \$50.
2. Moderate Credit Risk – The deposit shall be \$150.
3. Substantial Credit Risk – The deposit shall be \$300

B. Good Credit History with LEC - If the applicant is receiving service from Laclede Electric Cooperative and has been served for the most recent twelve (12) months including the current month, and has a good credit history, the service deposit will be \$50. Good credit history is defined as:

1. No more than three (3) late payments
2. No returned checks
3. No collection trips by linemen
4. No unpaid final bill

SUBJECT: MEMBERSHIP FEE AND SERVICE DEPOSITS
PAGE 2

- C. Moderate Credit History with LEC – If the applicant is receiving service from Laclede Electric Cooperative and has been served for the most recent (12) months including the current month, and has moderate credit history, the service deposit will be \$150. Moderate credit history is defined as
 1. No returned checks
 2. No collection trips by linemen
 3. No unpaid final bill
- D. Partial Deposit Refund - A member's deposit may be reduced to \$50 or \$150 provided:
 1. Member requests the refund.
 2. Member must have twelve months of good credit history as outlined in paragraph 1B or 1C above.
2. Disconnected Account Service Deposit – When a residential service reconnects after being disconnected for non-payment, the service deposit will be \$300, or, in instances where it is deemed prudent, an amount equal to the two highest electric bills during the preceding twelve (12) months will be required.

The member may elect to pay one half of the deposit prior to reinstatement of service. The remaining deposit balance would be added to the first billing statement following reconnection.

COMMERCIAL AND INDUSTRIAL ACCOUNTS SERVICE DEPOSIT

1. Standard Service Deposit with Account History - A minimum service deposit of \$300 will be required at the time of application for commercial or industrial service. When deemed prudent, the service deposit may be increased to an estimated two (2) months service bill.
2. No Account History - In those cases where no prior history for the service exists or the service will be used as a different business than previous occupant, the Manager of Office Services and Accounting, Manager of Operations, or Manager of Engineering will establish the deposit based on the following criteria:
 - A. Type of business
 - B. Equipment to be used
 - C. Type of heat source
 - D. Size of building
 - E. Credit history of new occupant
 - F. Previous occupant's usage and deposit amount

SUBJECT: MEMBERSHIP FEE AND SERVICE DEPOSITS
PAGE 3

The service deposit will be no less than \$300.

RESPONSIBILITY: General Manager, Manager of Office Services and Accounting,
Manager of Engineering, and Manager of Operations

APPROVED BY BOARD: JUNE 29, 2009

EFFECTIVE DATE: SEPTEMBER 1, 2009

REVIEWED AND REVISED BY BOARD: AUGUST 29, 2011

EFFECTIVE DATE: SEPTEMBER 1, 2011