

CLARKSVILLE DEPARTMENT OF ELECTRICITY

Operating Policy 2-4

Subject: Residential Security Deposits

Policy:

- A. An application for service must be completed and a security deposit of \$150 must be paid to obtain electric service from CDE. *The purpose of a deposit is for security purposes and it will not be applied to a monthly bill.* Proof of occupancy and leasing documentation may be required. Payment may be made by cash, check, or credit card. In lieu of deposit, CDE will accept one of the following:
- 1. New Customers Requesting Initial Service**
 - a. A Credit Scoring deemed satisfactory and acceptable to CDE, obtained from a credit reporting agency selected by CDE.
 - b. A Customer Guarantee of Deposit from an active customer of CDE with at least 12 months payment history, with no more than two late payments, no payments made after the last date to pay, no returned checks, and that meets current credit scoring requirements or has more than three years of continuous service with no required deposit. The guarantor will assume responsibility for any unpaid bills as set forth in the guaranty.
 - c. A Guarantee of Deposit through the Screaming Eagles Deposit System (SEDS) issued by Fort Campbell Federal Credit Union. Contract terms may limit services/programs normally available through CDE's policies/procedures. SEDS guarantees must be maintained for a minimum of three years or until the customer qualifies for a deposit refund.
 - 2. Existing Customers Requesting Additional Service(s)**

Existing customers requesting new or additional service(s) must have at least 12 months of payment history with no more than two late payments, no payments made after the last date to pay, and no returned checks. New services will be in the existing customer's name and mailed to the same address.
- B. Upon final termination of service, any retained cash deposit and accrued interest, if applicable, will be applied against unpaid bills of the customer unless Item G applies. 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 paid shall be simple interest paid on CDE's primary bank account and 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 refund the deposit to the customer after three years of continuous service, provided the customer has made no payments after the last date for payment, had no returned checks with CDE and has paid not more than one late payment within the last 13 months.
- E. CDE may negotiate deposit installment payments, but the deposit must be paid in full within 90 days from the date electric service commences.
- F. If a customer becomes a **Payment Risk**, or has falsified information on the application for service, CDE will require a deposit of two times the highest bill. If no billing history is available, the deposit amount will be \$300.
- G. Any account with a guarantee as described in Items 1.b. or 1.c. cannot guarantee other accounts. If the guarantor's account is closed or becomes a payment risk, the guarantee's account will be required to meet current deposit requirements to retain service.

Definition

Payment Risk – Accounts with less than a maximum deposit and with two or more payments made after the last day to pay, or with two returned 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.