

M. J. M. ELECTRIC COOPERATIVE, INC.

SECTION III- MEMBERS AND CONSUMERS

Policy 7 Approved 01/25/1962

REVIEWED: 02/24/2022

**REVISED: 01/31/1977 10/26/1978 04/20/1980 08/28/1981 12/27/1984 11/25/1986
02/26/1987 01/28/1988 09/24/2009 05/23/2013 08/27/2015 11/29/2018
08/22/2019**

RESIDENTIAL CONSUMER SECURITY DEPOSIT

POLICY

It shall be the policy of the Cooperative to operate in good faith with its Membership in financial matters and not create policies for service that would cause a financial burden on the Member, yet will protect the Cooperative from undue losses.

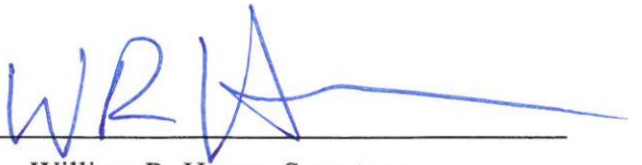
RESPONSIBILITY

President/CEO, Management and Staff

PROCEDURE

1. Upon a Member applying for service, Cooperative personnel shall obtain a report on the Member's credit from Online Utility Exchange. If the report shows the Member in Level 4, the security deposit shall be \$600.00; if the Member is in Level 3, the security deposit shall be \$450.00; if the Member is in Level 2, the security deposit shall be \$300.00; if the Member is in Level 1, the security deposit shall be \$150.00. The required security deposit and non-refundable Membership fee shall be paid prior to the service being connected.
2. If the application is for a service at a residence that is currently disconnected for non-payment, and if Management has reason to believe that the applicant has been residing in the residence which has been disconnected for non-payment, Management can charge an additional security deposit.
3. No interest will be paid on the security deposit being held by the Cooperative.

4. If a Member has multiple service accounts with the Cooperative, no additional deposit for the additional services shall be required but the security deposit for one account can be applied to any of the Member's other accounts and non-payment of any one account can be grounds for disconnection of all accounts.
5. Upon Management's discretion, if a Member has an excellent credit rating on MJM's billing system and a Level 1 security deposit requirement determined by the currently utilized credit rating agency, the Member may be refunded the difference between the higher security deposit currently on file and the minimum amount determined by the credit rating agency.
6. Upon termination of service, all security deposits shall be applied to any amounts owed to the Cooperative by the Member with any remaining balance being refunded to the Member.



William R. Heyen, Secretary