

M.J.M. ELECTRIC COOPERATIVE, INC.

SECTION III –MEMBERS AND CONSUMERS

Policy 7A Approved: 01/28/1988

REVISED: 06/27/2013 03/24/2016 08/22/2019 02/24/2022

COMMERCIAL CONSUMER SECURITY DEPOSITS

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 Members yet will protect the Cooperative from undue losses.

RESPONSIBILITY

President/CEO and Management

PROCEDURE

1. Security deposits for commercial operations shall be determined at the time of application for service. Upon application for service for a commercial account, Cooperative personnel shall obtain a credit report from Online Utility Exchange related to the commercial operation applying for Membership, or in instances the business is new and/or has no credit history, the Cooperative shall obtain a report related to the authorized employee who is contacting the Cooperative on behalf of the commercial operation.

If the credit report shows that the commercial account is low risk, being a credit score of 80% or above, the security deposit shall be one-month average bill. If the credit report shows the commercial account is high risk, being a credit score below 80%, the security deposit should be two months average bill. Previous billings will establish the security deposit for existing services. Security deposits on newly constructed services will be estimated on anticipated connected load. Security deposits will be in addition to the Membership fee. Member must pay the Membership fee and the required security deposit in full before the service is connected.

2. Upon termination of all active services, 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 unless the Cooperative is directed otherwise.

3. No interest shall be paid on security deposits.



William Heyen, Secretary