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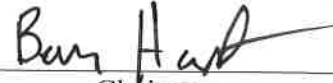
DEPOSIT POLICY

Policy No. R-2

Effective Date: November 17, 2025 **Adopted By Board:** February 9, 1998

Revised By Board: November 17, 2025

Certified By:


Chairman

Scope: This policy institutes the procedures for establishing account deposits.

Purpose: The purpose of this policy is to set forth the process for determining when deposits are enforced, the accepted methods of remuneration and the length of time required for deposits for customers of Hartselle Utilities.

Hartselle Utilities will provide its residential customers with two options for obtaining new services; by verification of credit worthiness with waiver of deposit or by payment of deposit on each service offered at the customer's proposed service address; as outlined in this policy. Deposits are required for all commercial and industrial customers.

I. RESIDENTIAL

Deposits

- Hartselle Utilities utilizes the credit checking services of Online Information Services, Inc., who uses a proprietary scoring module to determine if a customer is required to pay deposits. A non-refundable fee of no less than \$3.50, or the prevailing rate charged by Online Information Services, Inc, will be charged to all customers for the credit checking service. Hartselle Utilities adheres to all requirements under *The Fair Credit Reporting Act*.
- Hartselle Utilities will also accept a utility company Letter of Credit. Customers with satisfactory payment history with present or recent past utility will not be required to pay deposits. Recent past utility history must be for a minimum period of at least twelve (12) months within the last thirty-six (36) months. A satisfactory payment history is defined as no more than three late payments in a twelve (12) month period.
- If Hartselle Utilities determines that the customer is required to pay deposits or the customer waives the credit check and chooses to pay the deposits, the amount of the deposits is as follows:
 - **Electric: \$225.00**
 - **Gas: \$75.00**
 - **Water: \$40.00**
 - **Sewer: \$60.00**

Deposits will be held until the customer leaves Hartselle Utilities system and at that time will be paid towards the customer's final bill. Any remaining deposits, after the final bill is satisfied, will be refunded to the customer.

II. COMMERCIAL

A deposit is required for all commercial accounts. The deposit will be an estimated monthly bill multiplied by two. The following forms of deposit will be accepted as a deposit for any commercial account.

- Cash
- Irrevocable letter of credit

III. INDUSTRIAL

A deposit is required for all industrial accounts. The deposit will be an estimated monthly bill multiplied by two. The following forms of deposit will be accepted as a deposit for any industrial account.

- Cash
- Irrevocable letter of credit

Calculation of commercial or industrial deposits will be based on utility history for alternate sites, when available, provided from a previous or current utility company. If no information is available, deposits will be based on accounts with similar loads presently being served by Hartselle Utilities.

A written release will be issued to the financial institution, and a copy provided to the customer, for those customers who selected to provide an irrevocable letter of credit as deposit. Commercial or industrial customers who terminate service with cash deposits on record, will have all deposits credited to their final bill. A written release will be issued to customers who have irrevocable letters of credit in force, once the final bill has been paid in full.

Active **commercial or industrial** customers with a poor payment history, following the release of deposits, will be required to furnish new deposits. The new deposits will be based on an average monthly bill multiplied by two based on the customers' most recent twelve month period.

Transfer of service for residential, commercial or industrial customers will be handled without a deposit.

Credit report, credit history from a previous utility company, or deposits must be provided/paid prior to account activation. Hartselle Utilities does not allow for deposits to be paid through installment payments in order to activate the account.

Hartselle Utilities reserves the right to require deposits exceeding those published in this policy for those customers that it deems necessary, but in no event will the deposit required exceed twice the highest estimated monthly bill for the rate classification.

DEPOSITS UNCLAIMED AFTER TWO YEARS WILL BECOME THE PROPERTY OF HARTSELLE UTILITIES.