

MEMBER SERVICE INFORMATION DEPOSITS

It will be the policy of Dakota Electric Association to collect a deposit not to exceed an estimated two months' gross bill or existing two months' average bill where applicable if the service has been terminated because of nonpayment or when a bankruptcy is filed. Any existing deposit must be applied to the delinquent bill, and then the new deposit will be assessed and must be paid prior to the time the service is restored.

When a member returns to Dakota Electric Association after leaving with an unpaid balance or other credit problems, a deposit equal to two average months' electric bills of the most recent occupant at that address may be assessed. This deposit is in addition to payment in full for the previously unpaid balance.

Dakota Electric shall not require a deposit for a new member with no prior service from the Association unless the credit history of the new member demonstrates that payment cannot be assured. The determination of the new member's credit history shall be made only by credit reports reflecting the purchase of utility service, unless permission in writing is received from the new member to use other credit reports, and such reports mailed to the new member. Refusal of a new member to permit use of a credit rating or credit service, other than that of a utility, shall not affect the Association's determination of that new member's credit history. Satisfactory credit shall be 12 consecutive months of on-time payments with no remaining unpaid balance.

If a member has maintained a good payment record for one year, the deposit will be refunded. A good payment record is defined as payment of the electric bill within 25 days of the due date each of the preceding 12 months.

Deposits shall earn interest at an annual rate as specified by Minnesota Statute 325E.02. This interest will be credited to the electric bill printed in December or will be credited to the final bill, whichever occurs first.

Deposits, plus interest, will be applied to the final bill, and any credit balance remaining will be refunded within forty-five (45) days from the date service is terminated.

Dakota Electric shall not require a deposit of any member without explaining in writing why that deposit or guarantee is required.