

**Powell-Clinch Utility District**  
**Deposit Policy**  
**Approved & Effective: October 27, 2011**

## **Deposits**

It is the policy of the District to require a cash security deposit of up to \$500 from new and prior residential customers. However, if customer voluntarily authorizes the District to obtain a consumer credit report, the deposit may be reduced or waived based on a satisfactory credit report.

All commercial and industrial customers are required to post a security deposit to receive service. Those deposits are based on an estimate of two months maximum usage using historical sales volume at the service location and/or load sheet data obtained to size the service installation. Cash, non-cancelable letters of credit, bonds and pledged certificated of deposits are acceptable security deposit methods for commercial and industrial customers.

For cash deposits no interest shall be paid on deposits. After two years of satisfactory payment history, residential customers' deposits will be credited to their bill or refunded. Commercial and industrial deposits are refunded upon discontinuance of service.

The District may apply a deposit against unpaid bills for service, and in such cases, the customer will be required to reestablish a deposit in an amount satisfactory to the District. Upon discontinuance of service, the District shall have a reasonable time in which to ascertain that the obligations of the customer have been fully performed before being required to return a deposit. Upon final discontinuance of use and settlement of all bills by the customer, any deposit will be returned to the customer. Customer credit balances under \$1.00 will not be refunded. With regard to unclaimed customer credit balances, the District follows Tennessee Unclaimed Property laws.

At the discretion of the District, the deposit requirement is waived or reduced for service to: (a) organizations exempt from federal income taxation tax, provided they have a valid tax exemption certificate on file with the District, (b) federal, state and local governments, (c) government facilities where a third party company request service acting as an agent of the government, (d) a rental unit subject to a contract with a landlord providing that gas service shall continue during periods when the unit is not occupied by a tenant and that the landlord shall be responsible for the payment of bills for gas service until an account is established in the name of a new tenant (a deposit shall apply to the new tenant), and the landlord maintains its account in good standing and has at a minimum a \$25 deposit in place on the unit, (e) a builder, contractor or developer on a temporary basis prior to occupancy of the premises, and (f) commercial and industrial customers on a case-by-case for the purpose of fostering economic development.

Should any customer receive a door hanger notification that gas service will be suspended; at the discretion of the District, that customer may be required to post a new or increase a current security deposit of up to the maximum as outlined above.

No assignment of any deposit shall be valid without the written consent of the District.