




Farmers Electric Cooperative

A Touchstone Energy® Cooperative 

FARMERS ELECTRIC COOPERATIVE, INC. **SUMMARY OF SECURITY DEPOSIT POLICY**

ESTABLISHMENT OF CREDIT

Each Applicant or Member must establish and maintain satisfactory credit to avoid paying a security deposit. Establishing satisfactory credit may be accomplished by having a satisfactory payment history for previous Farmers EC service within the last 2 years; or, by Farmers EC receiving a credit reporting agency's report indicating that the Applicant or Member poses no credit risk. An Applicant or Member refusing to provide a social security number for verification is assumed to pose a greater credit risk and shall be charged the maximum deposit. Pre-paid metering service will not require a deposit.

DEPOSIT AMOUNT

The total of all required deposits, initial and additional for permanent residential or non-residential Electric Service shall not exceed the greater of: one-fifth (1/5th) the estimated annual billing or the sum of the estimated billings for the next two (2) months. Temporary, seasonal, weekend or vacation residential service, security or street lights, Intermittent Use Facilities or any other request for a special type of service will require a deposit sufficient to reasonably protect Farmers EC against the assumed risk of loss for providing service.

WHEN A DEPOSIT IS REQUIRED

Late payment of a Farmers EC bill, any form of payment dishonored or returned unpaid, the disconnection of service for non-payment of a bill, filing bankruptcy, or an adverse letter from a credit reporting agency shall all require a deposit. An Applicant or Member required to pay a deposit may satisfy this requirement by obtaining a written Letter of Guarantee on their account from another Farmers EC member who has already established satisfactory credit. If a written request for a Deposit and a Termination Notice is issued at the same time, the deposit will be due in 10 days or the service will be subject to disconnection.

USE, DISPOSITION AND REFUND OF DEPOSITS

Farmers EC shall pay a minimum interest on deposits at an annual rate set by Texas Public Utility Commission. Payment of interest will be credited annually while it is held. Deposits and any unpaid accrued interest will be credited to the account after the Member has paid bills for twelve (12) consecutive months without having service disconnected for non-payment of a bill, a payment dishonored or returned unpaid, and without having more than 2 occasions in which a bill was delinquent or upon disconnection of service. A transfer of service from one premise to another within the Farmers EC service area shall not be deemed a disconnection. Upon disconnection of service, any remaining credit balance will be refunded by check. Deposits and Letters of Guarantee will be held until the account meets the credit to the account criteria.

Due to the general nature of the content herein, Farmers EC Tariff has precedence and is the controlling document in any perceived conflicts or discrepancies between the Summary of Security Deposit Policy and the Tariff.

Please contact the Customer Service Department if you have questions or need additional information.