

## **Deposit Requirements for New Members**

### Deposit Requirements

- A deposit may be required when starting new service or if reconnecting service due to disconnection for non-payment. The amount of this deposit shall not be greater than the equivalent of the member's estimated liability for the two (2) highest usage months' electric service within the last 12 months.
- In most cases a residential member is permitted to pay a required deposit in three (or more) consecutive equal monthly installments.
- The Cooperative will pay interest on deposits as determined annually by the Virginia State Corporation Commission.
- For residential members, the Cooperative retains a deposit for at least one year from the date the service was started. The deposit plus interest will be credited to the member's account or paid directly to the member at the end of 12 months of service, if the member has paid on time.
- For non-residential members, the Cooperative retains a deposit for at least two years from the date the service was started. The deposit plus interest will be credited to the member's account or paid directly to the member at the end of 24 months of service, if the member has paid on time.
- After termination of electric distribution service and the account is closed, and after all indebtedness to the Cooperative has been paid, all remaining deposits plus earned interest will be returned to the member.

### **Waiving a Deposit**

A residential member's deposit may be waived, if any of these circumstances apply:

- An acceptable letter of credit from their recent utility supplier will waive a deposit. The letter must include the results of a twelve-month history with the member not having paid late more than twice in that period.

- A final bill statement from a previous supplier stating the member has good credit.
- An acceptable credit report.
- Sign up for REC's Auto Pay service whereby the monthly bill amount is automatically deducted from their checking or savings bank account.

A non-residential member's deposit may be waived if either of these circumstances apply:

- A surety bond from an insurance company guaranteeing payment for the deposit amount.
- An irrevocable letter of credit from a bank guaranteeing payment for the deposit amount.