

APPENDIX C DEPOSITS TO INSURE PAYMENT OF BILLS

A. Applicable to Residential Customers

1. REMC will determine the credit worthiness of an applicant or customer in an equitable nondiscriminatory method and may require deposit to insure payment of bills.
2. If a former customer applies for service and continues to have an outstanding balance owed to the REMC, the outstanding balance plus any current and applicable service charges, a membership fee, and a deposit equal to two months of the highest usage will be made prior to service being connected. The deposit will be held per the REMC's policy for 18 months or longer per the REMC's deposit policy (Policy 310) in effect at the time. No interest will be paid.

B. Applicable to Commercial and Industrial Customers

1. REMC may require from any applicant or customer, as a guarantee against the nonpayment of bills, a cash deposit equal to the amount payable for service for a 60-day period as estimated by REMC. In all cases, where the monthly amount payable is in excess of that covered by the deposit, REMC may increase the amount of deposit required, but such deposit shall not exceed the estimated amount payable for a 60-day period.
2. In the case of a cash deposit as a guarantee against the non-payment of bills, simple interest thereon at the rate established by the Indiana Utility Regulatory Commission for regulated utilities shall be paid by the Company for the time such a deposit is held by REMC, but for a period less than 12 (twelve) months. Upon discontinuance of service, the amount of the final bill will be deducted from the sum of the deposit and interest due, and the balance, if any, shall be remitted to the depositor.
3. In lieu of a cash payment, the applicant may furnish an irrevocable letter of credit from a banking institution in an amount equal to 60 days of estimated annual cost of service.