

## Lincoln County Board of Public Utilities

2863 Huntsville Hwy  
Fayetteville, TN 37334

### Deposit Policy

Lincoln County Board of Public Utilities' deposit policy is designed to assess the credit risk associated with all applications for new or continue service, while protecting the assets of our utility.

This policy is based upon the use of a new technology based screening tool called the ONLINE Utility Exchange to assess credit risk at the point of application and charge deposits only to those potential customers and existing customers who have less than satisfactory credit rating. Credit Report risk assessment is handled through the Experian Credit Reporting Agency. The ONLINE Utility Exchange returns deposit decisions that reflect the credit report associated with the individual/s applying for service. LCBPU will not accept a letter of credit in lieu of credit report through ONLINE Utility Exchange.

All parties with a signature on service application will be screened through ONLINE Utility Exchange and deposit decision will be based on the applicant with the less than satisfactory credit report, and shall be charged the maximum deposit. An adverse action letter will be printed and given to each applicant who is denied service, or charged a deposit.

Our requirements to open a service account are: signing of application for service and credit report, social security number, picture identification, and proof of ownership (if owner), lease agreement or receipt of rental from landowner (if renter), and required deposit (if any) and a non-refundable new service charge. A service applicant who provides a social security number that is returned as deceased, non-issued, belonging to a person under the age of 18, or belonging to a person other than the applicant, or is fraudulent, shall be required supply a valid social security card before service is connected.

Deposits are required to be paid at the time of executed application for service connection. All deposits are security deposits and will be applied against any unpaid balance once the account is final and no longer active. Any remaining balance will be refunded to customer. Deposits are not transferable from one service address or from one customer to another.

### Deposit Criteria

#### Residential Service Applicants:

Standard deposits are \$100 per customer, per new service established **plus \$50 non-refundable new service charge**. Every time service is established, a new service fee is required. This applies to transferring service from one address within our water jurisdiction to another.

LCBPU shall consider the status of the applicant and act according to the following criteria:

1. New service applicants with a good credit rating (green light returned on the ONLINE Utility Exchange) will be charged no deposit.
2. New service applicants with a satisfactory credit rating (yellow light returned on the ONLINE Utility Exchange) will be charged \$50 deposit.
3. New service applicants with a less than satisfactory credit rating (red light returned on the ONLINE Utility Exchange) will be charged \$100 deposit.

Any existing customer who has no deposit and applies for new service within our water jurisdiction, an ONLINE Utility Exchange report will be run and a deposit will be required accordingly, plus a \$50 non-refundable new service charge.

A customer who has had service terminated or has an unpaid utility bill returned by the ONLINE Utility Exchange shall pay a maximum deposit.

#### General Service Applicants (commercial, industrial, nonresidential)

Standard deposits per customer are \$180 with a 5/8" x 3/4" meter size, \$360 with a 1" meter size, \$1,200 with a 2" meter size, per new service established plus \$50 non-refundable new service charge. Every time service is established, a new service fee is required. This applies to transferring service from one address within our water jurisdiction to another.

For service of a larger than two inch meter size, deposit would be calculated by means the highest of:

- The average monthly utility bill determined for customer class of service.
- The average monthly utility bill for service location based on historical billing data.
- The average monthly utility bill calculated using utility load data.

LCBPU shall consider the status of the applicant and act according to the following criteria:

1. New service applicants with a good credit rating will be charged a deposit of \$60 with a 5/8"x 3/4" meter size, \$120 with a 1" meter size, or \$400 with a 2" meter size plus \$50 non-refundable service charge.
2. New service applicants with a satisfactory credit rating will be charged a deposit of \$120 with a 5/8" x 3/4" meter size, \$240 with a 1" meter size or \$800 with a 2" meter size plus \$50 non-refundable service charge.
3. New service applicants with a less than satisfactory credit rating will be charged the standard deposit as stated above plus \$50 non-refundable service charge.

Any existing customer who has no deposit and applies for new service within our water jurisdiction, an ONLINE Utility Exchange report will be run and a deposit will be required accordingly, plus a \$50 non-refundable new service charge.

A customer who has had service terminated or has an unpaid utility bill returned by the ONLINE Utility Exchange shall pay a maximum deposit.