

## **CMLP CUSTOMER SECURITY DEPOSIT POLICY**

The following policy details the requirements for security deposits for electric service provided to customers by the Concord Municipal Light Plant (CMLP).

CMLP's Customer Service Administrator shall have the authority to modify the deposit policy on an individual basis.

### **RESIDENTIAL ACCOUNTS**

Rates included: all Residential

#### **New Residential Accounts**

Security Deposits will be required for residential customers provided electricity under the above rates in an amount equal to twelve (12) months' average usage **but in no case less than \$200.00**. This amount will be based on the previous **(12) month** consumption for the premises in question, if available, or will be estimated by CMLP. Security deposit amounts are reviewed periodically and may be adjusted if there is a substantial change.

The deposit requirement may be waived if;

1. Recorded owner of property is identical to the residential service account holder; property owners are not subject to deposit.
2. Existing customer with excellent payment history for the previous 12 months (no arrears).
3. New customers who provide a reference letter from their previous electric utility certifying no late payments for the last 2 years immediately prior to applying for electric service with CMLP.

#### **Existing Residential Accounts**

May be required to establish or maintain a deposit based on any of the following criteria:

1. If account becomes 45 days delinquent within the first twelve (12) months of service; or
2. If customer has two or more payments rejected by CMLP's bank within the first twelve (12) months of service.

Who wish to transfer service to a new location within CMLP service area will require a deposit based on any of the following criteria:

1. Previous account has two or more payments rejected by CMLP's bank within a twelve (12) month period;
2. Previous account has remained unpaid after 45 days from date of bill;
3. Previous account service was terminated for non-payment of electric charges; or
4. Previous account does not show a zero balance or fits any of the other criteria listed above.

## **Security Deposit Return**

Security Deposit will remain on Customer's account as long as account is active. Security deposit will be returned with interest after account is closed and all arrears to CMLP are paid in full.

A residential customer can request that CMLP review their account for return of deposits after twenty-four (24) months. Accounts with a payment history satisfactory to CMLP can have their deposit, including all accrued interest, credited to the account balance.

If an account has not met the payment criteria for twenty-four (24) months, the associated deposit will be held until the payment history, as determined by CMLP, is satisfactory or service is terminated. If service is terminated before the deposit is returned, CMLP will apply deposit and interest against any unpaid balance and refund the difference.

### **MUNICIPAL ACCOUNTS**

Rates included: G-1M, G-2M, & G-3M  
No deposits are required for Municipal Accounts.

### **BUSINESS ACCOUNTS**

Rates included: G1, G2, & G3

Security Deposits will be required for all business customers (property owners and tenants) provided electricity under the above rates in an amount equal to twelve (12) months' average usage **but in no case less than \$480.00**. This amount will be based on the previous **(12) month** consumption for the premises in question, if available, or will be estimated by CMLP. If the business customer has multiple accounts, a separate deposit will be required for each account. Security deposit amounts are reviewed periodically and may be adjusted if there is a substantial change.

Customers also have the option of providing an irrevocable Standby Letter of Credit from their bank in lieu of a deposit. The bank letter of credit must be irrevocable for the period of electric service and state that payment must be surrendered to CMLP upon demand.

## **Security Deposit Return**

Security Deposit will remain on Customer's account as long as account is active. Security deposit will be returned with interest after account is closed and all arrears to CMLP are paid in full.

## CONTRACTOR TEMPORARY/PERMANENT SERVICE

Rates included: G1, G2, & G3

Security Deposits will be required for all Contractor customers for both temporary and permanent service provided electricity under the above rates in the amount of **\$480.00**. If customer has multiple accounts, a separate deposit will be required for each account.

### **Security Deposit Return**

Security Deposit will remain on Customer's account as long as account is active. Security deposit will be returned with interest after account is closed and all arrears to CMLP are paid in full.

## INTEREST

Interest on the deposit shall be credited annually to the Customer's account for the calendar year. The interest rate is determined by the Commonwealth of Massachusetts, Interest Rates for Security Deposits - Municipal Light Plants, Chapter 164, Section 58. Deposits that are refunded or applied prior to six months are not entitled to earn interest.

## DEPOSIT ARREARS

Payments against account balances are applied to the deposit requirement first. Should deposit be outstanding and payment received does not cover both deposit requirement (in full) and service charges account will be considered in arrears and risk collection processing procedures to include but not limited to service termination.