VII. The Cooperative shall require a one-time non-refundable membership fee regardless of the number of meters or accounts the member may list in the same name.

VIII. Upon the death of either spouse, such membership shall be held solely by the survivor, provided however, the Estate of the deceased shall not be released of any debts due the Cooperative.

IX. Upon the legal divorce of husband and wife, the existing non-refundable membership may be transferred by one party to the other party upon joint agreement and written consent by the non-resident spouse whose signature is notarized or by a final court order. Any debts due the Cooperative prior to conversion from a joint membership shall be borne by both parties.

X. The Cooperative shall require a one-time non-refundable membership fee which shall remain with the Cooperative. Membership within the Cooperative will be detailed through assignment of a master capital credit number and imprinted on any subsequent evidence of membership issued. Members will be asked to maintain this evidence as proof of membership within the Cooperative.

XI. The refund of any existing multiple membership fee on file will be based on an impartial and equitable system of return as so determined by the Cooperative. C

B. Deposit

I. A cash deposit or other guaranty to secure payment of bills may be required from any member or prospective applicant requesting service connection or reconnection. In all cases, if the prospective applicant has had prior service with Salt River Electric, the Cooperative's credit history will take precedence over any other credit history or credit report if the member's account is not in good standing with the Cooperative as defined by the Cooperative's definition of a good credit history regardless of the elapsed time since the customer has received the Cooperative's service.

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If the customer files bankruptcy proceedings while a member of the Cooperative, a deposit will be required within twenty (20) days upon notification of the bankruptcy proceedings; the existing deposit at the customer's account which is to be finaled under the bankruptcy proceedings will be applied to that final bill.

The method of determining the amount of cash deposit may differ between classes of customers, but shall be uniform for all customers within the same class.

The amount of deposit shall be:

(a) Customary Service..... $ 100.00
Shall include but not limited to houses, mobile homes, apartments, temporary services for permanent residences.

(b) Distinctive Service.....Under 37.5 KVA transformer.....$200.00
Shall include commercial services; also, metered outdoor lighting;

(c) Greater than 37.5 KVA transformer shall be 2/12 of a year's estimated billing as determined by Engineering.

(d) Extraordinary Service.....$ 50.00
Shall include but not limited to camps, seasonal services, temporary services to be used for construction only, flat rate security lights where a meter does not serve location, low usage.

II. Definition of a 12-Month Credit History Relative to the Waiver of a Consumer Deposit: Consideration of a review for a waiver of a consumer deposit shall be as follows:

(a) All accounts billed in the same name shall be reviewed for consideration of the waiver of a consumer deposit;

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(b) Regardless of the elapsed time since connection, the consumer deposit will be waived when the member has accumulated a 12-month good credit history as defined by the Cooperative.

(c) A voluntary or service agency or organization providing service or services in behalf of any recognized state or local government or community shall be exempt from paying a consumer deposit with disregard to the preceding paragraph.

III. Other Possible Waivers- Exemption from Paying a Consumer Deposit may be granted when the consumer has not accumulated a 12-month credit history with the Cooperative by:

(a) providing a current (current shall be defined as dated within the twelve (12) most recent months) and acceptable "Letter of Good Credit Reference" from a utility (utility shall be defined as light, power, water, or phone); or

(b) deleted D

(c) providing proof of payment in the previous twelve (12) months where the account has been listed in a name other than the applicant, during which time the account indicates an acceptable credit history as defined by the Cooperative; or

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(b) Regardless of the elapsed time since connection, the consumer deposit will be waived when the member has accumulated a 12-month good credit history as defined by the Cooperative.

(c) A voluntary or service agency or organization providing service or services in behalf of any recognized state or local government or community shall be exempt from paying a consumer deposit with disregard to the preceding paragraph.

III. Other Possible Waivers- Exemption from Paying a Consumer Deposit may be granted when the consumer has not accumulated a 12-month credit history with the Cooperative by:

(a) providing a current (current shall be defined as dated within the twelve (12) most recent months) and acceptable "Letter of Good Credit Reference" from a utility (utility shall be defined as light, power, water, or phone); or

(b) securing a guarantor who is presently a member of the Cooperative with an established current twelve (12) month acceptable credit history as defined by the Cooperative. The guarantor must acknowledge in writing and have duly notarized the intent to be responsible for any bills incurred by the applicant should the account become delinquent. The guarantor may be released from the obligations of this acknowledgement after 12 months of uninterrupted good credit history of the prospective applicant as defined. Securing a guarantor shall in no way prevent the account from being disconnected for non-payment should a delinquency of the account occur;

(c) providing proof of payment in the previous twelve (12) months where the account has been listed in a name other than the applicant, during which time the account indicates an acceptable credit history as defined by the Cooperative; or

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(d)authorization is provided in writing by the applicant to perform a credit review of their payment history through a credit reporting bureau. Applicant agrees that the exemption or denial of exemption will be based entirely upon the Cooperative's determination of their credit history and that the actual costs of providing this credit check will be borne by the applicant; or

(e) by transfer of the consumer deposit, if existing, to the ex-spouse through a court order or a written notarized consent form provided by the Cooperative and signed by the non-resident existing spouse because of the dissolution of marriage.

(f) by qualifying for reconnection under the guidelines established by the PSC in regard to Winter Hardship Reconnection, a deposit will not be required.

IV. If a member is disconnected for non-payment by the Cooperative after the member is connected with service, outside sources of good credit produced by the member will not be considered as a waiver from paying the consumer deposit unless provided by law.

V. The credit history of an account shall only be considered negatively:

For Active Accounts:

(a) when there is a history of insufficient checks existing in the most previous 12-month period of the account with the Cooperative, or

(b) when the account indicates a disconnect for nonpayment in the most previous 12-month period of the account with the Cooperative, or

(c) when the Cooperative has been issued a Notice of Bankruptcy Relief within the most previous 12-month period of the existence of the account with the Cooperative.

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For Inactive Accounts:

(a) when the account has remained unpaid after collection efforts have failed to recover the debt owed the Cooperative, or

(b) when the account indicates a history of insufficient checks existing in the most previous 12-month period prior to disconnection of the account, or

(c) when the account indicates a disconnect for nonpayment in the most previous 12-month period prior to disconnection of the account.

VI. Interest will be paid on all sums held on deposit at the rate of 6 percent annually. Interest, as prescribed by KRS 278.460 (rate prescribed by law) beginning with the date of deposit, will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis. If the deposit is refunded or credited to the customer's bill prior to the deposit anniversary date, interest will be paid or credited to the customer.

VII. Refunds of all deposits- shall be made under the following conditions:

(a) Upon the request of discontinuation of service for which the deposit was made by the consumer, (any unpaid bills shall be deducted from the deposit).

(b) Twelve (12) months from the anniversary date of the payment of the consumer deposit in which the member has established an acceptable credit history as defined by the Cooperative in its Rules and Regulations; thereafter, the refund will be made when the member has established an ongoing 12-months' good credit history as so defined by the Rules and Regulations of the Cooperative.

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(c) Upon discontinuation of service for which the deposit was made for any reason, (such as nonpayment of bills). Any unpaid bill shall be deducted from the deposit.

VIII. If the Cooperative retains a deposit for more than eighteen (18) months- a recalculation of the deposit amount will be made upon request by the consumer. Notification will be made to the customer through the receipt of deposit that the deposit may be recalculated based upon the actual usage of the customer for the previous (12) months. The receipt will state that if the deposit on account differs by more than ten ($10.00) from 2/12 of the actual billing for residential customers, or by more than ten (10) percent from 2/12 of the actual billing for the previous 12 months for non-residential customers, then the utility shall refund any over-collection and may collect any underpayment.

(a) The Cooperative shall not be required to refund any excess deposit if the consumer's bill is delinquent at the time of request.

(b) Upon request by the customer, a recalculation of a consumer deposit will be made only once each eighteen (18) months based on the actual kwh usage of the customer.

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(c) If a residential deposit is recalculated in accordance with the above and meets the requirements of a refund, the consumer shall first return the original certificate of deposit to the Cooperative in exchange for a new, accurate certificate. If the original certificate has been lost or is otherwise unavailable, the consumer shall sign the duplicate certificate maintained at the Cooperative's facility to verify the change of deposit amount, for future reference.

IX. Failure to Comply with tariffed Deposit Requirements- A customer for good cause as determined by the Cooperative may be permitted to mail the deposit after the Cooperative connects service; however, the

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requirements within other sections of the Cooperative's Rules and Regulations associated with and addressing requirements of the collection of deposits when accounts are disconnected for non-payment, illegal usage, etc. may mandate immediate payment of deposits and will be adhered to as so stated. C

C. **Same-day Requests for Reconnects-** Any request for reconnection of service made prior to 3:30 p.m. of a scheduled working day (excluding reconnects when account has been disconnected for non-payment or an insufficient check or reconnects in the same name):

I. Will be connected that same day during working hours without reconnect charges when at all possible contingent upon work scheduling and weather conditions.

II. Reconnection may be requested after hours on a regularly scheduled work day or Saturday at an overtime reconnect fee of $50. C | C

III. If the request for reconnection is made after office hours, the member will be informed by the office personnel on-call that additional fees and/or deposits and applications may be required; therefore, contact must be made with the office during the next workday to address the issues.

IV. Failure to follow the guidelines of paying additional fees and deposits that may be required and/or completion of the necessary paperwork will result in disconnect of service following the guidelines as so determined by the PSC and the Cooperative's Rules and Regulations after notification of same.

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