



HUNTSVILLE UTILITIES POLICY

Revision Approval Date: Gas & Waterworks Board-5/25/2021 Electric Board- 5/26/2021	Date Posted: 5/28/2021	Implementation Date: 6/1/2021
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Policy #: CC-06

Policy: Residential Security Deposits

Purpose: Huntsville Utilities (HU) security deposit policy is designed to mitigate the financial risk associated with providing utility services to our customers recognizing that all utility services are paid in arrears after the customer has consumed the service.

All residential customers are subject to providing a satisfactory security deposit before service will be established. A deposit or suitable guarantee of a standard amount not exceeding twice the average (previous or anticipated) bill may be required. All deposits retained by HU accrue interest based on current market rates being earned by HU's primary bank account. The deposit including interest earned over its term will be applied to the customer's account at termination and refunded to the customer after any remaining bills are paid. Deposit refund checks will not be cashed by HU. The deposit balance, as well as the adequacy of the deposit amount, may be reviewed by HU as necessary.

Deposit amount determination: A standard residential deposit is \$300.00 and is required for each established account unless the applicant meets one of the following conditions:

- **Existing** customer that has had service with HU within the previous thirty-six (36) months and maintained an excellent payment history (no past due letters, notices, non-pay disconnects, returned checks/drafts or any outstanding HU debts) will pay a \$100.00 security deposit.
- **Previous** HU customer (within the last five years) with an excellent payment history (no past due letters, disconnections from non-payment, returned checks/drafts or any outstanding HU debt) for the last three years of the five-year time frame will pay a \$100 security deposit.
- **New** customers who apply online and receive an excellent credit score from our third-party credit-reporting agency will pay a \$100.00 security deposit.
- **New or previous** customers that provide a properly executed Guarantee of Account will pay a \$100.00 security deposit. The Guarantor must have an active account with HU with an excellent payment history for the preceding thirty-six (36) months.

Previous customers with an outstanding debt owed currently or within the past seven years will pay a \$300.00 deposit or an amount not exceeding two times the average bill at the location where service will be provided, whichever is greater. This deposit will be retained for the life of the account. The applicant may be required to pay or setup an agreement to pay any outstanding debt prior to establishing service.

An existing customer who makes a request to transfer service from one location to another may be required to upgrade their security deposit based on the criteria outlined in this policy.



Residential Security Deposit Policy

An existing customer who files for bankruptcy will be required to open a new account and provide a deposit based on the above guidelines and as outlined in Bankruptcy Code Section 366 (b).

After maintaining service for three consecutive years with an excellent payment history, \$200.00 of the \$300.00 will be credited to the customer account.

Original Issue Date: 3/2/92