

Wells Rural Electric Company
Adopted: March 1976
Reviewed: February 20, 2002
Revised: February 20, 2002
Reviewed: April 9, 2008
Revised: March 20, 2018

RULE NO. 13

DEPOSITS

A. Amount to Establish Credit

An applicant, for any class of service, who has not established satisfactory credit as determined by the company, an amount approximately twice the estimated periodic bill, but not less than \$200.00. The company may require a pre-payment equal to the estimated seasonal usage on seasonal accounts (i.e. irrigation).

B. Amount to Re-establish Credit

1. Former Member/Owners

An applicant who is a former customer and whose service was disconnected during the last 12 months of his/her previous service for non-payment of bills, or who has not established satisfactory credit as determined by the company an amount approximate to twice the estimated periodic bill for the service desired, but not less than \$200.00 plus any past due amount(s). The company may require a prepayment equal to the estimated seasonal usage on seasonal accounts (i.e. irrigation).

2. Present Member/Owners

For a member/owner whose service has been disconnected for nonpayment of bills, or who has not established satisfactory credit as determined by the company an amount approximate to twice his period bills for that service but not less than \$200.00 plus any past due amounts. The company may require a prepayment equal to the estimated seasonal usage on seasonal accounts (i.e. irrigation).

C. Applicability to Unpaid Accounts

Deposits prescribed herein are applicable to unpaid bills for electric service when such service is discontinued.

D. Return of Deposits and Release of Guaranties

1. Upon discontinuance of service, the company will refund the member/owner's cash deposit or the balance in excess of unpaid bills.
2. After the member/owner has for 12 consecutive months paid bills for service prior to the delinquent date, the company may refund the cash deposit or apply the deposit to the depositor's account with interest thereon, as provided in Paragraph E. In the case of guaranties described in Paragraph F, the company may release the guaranty. Failure to pay a bill for service in any of the required 12 consecutive months results in a re-start of the 12-month period.

E. Interest on Deposits

The company will pay interest on cash deposits to all member/owners at the rate established by the Nevada Public Utilities Commission for the Nevada state regulated utility companies. Where such deposit remains for a period of one year or more and the person making the deposit continues to be a consumer, the interest on the deposit at the end of the year shall be applied to the depositor's account.

F. Guaranty in Lieu of Deposit

In lieu of a cash deposit, at the sole discretion of Company, an applicant for service (herein "applicant") may be permitted to provide any of the following guaranties equal to the amount of the deposit required of the applicant pursuant to Sections A and B of this Rule 13:

1. An irrevocable letter of credit from a bank located in the State of Nevada; or
2. A bond from a bonding company located in the State of Nevada; or
3. A personal guaranty from a member of a limited liability company.

Should the applicant fail to pay for service, the company may require payment by the guarantors to the same extent it could have retained such sums of a deposit.