

**JOE WHEELER ELECTRIC MEMBERSHIP CORPORATION  
OPERATIONAL POLICY**

**Policy 201**

ADOPTED: FEB. 22, 1993

AMENDED: MAY 9, 1994

AMENDED: OCT. 1, 1997

AMENDED: DECEMBER 13, 2001

AMENDED: SEPTEMBER 28, 2004

AMENDED: JANUARY 24, 2008

AMENDED AND BOARD APPROVED: OCTOBER 7, 2014

AMENDED BY TVA & APPROVED BY BOARD RESOLUTION: 2/29/2016

Subject: Application for Membership and Electric Service

I. Objective

To establish membership and application for electric service to be followed by the management staff and other employee personnel when implementing electric utility services to our customers.

II. Policy

A. Membership

The application for Membership in the Cooperative shall constitute an application for electric service. The Cooperative shall have the right to refuse any application for electric service. The Cooperative shall have the right to refuse any application for service beyond or outside the territory served, or in case of an unsafe or dangerous condition found to exist on the applicant's premises, or for other good and sufficient reasons shown. The form of application shall be such as is determined and approved by the Board of Trustees of the Cooperative. The customer must sign the membership/ROW application and provide appropriate identification (Social Security Number, Driver's License or State photo id) to become a new member.

B. Account Origination

A non-refundable account origination fee will be required of all new members. Should a person who is already a customer of the Cooperative desire an additional service, another non-refundable account origination fee will be required. (See Schedule of Fees)

C. Deposits

A deposit or suitable guarantee may be required of all customers.

1. Residential: Deposit amounts for residential customers will be a flat fee based on their credit history and the class average for the residential rate classification (See

below). In no event will the deposit required exceed twice the highest monthly bill for the billing location as calculated over the past 12 months. Existing customers who apply for additional accounts will have deposit amounts based on payment history with the co-op (as defined below). A letter of credit from a previous utility, verifying no late payments in the previous 12 month period will constitute "excellent" rating for deposit evaluation purposes.

Credit Rating	Deposit Amount	Existing Customers
Excellent-750 or higher	\$0.00	1 late penalty max
Good-680-749	\$100.00	2 late penalties max
Fair-600-679	\$250.00	4 late penalties max
Poor/No-599 or lower	\$500.00	Greater than 4 late penalties

2. A guarantor may come onto a joint account with the deposit amount being based on the guarantor's credit history. After a 12-months' good credit history at JWEMC, and an excellent credit rating for the customer (Equifax score of 750 or higher, or the equivalent score from another approved credit service), the guarantor may be removed from the account upon request. If fair or poor credit score is returned for the customer, the guarantor may be removed, however, an additional deposit may be required according to the criteria listed above. (See Schedule of Fees)
3. Multiple Accounts: An account origination fee will suffice for customers with multiple accounts (greater than 20) who wish to have service restored for a temporary period, as long as the customer has an acceptable payment history. If the payment history is unacceptable, a deposit of \$500 will be required. An unacceptable payment history is defined as paying late more than four times and having more than two disconnections in a 12 month period. (See Schedule of Fees)
4. Commercial/Industrial: A deposit, approximately equal to twice the highest monthly bill, may be required of all commercial and industrial customers. Where a billing history does not exist, the deposit amount will be estimated based on anticipated energy loading requirements for the particulars of the customer. A deposit may be in the form of cash, surety bond, or irrevocable bank letter of credit. In the event a cancellation notice is received on a surety bond or bank letter of credit, a renewal of such will be required or a monetary deposit will be required. Commercial and Industrial deposits will not be refunded until termination of service. Upon termination of service, deposits currently held may be applied by JWEMC against unpaid bills of the customer and if any credit balance remains after such application is made, said balance shall be refunded to customer. Industrial and commercial accounts may be reviewed from time to time and may be required to post an additional deposit, not to exceed twice the highest monthly bill at the billing location.

5. Interest: The Cooperative will credit the customer's account for interest paid on security deposits held for twelve consecutive months occurring in July of each year. The amount credited will be based on deposits in place on June 30th of each year. The percentage interest paid will be the prevailing rate currently being paid on pass book savings in our service area. Upon written request, the deposit balance, including earned interest, is subject to review by the customer and Joe Wheeler EMC.
6. The Cooperative reserves the right to require an account origination fee and a deposit before service is reinstated or continued in the event of bankruptcy.
7. In the event a service is disconnected for nonpayment and the customer's account becomes inactive, the customer will be required to pay an account origination fee, the appropriate deposit, and any outstanding charges before services can be restored.
8. For commercial deposits or surety bonds for existing businesses being taken over, or reopened by a new proprietor(s), the deposit shall be determined based on the past history of consumption at this location, unless the location is to be used for another purpose. (See Schedule of Fees) Deposits are required on all commercial accounts despite personal credit references or other deposits on the system. Commercial deposits are not transferable to other services, service addresses, or different proprietors at the same location.
9. Short-Term: Customers with an acceptable pay history that require service on a short term basis, not exceeding 60 days, will be required to pay a deposit in the amount of \$50 per active account. In the event of an unacceptable pay history (as defined in paragraph 1 above), a deposit equal to \$250 will be required. Once the security deposit is received, it will be accounted for and retained until such time as the customer terminates service.

#### D. Restoration of Service Destroyed by Fire

The Cooperative will not charge an Account Origination Fee and/or Temporary Service Fee to customers to restore service after a fire or storm. However, an appropriate deposit may be required based on account history. Only one free Account Origination Fee and/or Temporary Service Fee is allowed after the interrupted service.

### III. Responsibility

- A. The Board of Trustees is responsible for periodic review of policies.
- B. The General Manager, Management Staff and employees are responsible for the implementation of this policy.