

Account: \_\_\_\_\_

Name: \_\_\_\_\_

Location: \_\_\_\_\_

Deposit and District: \_\_\_\_\_



**GENERAL POWER CUSTOMERS  
DEPOSIT AGREEMENT**

Deposits shall be required of all General Power customers in an amount equal to twice the anticipated highest monthly bill. The cooperative's estimated deposit amounts shall be used for other required General Power customer deposits and such estimates shall be made on the basis of the best data available.

UCEMC personnel shall not energize any facility before the required security deposit is received in satisfactory amount and surety; and furthermore, if any such facility shall have received or continued to receive electric power without UCEMC's knowledge and such shall have been discovered, the electric service shall be disconnected immediately and shall remain disconnected until arrangements have been made to keep UCEMC secure from loss.

The following options will be available to General Power Customers for the payment of security deposits:

1. By posting a bond on a reputable bonding or insurance company at the member/customer's expense, or
2. By making a cash deposit with the cooperative. Such deposit shall earn interest at a rate paralleling rates at local banks for investments of like amounts and time periods.
3. By posting a commercial letter of credit at the member/consumer's expense and irrevocable except with 90 days notice to the cooperative.
4. By participation in the TVA's Deposit Assurance Program (as further discussed below).
5. By approved bond rating in the case of federal, state or county governments.

Commercial and industrial customers will receive refunds of cash security deposits as a credit to their account or by a cooperative check upon settlement of the final bill at termination of service.

Interest will accrue on cash deposits at an annual rate paralleling local bank rates for investments of like amounts and time periods and will be compounded and paid annually or at an earlier date if service is terminated.

Customers having a connected load of 250 KW or greater or who have been previously approved by TVA and, after nomination of UCEMC and approval by TVA's insurance carrier, shall be allowed to participate in TVA's Deposit Assurance Program (DAP) in lieu of standard monetary deposits.

Any customer participating in the DAP Program who defaults on payment of any bill owed to UCEMC and who is disconnected for non-payment of said bill shall be subject to the monetary deposits in the amounts required of customers not meeting the requirements to participate in TVA's Deposit Assurance Program before having service re-connected by UCEMC.

UCEMC:  
\_\_\_\_\_  
(Initials)

Customer:  
\_\_\_\_\_  
(Initials)

Any participant in TVA's Deposit Assurance Program that is subsequently dropped from the Program shall immediately post a security deposit by one of the alternative forms set out above.

Any qualifying General Power customer wishing to participate in TVA's Deposit Assurance Program (DAP) shall be required to pay the appropriate portion of the Deposit Insurance Policy Premium as designated by TVA and amended from time to time by TVA.

All General Power Contracts shall contain the following paragraph or otherwise suitable similar paragraph:

Security Deposit. The customer shall post and maintain a security deposit in an amount, surety and manner satisfactory to UCEMC prior to receiving any power to the facility herein described. The amount of the security deposit will be the estimated usage of power for two months. The estimate will be based on electric load provided by the customer or observed by UCEMC, on expected load factor and on the price of power. UCEMC may adjust the amount of security deposit required from time to time to keep the amount consistent with two months billing based on measured usage. UCEMC may, upon seven (7) days notice, terminate service to customer if customer fails to maintain a security deposit as required herein.

Witness the Signature of the parties this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Customer

Witness the Signature of the parties this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**UPPER CUMBERLAND ELECTRIC  
MEMBERSHIP CORPORATION**

By: \_\_\_\_\_

Acct Number \_\_\_\_\_

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