

## **Mansfield Municipal Electric Department Commercial Customer Deposit Policy**

Commercial customers shall maintain a security deposit on account in accordance with M.G.L. Chapter 164, Section 58A. MMED will calculate the maximum amount of the security deposit based on an analysis of the three highest months' projected load, as determined solely by MMED. Such security deposit will be collected at the time the account is established. Provided however, MMED may collect a security deposit or may require the customer to supplement the amount of any deposit after service has commenced if a security deposit was not provided at the time of opening the account, the deposit was returned to the customer under a previous policy, amounts on deposit were applied to past due charges, or the amount on deposit otherwise is not sufficient to cover approximate charges.

- 1) Deposits will be collected in the form of cash, check, or credit card payment. In MMED's discretion and with the General Manager's approval, MMED may accept a surety bond or irrevocable letter of credit in lieu of a cash, check, or credit card deposit.
- 2) Upon the customer's request, MMED may waive the payment of security deposit if the calculated deposit value is less than \$5,000 and the customer enrolls in MMED's direct debit or recurring credit card programs, which allows MMED to initiate payment of the customer's monthly electric bill. If the customer terminates the payment authorization, or payment is rejected due to fraud or insufficient funds, MMED will terminate the direct debit or recurring credit card program. If the direct debit or recurring credit card payment has been terminated, the customer shall submit a deposit in a form and amount acceptable to MMED within five (5) business days of notification by MMED. Failure to submit the required security deposit within the required timeframe may result in suspension or termination of service.
- 3) If the deposit is made by check and if the check is returned for insufficient funds, the customer shall submit a deposit in a form acceptable to MMED within five (5) business days of notification of insufficient funds. Failure to submit the required deposit may result in suspension or termination of electric service. In addition, a returned check fee will be charged to the customer.
- 4) Unless otherwise provided, security deposits will be held until the account is closed.
- 5) All accounts shall accrue interest, which will be credited to the account annually, in accordance with the provisions of M.G.L. Chapter 164, Section 58A.
- 6) If a customer moves to a different service location within MMED's service territory, the deposit that the customer held on the old account will be transferred to the new account. If the class of service is not comparable (i.e. if the customer moves into a larger space), the amount of the deposit may be adjusted based on the projected new load.
- 7) MMED, in its discretion, may waive the security deposit for landlord customers who enter into an agreement for continuous service for periods of vacancy and the landlord customer does not have a history of non-payment or late payment of charges. If service previously has been terminated to the landlord customer for non-payment of charges, MMED may refuse to reconnect service until a security deposit is furnished and all past due charges have been paid.
- 8) Notwithstanding any other provision, a security deposit shall be required from any commercial customer whose electric service has been terminated for non-payment. Once an account has been terminated for non-payment, the entire balance must be paid in full and a deposit equal to the three (3) highest consecutive months' usage must be paid before service will be restored. The customer also shall be responsible for paying a reconnection charge and any other charges required by MMED's Terms and Conditions or rates as a condition to the restoration of electric service.
- 9) After service has commenced, MMED may adjust the amount of the security deposit based on the customer's actual load for the three highest months of actual service. MMED may either reimburse customer (as applicable) or require the customer to pay the difference between the amount of the original deposit and the calculated amount based on the highest three-month average based on actual consumption.