

Mansfield Municipal Electric Department Commercial Customer Deposit Policy

Customer deposits will be collected from all commercial customers. MMED's ability to collect deposits is defined in M.G.L. Chapter 164, Section 58A. Deposits will be collected at the time the account is established. The amount of the deposit will approximate 3 months of charges on the particular account based on an analysis of the projected load, as determined solely by MMED.

- 1) Deposits will be collected in the form of cash, check, irrevocable letter of credit, surety bond or credit card payment.
- 2) The deposit will be waived if the commercial 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 a direct debit or recurring credit card payment is returned due to insufficient funds, MMED will terminate the direct debit or recurring credit card program and require the customer to submit a deposit in a form acceptable to MMED within five (5) business days of notification of insufficient funds or the electric service will be terminated. Should the customer elect to terminate MMED's direct debit or recurring credit card program, the customer shall submit a deposit in a form acceptable to MMED within five (5) business days of notification or the electric service will be terminated.
- 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 or the electric service will be terminated. In addition, a returned check fee will be charged to the Customer.
- 4) All deposits collected 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 from one rental unit to another rental unit within the town, 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 rental space), an additional deposit may be required or a portion of the deposit may be returned, depending on the amount of deposit previously held and the amount of deposit required on the new unit. Should an existing commercial customer for which MMED does not hold a deposit move to another unit in Town and establish a new electric account, that customer will be required to submit a deposit to MMED in accordance with this policy.
- 7) No deposit shall be required from the owner of a commercial property which currently has vacant space for rent and is considered to be between tenants, as determined solely by MMED. Should the owner allow the service of such rental space to be terminated for non-payment of electric bills, MMED shall not reconnect the service until the owner places a deposit. In the event that the owner allows termination of service but the space is then leased, electric service shall not be established for any new tenant until the owner's past due balance has been paid .
- 8) Deposits will be required from current commercial customers whose electric service is 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 3 highest consecutive months' usage must be paid (if MMED does not currently hold a deposit on this account) in addition to the reconnection charge, in order to have electric service restored.
- 9) After one year of service, a Customer may appeal to MMED to have the amount held as a security deposit reduced. MMED will examine the Customer's 12 months prior usage and compute 3 months of average charges on the particular account. MMED, at its sole discretion, shall determine if the highest 3 month average billing of a Customer's consumption warrants a reduction in the amount held as a security deposit for that Customer and if so, will return a portion of that deposit, the amount to be determined solely by MMED, to the Customer.