

VALLEY ELECTRIC ASSOCIATION, INC.

Corporate Policy #122

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

Dated: October 2, 2009

Supersedes Date: September 28, 2001

I. OBJECTIVE

To protect the Association from bad debt.

II. POLICY

All consumers shall establish adequate credit before receiving service from the Association.

Each consumer shall be required to establish or re-establish credit to the satisfaction of the Association before receiving service, or when otherwise required by subsection (C) of this Policy.

A. **Deposit.** Credit may be established by a deposit as required by Corporate Policy 123, "Deposits." Such a deposit may be in the form of cash or a bond or guarantee satisfactory to the Association.

B. **Reconnection of Service.** Prior to reconnection of service a consumer whose electrical service has been disconnected for nonpayment of a bill or other charges or amounts due to the Association, the consumer will be required to:

1. pay any unpaid balance due the Association;
2. pay any reconnection charges, as set forth in Corporate Policy 123, "Deposits"; and
3. re-establish credit by making the deposit prescribed in Corporate Policy 123, "Deposits."

C. **Re-evaluation of Credit.**

1. When a second Late Payment has been made by a consumer within a twelve month period the Association may, after giving notice as provided in subsection (C) (2) herein, require an increase in the consumer's deposit, calculated in accordance with Corporate Policy 123, "Deposits."
2. The Association shall notify the consumer in writing of any amount to be paid as an increase or new deposit and such amount shall be due and payable within 15 days of presentation

III. RESPONSIBILITY

The Board of Directors, through delegation to the Chief Executive Officer, shall be responsible for the administration of this policy.