



SERVING BUSINESS, HOME, AND INDUSTRY IN DICKSON, HICKMAN, CHEATHAM, HOUSTON, AND MONTGOMERY COUNTIES SINCE 1936

DICKSON ELECTRIC SYSTEM - COMMERCIAL/INDUSTRIAL CUSTOMER DEPOSIT

Welcome to Dickson Electric Service! A deposit is required for all accounts at the time of service activation as a payment guarantee for the entire term of service. Deposit may be modified with DES management approval.

DES calculates commercial/industrial account deposits for new or existing accounts using any combination of:

- Two times the largest monthly bill amount over the last 12 months.
- A service demand contract.
- Facility information you provide, including but not limited to: Square footage of the building, service type (amps, phase, etc.), all electric or electric and gas, or alternative generation.

ACCEPTED FORMS OF DEPOSIT SECURITY

Monetary – Payment by cash, check, or money order of the required amount.

In lieu of a monetary deposit, you may select one of the following, and provide DES the name, phone number, and email of your staff contact for deposit security.

Surety Bond – Bond issued by credit worthy financial institution, using their form or the Sample Bond attached. You are responsible for payment of bond premiums. Your insurer provides DES an original bond that includes:

- Customer name as shown on electric account, and any corporate or parent company.
- Street address of all DES accounts covered by the bond, and DES account numbers if known.
- Name and address of company issuing bond.
- Bond identification number.
- Statement of automatic annual renewal unless cancelled by written notice 60 days prior to cancel date.

TVPPA Credit Insurance Program (CIP) – Insurance coverage is available through DES membership in the Tennessee Valley Public Power Association (TVPPA) for a minimum deposit amount of \$50,000.00, for which DES will bill you the annual premium. Upon your request, DES will complete and submit the application for review using the information you must provide us that is highlighted on the attached application:

- Account name and street address of all DES accounts to be covered.
- Responsible Financial party name and address if different than account name.
- Phone number for company contact as additional financial information may be required by underwriter.

CHANGES TO DEPOSIT SECURITY

Deposit Amount – DES conducts periodic audits of all accounts to ensure adequate coverage or you may request a change due to:

- Substantial service changes to customer's facility or operation.
- Add or remove locations on existing coverage.
 - Bond – Your insurer must provide a Surety Bond Rider to DES for the changed amount and/or locations.
 - CIP Coverage – DES will submit an application to modify the coverage amount.

Form of Security – You may change the form of security at any time, subject to:

- Deposit amount will be audited prior to any change.
- CIP application subject to insurer approval.
- Any existing cash deposit will be refunded upon receipt of bond or payment of CIP coverage premium.

Questions? Please call Nona McKee at 615.441.6316 or Dustine Roberts at 615.441.6346. Thank you!

SURETY BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, That we, (Customer Name) as Principal:

and (Surety Name) as Surety:

acknowledge ourselves to be indebted and firmly bound unto Dickson Electric System, as Obligee, in the amount of _____ Dollars (\$ _____) for the payment whereof we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally by these presents.

Whereas, the Principal has requested the Obligee to furnish electric service to the Principal at (list all addresses: _____

and the Principal agrees to pay promptly therefore, the bills presented by the Obligee in accordance with the Company's rules and regulations and to abide by said rules and regulations in other respects therein set forth.

Now, therefore, if the Principal performs its obligations and shall pay all bills for such service promptly when due, then this obligation shall be void, otherwise to remain in full force and effect.

The Surety may cancel this bond at any time by filing with the Obligee sixty (60) days written notice of its desire to be relieved of liability. The Surety shall not be discharged from any liability already accrued under this bond, or which shall accrue hereunder before the expiration of the thirty day period.

Dated this _____ day of _____, 2____.

Principal

Signed By _____

Surety

Signed By _____

SURETY BOND RIDER

Bond No. _____

To be attached to and form a part of the referenced bond dated _____
in the amount of _____ Dollars (\$ _____)
issued by Surety: _____
on behalf of Principal: _____
in favor of Obligee: Dickson Electric System (aka Dickson Electric Department).

It is understood and agreed that the bond described above is hereby modified to:

- Increase bond amount** from _____
Dollars (\$ _____) to _____
Dollars (\$ _____).

- Decrease bond amount** from _____
Dollars (\$ _____) to _____
Dollars (\$ _____).

- Add location address(es)** _____

- Remove location address(es)** _____

To be effective the _____ day of _____, 2____.

It is further expressly understood and agreed that the aggregate liability of the company under said bond to the Obligee herein mentioned shall not exceed the amount stated above. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, agreements, conditions or limitations of the above mentioned bond, other than as above stated.

Dated this _____ day of _____, 2____.

Principal

Signed By _____

Surety

Signed By _____

Tennessee Valley Public Power Association

Credit Insurance Program Highlights effective September 1, 2019-20

- **Underwriter:** Euler Hermes North America Insurance Co.
(Best's Rating A+ VIII)
- **Policy Period:** September 1, 2019-2020
- **Aggregate Policy Amount:** \$6,000,000
- **Eligible Participants:** TVPPA Members
- **Risks Considered:** All C&I Utility Services (Electric, Gas, Water/Wastewater, Telecom, etc.)
- **Credit Limit:** Utility determines receivables at risk (e.g. 2 months' average sales)
- **Premium Factor:** \$7.396 (annually) per \$1,000 of coverage, prorated to policy expiration
- **Minimum Premium:** \$370 per Covered Account
- **Qualifying Loss:** \$1,000 or greater
- **Deductible:** None
- **Coinsurance:** 10% of Qualifying Loss (paid by Utility)
- **Indemnity:** 90% of Qualifying Loss (paid by Insurer)
- **Past Due Reporting To Insurer:** Any Account Over 60 Days and Over \$10,000 Due
- **Claims Must Be Filed Within:** 180 days from delivery of service or 90 days from due date of invoice, but no later than 180 days after the end of the policy period.
- **If an account is accepted by Euler upon submitting it for underwriting consideration, it will be considered bound and the applicable prorated premium will be invoiced by us and payable by the utility at that time.**
- **Once coverage is bound, the prorated annual premium is considered fully earned; if coverage is subsequently cancelled by either party for any reason, there will be no return premium from the insurer to the utility.**
- **If an insured customer files bankruptcy/insolvency and/or if the utility files a claim for an insured customer, coverage will cease as of the filing date.**



Questions?

Contact: tony_salvatore@ajg.com 678-393-5294
ruth_zimmerman@ajg.com 678-393-5204



Tennessee Valley Public Power Association

Credit Insurance Program Application

TVPPA Member: DICKSON ELECTRIC SYSTEM

Customer Name: _____

Customer's Local Street Address: _____

Responsible Financial Party's Name & Address (if different from above):

Customer Telephone: _____

Customer Outstanding Billings:

	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
	\$ _____	\$ _____	\$ _____

Amount of Coverage Requested: \$ _____

Submitted by: NONA MCKEE, RESIDENTIAL ENERGY ADVISOR
Name & Title of Utility Representative

Signature of Utility Representative

Date: _____ / _____ / _____

Return to:

dena_saad@ajg.com

