

## FOR ALL ACCOUNTS

### Annual Review

An annual review is conducted on all accounts to determine whether customers who previously posted a security deposit have improved their payment history and qualify to have their deposit refunded. The review will also identify customers that have failed to maintain a good payment history and as a result a security deposit may be assessed.

A customer may, no earlier than 12 months after the payment of a security deposit or on making prior demand for a review, demand in writing that London Hydro undertake a review to determine whether the total (partial) amount of the security deposit is to be returned.

### Payment History Record - Terms

|                         |         |
|-------------------------|---------|
| Residential             | 1 year  |
| General Service < 50 KW | 5 years |
| General Service > 50 KW | 7 years |
| Large Industrial        | 7 years |

### Deposit Return Policy

All security requirements will be reviewed no less than annually for both residential and commercial customers. Refunded deposits for Good Payment History will be applied to the customer's next bill. In the case of final bills, cheques will be issued only after final billing is completed and a credit balance is assessed.

### Interest On Security Deposits Paid By Cash Or Cheque

Interest shall accrue monthly on security deposits made by way of cash or cheque commencing on receipt of the total deposit required by London Hydro. The interest rate is based on the Prime Business Rate as published on the Bank of Canada web site, less 2 per cent, updated quarterly. The interest accrued to December 31 of each year will be applied to the deposit principal and reported on the customer's first bill of each calendar year. Deposit interest is calculated and applied to the customer's account on return of the security deposit, or closure of the account, whichever comes first.

### Avoid Being Assessed A Deposit

In order to avoid being assessed a security deposit, we encourage all customers to call our office immediately when they know they cannot meet the payment due date. Our representatives are prepared to assess each situation on an individual basis and in most cases payment arrangements can be made and will not impact the customer's rating. When reasonable payment arrangements are made with our office and followed through, the assessment of a security deposit may be avoided.



**London  
Hydro**

**661-5503**

**[www.londonhydro.com](http://www.londonhydro.com)**



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# Important Update on London Hydro's Security Deposit Policy

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# Important Information on London Hydro's Security Deposit Policy

London Hydro's revised Security Deposit Policy **came into effect on July 4, 2005 and will be implemented later this summer.**

London Hydro's Security Deposit Policy is a necessary component of the prudent management of our accounts receivable, ensuring that distribution rates are kept as low as possible for all rate payers.

## RESIDENTIAL ACCOUNTS

### New Customers

Upon opening an account for service with London Hydro a Security Deposit is required and is included on the first bill. However, you may qualify for a waiver. Please consult the information under the heading "Waiver of Security Deposit" later in this brochure.

### For New Account Set Up, Deposit Fees Are As Follows:

**Residential - Electric** - initial deposit of \$180.00

or

**Residential - All Electric (heat and electric)** - initial deposit of \$280.00

and (if applicable)

**Residential - Water** - \$100.00

### Existing Customers

Residential customers having any of the following occurrences on their account may be assessed a deposit of two times the average bill. The deposit is calculated using the most recent 12 months of consumption and is pro-rated for 60 days:

- 1. Disconnection of Service**  
When a customer has 1 Disconnection of Service within 1 year.
- 2. Collect Trip (field collection activity)**  
When a customer has received 2 collect trips within 1 year and 1 of those trips having occurred in the last 90 days.
- 3. Returned Payment - Non-Sufficient Funds (NSF)**  
When a customer has had 2 payments returned NSF within 1 year and 1 of those returned payments having occurred in the last 90 days.

### Waiver of Security Deposit

All new customers who have a continuous one year (12 month) Good Payment History (occurring within the last 24 months) with either London Hydro, another Local Distribution Company or Gas Utility in Canada will be entitled to a security deposit waiver. To maintain exemption status your account must remain in "good standing."

### Payment of Security Deposit

Residential customers have the option to pay the security deposit in equal installments over 6 months. Simply contact our Customer Service Department at 661-5503 to schedule your payment arrangements.

## COMMERCIAL ACCOUNTS

Commercial customers are also subject to the assessment of a security deposit at a rate of 2.5 times the average bill. The deposit is calculated using the most recent 12 months of consumption and is pro-rated for 75 days. However, exemptions are available by meeting the qualification criteria as stated in the policy. To determine whether you qualify for an exemption, please contact our office at **661-5503** or consult the complete Security Deposit Policy located on our web site at [www.londonhydro.com](http://www.londonhydro.com).

### Payment of Security Deposit

Commercial customers have the option to pay the security deposit in equal installments over 4 months. Simply contact our Customer Service Department at 661-5503 to schedule your payment arrangements.

### Payment Method

1. Cash/Cheque
2. Letter of Credit (financial institution)
3. Surety Bond (insurance company)