

THE TORRINGTON WATER COMPANY
POLICY CONCERNING SECURITY DEPOSITS

The Torrington Water Company normally accepts owners of residential property as new customers without requiring a security deposit.

REASONS FOR REQUIRING SECURITY DEPOSITS

The Torrington Water Company will require a security deposit from a customer to establish, restore, or continue service if any of the following conditions occur.

1. If service is terminated for non-payment or if payment is made when a Company service person arrives at the customer's property to terminate service for non-payment.
2. If payment for water service is not received before termination date.
3. If the customer's bank refuses for any reason to honor a customer's check for payment to the Company.
4. If an applicant for service has a previous unpaid bill for prior service which bill is now delinquent.
5. If billing for residential property is to be rendered to a tenant under the provision of a written lease. A copy of the lease must be provided to the Company and a security deposit of \$125.00 is required.
6. If the property is used for commercial purposes, a security deposit of \$150.00 will be required.

AMOUNT OF SECURITY DEPOSIT

If a security deposit is required by the Company the amount of the deposit shall be approximately equal to a typical recent quarterly bill for the account in question unless the account is leased residential property or commercial property.

INTEREST ON SECURITY DEPOSITS

Interest will be paid by the Company on customer security deposits at a rate of 1.5 percent per year simple interest or other rate established by statute or regulation. Interest will be credited to the deposit quarterly and simultaneously with the regular quarterly processing of the billing for the account.

APPLICATION OF SECURITY DEPOSITS

If any account for which a security deposit is being held becomes delinquent, the deposit together with accrued interest will be applied to the extent necessary to provide full payment. The customer must restore the security deposit to its original amount prior to the scheduled termination date for continuation of service.

TRANSFER OF SECURITY DEPOSITS

Security deposits may not be transferred from one customer to another.

A customer who is required by the Company to maintain a security deposit may not transfer a deposit from one address to another.

RETURN OF SECURITY DEPOSITS

Security Deposits together with accrued interest will be returned to the customer under the following conditions:

1. When a customer has established a satisfactory credit record with the Company by paying four consecutive regular quarterly bills in accordance with the Company's standard terms for payment. The security deposit, together with accrued interest, will be returned to the customer, or
2. When a customer discontinues service the security deposit together with accrued interest will be used to pay any amount due from the Customer. Any balance will be promptly refunded to the Customer, or
3. If service is being billed to a tenant under the provision of a written lease, the deposit will be returned under the same provisions as number 1 or number 2.

ADOPTED - 12/8/83 MEETING OF THE BOARD OF DIRECTORS
REVISED - 2/1/98 CHANGE OF INTEREST ON SECURITY DEPOSIT PER DPUC
REVISED - 7/17/98 INCREASE IN AMOUNT OF SECURITY DEPOSIT
REVISED - 5/01/02 CHANGE IN SECURITY DEPOSITS FOR TENANTS (RESIDENTIAL)
REVISED - 5/19/16 CHANGE IN SECURITY DEPOSITS FOR TENANTS (RESIDENTIAL)