

Dear Valued Builder:

It is LCEC's mission to provide efficient, reliable, cost-competitive electric distribution services and excellent customer service. As a not-for-profit electric cooperative, LCEC also has a challenge to achieve its mission in a fiscally responsible way.

In 2003, LCEC adjusted its deposit policy for residential customers in an effort to reduce the amount of debt accrued from customers who close electric accounts without paying their outstanding balance. The policy was later expanded to include commercial accounts. In 2008, LCEC will initiate a deposit policy for builders that is consistent with the residential and commercial deposit fees.

Initial Deposits

Existing builders who are current in their payments by January 1, 2008 will *not* be required to pay an initial deposit.

Existing builders who are not current by January 1, 2008 will be charged an additional or initial deposit. The deposit amount is \$1,000 for a builder with 1-10 properties and \$100 for each additional property.

New builders will automatically be assessed an initial deposit amount of \$1,000 for 1-10 properties and \$100 for each additional property over 10.

Disconnection for nonpayment

In addition, LCEC has initiated a process to disconnect power on builder accounts due to non-payment. Builders who are disconnected for non-payment will be subject to pay a deposit regardless of credit history or account status.

Customers impacted by these changes will be notified prior to any adjustment to their account or disconnection. LCEC will work with customers to provide a seamless transition as the new policy is implemented. For more details on the deposit guidelines, visit www.lcec.net/builders

Sincerely,
LCEC