



Security Deposit Policy

This document outlines security deposit requirement by Stratacon.

Whenever required by Stratacon, Consumers and Customers shall provide and maintain security in an amount that Stratacon deems necessary and reasonable.

Except for Consumers or Customers who meet the security deposit waiver conditions described below, all Consumers or Customers are required to provide security deposit to Stratacon.

Payment methods must be in the form of cash, cheque or Money Order, or, if approved by Stratacon, Visa, Master Card or American Express. Stratacon will not accept third party guarantees. Security deposit payment can be made in equal installments over a maximum of 4 months if requested by the Consumers or Customers.

The security deposit may be waived based on the following criteria:

(a) The Consumer or Customer has a good payment history based on the most recent customer history with some portion in the most recent 24 months, during which time the Consumer or Customer:

- had no more than one (1) notice of disconnection; AND
- had no more than one (1) payment returned for insufficient funds ("NSF"); AND
- had no disconnect/collection trip.

The minimum time period for good payment history is as follows:

- Residential - 1 year
- Non-residential <50 kW demand rate class - 5 years
- All other classes - 7 years

or

(b) The Consumer or Customer provides a letter with information consistent with a good payment history described in this document, from either a Canadian gas or electricity distributor.

or

(c) A satisfactory credit check has been provided by Consumers or Customers at their own expense. The acceptable Equifax Credit scores are as follows:

- **Residential** - Consumer Score of 700 or greater
- **Business** - Commercial Score of 20 or lower

or

(d) If Consumer or Customer registers in Stratacon's pre-authorized payment plan and supplies at least two pieces of identification information, security deposits may be waived. Upon cancellation of the pre-authorized payment plan, security deposit requirement will be reinstated.

Security deposit will accrue monthly interest commencing total deposit required has been received. The interest rate shall be at the average Chartered Bank Prime Rate as published on the Bank of Canada Web site, less 2%. Stratacon shall update the interest rate on a periodic basis.

If verified that all or part of the deposit is no longer required, the account will be credited with the amount of the deposit plus accumulated interest. If verified that a deposit is now required or needs to be adjusted upward, the amount of the deposit will be added to the Consumer or Customer next regular bill and is payable by the due date of that bill. As with all outstanding balances payment arrangements that are satisfactory to Stratacon may be made.

When a Consumer or Customer terminate its service with Stratacon, security deposit balance plus accumulated interest will be applied against all outstanding amounts, any remaining amount will be returned to the Consumer or Customer within six weeks of the closure of the account.