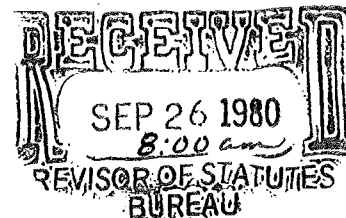


PSC 113

1-AC-25

CERTIFICATE



STATE OF WISCONSIN)
) ss.
PUBLIC SERVICE COMMISSION)

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Jacqueline K. Reynolds, Assistant Secretary to the Public Service Commission of Wisconsin, and custodian of the official records of said Commission, do hereby certify that the annexed order creating Wis. Adm. Code sections PSC 113.131(3)-(4)⁽¹⁴⁾ and 134.061(3)-(4)⁽¹⁴⁾ was duly approved and adopted by this Commission on September 23, 1980.

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I further certify that said copy has been compared by me with the original on file in this Commission and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Commission at the Hill Farms State Office Building, in the City of Madison this 23rd day of September 1980.

Jacqueline K. Reynolds

Jacqueline K. Reynolds
Assistant Secretary
PUBLIC SERVICE COMMISSION OF WISCONSIN

Trans. off. date 12-1-80

DATE MAILED

SEP 24 1980

COMPARED WITH AND CERTIFIED BY ME TO BE A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN MY OFFICE

SEP 23 1980

Jacqueline K. Reynolds
Secretary to the Commission
Public Service Commission of Wisconsin

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation by the Commission into)
Rules Regulating Deposits of Com-)
mercial Customers for Electric and) 1-AC-25
Gas Service)

ORDER OF THE PUBLIC SERVICE COMMISSION
OF WISCONSIN AMENDING AND ADOPTING RULES



Relating to rules concerning deposits which may be required of commercial customers of electric and natural gas utilities.

Analysis prepared by the Public Service Commission of Wisconsin.

ANALYSIS

On January 21, 1980, the Public Service Commission of Wisconsin held hearing into whether rules concerning deposits which may be required of current or prospective commercial customers of electric or natural gas utilities should be amended. Current rules contain no criteria for a utility to act under in requesting a deposit from a commercial customer. Certain ambiguities also exist as to whether various rules apply only to residential customers or to both residential and commercial.

The rules as adopted achieve the following results:

- (1) Set forth criteria for a utility to consider in determining whether the credit of an applicant for commercial service is adequate or whether a deposit should be required (Secs. PSC 113.131(3)(b) and 134.061(3)(b));

(2) Set a 30-day period from date of application for service in which a utility may request a deposit (secs. PSC 113.131(3)(c) and 134.061(3)(c);

(3) Clarify which deposit rules apply to residential, commercial, or both classes of customers;

(4) Allow a utility to retain a commercial deposit for 24 months (secs. PSC 113.131(3)(d) and 134.061(3)(d)); and

(5) Set an 8% interest rate to be paid on deposits.

Pursuant to authority vested in the Public Service Commission of Wisconsin by secs. 196.02(1), 196.03, 196.37 and 227.014, Stats., the commission proposes to amend and adopt rules interpreting sec. 196.37, as follows: Secs. PSC 113.131(3)-(14) and PSC 134.061(3)-(14) shall read:

PSC 113.131(3) NEW COMMERCIAL SERVICE.

(a) ~~In-the-case-of-commercial-service~~ If the credit of an applicant for service has not been established satisfactorily to the utility, the applicant may be required to deposit a sum not exceeding the estimated gross bills for any 2 consecutive billing periods selected by the utility.

(b) In determining whether an applicant for service has satisfactorily established its credit, the utility shall consider the following factors before requiring a security deposit.

- (1) Credit information from credit reporting services;
- (2) Letter of credit from a financial institution or another utility;
- (3) Applicant's business characteristics, such as type of business, length of time the applicant has operated, the applicant's business experience and knowledge, and estimated size of the applicant's bills.

- (4) Assets of the business;
- (5) The financial condition of the business, as indicated in a financial statement.

(c) The utility shall notify the applicant within 30 days of the request for service as to whether a deposit will be required. The 30-day period shall begin from the date the applicant provides all requested relevant information to the utility. If no request for a deposit is made within this period, no deposit shall be required, except under the provisions of sub. (4)(a). If a request for a deposit is made, the applicant must be given at least 20 days to provide payment, or guarantee, or to establish an installment payment agreement.

(d) The deposit of a commercial customer shall be refunded after 24 consecutive months of prompt payment. Payment is considered prompt if made prior to notice of disconnection for nonpayment not in dispute.

(4) EXISTING COMMERCIAL SERVICE. (a) An existing commercial customer may be required to furnish a deposit, if the customer has not made prompt payment of all bills within the last 24 consecutive months.

(b) When the utility requests a deposit of an existing commercial customer, the customer shall have 20 days to provide the deposit, guarantee, or to establish an installment payment agreement.

(c) Refund of the deposit of an existing commercial customer shall be made in accordance with section PSC 113.131(3)(d).

~~(4)~~ (5) CONDITIONS OF DEPOSIT. The maximum deposit for a new commercial or residential account shall not exceed the highest estimated gross bill for any 2 consecutive months-within-the-preceding-12-month-review-period-as-determined-by-the utility. billing periods selected by the utility.

The maximum deposit for an existing commercial or residential account shall not exceed the highest actual gross bill for any 2 consecutive months within the preceding 12 month review period as determined by the utility.

~~(5)~~ (6) INTEREST. Deposits for commercial or residential service shall bear interest of at least ~~the legal rate~~ 8 per cent payable from the date of deposit to the date of refund or discontinuance of service, whichever is earlier.

~~(6)~~ (7) REVIEW. The utility shall review the payment record of each residential utility customer with a deposit on file at 12-month intervals. The utility shall not require or continue to require a cash deposit unless a deposit is required under the provisions of section PSC 113.131(2).

~~(7)~~ (8) REFUND. Any deposit or portion thereof refunded to a commercial or residential customer shall be refunded by check unless both the customer and the utility agree to a credit on the regular billing, or unless subsection (9) applies.

~~(8)~~ (9) ACCRUED INTEREST. Upon termination of commercial or residential service, the deposit, with accrued interest, shall be credited to the final bill and the balance shall be returned promptly to the customer.

~~(9)~~ (10) GUARANTEE WRITTEN EXPLANATION. A utility shall not require any commercial or residential customer to pay a deposit or establish a guarantee in lieu of deposit without explaining, in writing if requested, why that deposit is being required.

~~(10)~~ (11) REFUSAL OF SERVICE. Commercial or residential service may be refused or disconnected for failure to pay a deposit request subject to the rules pertaining to disconnection and refusal of service. (Wis. Adm. Code section PSC 113.132).

~~(11)~~ (12) GUARANTEE TERMS AND CONDITIONS. (a) The utility may accept, in lieu of cash deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the cash deposit requirement is guaranteed. The term of such contract shall be for no longer than 2 years, but shall automatically terminate after the commercial or residential customer has closed its account with the utility, or at the guarantor's request upon 30 days' written notice to the utility.

(b) Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount of surety, a cash deposit or a new or additional guarantee may be required upon reasonable 20-day written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon 8 days' written notice, subject to sub. (13) for a residential customer or the establishment of an installment payment agreement for a commercial customer.

(c) The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account he has guaranteed unless the guarantor waives such notice in writing.

~~(12)~~ (13) DEFERRED PAYMENT (a) In lieu of cash deposit or guarantee, an applicant for new residential service who has an outstanding account accrued within the last 6 years with the same utility shall have the right to receive service from that utility under a deferred payment agreement as defined in Wis. Adm. Code section PSC 113.133 for the outstanding account.

(b) A commercial customer or applicant for commercial service of which a deposit is requested shall have the right to receive service under an installment payment agreement.

~~(13)~~ (14) APPLICABILITY. The rules in subsections (12) and (13) of this section are not applicable to deposits or guarantees made in connection with the financing of extensions or other equipment.

The rules and amendments contained in this order shall take effect on the first day of the month following their publication in the Wisconsin Administrative Register, as provided

in sec. 227.026, Stats.

Dated at Madison, Wisconsin, September 23, 1980

By the Commission.

Jacqueline K. Reynolds
Jacqueline K. Reynolds
Assistant Secretary to
the Commission



State of Wisconsin \ PUBLIC SERVICE COMMISSION

September 25, 1980

STANLEY YORK, CHAIRMAN
EDWARD M. PARSONS, JR., COMMISSIONER
WILLIE J. NUNNERY, COMMISSIONER

Hill Farms State Office Building
Madison, Wisconsin 53702
(608) 266-1241

Mr. Gary Poulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, WI 53702

File No. 1-AC-25

Dear Mr. Poulson:

Enclosed please find two copies (one certified) of an order of the Public Service Commission adopting rules concerning deposits of commercial gas and electric customers.

The rules have been seen by legislative committees (sent on July 21, 1980). Thanks for your assistance.

Sincerely,

A handwritten signature in cursive script that reads 'Steven Levine'.

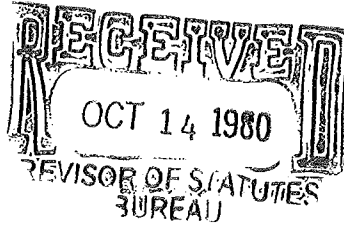
Steven Levine
Assistant Chief Counsel

SL:se
Enclosure



State of Wisconsin \ PUBLIC SERVICE COMMISSION

October 13, 1980



STANLEY YORK, CHAIRMAN
EDWARD M. PARSONS, JR., COMMISSIONER
WILLIE J. NUNNERY, COMMISSIONER

Hill Farms State Office Building
Madison, Wisconsin 53702
(608) 266-1241

Mr. Gary Paulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, WI 53702

File No.

Re: 1-AC-25, Revision of Commercial
Deposit Rules for Electric and Gas
Customers

Dear Mr. Paulson:

On September 25 I sent to you copies of an order adopting revised rules for commercial deposits of gas and electric customers. The order, however, only contained the electric revisions (ch. PSC 113), as the gas revisions (ch. PSC 134) are identical.

You rightly chastised me for not reprinting the gas changes, so here they are:

PSC 134.061(3) shall read:
PSC 134.061(3) NEW COMMERCIAL SERVICE.

(a) ~~In the case of commercial service~~ If the credit of an applicant for service has not been established satisfactorily to the utility, the applicant may be required to deposit a sum not exceeding the estimated gross bills for any 2 consecutive billing periods selected by the utility.

(b) In determining whether an applicant for service has satisfactorily established its credit, the utility shall consider the following factors before requiring a security deposit.

- (1) Credit information from credit reporting services;
- (2) Letter of credit from a financial institution or another utility;
- (3) Applicant's business characteristics, such as type of business, length of time the applicant has operated, the applicant's business experience and knowledge, and estimated size of the applicant's bills.

- (4) Assets of the business;
- (5) The financial condition of the business, as indicated in a financial statement.

(c) The utility shall notify the applicant within 30 days of the request for service as to whether a deposit will be required. The 30-day period shall begin from the date the applicant provides all requested relevant information to the utility. If no request for a deposit is made within this period, no deposit shall be required, except under the provisions of sub. (4)(a). If a request for a deposit is made, the applicant must be given at least 20 days to provide payment, or guarantee, or to establish an installment payment agreement.

(d) The deposit of a commercial customer shall be refunded after 24 consecutive months of prompt payment. Payment is considered prompt if made prior to notice of disconnection for nonpayment not in dispute.

(4) EXISTING COMMERCIAL SERVICE. (a) An existing commercial customer may be required to furnish a deposit, if the customer has not made prompt payment of all bills within the last 24 consecutive months.

(b) When the utility requests a deposit of an existing commercial customer, the customer shall have 20 days to provide the deposit, guarantee, or to establish an installment payment agreement.

(c) Refund of the deposit of an existing commercial customer shall be made in accordance with section PSC 134.061(3)(d).

~~(4)~~ (5) CONDITIONS OF DEPOSIT. The maximum deposit for a new commercial or residential account shall not exceed the highest estimated gross bill for any 2 consecutive months within the preceding 12-month review period as determined by the utility. billing periods selected by the utility.

The maximum deposit for an existing commercial or residential account shall not exceed the highest actual gross bill for any 2 consecutive months within the preceding 12 month review period as determined by the utility.

~~(5)~~ (6) INTEREST. Deposits for commercial or residential service shall bear interest of at least the legal rate 8 per cent payable from the date of deposit to the date of refund or discontinuance of service, whichever is earlier.

- ~~(6)~~ (7) REVIEW. The utility shall review the payment record of each residential utility customer with a deposit on file at 12-month intervals. The utility shall not require or continue to require a cash deposit unless a deposit is required under the provisions of section PSC 134.061(2).
- ~~(7)~~ (8) REFUND. Any deposit or portion thereof refunded to a commercial or residential customer shall be refunded by check unless both the customer and the utility agree to a credit on the regular billing, or unless subsection (9) applies.
- ~~(8)~~ (9) ACCRUED INTEREST. Upon termination of commercial or residential service, the deposit, with accrued interest, shall be credited to the final bill and the balance shall be returned promptly to the customer.
- ~~(9)~~ (10) GUARANTEE WRITTEN EXPLANATION. A utility shall not require any commercial or residential customer to pay a deposit or establish a guarantee in lieu of deposit without explaining, in writing if requested, why that deposit is being required.
- ~~(10)~~ (11) REFUSAL OF SERVICE. Commercial or residential service may be refused or disconnected for failure to pay a deposit request subject to the rules pertaining to disconnection and refusal of service. (Wis. Adm. Code section PSC 134.062).
- ~~(11)~~ (12) GUARANTEE TERMS AND CONDITIONS. (a) The utility may accept, in lieu of cash deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the cash deposit requirement is guaranteed. The term of such contract shall be for no longer than 2 years, but shall automatically terminate after the commercial or residential customer has closed its account with the utility, or at the guarantor's request upon 30 days' written notice to the utility.

(b) Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount of surety, a cash deposit or a new or additional guarantee may be required upon reasonable 20-day written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon 8 days' written notice, subject to sub. (13) for a residential customer or the establishment of an installment payment agreement for a commercial customer.

(c) The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account he has guaranteed unless the guarantor waives such notice in writing.

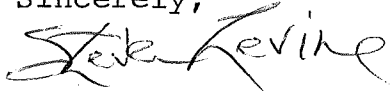
~~(12)~~ (13) DEFERRED PAYMENT (a) In lieu of cash deposit or guarantee, an applicant for new residential service who has an outstanding account accrued within the last 6 years with the same utility shall have the right to receive service from that utility under a deferred payment agreement as defined in Wis. Adm. Code section PSC 134.063 for the outstanding account.

(b) A commercial customer or applicant for commercial service of which a deposit is requested shall have the right to receive service under an installment payment agreement.

~~(13)~~ (14) APPLICABILITY. The rules in subsections (12) and (13) of this section are not applicable to deposits or guarantees made in connection with the financing of extensions or other equipment.

Thank you for your patience. Please call with any questions.

Sincerely,



Steven Levine
Assistant Chief Counsel

SL/rp L-2