

Chapter PSC 182

**STANDARD GUARANTEE, DEPOSIT AND
DISCONNECT RULES FOR
WATER UTILITIES**

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PSC 182.01 Deposit rule. (1) If the credit of an applicant for water service has not been established satisfactorily to the utility, he may be required to deposit a sum not exceeding the estimated gross bills for all water service, both billed and unbilled, which can be supplied before the utility's filed disconnect rule becomes applicable. The amount to be deposited may be a minimum of \$1 per month for each class of water service furnished. Deposits shall bear simple interest at the rate of 5% per annum payable from the date of the deposit to the date of refund or discontinuance of service whichever is earlier.

(2) The deposit shall be refunded upon request of the customer after 2 years' service with payments within the prompt payment period, and, without such request, shall be refunded voluntarily by the utility after 3 years' service with payments within the prompt payment period. In no case, however, will a deposit be refunded if the customer's credit standing is not satisfactory to the utility.

(3) If the rules of the utility permit a customer to pay the net rate after the discount date once within a limited number of consecutive billing periods, such payment shall be regarded as "prompt payment" in the application of subsection (2), above.

(4) A new or additional deposit may be required upon reasonable written notice of the need for such a requirement in any case where a deposit has been refunded or is found to be inadequate to cover the estimated bills for the period provided in subsection (1), or where a customer's credit standing is not satisfactory to the utility. The water service of any customer who fails to comply with these requirements may be disconnected upon 5 days' written notice.

PSC 182.02 Guarantee rule. (1) The utility may accept in lieu of a 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 indeterminate, but it shall automatically terminate when the customer gives notice to the utility of discontinuance of service at the location covered by the guarantee agreement or 6 months after discontinuance of service, or at the guarantor's request upon 30 days' written notice to the utility.

(2) Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety a cash deposit or a new or additional guarantee may be required upon reasonable written notice to the customer. The water service of any customer