

Chapter PSC 182

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

PSC 182.01	Deposit rule	PSC 182.04	Disconnect rule
PSC 182.02	Guarantee rule	PSC 182.05	Changes
PSC 182.03	Scope of deposit and guarantee rules	PSC 182.06	Application of rules

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

who fails to comply with these requirements may be disconnected upon 5 days' written notice.

(3) The guarantor shall receive copies of all final disconnect notices sent to the customer whose account he has guaranteed.

PSC 182.03 Scope of deposit and guarantee rules. (1) Where an applicant or customer is unable to furnish either the required cash deposit or a satisfactory guarantor, or where the customer's business is of a hazardous or temporary nature, the utility may at its option bill such applicant or customer on other than a standard billing period basis with a corresponding adjustment in the deposit or guarantee requirement and disconnect procedure.

(2) The above rules are not applicable to deposits or guarantees made in connection with the financing of extensions or other equipment.

PSC 182.04 Disconnect rule. (1) The utility may at its option continue service beyond the period provided under its filed disconnect rule under the following conditions: If the utility has a deposit or guarantee on the account, such deposit or guarantee shall be considered as applying against the bills which first become delinquent. If the utility has no deposit or guarantee on the account, or if the delinquent bills exceed the deposit or guarantee, service may not be discontinued or refused for nonpayment of bills which are delinquent for a period longer than that permitted under the filed disconnect rule.

(2) The above rule [section PSC 182.04 (1)] shall apply in all cases unless the customer is willing to enter into a special agreement with the company, a written memorandum of which shall be made by the utility, providing for a specified extension of time and/or an extension of a specified amount of credit, and providing further for the disconnection of such customer upon failure to comply with the terms of such extension agreement.

Note: Some utilities have rules or practices that are more liberal to customers in some particulars than the rules enumerated above. It is not the intention of the commission to require the abandonment of these practices, except that we believe a standardization of interest on customers' prompt payment deposits will avoid confusion and misunderstanding. With this exception, a water utility may establish uniform, nondiscriminatory rules and practices more favorable to its customers than those herein established. Our purpose is rather to set forth a reasonable basis for standardizing these rules.

PSC 182.05 Changes. Jurisdiction will be retained . . . in order to make reasonable changes upon proper application and a showing of good cause.

PSC 182.06 Application of rules. Effective September 1, 1936, all privately owned water utilities operating in Wisconsin shall file with this commission deposit, guarantee and disconnect rules or procedure in accordance with the [foregoing] standard rules.