

1 PROPOSED RULE: 6-22-05

2  
3 Section 504. Relations Between Customer and Provider.

4  
5 (f) Customer Security Deposits. Each provider may require from any  
6 customer or prospective customer a deposit ~~intended~~ to guarantee payment of  
7 ~~current~~ bills. This required deposit shall not be considered ~~as~~ an advance  
8 payment of bills ~~for service to be rendered~~, but shall be held as security for  
9 payment of bills for service ~~that has been~~ rendered. The utility may refuse service  
10 to an applicant, or terminate service to a customer upon the failure of the  
11 applicant or customer to provide a deposit required pursuant to ~~comply with~~ this  
12 section.

13  
14 (i) If ~~one or more any~~ of the following criteria ~~outlined below~~ apply to the  
15 applicant or customer, ~~thea~~ utility may require a deposit:

16  
17 A. The customer or applicant has outstanding a prior service account  
18 with the utility that at the time of application for service remains  
19 unpaid and not in dispute;

20  
21 B. The customer's or applicant's service from the utility has been  
22 ~~terminated~~ discontinued for ~~one or more any~~ of the following  
23 reasons;

24  
25 (I) Nonpayment of any undisputed delinquent bill;

26  
27 (II) Failure to reimburse the company for damages due to  
28 negligent or intentional acts of the customer;

29  
30 (III) Obtaining, diverting, or using service without the  
31 authorization or knowledge of the utility.

32  
33 C. Information provided by the applicant upon application for service is  
34 materially false or materially misrepresentative;

35  
36 ~~D. The applicant is applying for service for the first time with that utility;~~

37  
38 ~~E. The applicant did not have service with the utility for a period of at~~  
39 ~~least twelve consecutive months during the last four years;~~

40  
41 ~~F.D.~~ The applicant or customer does not pass an reasonable and  
42 objective credit screen;

43  
44 ~~G.E.~~ The applicant requests service at a location where a current or  
45 former customer who has a past due balance for service still  
46 resides or conducts business;

OCA Exhibit 2

1  
2 | ~~H.F.~~ The applicant ~~or customer for service, or the customer,~~ has sought  
3 any form of debt relief under the Federal Bankruptcy Laws, has  
4 been brought within the jurisdiction of the bankruptcy court, or has  
5 had a receiver appointed in a state court proceeding, within the five  
6 (5) year period immediately preceding the request for service, then  
7 a deposit may be demanded as allowed by the Federal Bankruptcy  
8 Act of 1978, as amended, or as directed by the state court.  
9

10 (ii) The required deposit shall not exceed the amount of an applicant's  
11 average estimated bill for sixty (60) days of service.  
12

13 ~~(iii)~~ A utility shall not require a deposit as a condition of new or continued  
14 utility service based upon property ownership or location, income level, source of  
15 income, employment tenure, nature of occupation, race, creed, sex, age, national  
16 origin, marital status, number of dependents, or any other criterion not authorized  
17 by these rules. Rules governing deposits shall be applied uniformly.  
18

19 ~~(iii)(iv)~~ Simple interest on the deposit shall be calculated by the utility on  
20 the deposits at the rate that is assigned by the Commission. Interest will only  
21 apply for deposits held for at least six months, but will accrue from the initial date  
22 of deposit. The Commission assigned interest rate will be computed by taking the  
23 arithmetic average of the following: (1) the sum of the twelve monthly 1-year U.S.  
24 Treasury Constant maturity rates for the previous twelve-month period ending  
25 September 30<sup>th</sup>, or the last business day of September if not the 30<sup>th</sup>, divided by  
26 twelve (12), as published in the *Federal Reserve Economic Data* available at  
27 [www.FederalReserve.gov](http://www.FederalReserve.gov) and (2) the Bank prime loan rate at the close of  
28 business on September 30<sup>th</sup>, also as published in the *Federal Reserve Economic*  
29 *Data* available at [www.FederalReserve.gov](http://www.FederalReserve.gov). The Commission assigned interest  
30 rate shall be in effect for the following calendar year beginning January 1<sup>st</sup> and  
31 ending December 31<sup>st</sup>. The Commission will provide notice of the assigned  
32 interest rate by November 30<sup>th</sup> of each year. The interest rate computed on  
33 each deposit will reflect the Commission assigned interest rate that is in effect in  
34 the respective month that the deposit is held.  
35

36 ~~(iv)(v)~~ The utility having on hand deposits from customers or hereafter  
37 receiving deposits from them, shall keep records to show:  
38

- 39 | A. ~~t~~Ihe name and address of each customer making the deposit;  
40  
41 | B. ~~t~~Ihe date and amount of deposit; and,  
42  
43 | C. ~~e~~Each transaction concerning the deposit.  
44

OCA Exhibit 2

1 | ~~(v)~~(vi) The utility shall issue to the customer from whom a deposit is  
2 | received a non-assignable receipt or other record of deposit, showing the date  
3 | and amount received.  
4 |

5 | ~~(vi)~~(vii) The utility shall maintain a record of deposits whereby a customer  
6 | who requests return of a deposit shall have the deposit returned in accordance  
7 | with these rules, even though the customer is unable to produce the original  
8 | record or receipt.  
9 |

10 | ~~(vii)~~(viii) Interest on customer deposits shall be calculated upon return of  
11 | the deposit, for the time the deposit is held by the utility. Interest will be computed  
12 | to the date the deposit is personally returned or mailed to the customer. Payment  
13 | to the customer may be made either by a check or by a credit made to the  
14 | customer's account, as follows;  
15 |

16 | A. The customer may request to have the interest earned on the  
17 | deposit paid to them, or ~~paid~~applied toward the utility bill, on an  
18 | annual basis using the anniversary date of the deposit; provided,  
19 | however, the amount of accrued interest equals or exceeds fifty per  
20 | cent (50%) of the customer's average monthly bill, or one thousand  
21 | dollars (\$1,000.00), whichever is less;  
22 |

23 | B. The customer will be considered to have demonstrated  
24 | creditworthiness, when the customer has received twelve (12)  
25 | consecutive months of service, there has been no cause to  
26 | disconnect, and bills have been paid by the ~~payment~~due date.  
27 | Upon this demonstration of creditworthiness, the deposit plus  
28 | interest shall be promptly refunded to the customer or applied  
29 | toward the remaining balance of the customer's bill by the utility.  
30 |

31 | ~~(viii)~~(ix) Upon final discontinuance of service the utility shall promptly  
32 | refund to the customer any amount held as a deposit with accrued interest due  
33 | thereon. If at the time of discontinuance the customer is indebted to the utility, the  
34 | deposit and accrued interest may be applied ~~onto~~ the amount owed on the  
35 | customer's account due, and ~~refund made of the balance due~~refund the balance  
36 | to the customer. If the utility is unable to make the refund due to lack of  
37 | knowledge of the customer's location, it shall retain the deposit until claimed, but  
38 | no interest shall accrue thereon from the date service was discontinued. The  
39 | utility will manage such deposits as required by the Uniform Unclaimed Property  
40 | Act, W.S. ~~§ 34-3224~~-101 et seq., as amended.  
41 |