

# JASPER MUNICIPAL UTILITIES

## CUSTOMER APPLICATION & DEPOSIT POLICY

ORDINANCE No. 2009-9 Effective February 18, 2009

### GENERAL

New or moving customers applying for utility service shall do so at the Utility Business Office; and SHALL complete an "Application for Utility Service"; and SHALL comply with the deposit requirements or creditworthy criteria, as specified herein; before any utility service will be rendered.

When submitting the "Application for Utility Service", the applicant will be asked for proof of identification containing the applicant's photograph (Driver's License preferred). This is necessary to aid in the collection process, if necessary, to eliminate possible falsification of who is actually living at the service address, and to verify the identity of the Jasper Municipal Utility customer. The Business Office will make a copy of the proof document and attach it to the application form.

If the applicant is renting, the Property Owner or Manager SHALL sign the "Landlord Certification" section on the application. The Business Office will sign the application which acknowledges receipt of the completed application and compliance with the policy as stated herein. A copy will then be mailed to the Property Owner or Manager advising that the tenant has applied for utility service. The application may be presented to the Business Office by the Property Owner or Manager, along with proof of identification and any deposit required, on behalf of the applicant.

After reviewing the application for completeness, the Business Office will determine the Deposit Requirements, if any, and review computer and/or other records to verify that the applicant has no previous history of being past due and for any previous account balances that may still be due.

Upon payment of any required cash deposit, a Receipt will be issued to the applicant.

A copy of this policy will be mailed to each Rental Property Owner or Manager. The Owner/Manager should make the policy available to the applicant and assist the applicant with the completion of the "Application for Utility Service".

Copies of this policy and related forms will be available at the Utility Business Office.

### DEPOSIT REQUIREMENTS

CUSTOMER TYPE	ELECTRIC	GAS	ELEC & GAS	WATER	SEWER
Residential - Rental	\$100	\$100	\$75 / \$75	\$30	\$50
Residential - Owner Occupied	\$100	\$100	\$75 / \$75	\$30	\$50
Non-Residential	Fifteen Percent (15%) of the previous <u>active</u> twelve (12) month's charges, including taxes, (rounded to the nearest \$100) at the service address for each service. If the service is new at the address, the twelve (12) month's charges will be estimated based upon the type and size of the customer as compared to similar types and sized customers. Deposits are subject to periodic review, after which, the deposit may be adjusted to more accurately reflect the 15% requirement. Minimum deposits shall be equal to the Residential Deposits as stated above.				

### RESIDENTIAL - GENERAL

When a previously terminated account (owner-occupied or renter) returns to establish a new account after a period of time has elapsed, the deposit requirement on those accounts which have previously established a negative credit history (see below for "History Defined") with the Jasper Municipal Utilities, shall be double the regular deposit as stated above AND any amounts previously written off as bad debts MUST be paid AND any collection or legal fees paid to outside agencies MUST be reimbursed before a new account will be established and/or before service will be rendered.

If an active account (owner occupied or renter) continually becomes or remains past due (determined by multiple application of penalty charges against the account), or service has been disconnected due to non-payment, a deposit equal to double the schedule established above shall be required for continuation or reestablishment of service.

### RESIDENTIAL - RENTAL

A Residential Rental Cash Deposit shall always be required before utility service will be rendered.

When a rental account moves to a new account, a new "Application for Utility Service" shall be required. The old deposit normally shall be transferred to the new account. If, however, the customer has developed a history of being past due (see below for "History Defined"), the old deposit shall stay with the old account and a new deposit shall be required for the new account. In this event, the deposit required on the new account shall be double the regular deposit requirement. The old deposit will be applied to the current and final bills of the old account, and the balance, if any, will be refunded. If the old account is past due on the moving date, a new account will not be established until the old account is brought current.

If, after the final bill is prepared, the old deposit is not sufficient to cover the remaining charges on the old account and the old account becomes past due, the new account will be subject to service termination as though the two accounts were one.

If the new account has different services than the old account, the new account's deposit requirement must be satisfied. A reduction in the requirement may result in a partial refund of the deposit, but only after the final bill from the old account is paid in full.

When planning a move, the Utility Business Office should be given sufficient notice so that services can be terminated on the planned date of vacating the premises.

### RESIDENTIAL - OWNER OCCUPIED

An Owner Occupied Residential Cash Deposit shall normally be required before utility service will be rendered. The deposit shall be waived, however, and the owner deemed creditworthy, if said Owner/Applicant provides written confirmation from his/her preceding utility company(ies) (the Jasper Municipal Utilities

shall be considered a preceding utility company), going back two (2) years, verifying that the applicant:

1. has been a customer of said previous utility(ies) within the past two (2) years,
2. is not past due on any bill at this time for service rendered by said previous utility(ies),
3. within the past one (1) year, did not have more than two (2) bills which were delinquent to any utility, and
4. within the past two (2) years, did not have a service disconnected by any utility for non-payment of a bill for services rendered by said utility. If the Owner/Applicant has not had service with any utility company within the past two (2) years, he/she must submit a deposit as set forth in the schedule above. After one (1) year, if requested, the deposit may be refunded subject to the conditions set forth in the Refund section below.

## **NON-RESIDENTIAL - GENERAL**

Non-Residential accounts (Commercial, Industrial, Institutional, and Governmental) shall be required to put down a Cash Deposit, an assigned Certificate of Deposit (CD), and/or a Surety Bond before utility service(s) will be rendered.

If an account continually becomes or remains past due (determined by multiple application of penalty charges against the account), a deposit equal to double the schedule established above may be required for continuation of service.

If an account is disconnected because of non-payment; the Cash Deposit, CD, and/or Surety Bond may be used to pay all existing charges. Upon re-establishing the required deposit balance (a new CD or Surety Bond may be required), the payment of reconnect charges, and the payment of any charges not covered by the Cash Deposit, CD, and/or Surety Bond, services will be restored.

## **INSTALLMENT OPTIONS**

If the combined Residential deposit requirement (rental or owner occupied) is more than \$100, the applicant or customer shall be allowed to make two (2) installment payments. The first installment, due at the time application is made, shall be at least \$100; and the subsequent installment, for the balance, shall be due two (2) weeks later. Service shall be connected upon receipt of the first installment, but may be terminated at any time, without notice, upon failure by the applicant or customer to make the final installment payment when due.

If the combined Non-Residential deposit requirement is more than \$230, the applicant or customer shall be allowed one of the following options:

1. To make two (2) installment payments. The first installment, due at the time application is made, shall be at least \$230; and the subsequent installment, for the balance, shall be due two (2) weeks later. Service shall be connected upon receipt of the first installment, but may be terminated at any time, without notice, upon failure by the applicant or customer to make the final installment payment when due.
2. To provide an assigned Certificate of Deposit (CD) or a Surety Bond, from an approved underwriting company, for the deposit requirement. Service shall be connected upon receipt of the "Application for Utility Service" and the assigned Certificate of Deposit (CD) or the Surety Bond.

## **HISTORY DEFINED**

Having a "history of being past due" or a "negative credit history" is hereby defined as follows:

1. Having been past due on more than two (2) occurrences during the preceding twelve (12) month period,
2. Having any service disconnected as a result of non-payment during the preceding twenty-four (24) month period, and/or
3. Being past due on the date service is terminated. (This includes those customers who request service be terminated at one location and connected at a new location as a result of moving to said new location).

## **BANKRUPTCIES**

Any active residential account which files Bankruptcy shall have its existing Cash Deposit applied to any unpaid charges incurred prior to the bankruptcy filing date, AND shall be required to submit an additional Cash Deposit sufficient in amount so as to provide the Jasper Municipal Utilities adequate assurance of payment of future charges in accordance with bankruptcy law. In no event shall the new deposit be more than double the regular deposit requirement.

Any active non-residential account which files Bankruptcy shall have its Cash Deposit, Certificate of Deposit (CD), and/or its Surety Bond applied to any unpaid charges incurred prior to the bankruptcy filing date, AND shall be required to submit an additional Cash Deposit, assigned CD, and/or Surety Bond sufficient in amount so as to provide the utilities adequate assurance of payment of future charges in accordance with bankruptcy law. In no event shall the new deposit be more than 30% of the previous twelve (12) months charges, including taxes and penalties, for each service, rounded to the nearest \$100.

If, after the bankruptcy filing date, an account becomes past due, service may be terminated and the deposit used to pay all existing charges. Upon re-establishing the required deposit balance, the payment of reconnect charges, and the payment of any charges not covered by the Cash Deposit, CD, and/or Surety Bond, services will be restored.

## **REFUNDING OF DEPOSITS & THE PAYMENT OF INTEREST**

1. Cash Deposits will be applied to the customer's Final Bill after which the balance, if any, will be refunded. Any balance due after application of the deposit shall be due and payable on or before the date specified on the Final Bill.
2. Residential, owner occupied, Cash Deposits may be refunded after one (1) year, if requested and, if the following conditions are met:
  - a. within the past one (1) year, the Owner/Occupant did not have more than two (2) bills which became delinquent, AND
  - b. within the past two (2) years, the Owner/Occupant did not have a service disconnected for non-payment by any utility.

3. Non-Residential Certificates of Deposit (CD's) will be returned to the owner with a cancellation of the assignment within a reasonable time after all final charges are paid.
4. Non-Residential Surety Bonds will be cancelled and returned to the principal within a reasonable time after all final charges are paid.
5. If a given utility has a deposit balance remaining after that utility's charges are satisfied, said balance shall be applied to other utility charges not so satisfied before any amount of the deposit is refunded. If more than one (1) utility has charges not so satisfied, the excess shall be applied in a manner determined by the Utility Business Office.
6. Interest will NOT be paid on any part of the deposit.