

2. Customer Deposits - Commercial

2.1 Stoughton Utilities (SU) shall require a cash deposit as a condition for ALL new commercial customer accounts when the customer has negative or no commercial payment history with SU. SU will *consider* proof of established credit in lieu of a deposit. Such proof of established credit shall include the following:

- A. Credit information from credit reporting services, or
- B. Letter of credit from a financial institution or another utility, or
- C. Audited assets and financial condition report of the business.

Commercial deposits shall *not be waived for any reason*. Residential waivers, including low income or enrollment in P.A.P. do not apply to commercial accounts.

2.2 For existing commercial customers, Stoughton Utilities shall require a cash deposit as a condition of continuation of service if any of the following circumstances apply.

- A. The customer's service has been disconnected within the last 12-month period for non-payment or violation of SU's utility rules and regulations.
- B. The customer's initial application for service was falsified.
- C. The customer has the ability to pay, but accrues a balance over the winter months that is 80 days or more past due.

D. The customer has not made prompt payment of all bills within the previous 24 months.

2.3 SU shall notify the customer in writing of the following customer rights.

- A. The customer shall be given 30 days to provide the deposit or establish a deferred payment agreement.
- B. An explanation of why SU is requiring a deposit.
- C. The customer can appeal the amount of the deposit to the Wisconsin Public Service Commission.

2.4 For deposits required on new accounts, SU will use consumption data from a similar existing business to determine a reasonable deposit amount. If after 12 months of service, the deposit amount is greater than necessary based on actual consumption, the customer may request a refund of the difference between the amounts.

For existing customers, the amount of deposit required shall generally be equal to 2 months average bills over the previous 12-month period. For deposits required under section 2.2(C) the deposit shall equal 4 months average bills over the previous 12-month period.

If a customer meets any criteria set forth in 2.2 after a deposit has already been calculated for a previous qualifying circumstance (but prior to any of the events specified in 2.8) the deposit shall be recalculated using the specification above. If the new amount is higher than the previous amount on file, the customer shall have 30 days to make up the difference. If the new amount is lower than the previously collected amount on file, the original deposit amount shall stand as is. The timeperiod specified in 2.8 will start from the date of the new calculation.

2.5 Funds collected from customers shall be allocated in the following order: To past-due deposits, to past-due balances, to current balances, to current deposit requests.

2.6 Deposits shall accrue interest from the date a deposit is made to the date it is applied to an account balance or is refunded. SU uses the annual interest rate determined by the Public Service Commission for calculating payable interest.

2.7 If SU deducts an arrearage from a customer deposit, we shall require the customer to bring the deposit up to its original amount, and that amount shall be held for 24 months.

2.8 SU will refund the deposit of a customer for any of the following reasons.

- A. The customer makes 24 consecutive prompt payments.
- B. Upon termination of service and after satisfying all arrearages. If the account is reopened at a different address, the deposit shall be transferred.

Refunds will be made by check or account credit if the customer has another active account with a balance due.

2.9 If a commercial customer is listed as a tenant on their billed unit, SU shall inform the property owner in writing if any of the following events occur:

- A. SU has requested a deposit from a new or existing commercial customer. The deposit amount shall be provided to the property owner.
- B. SU has accepted proof of established credit in lieu of a cash deposit. Financial details received by the accountholder shall not be shared, nor shall this decision be overturned by the property owner.
- C. SU has deducted an arrearage from the customer deposit and is requesting the accountholder to bring the deposit to its original amount.
- D. SU has disconnected the customer's service as a result of the customer failing to comply with any request for deposit.

- E. SU has refunded the deposit as set forth in 2.7.

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