

1. Customer Deposits - Residential

- 1.1 Stoughton Utilities (SU) will not require a cash deposit as a condition of new residential service unless we can prove that the customer has an outstanding balance with another Wisconsin electric utility.
- 1.2 For existing residential customers, Stoughton Utilities may 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 disconnection moratorium that is 80 days or more past due.
 - D. A new customer accrues charges that become 60 or more days past due within the first 8 months of service.

- 1.3 A deposit under this section shall be waived if the customer provides complete and accurate information showing that his/her gross (before any deductions) quarterly income is at or below 200% of the federal income poverty guidelines. A customer must provide this information each time a deposit is requested under the criteria specified in 2.2(A-D), e.g., if we waived a deposit for service disconnection in May of 2010, we can again request a deposit for disconnection in August of 2010 or for MNP in 2011 and the customer will need to provide proof of income for the quarter preceding the most recent request.

Since Energy Assistance eligibility is calculated based upon the quarterly income at the time of application, if their EA acceptance is not within one month of the deposit request SU does not have to accept it as proof of income to waive the deposit. If this occurs, the customer shall provide complete and accurate information to SU or the Wisconsin PSC showing their income meets the criteria specified above.

Since Badgercare and other health insurance programs have varying requirements that sometimes exceed the 200%, as well as the fact that they do not base their acceptance upon the most recent quarterly income, presenting an acceptance card shall not be considered proof of quarterly income.

When checking a customer's proof of quarterly income, the following shall be requested from the customer:

- Pay stubs/statements/checks or 1099G , or if self-employed, their most recent 1040 including schedule C, E, or Form 1065 or personal records of income and expenses, or if farm-income, their most recent 1040 including schedule F or personal records of income and expenses;
- Any land contract income;
- Any rental income receipts or records;
- Any SS or SSI benefits;
- Pension check stubs or statements;
- Veteran's benefits stubs or statements;
- Unemployment compensations records;
- Disability, tribal, or worker's compensations records;
- Child support payment stubs, checks, or statements;
- TANF/W2 stubs or statements;
- Any seasonal employment stubs or statements.

1.4 A deposit under this section shall be waived if the customer opts to enroll in automatic withdrawal (PAP / ACH) from a bank account. Prior to enrollment, the customer shall be notified that if they cancel or if a withdrawal is refused by the bank for any reason, their enrollment shall be terminated and the deposit due immediately. There shall be no second chances given.

If a customer signs up for PAP after a deposit (full or partial) has been collected, the deposit shall not be refunded.

PAP's that are set-up in order to have a deposit waived take effect the day the deposit is waived. If we waive a deposit in April and the customer has a balance, his PAP will deduct his full balance on April 28. As a result of this, if a customer has a past-due balance and a DPA, and they don't want the full past-due withdrawn on the due date they must complete the DPA prior to us waiving the deposit. If that results in an overlap with a scheduled disconnection, the customer must either pay the deposit in full, enter into a DPA for the deposit, or sign up for PAP and expect their full past-due balance to be withdrawn on the next due date. **This is by design.** Since we are only waiving the deposit because of the PAP guarantee of timely payments, it is expected that all future payments will be by ACH and none will be late.

1.5 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 any deposit request or amount required to the Public Service Commission.

1.6 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 1.2(C) the deposit shall equal 4 months average bills over the previous 12-month period.

If a customer again meets any criteria set forth in 1.2 after a deposit has already been calculated for a previous qualifying circumstance (but prior to any of the events specified in 1.10) 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 time period specified in 1.10 will start from the date of the new calculation.

1.7 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.

1.8 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.

1.9 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 12 months.

1.10 SU will refund the deposit of a customer for any of the following reasons:

- A. The customer makes 12 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.

If the customer provides proof of income below the poverty guidelines within 15 days of paying a deposit, all payments made within that 15-day window shall be moved to the account balance. No deposits older than 15-days shall be refunded due to income.

If a customer signs up for PAP after a deposit (full or partial) has been collected, the deposit shall not be refunded.

1.11 If a residential 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 residential customer. The deposit amount shall be provided to the property owner.
- B. SU has been provided documentation that the customer's income falls below the guidelines issued by the Wisconsin Public Service Commission and the deposit has been waived. Financial details received by the accountholder shall not be shared, nor shall this decision be overturned by the property owner.

- C. The original deposit request or amount has been modified by the Public Service Commission. The new deposit amount shall be provided to the property owner.
- D. SU has deducted an arrearage from the customer deposit and is requesting the accountholder to bring the deposit to its original amount.
- E. SU has disconnected the customer's service as a result of the customer failing to comply with any request for deposit.
- F. SU has refunded the deposit as set forth in 1.10.

Effective: Monday, November 16, 2009
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