

AMENDATORY SECTION (Amending Docket No. UG-990294, General Order No. R-484, filed 5/3/01, effective 6/3/01)

WAC 480-90-113 Residential service deposit requirements. (1) **Deposit criteria for residential customers.** A gas utility may collect a deposit from its own customers for residential service only if:

(a) At any time during the prior twelve months, the utility has sent the customer three or more delinquency notices;

(b) The utility has disconnected the customer's residential service for nonpayment; or

(c) There is a prior customer living at the residence who owes a past-due bill to the utility for service at that address.

(2) **Deposit criteria for residential applicants.** A utility may collect a deposit from an applicant for residential service only if:

(a) The applicant has met any of the conditions described in subsection (1) of this section as a prior customer of the utility or as a customer of another natural gas utility;

(b) The applicant is not able to demonstrate continuous employment during the prior twelve consecutive months and ~~((is))~~ neither is currently employed nor has a regular source of income;

(c) The applicant does not own or is not purchasing the premises to be served;

(d) There is a prior customer living at the residence who owes a past-due bill to the utility at that address; or

(e) The applicant has an unpaid, overdue balance owing to any electric or gas utility for residential service.

(3) **Deposit amount.** ~~((The utility may require a deposit not to))~~ Deposits required for a customer or location must not exceed ((the amount of)):

~~(a) ((For utilities billing monthly, two-twelfths of the service location's estimated annual usage; or~~

~~(b) For utilities billing bimonthly, three-twelfths of the service location's estimated annual usage.))~~ Two-twelfths of the estimated annual billings for utilities billing monthly; or

(b) Three-twelfths of estimated annual billings for utilities billing bimonthly.

(4) **Deposit payment arrangements.** The utility must allow an applicant or customer the option of paying fifty percent of the deposit prior to service, and paying the remaining balance in equal amounts over the next two months, on the dates mutually agreed upon between the applicant or customer and the utility. The utility and applicant or customer may make other mutually acceptable deposit payment arrangements.

(5) **Alternative to deposit.** The utility must allow any applicant or customer who indicates an inability to pay a deposit:

(a) To prepay any service initiation fees and reasonably estimated regular service charges or budget billings at periods corresponding to the utility's regular billing periods for the length of time during which a deposit would ordinarily be required. The utility must then bill the applicant or customer in a normal fashion; or

(b) To furnish a satisfactory guarantor. A guarantor must be considered satisfactory if the guarantor has at least established credit with the utility as outlined in this section. A utility may, at its discretion, accept a guarantor that does not meet the requirements of this section. If

the customer has been disconnected, the guarantor is responsible for the amount stated on the disconnection notice, not to exceed the amount of the deposit as defined in subsection (3) of this section unless the guarantor has agreed to guarantee an additional amount as specified in subsection (7) of this section; or

(c) To notify the utility of the inability to pay a deposit as provided in WAC 480-90-143, Winter low-income payment program; or

(d) The opportunity to provide a reference from a similar utility that can ~~((be))~~ quickly and easily be checked if the conditions in subsection (1) of this section cannot be met.

(6) **Transfer of deposit.** When a customer moves to a new address within the utility's service territory, the deposit~~((r))~~ plus accrued interest ~~((and)),~~ less any outstanding balance owing from the old address, must be transferred to the new address or refunded.

(7) **Additional deposit.** If a deposit or additional deposit amount is required after the service is established, the reasons must be specified to the customer in writing. Any request for a deposit or additional deposit amount must comply with the standards outlined in subsection (1) of this section. If the original deposit was secured by a guarantor and the guarantor does not agree to be responsible for the additional deposit amount, the customer will be held responsible for paying the additional deposit.

(8) **Deposit payment date.** Any deposit or additional deposit amount required after service is established is due and payable not earlier than 5:00 p.m. of the sixth business day after notice if the deposit requirement notice is mailed from within the states of Washington, Oregon, or Idaho, or the ninth business day if mailed from outside the states of Washington, Oregon, and Idaho. If the utility delivers the notice to the customer in person, the deposit or additional deposit amount is due and payable not earlier than 5:00 p.m. of the sixth business day from the date of delivery.

(9) **Interest on deposits.** ~~((Interest on deposits collected from applicants or customers must:~~

~~(a) Accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1st of each year through November 30th of the following year. The commission will advise the utility each year of the specific rate;~~

~~(b) Earn the calculated interest rate as determined in (a) of this subsection from January 1st through December 31st of the subsequent year;~~

~~(c) Be computed from the date of deposit to the date of refund or when applied directly to the customer's account; and~~

~~(d) Be compounded or paid annually.))~~ Utilities that collect customer deposits must pay interest on those deposits calculated:

(a) For each calendar year, at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, as published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. If January 15 falls on a nonbusiness day, the utility will use the rate posted on the next following business day; and

(b) From the date of deposit to the date of refund or when applied directly to the customer's account.

(10) **When refund of deposits is required.** ~~((Deposits plus accrued interest must be applied to the customer's account or refunded at the customer's request when there has been satisfactory payment or upon termination of service.))~~ A utility must apply deposits plus accrued interest to the customer's account, or refund deposits plus accrued interest when there has been satisfactory payment, as defined in (a) of this subsection, or when service is terminated.

(a) "Satisfactory payment"~~((Satisfactory payment is established when the))~~ means a customer has paid for service ~~((during))~~ for twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The utility has not ~~((initiated))~~ started a disconnection

~~((proceedings))~~ process against the customer; and

(ii) The utility has sent no more than two delinquency notices to the customer.

(b) Termination of service. ~~((Upon termination of))~~ When service is terminated, the utility must return to the customer the deposit amount plus accrued interest, less any amounts due the utility by the customer.

(11) **How deposits are refunded.** ~~((Any deposit plus accrued interest must be made available to the customer not later than fifteen calendar days following completion of twelve months of satisfactory payment or the cancellation of service. Refunds must be:~~

~~(a) Applied to the customer's account for service beginning in the thirteenth month; or~~

~~(b) At the customer's request, paid in the form of a check either delivered by mail or given to the customer in person at the utility's local business office.))~~ A utility must refund any deposit plus accrued interest as indicated by the customer at the time of deposit, or as modified by the customer on a later date, using one of the following methods:

(a) A check issued and mailed to the customer no later than fifteen days following completion of twelve months of satisfactory payment, as described above; or

(b) A credit applied to the customer's account for service beginning in the thirteenth month.

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WAC 480-90-118 Nonresidential services deposit requirements. (1) **Deposit criteria for nonresidential customers.** A utility may require an applicant for nonresidential service ~~((may be required))~~ to demonstrate that ~~((it))~~ the applicant is a satisfactory credit risk by reasonable means appropriate under the circumstances.

(2) **Deposit amount.** ~~((The utility may require a deposit not to))~~ Deposits required for a customer or location must not exceed ~~((the amount of))~~:

~~((For utilities billing monthly, two-twelfths of the service location's estimated annual usage; or~~

~~(b) For utilities billing bimonthly, three-twelfths of the service location's estimated annual usage.))~~ Two-twelfths of the estimated annual billings for utilities billing monthly; or

(b) Three-twelfths of estimated annual billings for utilities billing bimonthly.

(3) **Transfer of deposit.** When a customer moves to a new address within the utility's service territory, the deposit~~((r))~~ plus accrued interest ~~((and))~~, less any outstanding balance owing from the old address, must be transferred to the new address or refunded.

(4) **Additional deposit.** ~~((Nothing in this section will prevent the requirement of a larger deposit, a new deposit, or other alternative forms of a deposit when conditions warrant. Should a new, larger, or alternative form of deposit be required, the reason must be specified in writing to the customer.))~~ If a deposit or additional deposit amount is required after the service is established, the reasons must be specified to the customer in writing. Any request for a deposit or additional deposit amount must comply with the standards outlined in subsection (1) of this section. If the original deposit was secured by a guarantor and the guarantor does not agree

to be responsible for the additional deposit amount, the customer will be held responsible for paying the additional deposit.

(5) **Deposit payment date.** Any deposit or additional deposit amount required after service is established is due and payable not earlier than 5:00 p.m. of the sixth business day after notice if the deposit requirement notice is mailed from within the states of Washington, Oregon, or Idaho, or the ninth business day if mailed from outside the states of Washington, Oregon, and Idaho. If the utility delivers the notice to the customer in person, the deposit or additional deposit amount is due and payable not earlier than 5:00 p.m. of the sixth business day from the date of delivery.

(6) **Interest on deposits.** ~~((Interest on deposits collected from applicants or customers must:~~

~~(a) Accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1st of each year through November 30th of the following year. The commission will advise the utility each year of the specific rate;~~

~~(b) Earn the calculated interest rate as determined in (a) of this subsection during January 1st through December 31st of the subsequent year;~~

~~(c) Be computed from the date of deposit to the date of refund or when applied directly to the customer's account; and~~

~~(d) Be compounded or paid annually.))~~ Utilities that collect customer deposits must pay interest on those deposits calculated:

(a) For each calendar year, at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, as published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. If January 15 falls on a nonbusiness day, the utility will use the rate posted on the next following business day; and

(b) From the date of deposit to the date of refund or when applied directly to the customer's account.

(7) **When refund of deposits is required.** ~~((Deposits plus accrued interest must be applied to the customer's account or refunded at the customer's request when there has been satisfactory payment or upon termination of service.))~~ A utility must apply deposits plus accrued interest to the customer's account, or refund deposits plus accrued interest when there has been satisfactory payment, as defined in (a) of this subsection, or when service is terminated.

(a) "Satisfactory payment"((~~Satisfactory payment is established when the~~)) means a customer has paid for service ((during)) for twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The utility has not ((initiated)) started a disconnection ((proceedings)) process against the customer; and

(ii) The utility has sent no more than two delinquency notices to the customer.

(b) Termination of service. ((Upon termination of)) When service is terminated, the utility must return to the customer the deposit amount plus accrued interest, less any amounts due the utility by the customer.