

7820.4500 WHEN PAYMENT GUARANTEE PERMISSIBLE.

Subpart 1. **Deposit.** When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility except where such bill has been discharged in bankruptcy. Interest shall be paid on deposits in excess of \$20 at the rate of six percent per year compounded annually. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The utility may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills. The deposit shall be refunded to the customer after 12 consecutive months of prompt payment of all utility bills. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice any deposit of a customer may be applied by the utility to a bill when the bill has been determined by the utility to be delinquent. Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within 45 days to the customer.

A utility shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

Subp. 2. **Guarantee of payment.** The utility may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid the customer's account with the utility, or at the guarantor's request upon 60 days' written notice to the utility. Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in part 7820.2400. The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account the grantor has guaranteed unless the guarantor waives such notice in writing.

Statutory Authority: *MS s 216B.07; 216B.08; 216B.09*

History: *17 SR 1279*

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