

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

PUBLIC SERVICE COMMISSION

SERVICE SUPPLIED BY WATER UTILITIES

R 460.13101--R 460.13707

History: 1954 ACS 36, Eff. Nov. 14, 1963.

Editor's note: R 460.13101 to R 460.13707, pertaining to service supplied to water utilities, were adopted by the public service commission. Upon request of the commission and pursuant to section 57 of Act No. 306 of the Public Acts of 1969, being S24.257 of the Michigan Compiled Laws, these rules are not published in Michigan Administrative Code publications. They may be obtained upon application to the Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909.

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(By authority conferred on the public service commission by section 5 of Act No. 419 of the Public Acts of 1919, as amended, section 6 of Act No. 3 of the Public Acts of 1939, as amended, and section 17 of Act No. 19 of the Public Acts of 1967, as amended, being SS460.55, 460.6, and 486.567 of the Michigan Compiled Laws)

R 460.13406 Customer deposits.

Rule 406. (1) A utility may require a deposit from existing or prospective customers as a condition of service in any of the following situations:

(a) The customer has a prior service account which is past due with any utility, which accrued within the last 6 years, and which, at the time of the request for service, remains unpaid and is not in dispute.

(b) The customer misrepresents his or her identity or credit standing or fails to provide positive identification at the time of application for new service, thus avoiding disclosure of pertinent credit information.

(c) The customer is a previous customer who has, in an unauthorized manner, interfered with the service of the utility situated or delivered on or about the customer's premises within the last 6 years.

(d) The applicant requests service at a residence in which he or she does not reside.

(e) The utility has had 2 or more checks for the customer's account returned from a bank within the past 3 years for insufficient funds or no account, excluding bank error.

(f) The customer requests service at a household that was inhabited by the applicant during a period in which all or a part of a prior past due service account was incurred by another household member who still resides at the household, if, at the time of the request for service, the account remains unpaid and is not in dispute.

(g) The customer is unable to provide prior utility service history information with any Michigan utility during the last 6 years.

(h) The service of the customer has been discontinued for nonpayment of a delinquent account that is not in dispute.

(2) A utility shall maintain a detailed record of all deposits received from customers. The record shall show all of the following information:

(a) The name of the customer.

(b) The location of the premises occupied by the customer at the time of making the deposit and each successive location while the deposit is retained.

(c) The date of making, and the amount of, the deposit.

(d) The dates and amounts of interest paid.

(3) Each customer who posts a cash deposit shall receive, in writing, at the time of tender of deposit funds, a receipt as evidence thereof, which shall contain all of the following information:

(a) Name of customer.

(b) Place of payment.

(c) Date of payment.

(d) Amount of payment.

(e) Identifiable name and signature of the utility employee who receives payment.

(f) A statement of the terms and conditions governing the receipt, retention, and return of deposit funds.

(4) A cash deposit that is required pursuant to the provisions of these rules is subject to all of the following terms and conditions:

(a) A deposit shall not be more than an amount equivalent to twice the average monthly bill for the premises, except that a utility that utilizes a bimonthly or quarterly billing cycle may collect a deposit not more than an amount equivalent to the average bill for 1 billing period plus 30 days.

(b) Interest at the rate of 9% per annum shall be payable on all deposits. Interest shall be credited semiannually upon the service account of the customer or paid upon the return of the deposit, whichever occurs first.

(c) Upon termination of service, the deposit, with accrued interest, shall be promptly returned to the customer or credited to the final bill.

(d) The credit of a customer shall be established and a deposit and accrued interest shall be refunded promptly by the utility upon satisfactory payment by the customer of all proper charges for utility service for a period of 12 consecutive months. For purposes of this rule, payment is satisfactory if made before the issuance of a notice of discontinuation of service for nonpayment not in dispute or within 3 days after issuance of the next succeeding monthly bill, whichever is sooner. Deposits for unauthorized use, diversion, or interference may be retained by the utility for a period of 24 months and shall be refunded upon satisfactory payment of the final 12 months of charges.

(e) A utility shall provide means whereby a customer who is entitled to a return of his or her deposit is not deprived of deposit funds, even though he or she may be unable to produce the original receipt for the deposit.

(f) A utility shall apply deposit standards uniformly as a condition of utility service to all customers.

History: 1954 ACS 36, Eff. Nov. 14, 1963; 1979 AC; 1989 MR 12, Eff. Jan. 4, 1990.