

Natural Gas Service Deposits Commercial Customers

Taken from BILLING PRACTICES APPLICABLE TO COMMERCIAL AND INDUSTRIAL GAS CUSTOMERS, R 460.2071 - R 460.2086:

R 460.2083 Customer deposits.

Rule 13. (1) A utility may require a deposit from a new customer if service will be rendered for less than 12 months, the customer has an existing bad debt with any company regulated by the commission, or the customer does not have an established credit rating or an unfavorable credit rating with a credit reporting agency.

(2) A utility may, with proper notification, require a deposit from a new customer if the customer exhibits an unsatisfactory record of bill payment within the first 6 months after service has commenced. Payment of bills on or before the due date shall constitute a satisfactory record of bill payment.

(3) An existing customer shall be classified as one who has received service for more than a 6-month period. A utility may require a deposit from an existing customer if 2 or more final disconnect notices have been issued within the most recent 12-month period, service has been discontinued for nonpayment, or the customer has tampered with the meter or converted company gas to the customer's use.

(4) A deposit shall not be more than 25% of the customer's annual bill. The utility shall provide reasonable terms for the payment of the deposit.

(5) A deposit may be retained by the utility until the customer compiles a record of 12 continuous months of bill payment on or before the due date.

(6) Interest shall be paid on deposits at a rate of 9% per annum pursuant to the provisions of Act No. 347 of the Public Acts of 1921, as amended, being S460.651 et seq. of the Michigan Compiled Laws, or as otherwise provided by law.

(7) If service is terminated, the utility may apply the deposit, plus accrued interest, to the customer's unpaid balance. If the deposit plus accrued interest is more than the unpaid balance, the excess shall be returned to the customer.

(8) Each utility shall keep records that show all of the following information:

(a) The name and address of each depositor.

(b) The amount and date of the deposit.

(c) Each transaction concerning the deposit.

(9) 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 a claim if the receipt is lost.

(10) A record of each unclaimed deposit shall be maintained for not less than 3 years, during which time the utility shall make a reasonable effort to return the deposit.

(11) Each utility shall, within 60 days of the effective date of this rule, send a notice explaining the conditions under which a deposit may be required to all existing customers. This notice shall also be provided to new customers within 30 days after service has commenced or, at the utility's option, with the first bill rendered.

History: 1988 MR 5, Eff. May 28, 1988; 1989 MR 12, Eff. Jan. 4, 1990.