

## Chapter PSC 120

STANDARD GUARANTEE, DEPOSIT, AND  
DISCONNECT RULES FOR GAS AND  
ELECTRIC UTILITIES

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**PSC 120.01 Deposit rule.** (1) If the credit of an applicant for (electric) (gas) service has not been established satisfactorily to the utility, he may be required to deposit a sum not exceeding the estimated gross bills for (electric) (gas) service for any 2 consecutive months selected by the utility. The amount to be deposited may be a minimum of \$5 for each class of (electric) (gas) service furnished. Deposits shall bear simple interest at the rate of 5% per annum payable from the date of the deposit to the date of refund or discontinuance of service whichever is earlier.

(2) In the case of domestic (electric) (gas) service the deposit shall be refunded upon request of the customer after 12 consecutive months of prompt payment, and, without such request, shall be refunded voluntarily by the utility after 36 consecutive months of prompt payment. In no case, however, will a deposit be refunded if the customer's credit standing is not satisfactory to the utility.

(3) In the case of commercial or industrial (electric) (gas) service, the deposit may be refunded upon request of the customer after 36 consecutive months of prompt payment if the customer's credit standing is satisfactory to the utility.

(4) If the rules of the utility permit a customer to pay the net rate after discount date 1 month in every 12 months, such payment shall be regarded as "prompt payment" in the application of the above rule.

(5) A new or additional deposit may be required upon reasonable written notice of the need for such a requirement in any case where a deposit has been refunded or is found to be inadequate to cover 2 months' bills as above provided for, or where a customer's credit standing is not satisfactory to the utility. The (electric) (gas) service of any customer who fails to comply with these requirements may be disconnected upon 5 days' written notice.

**PSC 120.02 Guarantee rule.** (1) The utility may accept in lieu of a cash deposit, a contract signed by a guarantor satisfactory to the utility, whereby payment of a specified sum not exceeding the cash deposit requirement is guaranteed. The term of such contract shall be indeterminate, but shall automatically terminate when the customer gives notice to the utility of discontinuance of service at the location covered by the guarantee agreement or 6 months after discontinuance of service, or at the guarantor's request upon 30 days' written notice to the utility.

(2) 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 upon reasonable written notice to the customer. The (electric) (gas) service of any customer who fails to comply with these requirements may be disconnected upon 5 days' written notice.

(3) The guarantor shall receive copies of all disconnect notices sent to the customer whose account he has guaranteed.

**PSC 120.03 Scope of deposit and guarantee rules.** (1) Where an applicant or customer is unable to furnish either the required cash deposit or a satisfactory guarantor, or where the customer's business is of a hazardous or temporary nature, the utility may at its option bill such applicant or customer on other than a monthly basis with a corresponding adjustment in the deposit or guarantee requirement and disconnect procedure.

(2) The above rules are not applicable to deposits or guarantees made in connection with the financing of extensions or other equipment.

**PSC 120.04 Disconnect rule.** (1) The utility may at its option continue service beyond the period provided under its filed disconnect rule under the following conditions: If the utility has a deposit or guarantee on the account, such deposit or guarantee shall be considered as applying against the bills which first become delinquent. If the utility has no deposit or guarantee on the account, or if the delinquent bills exceed the deposit or guarantee, service may not be discontinued or refused for nonpayment of bills which are delinquent for a period longer than that permitted under the filed disconnect rule.

(2) The above rule [section PSC 120.04 (1)] shall apply in all cases unless the customer is willing to enter into a special agreement with the company, a written memorandum of which shall be made by the utility, providing for a specified extension of time and/or an extension of a specified amount of credit, and providing further for the disconnection of such customer upon failure to comply with the terms of such extension agreement.

*Note:* Some utilities have rules or practices that are more liberal to customers in some particulars than the rules enumerated above. It is not the intention of the commission to require the abandonment of these practices, except that we believe a standardization of interest on customers' prompt payment deposits will avoid confusion and misunderstanding. With this exception, a utility of the classes here involved may establish uniform, nondiscriminatory rules and practices more favorable to its customers than those herein established. Our purpose is rather to set forth a reasonable basis for standardizing these rules.

**PSC 120.05 Changes.** Jurisdiction will be retained in order to make reasonable changes upon proper application and a showing of good cause.

**PSC 120.06 Application.** Effective January 1, 1936, all privately owned electric and/or gas utilities operating in Wisconsin shall file with this commission deposit, guarantee and disconnect rules or procedure in accordance with the [foregoing] standard rules.