

### §15-9-71 Credit Security Authorized

(A) The City may:

- (1) require a customer to give, maintain, or re-establish credit security for a service address or account;
- (2) require that a customer of a non-City owned water district meet the credit security policy and procedures established by the district; and
- (3) establish utility customer payment standards, including the minimum payment practices a utility customer must meet instead of providing other forms of credit security.

(B) Customer care shall develop guidelines establishing exceptions to the credit security requirements under this Article. Customer care may grant an exception to the requirements of this Article based on the guidelines.

### §15-9-72 Forms and Amount of Credit Security for Residential Service

If a residential customer or applicant provides proof of identification under Section 15-9-53 (*Identification Required*), the City may accept the following forms of credit security:

- (1) a record of satisfactory compliance with Section 15-9-75 (*Customer Payment Standards*), if applicable, and no outstanding utility invoices;
- (2) a letter of reference from another electric, gas, or water utility with no record of late payments or outstanding balances, and no disconnections for non-payment during the last twelve consecutive billing cycles; ~~or~~
- (3) for customers who have not had continuous utility service for the preceding 12 billing cycles due to a voluntary break in utility services, a letter of reference from another electric, gas, or water utility with no record of late payments or outstanding balances and no disconnections for non-payment during 12 of the preceding 18 consecutive billing cycles;
- (4) for tenants of rental properties where the cost of utilities is included in the rent payment, a signed copy of the tenant's lease and a written statement from the landlord indicating that rent payments were timely made for the preceding 12 consecutive months; or
- ~~(3)~~ (5) a refundable deposit of \$200.

### §15-9-73 Forms and Amount of Credit Security for Commercial Service

The City may accept the following forms of credit security from a commercial customer or applicant for commercial service:

- (1) a record of satisfactory compliance with customer payment standards for service at a comparable commercial service address served by the City;

(2) a letter of reference from another electric, gas, or water utility stating that commercial service was provided within the preceding 24 consecutive ~~months~~ billing cycles with no record of a past due balance, and that the applicant's service was not disconnected during that period;

(3) a refundable deposit of one-sixth of the average annual or estimated billing at the same or a comparable commercial service address for the ~~previous~~ preceding 12 months as determined by customer care; or

(4) for construction purposes only, a refundable deposit in an amount determined by the Electric Utility.

### **§15-9-75 Customer Payment Standards**

(A) ~~Except as set forth in subsection (B), To~~ to establish compliance with customer payment standards, a residential customer must:

- (1) have received utility service from the City for not fewer than 12 consecutive billing cycles;
- (2) have paid each utility invoice before its due date during the preceding 12 ~~calendar months~~ billing cycles;
- (3) not have submitted a payment returned for insufficient funds; and
- (4) not have committed unlawful use of service or utility service diversion.

(B) For customers who have not had continuous utility service for the preceding 12 billing cycles due to a voluntary break in utility services, a residential customer must show that in 12 of the preceding 18 billing cycles from the date that new utility service is requested, the residential customer has:

- (1) received utility service from the City for not fewer than 12 billing cycles;
- (2) paid each utility invoice before its due date;
- (3) not submitted a payment returned for insufficient funds; and
- (4) not committed unlawful use of service or utility service diversion

~~(B)~~ (C) To establish compliance with customer payment standards, a commercial customer must:

- (1) have received comparable commercial utility service from the City for not fewer than 24 consecutive billing cycles;
- (2) have paid each utility invoice before its due date during the preceding 24 ~~calendar months~~ billing cycles;
- (3) not have submitted a payment returned for insufficient funds; and
- (4) not have committed unlawful use of service or utility service diversion.

### **§15-9-76 Use and Replacement of Security Deposit**

- (A) If the City determines that an existing customer's payment or usage practices create a financial risk to the City, it may:
- ~~(1) apply the customer's security deposit plus accrued interest to the customer's outstanding utility account balance; and~~
  - ~~(2) require the customer to pay a new credit security deposit equal to the greater of:~~
    - ~~(a) (1) \$300; or~~
    - ~~(b) (2) three times the average or estimated monthly utility invoice, as determined by customer care, for the service address for the previous preceding 12 months as determined by customer care.~~
- (B) The City may disconnect a customer's utility service if the customer fails to pay a new security deposit under this section.

### **§15-9-77 Transfer or Refund of Deposits.**

- (A) A customer's deposit earns simple annual interest at the rate effective on October 1 of each year. The interest rate under this section is equal to 85 percent of the average yield of the 90-day United States Treasury Bills issued during the preceding twelve month period ending June 30 of each year.
- (B) If a customer transfers utility service, the City may transfer the customer's deposit to the customer's new account as prescribed by Section 15-9-74 (Transfer of Credit Security).
- (C) The City shall refund a customer's deposit, including interest earned, to the customer if:
- (1) the customer establishes a record of satisfactory compliance with the payment standards prescribed by Section 15-9-75 (Customer Payment Standards); or
  - (2) the customer discontinues all City utility accounts and pays all outstanding utility invoices.
- (D) The City may apply a customer's deposit to ~~an any~~ unpaid ~~invoice~~ invoices before the City refunds the balance of the deposit to the customer.
- (E) The City shall keep a record of unclaimed deposits and shall make a reasonable effort to return deposits.

### **§15-9-137 Payment Requirements and Late Payment Penalty**

- (A) A customer shall pay each invoice for utility service on or before the payment due date. A customer's failure to receive an invoice does not modify the customer's duty to pay for utility services.
- (B) The City shall apply a customer's payments sequentially based on the earliest outstanding payment due date.
- (C) Except as otherwise limited by contract, if customer care does not receive full payment by the payment due date on an invoice, a five percent late payment penalty shall be added to the invoiced electric, water, reclaimed water and wastewater charges.
- (D) A late payment penalty under this section shall be assessed during the next billing cycle and be included in the next invoice for utility services.
- (E) A customer receiving a rate discount under the customer assistance program shall be entitled, upon request, to a waiver of a ~~monthly~~ late payment charge if the customer has not received a waiver of a late payment penalty within the ~~previous~~ preceding 12 ~~months~~ billing cycles.