

Subject: METER DEPOSIT POLICY

1. COMMERCIAL ACCOUNTS

A. Present Commercial Accounts

If a present commercial account has a meter deposit with the utility, this account will be handled as follows:

- 1) If the account has *good credit the deposit will either be credited to his/her account or returned to the owner in the form of a check.
- 2) If the account has *bad credit the deposit will be retained by the utility until a clean 24-consecutive-month period has been acquired by a business.

B. Future Commercial Accounts

- 1) If the business is new to our city and can produce evidence of a good payment record from a “like” account from the previous utility, then we will not require the meter deposit. If this account is delinquent for one month, we will require twice the monthly average from the previous 12 occupied months, along with the delinquent bill.
- 2) If a new business to our city cannot provide a good credit reference, the business will be required to pay a calculated twice the monthly average from the previous 12 occupied months before utility service will be provided. This initial deposit will be returned to the business after *good credit has been established.
- 3) If the business is an existing business moving to a new location, the business will not have to make a meter deposit if it has *good credit.
- 4) If the business is a new business starting up, the business will have to pay twice the monthly average from the previous 12 occupied months. This initial deposit will be returned once *good credit has been established.

2. RESIDENTIAL ACCOUNTS

A. Present and Future Accounts

- 1) If a residential customer owns their home and has *good credit, a meter deposit is not required. If a residential customer owns their home and has *bad credit, a deposit of twice the monthly average from the previous 12 occupied months will be required. Proof of ownership must be presented to the HPUC.

Examples of proof of ownership include:

- Purchase Agreement
 - Probate Statement
 - Quick Claim Deed
 - Tax Statement
- 2) If a mobile home owner owns the property on which the home is set, a meter deposit is not required. Other mobile home owners will be charged a meter deposit as a renter.
 - 3) Registered Contract for Deed is not considered to be a binding Contract. Therefore, the customer is required to pay a deposit as required by a renter.

3. RESIDENTIAL ACCOUNTS – RENTERS

A. All renters are required to make a meter deposit of twice the monthly average from the previous 12 occupied months.

B. No meter deposit is required for renters in the following situations:

- 1) If a homeowner with *good credit moves into an apartment, no meter deposit is required for the apartment.
- 2) If a renter with *good credit on an active account moves to a new rental, no meter deposit is required for the new apartment.
- 3) If a renter has established *good credit, the meter deposit will be returned to the renter.

Note: After the return of the meter deposit, if the renter has a delinquent bill, the meter deposit must be paid again in order to restore service.

4. RESIDENTIAL ACCOUNTS – RENTER – DEPOSIT TRANSFERS

A. If a renter does not have a past due balance the deposit may be transferred. If the deposit amounts are different, a partial deposit can be transferred to the new

account and the difference applied to balance due on the old account. If the deposit is transferred, the final bill will also be transferred.

- B. If there is a past due balance and the current bill is not due, only the past due must be paid before transferring the deposit.

5. DEPOSIT OF SECURITY – COMMERCIAL

- A. The meter deposit may be in the form of cash, check, credit card, or letter of credit. The meter deposit will be credited annually with interest, as set per the Minnesota Department of Commerce.

6. DEPOSIT OF SECURITY – RESIDENTIAL

- A. The meter deposit for residential accounts must be paid before the new account is established. If the meter deposit is paid in cash, the customer's account will be credited annually with interest, as set per the Minnesota Department of Commerce.

7. ACCOUNTS WITH ZERO TO LITTLE HISTORY

- A. If twice the monthly average for the previous 12 occupied months is not available, then the minimum deposit per residential customers will be \$100 and \$250 for commercial customers.

*Good credit: Defined as having no more than one late payment per calendar year for two consecutive years at one property. For good credit on new services, the customer must have had utilities with HPUC within the last five (5) years.

*Bad credit: Defined as having more than one late payment per calendar year.