



ELECTRIC WATER SEWER STORMWATER

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www.HANNIBALBPW.org



POLICY:	<u>Utility Deposits</u>	DEPARTMENT:	<u>Business Office</u>
APPROVED:	_____	REVIEWED / REVISED:	<u>11/1/09</u>

Description:

The Hannibal Board of Public Works (HBPW) is empowered to require Utility Deposits for utility service accounts, and the Deposits must be paid in full prior to connection of service. Utility Deposits are security deposits and are not automatically applied toward a customer's monthly utility charges. Residential renters and Commercial and Industrial accounts are subject to the Utility Deposit. Residential owners may not be subject to the Utility Deposit requirements when applying for initial service to their residence.

Guidelines:

DEPOSIT PAYMENT METHODS

CASH DEPOSITS will be accepted and shall be placed in the HBPW's restricted "Customer Deposit Account". Cash Deposits shall bear no interest and shall be carried at face value for the duration of the customer's utility service.

IRREVOCABLE LETTER OF CREDIT will be accepted in lieu of a cash deposit. This Irrevocable Letter of Credit shall be from an accredited banking institution. The banking institution may require the customer to pay an annual fee and/or renew the Irrevocable Letter of Credit on an annual basis.

SURETY BONDS will be accepted in lieu of a cash deposit. This Surety Bond may be obtained from an insurance company, as the bond is an insurance policy for the required utility deposit amount. This item may require the Customer to pay an annual fee and the Surety Bond may need to be renewed on the Bond's anniversary date.

UTILITY DEPOSIT AMOUNTS

RESIDENTIAL RENTAL CUSTOMERS:

- a. Electric, water, and sewer service - \$200.00 or 2 times the average bill (maximum \$400.00)
- b. Electric service only - \$100.00 or 2 times the average bill (maximum \$300.00)
- c. Water or sewer only - \$100.00 or 2 times the average bill (maximum \$200.00)

COMMERCIAL /INDUSTRIAL CUSTOMERS:

1. If a Commercial / Industrial Customer owns the location of the utility service, no Utility Deposit will be required if the average monthly bill is less than \$1,500.00.
2. If a Commercial/Industrial Customer occupies a location that will have an average utility bill of \$1,500.00 or more, the required deposit will be equal to an average two month total utility billing for the most recent 12 month billing period.
3. If a Commercial / Industrial Customer rents a service location that previously had a comparable occupancy, the required deposit shall be a minimum of \$400.00 or an amount equal to an average two-month utility billing (electric, water and sewer charges combined) for the most recent 12-month utility billing at that location, whichever is the larger of the two amounts.
4. If a Commercial / Industrial Customer rents a service location which has no history because it is newly constructed or has a significant change in utilization from prior occupancy, the deposit amount shall be \$400.00, or an amount equal to an average two-month utility billing (electric, water and sewer charges combined) for the most recent 12-month billing of an existing similar business, whichever is the larger of the two amounts.

5. If a Commercial / Industrial Customer deposit cannot be accurately estimated, the following deposits will apply:
 - a. Electric, water, and sewer service - \$400.00
 - b. Electric service only - \$300.00
 - c. Water or sewer only - \$200.00

NOTE: UTILITY DEPOSIT AMOUNTS WILL BE THE SAME FOR SERVICES OUTSIDE THE CITY LIMITS.

REVIEW OF DEPOSIT AMOUNT

The HBPW Business Office may review any or all Customer deposit amounts at any time. If it is found that the deposit amount and the average two-month utility billing do not agree, the Customer will be provided notice of increased deposit requirement or deposit refund. No changes in the deposit amount will be made if the deviation is \$50.00 or less for a Residential account. No changes in the deposit amount will be made if the deviation is \$100.00 or less for a Commercial / Industrial account. Customers may be subject to the new deposit amounts when any of the following events occur:

1. Customer changes utility service location.
2. Customer's service is subject to disconnection due to non-payment.
3. Customer files for bankruptcy protection.

DISCONNECTION OF UTILITY SERVICES

When a Customer with a utility deposit requests discontinuance of utility services to a location, that Customer must notify the Business Office of the date the services are to be discontinued. A final bill for utility services will be prepared, and the deposit amount will be deducted from the Customer's net charges due for utility services. A new amount due or a refund due shall be sent to the Customer.

Originated / Revised History

Originated – 06/11/96
Revision 1 – 07/03/07
Revision 2 – 03/11/09
Revision 3 – 11/12/09