




## ELECTRIC WATER SEWER STORMWATER

3 Industrial Loop Drive | PO Box 1589 | Hannibal, MO 63401 | (573)-221-8050

[www.HANNIBALBPW.org](http://www.HANNIBALBPW.org)



<b>POLICY:</b>	<u>Utility Deposits</u>	<b>DEPARTMENT:</b>	<u>Business Office</u>
<b>APPROVED:</b>	<u></u>	<b>REVIEWED / REVISED:</b>	<u>8/2/2021</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. All customer classes are subject to the Utility Deposit.

### Guidelines:

#### DEPOSIT PAYMENT METHODS

CASH DEPOSITS will be accepted and shall be placed in an account at the HBPW's Depository Bank. Cash Deposits shall bear no interest and shall be carried at face value.

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 CUSTOMERS – BASED ON A CREDIT CHECK WITH A NATIONAL CREDIT BUREAU:

- Electric, water, and sewer service - minimum \$0 and maximum \$400, depending on the results of the credit check.
- Electric service only - minimum \$0 and maximum \$300, depending on the results of the credit check.
- Water or sewer only - minimum \$0 and maximum \$200, depending on the results of the credit check.
- Customers who choose to opt out of the credit check will be assessed a deposit of the maximum amount for the utility service(s) requested.
- Customers who have 12 consecutive months of excellent credit history with the HBPW may request the deposit be refunded as a credit to the utility account.

##### COMMERCIAL / INDUSTRIAL CUSTOMERS:

- 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.
- 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.
- 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.
- 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 may review any or all Customer deposit amounts at any time. Customers may be subject to a new deposit amount if utility credit history with the HBPW deems it necessary.

### **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 any remaining 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

Revision 4 – 08/02/21