

**A. Account Deposits - All Classes of Service**

Deposits will be required for any residential and non-residential class of electric service if any of the following occur:

1. The account becomes impaired as set forth in Rule No. 11, Section A.
2. The account is deemed impaired by the existence of past due notices and other factors including, but not limited to, unsatisfactory payment history, previous or existing unpaid electric bills due the District, etc.
3. A new customer cannot provide evidence of a satisfactory payment history for comparable utility services over the past twelve (12) months. The applicant must have received no more than two (2) past due notices, no returned items, no non-payment disconnects, nor had an unpaid balance of sixty (60) days more than two (2) times during the most recent twelve (12) month period.

**B. Amount of Deposit**

1. Residential Services

The amount of a residential deposit shall be two times the customer's estimated highest monthly bill, but shall not be less than the amount designated in Appendix A.

2. Commercial/Industrial Service

The amount of a commercial or industrial deposit shall be three times that customer's estimated highest monthly bill, but shall not be less than the amount designated in Appendix A.

3. Other Services

The amount of deposit for other services shall be three times the customer's highest estimated monthly bill, but shall not be less than the amount designated in Appendix A.

**C. Types of Acceptable Security Deposits**

1. Cash, check, cashier's check, money order, credit card, debit card
2. A Time Certificate in the District's name
3. Surety Bond payable to the District
4. Other means acceptable to the District.

**D. Deposit Refund**

1. Upon discontinuance of service, the customer's cash deposit will be applied to the final bill. Any deposit balance in excess of the unpaid bills for service will be refunded by the District. Non-cash deposits will be released after payment of final bill.
2. Any deposit amount refunded under this Service Rule will be credited to the customer's account except as noted in Section D.1 above.
3. Deposits are reviewed and processed periodically for the purpose of refunding or adjusting deposit amounts.
4. If for thirty-six (36) months following termination of service, the District cannot, with reasonable diligence, locate the depositor, and the depositor fails to call for the deposit, the deposit will become the property of the District.
5. Residential Services
  - a. After a residential customer has paid bills for residential service for twelve (12) consecutive months without disconnection of service pursuant to Rule No. 11, Discontinuance & Restoration of Service, and without having had more than two (2) past due bills or any returned items, the District will release the deposit.
  - b. If the customer has had service disconnected pursuant to Rule No. 11, Discontinuance & Restoration of Service, or has had more than two (2) past due bills, the District will thereafter review the account and will release the deposit when the customer's payment history has been established to the satisfaction of the District.
6. Commercial/Industrial Service
  - a. For Commercial/Industrial service the District will release the deposit upon discontinuation of service. Any deposit balance in excess of the unpaid bills for service will be refunded by the District. Non-cash deposits will be released after payment of the final bill.
7. Other Services
  - a. After the customer has paid bills for twenty-four (24) consecutive months without disconnection of service pursuant to Rule No. 11, Discontinuance & Restoration of Service, or without having had more than two (2) past due bills or any returned items during the last twenty-four (24) consecutive months, the District will release the deposit.

- b. If the customer has had service disconnected pursuant to Rule No. 11, Discontinuance & Restoration of Service, or has had more than two (2) past due bills, the District will thereafter review the account and will release the deposit when the customer's payment history has been established to the satisfaction of the District.

**E. Commercial/Industrial Service**

Interest will be credited to the customer's account on an annual basis for an active cash deposit. Interest accrued will be based on the interest rate in effect at the beginning of each calendar year that the deposit is active. The interest rate will be adjusted on an annual basis reflecting the interest rate for the California Local Agency Investment Fund (LAIF) as published by the California State Treasurer.