

RULE (4 CCR) 723-5-11. CUSTOMER DEPOSITS.

723-5-11.1 A utility may require at any time from a customer or prospective customer, a cash deposit intended to guarantee payment of current bills, but only in accordance with this rule. A deposit intended to guarantee payment of current bills shall not exceed an amount equal to an estimated ninety days' bill of the customer, except in the case of a customer whose bills are payable in advance of service, in which case, the deposit shall not exceed an estimated sixty days' bill of the customer. A deposit required pursuant to this rule may be in addition to any advance, contribution, or guarantee in connection with construction of lines or facilities, as provided in the extension policy of the utility's tariffs on file with the Commission. Simple interest shall be paid by the utility upon a deposit at the percentage rate per annum as calculated by the Staff of the Commission and in the manner provided in this rule, payable upon the return of the deposit, or annually at the request of the customer. Interest on a deposit shall be earned for the time such deposit is held by the utility, and shall be calculated from the date the deposit is received by the utility to the date of payment to the customer or to the date an amount equal to the deposit is credited to the customer's account. Interest payments, at the option of the utility, may be paid directly to the customer or by a credit to the customer's account. ~~Simple interest to be paid on a deposit during any calendar year shall~~ The simple interest rate to be paid on customer deposits shall be determined by the Commission Staff on an annual basis. The rate shall be computed ~~be~~ at a rate equal to the average for the period October 1 through September 30 (of

the immediately preceding year) of the twelve monthly average rates of interest expressed in percent per annum, as quoted ~~in the secondary market~~ for one-year United States Treasury ~~Bills constant maturities~~, as published in the *Federal Reserve Bulletin*, by the Board of Governors of the Federal Reserve System. ~~Each year, the Staff of the Commission shall compute the interest rate to be paid. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is less than 25 basis points, the existing customer deposit interest rate shall continue for the next calendar year. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is 25 basis points or more, the newly calculated customer deposit interest rate shall be used. and The Commission shall send interest rate shall be used beginning January 1 of the following year; otherwise the rate shall remain unchanged. When it is determined that a change in the interest rate is warranted, the Commission shall send a letter to each utility within the State by November 15th identifying the new rate to be paid on deposits beginning January 1 of the next year. Following notification by the Commission, each provider shall file an Advice Letter and revised tariff containing the new interest rate, on not less than one day's notice, citing this rule as authority, to be effective January 1 of the following year. To the extent any of the dates contemplated herein are modified, there shall be at least 45 days between the date of the notification letter and the effective date of the rate change. stating the rate of interest to be paid on deposits during the calendar year.~~

~~Annually, following receipt of Staff's letter, each utility, no later than December 1 of each year, shall file by advice letter, or application, as appropriate, a revised tariff, effective the first day of January of the following year, or an alternative date set by the Commission, containing the new rate of interest to be paid upon customers' deposits, except when there would be no change in the rate of interest to be paid on such deposits as calculated in this paragraph of Rule 11.~~