
STATE OF NEW JERSEY

Board of Public Utility Commissioners

**Regulations Applying to Requirements of Deposits
to be Observed by Utilities Supplying
Water, Gas and Electric Service**

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BLANK, AND THEREFORE WERE NOT FILMED:**

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STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITY COMMISSIONERS

IN THE MATTER OF REGULATIONS)
APPLYING TO REQUIREMENT OF)
DEPOSITS TO BE OBSERVED BY)
UTILITIES SUPPLYING WATER,)
GAS AND ELECTRIC SERVICE.)

The Board of Public Utility Commissioners hereby fixes as just and reasonable regulations applying to requirement of deposits to be observed by utilities supplying water, gas and electric service.

A—METERED SERVICE.

Rule I.

A water, gas or electric utility, where the credit of a customer is not established, may require a deposit reasonable in amount as a condition of supplying service.

The credit so established by whatever method shall apply exclusively to the service of water, gas or electricity and shall apply to such service at any location within the area of the company furnishing the same; that is, service is not to be regarded as restricted to a particular location.

Rule II.

The amount of a deposit shall be reasonably related to the probable charge for service during a billing period; this period to include the average time required for collection after bills are rendered.

New Customers.—Where a new customer applies for service, the initial deposit shall be the amount of the average bill of the customers of his class for a given billing period increased by one month's average bill for customers billed monthly or quarterly and by two weeks' average bill for weekly customers. If the actual bills of the customer sub-

sequently rendered prove that the deposit is either insufficient or too much, the deposit may be changed in accordance with the facts.

Customers Served Through Prepayment Meters.—In the case of prepayment meters where a minimum charge is made, the deposit shall not exceed the sum of three dollars for three or five light meters unless the meter is so located as to be liable to be robbed.

Old Customers in Default may be required to furnish a deposit to secure the payment of future bills. The amount of such deposit shall be determined in accordance with the principle hereinbefore stated.

Customers Served Under Special Conditions.—In such special instances, the company's proposed rule, together with supporting data, is to be filed with the Board.

Rule III, Receipt.

Each water, gas and electric utility shall furnish a receipt to each customer from whom a deposit may be exacted. Where return of the deposit is made in cash, surrender of the receipt or, in lieu thereof, proof of identity may be required. Surrender of the receipt shall not be a condition of return of the deposit, when payment is made by check to the order of the person making the deposit or to his lawful agent. The company shall keep accurate and suitable records of deposits received and in no case refuse to refund a deposit shown by its records to have been received because of loss of the receipt.

Rule IV.

If a customer has established his credit and later defaults in payment, the utility may demand as a guarantee for the payment of future bills a cash deposit in the amount provided by Rule II; provided that service shall not be discontinued for failure to make such deposit except after notice as hereinafter provided.

Rule V.

If a customer who has made a cash deposit fails to pay a bill for metered service, the utility may apply such deposit insofar as necessary to liquidate the bill and may require that the deposit be restored to its original amount.

Rule VI.

Where bills are rendered monthly or quarterly for metered service, except in seasonal resorts, at least ten days' time shall be allowed after rendering a bill within which time the bill may be paid. In seasonal resorts or where it is customary to render bills weekly, three days shall be allowed for payment. A water, gas or electric utility shall not, for failure to pay a bill for metered service at the end of the period referred to, discontinue service until the expiration of three calendar days in seasonal resorts, or the expiration of six calendar days in localities where the properties are occupied throughout the year; and if it is proposed to discontinue service, written notice must be given of the utility's intention to do so. In case of bankruptcy, fraud, or where for other reason it is clearly indicated that the customer is preparing to leave, immediate payment of accounts may be required.

Rule VII.

A water, gas or electric utility shall not discontinue service because of non-payment of bills for metered or measured service in cases where there is a *bona fide* dispute as to the amount of the bill. Where a bill is in dispute and a request is made to the Board for an investigation of the same, the days, if any, allowed for prompt payment before a prompt payment discount is lost or a delayed payment penalty begins to accrue, shall run from the date of the receipt of the Board's ruling or the receipt of the report of its inspector, if hearing is not desired.

NOTE: The term *bona fide* is defined as a situation in which a customer disputes the correctness of the charge and the company refuses to recognize that dispute. In such case the company shall notify the customer that unless appeal is taken to the Board of Public Utility Commissioners within five days service will be discontinued for non-payment.

B—RETURN OF DEPOSITS.**Rule VIII.**

Upon closing any account the balance of any deposit remaining after the closing bill for service has been settled shall be returned promptly to the depositor with interest due.

Rule IX.

Interest at the rate of at least four per cent. per annum must be paid by each water, gas or electric utility on all deposits held by it to secure the payment of bills for metered service; provided that interest need not be paid if the service is short term or seasonal service.

C—UNMETERED SERVICE.**Rule X.**

A water, gas or electric utility delivering unmetered service at flat rates may, under uniform, non-discriminatory rules and regulations, require payment in advance of delivery, for a period not to exceed that for which bills are regularly rendered as specified in the rate schedule, but may not demand other guarantee to secure payment for service to be rendered in the future. Where a utility furnishes service in a part of a municipality, the balance of which is served by the municipality itself, the utility may make such rules with regard to times of payment as are enforced by the municipal utility.

Rule XI.

Where bills are rendered monthly or quarterly for unmetered service, at least ten days' time shall be allowed after rendering a bill within which it shall be paid. A water, gas or electric utility shall not, for failure to pay a bill for unmetered service at the end of the period referred to, discontinue unmetered service until the expiration of three calendar days, after serving notice, in seasonal resorts, or the expiration of six calendar days, after serving notice, in localities where the properties are occupied throughout the year. Notice of intention to discontinue service shall be given in writing.

D—RECORDS.**Rule XII.**

Each water, gas or electric utility shall keep a record of each deposit received, such record to be in accordance with the requirements of the Uniform System of Accounts prescribed by the Commission. Each utility shall also keep further records which will show:

- (a) The name of the customer making the deposit.
- (b) The premises of the customer at the time the deposit is made.
- (c) The date of deposit.
- (d) The amount of the deposit.
- (e) A record of each transaction concerning such deposit and such other information as each such corporation may deem necessary to a complete record of each deposit.

GENERAL.

1. The regulations hereby fixed shall take precedence over orders heretofore made by the Commission in other proceedings insofar as said orders may be inconsistent herewith; and

2. Shall take precedence over rules and regulations of water, gas and electric utilities inconsistent herewith.

3. Within one year after the effective date hereof each water, gas and electric utility shall return, with interest due, all deposits heretofore made to guarantee payment for flat rate, or for metered or measured service, to customers who have established their credit.

4. Should conditions exist where, in the judgment of the management of the utility, a modification of any of the regulations, generally applicable, should be made to suit such conditions, application may be made to the Board for such modification.

Adopted by the Board of Public Utility Commissioners, September 6th, 1928.