**Section 280.70 Deposits**

a) Applicants for Service – Conditions under which a utility may request a deposit from applicants for service are set out in Section 280.50.

b) Present Customers – Conditions under which a utility may request a deposit from present customers are set out in Section 280.60.

c) Amount

1) Deposits required of applicants for residential service, residential customers, applicants for non-residential service that are not "small businesses" (see Section 280.40), and non-residential customers that are not small businesses, shall be governed by the following:

A) In the case of gas utilities and electric utilities, no utility shall request a deposit from an applicant for residential service or from a residential customer *in excess of 1/6 of the estimated annual charges for service for the applicant or customer computed at the net rate for that class of service.* [220 ILCS 35/3] In the case of gas utilities and electric utilities, no utility shall request a deposit from an applicant for non-residential service or from a non-residential customer in excess of ⅓ of the amount of the estimated annual charges for service for the applicant or customer computed at the net rate for that class of service. In the case of water utilities and sanitary sewer utilities, no utility shall request a deposit from an applicant or customer in excess of ⅓ of the estimated annual charges for service computed at the net rate for that class of service.

B) *A utility may request that a minimum of ⅓ of the amount of a requested deposit be paid within twelve days after the issue date of the request for deposit.* At least two billing periods shall be allowed by gas utilities and electric utilities in which to pay the balance of the deposit. A period of 30 days shall be allowed by water utilities and sanitary sewer utilities in which to pay the balance of the deposit.

2) Deposits required of small business applicants and customers shall be governed by the following:

A) No utility subject to this Part shall request a deposit from a small business *in excess of 1/6 of the estimated annual charge for service for that small business computed at the net rate for that class of service.*

B) *A utility may request a minimum amount equal to* ⅓ *of a requested deposit to be paid within 12 days after the issue date of a notice requesting such deposit. A utility may require the full payment of the remaining balance of the deposit to be paid by the applicant no sooner than 2 billing periods typically or routinely used by the utility.*

3) For all deposits, *the date by which the entire deposit must be paid must be plainly indicated on the deposit request. The amount of the deposit may be adjusted at the request of the customer, applicant or utility at any time when the character or degree of use of the service materially changes or when it is clearly established that the character or degree of use of the service will materially change in the immediate future.*

d) Refund of Deposits

1) Deposits plus interest shall be automatically refunded after being held for twelve months as follows:

A) if the twelve months during which the deposit was held are within the first 24 months that a customer has received utility service, the deposit plus interest shall be refunded only so long as the service has not been interrupted for nonpayment or so long as the customer has not paid late four times if billed monthly, two consecutive times or three times if billed bi-monthly or two times if billed quarterly or semi-annually or so long as the customer's wires, pipes, meters or other service equipment have not been tampered with during the time the deposit was held which resulted in the customer enjoying the benefit of the tampering;

B) if the twelve months during which the deposit was held were subsequent to the first 24 months that a customer has received utility service, the deposit plus interest shall be refunded only so long as the service has not been interrupted for nonpayment or so long as the customer has not paid late six times during the past twelve months if billed monthly, or three times if billed bi-monthly or two times if billed quarterly or semi-annually or so long as the customer's wires, pipes, meters or other service equipment have not been tampered with during the time the deposit was held which resulted in the customer enjoying the benefit of the tampering.

C) deposits plus interest need not be refunded until the customer pays any past due bills for utility service.

2) Deposits plus interest shall be refunded upon the discontinuance of service for more than 30 days less the amount of unpaid bills, if any, for the service. A transfer of service from one premise to another within the area served by the utility need not be deemed a discontinuance of service by the utility if the character of service remains the same. When a deposit plus interest is applied to the liquidation of unpaid bills, the utility shall provide the customer with a statement (Cancellation Notice) showing the amount of the deposit, the amount of any accrued interest, the amount of the unpaid bills liquidated by the deposit plus interest and the balance remaining due either to the customer or to the utility.

3) All deposit refunds shall be by separate check and not by credit to the customer's account except where discontinuance of service is affected.

4) At the option of the utility, a deposit plus interest may be refunded, in whole or in part, at any time earlier than the times prescribed in this subsection (d).

e) Interest on Deposits

1) Interest shall be paid on all deposits held by the utility. The rate of interest will be the same as the rate existing for the average one-year yield on U.S. Treasury securities for the last full week in November. The interest rate will be rounded to the nearest .5%. In December of each year the Commission shall announce the rate of interest that shall be paid on all deposits held during all or part of the subsequent year.

2) At the end of every year of service, if the deposit plus interest is not refunded to the customer, the utility shall automatically refund the accrued interest on the deposit to the customer by crediting the customer's account and so stating this credit clearly on the customer's next regular bill.

f) Records of Deposits

1) A utility shall maintain records of deposits together with interest, which collectively will show all transactions pertaining to each deposit. A utility shall provide the applicant or customer with a Certificate of Deposit for any deposit received. The Certificate shall show the customer's name, service address, serial number, type of service, amount of deposit, rate of interest on deposit, date received, utility's name and a statement of the conditions under which the deposit will be refunded to the applicant or customer. Nothing is implied herein to require a utility to accept deposits from third parties on behalf of an applicant or customer.

2) When a deposit is refunded, the utility shall issue a Cancellation Notice carrying the same serial number as the Certificate of Deposit. When refunds are not deliverable, records shall be maintained to show a utility's efforts toward locating the applicant or customer and delivering such deposit.

 AGENCY NOTE: As required by 1 Ill. Adm. Code 100.380, statutory language in this Section appears in distinguishing type. However, the Small Business Utility Deposit Relief Act, which is the statute quoted, applies only to deposits requested from "small businesses" as defined in Section 280.40. Therefore, the statutory language in this Section is statutorily mandated as to small businesses only, and not as to other customers or applicants.

(Source: Amended at 26 Ill. Reg. 7032, effective May 1, 2002)