

CITY OF GLADSTONE

UTILITY DEPOSIT POLICY

Commission approved 02/13/2012

Revision approved 08/25/2014

1. Initial Account Deposit

Deposit for residential customers will be \$300.00 with \$150.00 due upon request for utility service. Deposit is to be paid at Gladstone City Hall and a receipt issued to account holder. If utility deposit is added to the customer's first utility bill, deposit must be paid on the due date of the first bill. If customer is low-income qualified, per State of Michigan guidelines, deposit may be made in two monthly payments, with \$100.00 due at time of service request and the remaining amount to be placed on utility bill. Remaining utility deposit balance is due within 45 days of move in date. Verification of income will be required to qualify for low-income status. Non-payment of billed deposit will result in suspension of electric service to residence until payment is made. A reconnection fee will be imposed and paid prior to resumption of service. Customers who have had a previous account with the City of Gladstone and left a balance will be required to pay that balance prior to a new account being opened. Customer may also be subject to additional deposit in accordance with Section 6.

Commercial/industrial account deposits will be \$500.00 due upon request for service.

2. Deposit Interest Earnings

Deposits will earn interest at the rate of 1% per annum. The deposit interest earned will be applied to customer accounts upon termination of service or in accordance with Section 3.

Deposits paid by assistance agencies do not earn interest.

3. Refund of Deposit

When a homeowner, who pays City of Gladstone property taxes for that residence*, has maintained a payment history void of any delinquent notices, shut-offs or non-sufficient funds payments for a period of one-year, the deposit and interest on file for that account will be applied as a credit to customer's account in the thirteenth month. If customer does not meet criteria listed, their account will be re-evaluated every six (6) months for refund of deposit.

Renter and residences outside of the City of Gladstone property tax boundaries* will have their deposits held until the final bill due date. If final bill has not been paid, the deposit and interest will be applied to account balance with any remaining deposit returned to customer. Any remaining account balance, thereafter, will be the responsibility of the customer.

Deposits paid by an assistance agency will not be refunded to customer. Deposit will be applied to customer final billing with any remaining being sent back to originating service agency if requested. Any remainder of bill, thereafter, will be the responsibility of the customer to pay.

*Residences in Oak Bluff Estates and Lake Bluff Retirement Village are considered under the renter and outside property tax boundary guidelines, as they do not own the property their residence inhabits.

4. Termination of Service

Upon termination of service, the City of Gladstone shall record final read as of termination date and send final bill during the normal billing cycle. Deposit and interest earned will be applied to customer's final bill if bill is not paid by due date. Any deposit and/or interest remaining will be refunded to the

customer, if said deposit was not paid by an assistance agency. Any deposit, including interest, and/or credit balance on a utility account that remains unclaimed by the customer for one year from termination of service will be presumed abandoned and shall revert to the City of Gladstone.

5. Customer Change of Service Address within Service Area

If a customer relocates to a new service address, a new deposit will be required for new account. Deposit and interest for existing service will be applied to final bill. Any remaining deposit and/or interest will be refunded to customer through a credit towards the deposit of the new utility account. Any remaining balance on previous account is the customer's responsibility to pay. If payment is not made, customer is subject to shutoff procedures at the new residence. Please refer to our Disconnection Policy.

A customer who is moving from a rental property to a residence they have purchased will have their deposit transferred to their new utility account. Any balance remaining after final bill due date will be transferred to the utility account for their home.

The City of Gladstone reserves the right to deny service at a new address if customer carries a past due balance on their current account until account arrearage has been paid. The City may also require an additional deposit amount per Section 6 on the new account.

6. Accounts Subject to Possible Additional Deposit

The City of Gladstone reserves the right to require an additional deposit if any of the following apply:

- Customer has had a 48-hour disconnection notice (door hanger) at least three times during a rolling twelve-month period.
- Customer has had service disconnected for non-payment at least twice during a rolling twelve-month period.
- Customer has had two (2) non-sufficient fund payments during a rolling twelve-month period.
- Customer has filed for bankruptcy.
- Customer has utility bills consistently higher than the deposit amount. Calculation of additional deposit will be based on two highest consecutive billing months over a twelve-month period, less initial deposit.
- Customer has not fulfilled payment agreement obligations.
- Customer has a closed account with balance due within the past six years. (applies to opening a new service account)

7. Noncompliance

Failure to comply with the City of Gladstone Deposit Policy will result in refusal of utility services or disconnection of utility services.