

## DEPOSITS

### RULE AND REGULATION 7

#### A. DEPOSIT INFORMATION

1. A single Deposit per individual Account, covering all billed metered and monthly Utilities Services except Dark Fiber Licensing Agreements, is required for every new residential or commercial Application for Service. Reconnection following termination or discontinuation of service will be considered a new Application for Service for purpose of this Rule.
2. Credit references from another electric, natural gas or water utility cannot be used to waive the City of Palo Alto deposit requirement.
3. Deposits will be added to the first Utilities bill and, with the other services on the bill, payable, by cash, check, credit, or debit card.
4. Deposits will be returned to the account holder after 36 continuous months of “Excellent” creditworthiness ratings (Rule and Regulation 6, “Establishment and Reestablishment of Credit”), or upon permanent discontinuance of service, whichever comes first.

#### B RESIDENTIAL DEPOSITS

1. The amount of deposit required for a residential account shall be set forth in Utilities Rate Schedule C-2, Customer Deposits, with each Account number considered to be a separate Application for Service that therefore require a separate Deposit.
2. In the event of termination of service for non-payment, if a customer deposit is currently being held by CPAU, then that deposit will not be returned after 36 months of service, but will be held until that customer’s permanent discontinuance of service and issuance of the Final Bill.
3. In the event of termination of service for non-payment, if a customer deposit is NOT currently being held by CPAU, then a deposit equivalent to the initial deposit at the initiation of service will be required and:
  - a) will be applied to the account prior to reconnection,
  - b) will not be returned after another 36 months of service, and
  - c) will be held until the permanent discontinuance of service from CPAU and



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applied to the Final Bill.

4. Deposit requirements may be waived at the City's discretion on established residential accounts for Changes of Party or additional names on the account due to death, establishment of trusts, legal conservatorships, or other incapacity of the original customer or account holder-of-record.

#### C. COMMERCIAL DEPOSITS

1. The amount of deposit required for a commercial account shall be equivalent to an estimate of the Applicant's initial three-month Utilities bill combining all metered and monthly services.
2. For commercial customers, the addition of a new service address to an already existing Business Partner is not considered a new Application for Service and shall not require an additional deposit. Deposit requirements for Commercial Accounts may be increased if the Customer's usage substantially differs from when Service was first established.

#### D. DEPOSIT REFUNDS

1. Upon permanent discontinuance of Service, CPAU will- apply any Utilities-held deposit balances to the Final Bill. Deposits greater than the Final Bill will be refunded to the customer at their forwarding address.
2. CPAU, at its option, may refund a Customer's deposit by check or by applying the deposit to the unpaid balance or as a credit to the Customer's Account.
3. If an existing Customer establishes additional Service at a new location, CPAU, at its option, may apply an existing deposit- toward the deposit obligation for the new Account.
4. CPAU will not pay interest on returned or applied customer deposits.

*(END)*

