

CERTIFICATION

I do hereby certify that the attached Department Policy and Procedure is a true and accurate copy of the original instrument as it is on file at the Department.



City of Seattle

Seattle City Light Department

Jorge Carrasco Date: *01/10/12*
DEPARTMENT POLICY & PROCEDURE

<u>City Light Department</u>	
Subject	Number DPP 500 P III-301
SECURITY DEPOSITS: RESIDENTIAL-COMMERCIAL	Effective January 11, 2012
<i>Jorge Carrasco</i>	Supersedes March 17, 1975
Approved by Jorge Carrasco	

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1.0 Purpose

1.1 To document department policy and procedure on customer account deposits.

2.0 Organization Affected

2.1 The City Light Department

3.0 References

3.1 SMC 21.49.100, or as the same may be amended or superseded.

4.0 Definitions

4.1 Letter of Guaranty. A letter stating the individual signing it agrees to pay the indebtedness of a specifically named customer at a specific location. The Guaranty remains in force until such time as the Department is notified in writing to cancel the Guaranty or to close the account. Any unpaid bill up to the time of cancellation is still a liability of the guarantor.

5.0 Policy

5.1 Residential Accounts – On new accounts a security deposit may be required if the customer’s past credit history or the account status indicates that a deposit is necessary.

5.2 Commercial Accounts – Security deposits may be established, adjusted, or waived as appropriate based upon the credit information received or past credit history.

5.2.1 A letter of Guaranty may be accepted in lieu of a deposit.

5.2.2 A letter of Guaranty shall be acceptable as long as the person or persons signing the letter of Guaranty are well established and are considered by the Department to be a good credit risk.

5.3 Security deposits, when required, shall be computed as provided in 7.0 Procedures.

5.3.1 When a security deposit is returned, interest shall be paid at the rate and in the manner specified in SMC 21.49.100 (3.1).

6.0 Responsibilities

6.1 The Credit and Collections Unit shall:

6.1.1 Determine whether or not a deposit is in the Department's best interest.

6.1.2 Collect any required deposit.

6.1.3 Disconnect or reconnect as required to implement this policy.

7.0 Procedure

7.1 Determining Deposit Amount – When the Credit and Collections Unit determines that a security deposit is required, the amount shall be determined as follows:

7.1.1 Residential, Commercial, and Bankruptcy Accounts – The deposit amount shall equal twice the average of the past 12 months' bills.

7.2 Deposit Notification – Customers shall be notified in writing or by phone of the amount of deposit required.

7.3 Collection of Deposit – The deposit shall be paid by the customer within 10 business days following initial notification. If the deposit is not received, the following shall be implemented:

7.3.1 The Credit Representative shall attempt to contact the customer by telephone to secure the deposit.

7.3.2 The Credit Field Representative shall make a property visit at the service address and either secure the deposit or leave a notice of intent to disconnect service. The notice shall require payment of the deposit within 24 hours.

7.3.3 If the deposit is not received or satisfactory arrangements are not made within the time allotted on the notice (7.3.2) the electric service shall be disconnected. If service is disconnected, it shall remain disconnected until the deposit and any penalties are paid in full.

7.3.4 If any additional information is received by the Credit and Collections Unit which would justify further review of the account, the service disconnection may be delayed until the review is completed.

7.4 Review of Deposits – On an annual basis, all accounts which have carried a security deposit for 12 billing periods shall be reviewed. If a satisfactory credit standing has been maintained during the 12 billing periods, the deposit, including interest, shall be applied to the account. If the credit standing is not satisfactory, the deposit, including interest, may be retained for an additional 12 months and reviewed again at the end of that period, or may be applied to the account.

7.5 Closing an Account – When an account is closed which carries a security deposit, Account Control will take one of the following actions:

7.5.1 Apply the deposit to the closing bill.

7.5.2 Transfer the deposit from one account to another.

8.0 Appendix

Distribution: Posted online at <http://sclweb.light.ci.seattle.wa.us/dpp/>

9.0 Revision History

Version	Date	Changes Made	Author/KeyContact
1.0	10-11-11	Revised 7.3.3 to delete the word “discontinued” and insert “ <u>disconnected.</u> ” Update Coordinated By: Jackie Kirn	Shirley Mah