

Utilities Guarantee Deposit

References: Strathcona County's *Sewer and Wastewater System Bylaw 38-2017*
 Strathcona County's *Waste management Bylaw 39-2014*
 Strathcona County's *Water System Bylaw 16-2016*

Policy Statement

The purpose of this policy is to minimize the credit risk experienced by the County regarding utility and solid waste collection customers, and to formalize the direction of Council regarding payment of interest on cash deposits.

This policy is subject to any specific provision of the Municipal Government Act, the Local Authorities Board Act or other relevant legislation.

Definitions

Account means an agreement between a residential or commercial customer and Strathcona County for the supply of a public utility.

Commercial Customer means a firm, corporation, partnership or a sole proprietor who does not qualify for residential rates as determined by the Strathcona County Utilities Bylaw.

Deposit means security provided by both residential and commercial customers whereby the customer obliges itself to pay unpaid utility bills.

New Customer means any person or company, firm, partnership or sole proprietorship requiring utility services who or which have not previously established a satisfactory payment history with Strathcona County.

Utility Bill means statement of money due for all utility services rendered by Strathcona County.

Utility Services means water services, sewer services, and solid waste collection services.

Guidelines

Installation

All new customers will be billed for utility installation charges immediately upon installation.

Interest

Interest due to the commercial customer shall be paid by the County to the Consumer, at a rate equal to one-half (0.5%) percent below the County's weighted average rate of return from the prior month.

Deposit Requirements

1. A deposit or other form of guarantee equivalent to three months average utility usage will be required of all utility services from new commercial customers with the exceptions listed in section 2.
2. The following exceptions for deposits will be made for any of the reasons below:
 - a) Accounts billed to Strathcona County (Departments)
 - b) Accounts billed to a municipality other than Strathcona County
 - c) Accounts billed to the Provincial or Federal Government, their Agents or Corporations
 - d) Commercial customers who are registered land owners of the utility service address and whose name on utility billing coincides with land registration as appearing on the Certificate of Title.
3. All new commercial customers must send a letter containing the information required by the County on company letterhead requesting utility services. All commercial customers who are required to provide or pay a deposit when levied must pay the required amount within 90 days of the charge appearing on their utility bill. If the deposit is not paid, the customer will be subject to immediate disconnection of services. In the absence of a deposit in place during the initial 90 days, the account must be kept current or will be subject to immediate disconnection.

Deposits and Implementation

1. In lieu of a cash deposit, the customer may arrange for:
 - a) Indemnity bond issued by a bonding company approved by and in a form and content satisfactory to Strathcona County; or
 - b) Irrevocable letter of credit obtained from a financial institution approved by and in a form and content satisfactory to Strathcona County.
2. Amount of deposit shall be reviewed and adjusted by the County in accordance with the following:
 - a) When a commercial customer's utility account is in arrears; or
 - b) When utility bond or letter of credit is reaching expiry date and requires renewal; or
 - c) when there are additions or deletions to the number of accounts covered by deposits, bonds or letters of credit; or
 - d) When, because of increased utility usage and/or utility rates increases, the present coverage equates to 60% or less of the total three month usage.
3. Interest due to the commercial customer shall be paid by the County to the Customer, at a rate equal to one-half (0.5%) percent below the County's weighted average rate of return from the prior month.

Policy Record

Date of Approval by Council: Month XX, 2018

Resolution No:

Next Review Date: June, 2021

Policy No: SER-001-031

Last Review Date: July 3, 2018

Replaces: SER-002-005

Administrative Review: Utilities