

(c) If a utility uses a telephone answering service, the utility must ensure that the service shall inform each customer that they are speaking to an answering service and not to the utility.

New Rule, R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Amended by R.2002 d.280, effective September 16, 2002.

See: 34 N.J.R. 992(a), 34 N.J.R. 3216(b).

In (a), substituted "On January 1 and July 1 of each year, each" for "Each" and inserted "and Class A wastewater".

Amended by R.2004 d.12, effective January 5, 2004.

See: 35 N.J.R. 91(a), 36 N.J.R. 200(b).

In (a), recodified former 21iii as (b); added (c).

## SUBCHAPTER 7. BILLS AND PAYMENTS FOR SERVICE

### 14:3-7.1 Deposits for metered and telephone service

(a) If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established credit, the utility may require a reasonable deposit as a condition of supplying service.

(b) The credit established, by whatever method, shall apply at any location within the area of the utility furnishing the service; that is, service is not to be regarded as restricted to a particular location.

(c) The amount of a deposit shall be reasonably related to the probable charge for service during a billing period based upon the average monthly charge over an estimated 12 month service period increased by one month's average bill.

As amended, R.1978 d.155, effective May 16, 1978.

See: 9 N.J.R. 290(e), 10 N.J.R. 261(e).

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Substantially amended (c).

### 14:3-7.2 Deposits to insure credit of new customers

If a customer whose credit has not been established applies for service, the initial deposit shall be the estimated average bill of the customer for a billing period, based upon the average monthly charge over an estimated 12 month service period increased by one month's average bill. In determining the amount of deposit, except in the case of telephone utilities, there shall be excluded from the average bill such portion thereof, if any, for which payment is received in advance. If the actual bills of the customer subsequently rendered prove that the deposit is either insufficient or excessive, the deposit may be changed in accordance with the facts.

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Substantially amended section.

### 14:3-7.3 Customers in default

(a) Customers in default in the payment of bills may be required to furnish a deposit or increase their existing deposit in an amount sufficient to secure the payment of future bills. The amount of such deposit shall be determined in accordance with the principle set forth in N.J.A.C. 14:3-7.1. Service shall not be discontinued for failure to make such deposit except after proper notice.

(b) If a customer who has made a deposit fails to pay a bill, the utility may apply such deposit insofar as is necessary to liquidate the bill and may require that the deposit be restored to its original amount.

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

### 14:3-7.4 Receipts and records

The utility shall furnish a receipt to each customer who has made a deposit. Where return of the deposit is made in cash, surrender of the receipt or, in lieu thereof, proof of identity may be required.

### 14:3-7.5 Return of deposits

(a) Upon closing any account the balance of any deposit remaining after the closing bill for service has been settled shall be returned promptly to the depositor with interest due.

(b) Each utility shall review a residential customer's account at least once every year and a nonresidential customer's account at least once every two years and if such review indicates that the customer has established credit satisfactory to the utility, then the outstanding deposit shall be refunded to the customer. Each utility shall afford its customers the option of having the deposit refund applied to the customer's account in the form of a credit or of having the deposit refunded by separate check in a period not to exceed one billing cycle.

(c) Simple interest at a rate equal to the average yields on new six month Treasury Bills for the 12 month period ending each September 30 shall be paid by the utility on all deposits held by it, provided the deposit has remained with the utility for at least three months. Said rate shall become effective on January 1 of the following year. The Board shall perform the annual calculation to determine the applicable interest rate and shall notify the affected public utilities of said rate.

1. Interest on deposits previously collected and held by the public utility shall be apportioned so that the computed interest rate shall be based upon the average yields on new six month Treasury Bills, beginning the following January 1.

2. Interest payments shall be made at least once during each 12 month period in which a deposit is held and shall take the form of credits on bills toward utility service rendered or to be rendered. The effect of this subsection

shall be limited to those deposits, if any, held by electric, gas, telephone and water utilities to secure residential accounts.

As amended, R.1978 d.155, effective May 16, 1978.

See: 9 N.J.R. 290(e), 10 N.J.R. 261(e).

As amended, R.1979 d.117, effective March 16, 1979.

See: 11 N.J.R. 260(a).

As amended, R.1979 d.289, effective August 1, 1979.

See: 11 N.J.R. 258(b), 11 N.J.R. 467(a).

As amended, R.1984 d.87, effective April 2, 1984.

See: 15 N.J.R. 1355(a), 16 N.J.R. 744(a).

(c) Amended to allow interest payments to be credited towards bills.

Amended by R.1988 d.568, effective December 19, 1988.

See: 20 N.J.R. 737(a), 20 N.J.R. 3140(b).

Changed "six months" to "12"; added text "The board shall ...".

Amended by R.1991 d.148, effective May 6, 1991.

See: 22 N.J.R. 619(a), 23 N.J.R. 1450(a).

Requires utilities refund deposit by check or credit and be made within a billing cycle.

Public Notice: Applicable interest rate on customer deposits effective for calendar year 1992 is 6.0 percent.

See: 23 N.J.R. 3660(a).

Amended by R.1992 d.225, effective June 1, 1992.

See: 24 N.J.R. 686(b), 24 N.J.R. 2073(a).

Rounding interest up or down to nearest half percent repealed.

Public Notice: Applicable interest rate on customer deposits effective for calendar year 1993 is 3.93 percent.

See: 24 N.J.R. 4434(a).

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Deleted (c)1, relating to deposits received on or after Jan. 1, 1989; and recodified former (c)2 through (c)3 as (c)1 through (c)2.

Public Notice: Interest rates on deposits.

See: 33 N.J.R. 136(a).

Public Notice: Interest rates on deposits.

See: 33 N.J.R. 333(a).

Public Notice: Interest rates on deposits.

See: 33 N.J.R. 734(b).

Public Notice: Interest rates on deposits.

See: 33 N.J.R. 4396(a).

Public Notice: Interest rates on deposits.

See: 34 N.J.R. 4478(a).

Public Notice: Interest rates on deposits.

See: 35 N.J.R. 5623(b).

Public Notice: Interest rates on deposits.

See: 36 N.J.R. 5585(b).

Public Notice: Notice of applicable interest rate on customer deposits; effective for calendar year 2006.

See: 37 N.J.R. 4329(a).

#### Cross References

Billing disputes, see N.J.A.C. 14:3-7.13.

#### Case Notes

Utility lost right to setoff security deposit against utility debts. In re Village Craftsman, Inc., Bkrtcy.D.N.J.1993, 160 B.R. 740.

#### 14:3-7.6 Unmetered service

Where a utility, other than a telephone utility, furnishes unmetered service for which payment is received in advance, it may not demand other guarantees to secure payment for service.

Amended by R.2002 d.280, effective September 16, 2002.

See: 34 N.J.R. 992(a), 34 N.J.R. 3216(b).

Substituted "guarantees" for "guarantee".

#### 14:3-7.7 Information to customers

(a) Each utility shall adopt some method of informing its customers as to the reading of meters, either by printing on bills a description of the method of reading meters, or a notice to the effect that the method will be explained on request, giving the address and telephone number where such information may be obtained. In addition, the utility shall furnish the address of an office where complaints, service inquiries and bill payments will be received.

(b) Except pursuant to (c) below, each utility shall provide an option for discontinuance notices in Spanish, by including on each bill a statement, written in Spanish, informing the customer that they may request that any notice of discontinuance be provided to them in Spanish. The bill shall provide a toll free telephone number for the customer to call in order to make such a request. Once the utility receives a request to provide a written notice of discontinuance in Spanish, all subsequent written notices of discontinuance to the requesting customer shall be provided in both Spanish and English.

(c) A utility that provides all written notices of discontinuance in both Spanish and English shall not be required to provide the option and toll free telephone numbers for Spanish discontinuance notices, required under (b) above. Such a utility shall instead demonstrate to the Board by April 4, 2004 that it provides notices in Spanish as well as English. The utility shall submit copies of the notices, and shall certify that the company's notice practices provide Spanish speaking customers with notice of discontinuance that is equivalent to or better than that which would be provided through compliance with (b) above. If such a utility stops providing all written notices of discontinuance in both Spanish and English, the utility shall provide the option and toll free telephone number in accordance with (b) above.

Amended by R.2004 d.12, effective January 5, 2004.

See: 35 N.J.R. 91(a), 36 N.J.R. 200(b).

Codified existing text as (a); added (b) and (c).

#### 14:3-7.8 Record of customer's account

Each utility shall keep a record of each customer's account in such a manner as will permit computation of the bill for any billing period occurring within six years, except that telephone utilities shall keep said records in accordance with the Federal Communications Commission's rules and regulations, 47 C.F.R. 42.01 et seq., "Preservation of Records of Communication Common Carriers," as amended and supplemented, incorporated herein by reference.

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

#### 14:3-7.9 Form of bill for metered service

(a) Unless a utility has been specifically relieved of so doing by order of the Board, the bill shall show the following: