

**WAC 480-70-411 Establishing credit and deposits.** Prepayments made to secure temporary drop-box service are not subject to the provisions of this rule. Refer to WAC 480-70-416 for provisions related to prepayments.

(1) **Establishing credit - Residential service.** A company may not collect a security deposit if an applicant for residential service can establish satisfactory credit by any one of the following:

(a) The applicant had prior service with the company or another solid waste collection company for at least six of the twelve months before the application date and:

(i) Service was not canceled for nonpayment;

(ii) The customer received no more than one delinquency notice; and

(iii) References with the other company (if applicable) can quickly and easily be checked. The company may request that the references from the previous company be in writing.

(b) The applicant had consecutive employment during the prior twelve months with no more than two employers and is currently employed or has a regular source of income.

(c) The applicant owns or has a legal interest in the premises being served.

(d) The applicant can furnish a satisfactory guarantor who will be responsible for payment of solid waste bills in the event of cancellation or default by the customer, in a specified amount, not to exceed the amount of the cash deposit required.

(e) The applicant personally produces at the company's business office two major credit cards, or other credit references that the company can quickly and easily check, that demonstrate a satisfactory payment history.

(2) **Establishing credit - Commercial service.** A company may require an applicant for commercial service to demonstrate that the applicant is a satisfactory credit risk by reasonable means appropriate under the circumstances.

(3) **Deposit requirements.** A company may require a deposit if:

(a) The applicant has failed to establish a satisfactory credit history as outlined in subsections (1) and (2) of this section;

(b) The applicant's service from another solid waste company was canceled for failure to pay amounts owing when due during the twelve months before the application date;

(c) The applicant has an unpaid, overdue balance owing for similar service from the solid waste company to which application is being made or from any other solid waste company;

(d) Two or more delinquency notices have been served on the applicant by any solid waste company during the prior twelve months; or

(e) The application is for beginning or continuing service to a residence where a prior customer still lives and owes a past due bill to the company.

(4) **Deposit amount.** Deposits required for a customer or location must not exceed:

(a) Two-twelfths of the estimated annual billings for companies billing monthly;

(b) Three-twelfths of estimated annual billings for companies billing bimonthly;

(c) Four-twelfths of estimated annual billings for companies billing trimonthly.

(5) **Transfer of deposit.** When a customer moves to a new address within the company's service territory, the deposit plus accrued in-

terest, less any outstanding past-due balance owing from the old address, must be transferred to the new address or refunded.

(6) **Interest on deposits.** Companies that collect customer deposits must pay interest on those deposits calculated:

(a) For each calendar year, at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, as published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. If January 15 falls on a nonbusiness day, the company will use the rate posted on the next following business day; and

(b) From the date of deposit to the date of refund or when applied directly to the customer's account.

(7) **Deposit payment arrangements.** The company must allow an applicant or customer the option of paying fifty percent of the deposit prior to service, and paying the remaining balance in equal amounts over the next two months, on the dates mutually agreed upon between the applicant or customer and the company. The company and applicant or customer may make other mutually acceptable deposit payment arrangements.

(8) **Receipt for deposit.** A company must furnish a receipt to each applicant or customer for the amount deposited.

(9) **When refund of deposits is required.** A company must refund deposits plus accrued interest when there has been satisfactory payment, as defined in (a) of this subsection, or when service is terminated.

(a) **"Satisfactory payment"** means a customer has paid for service for twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The company has not started a cancellation process against the customer; and

(ii) The company has sent no more than two delinquency notices to the customer.

(b) **Termination of service.** When service is terminated, the company must return to the customer the deposit amount plus accrued interest, less any amounts due the company by the customer.

(10) **How deposits are refunded.** The company must refund any deposit plus accrued interest, as indicated by the customer at the time of deposit, or as modified by the customer on a later date, one of the following methods:

(a) A check issued and mailed to the customer no later than fifteen days following completion of twelve months of satisfactory payment, as described above; or

(b) A credit applied to the customer's account for service beginning in the thirteenth month.

(11) **Additional deposit.** If a deposit or additional deposit amount is required after the service is established, the reasons must be specified to the customer in writing. Any request for a deposit or additional deposit amount must comply with the standards outlined in subsections (1) and (2) of this section. If the original deposit was secured by a guarantor and the guarantor does not agree to be responsible for the additional deposit amount, the customer will be held responsible for paying the additional deposit.

[Statutory Authority: RCW 80.01.040, 80.04.160, and 81.04.160. WSR 02-21-066 (Docket No. A-020405, General Order No. R-504), § 480-70-411, filed 10/16/02, effective 1/1/03. Statutory Authority: RCW 81.04.160, 81.77.030 and 80.01.040. WSR 01-08-012 (Docket No.

TG-990161, General Order No. R-479), § 480-70-411, filed 3/23/01, effective 4/23/01.]