

# SECURITY DEPOSITS

Information for Business Customers of Michigan Gas Utilities

*This information is provided to business customers in accordance with the rules of the Michigan Public Service Commission.*

Business customers normally do not have to pay a deposit to receive new natural gas service from Michigan Gas Utilities. When Michigan Gas Utilities does require a deposit, it is according to an approved set of rules authorized by the Michigan Public Service Commission.

## **New Customers**

A security deposit may be required from a new customer if the customer:

- Has an unfavorable credit rating with a credit reporting agency.
- Has an unpaid utility bill.
- Has attempted to illegally obtain service or tampered with company meters or equipment within the past six years.

## **Existing Customers**

A security deposit may be required from an existing customer if:

- Two or more final disconnect notices have been issued within the last 12 months.
- Electric or natural gas service has been discontinued for nonpayment.
- The customer has attempted to illegally obtain service or tampered with company meters or equipment.
- The customer has an unsatisfactory record of bill payment within the first 6 months after commencing service.

## **Deposit Amounts**

- **Small Businesses Customers** (200 thousand cubic feet or less of gas service annually)

The deposit amount will not be more than 15% of the customer's annual natural gas bill.

Small business customers will not pay a deposit during the winter heating season (November 1 through March 31), unless they have been shut off for non-payment during the last 12 months or have attempted to illegally obtain service or tampered with company meters or equipment. In these instances, a customer deposit will not exceed the customer's average monthly bill.



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- **Large Business Customers** (200 thousand cubic feet or more of gas service annually)

The deposit amount will be 25% of the customer's annual natural gas bill.

Deposits required due to illegally obtaining service or tampering with company meters or equipment will be based on four times the average peak season monthly bill, or four times Michigan Gas Utilities' system average peak season monthly bill for the same class of service if the customer's consumption history for the service is unavailable.

### **Interest and Refunds**

Annual interest of 7% is paid on all deposits.

Deposits are returned after a customer has paid 12 consecutive months of energy bills on or before the due date. However, deposits for illegally obtaining service or tampering with equipment will be retained by Michigan Gas Utilities for 36 months. Deposits will then be refunded upon satisfactory payment of the last 12 months of the 36 month period.

If service is terminated, Michigan Gas Utilities may apply the deposit, plus any accrued interest, to the customer's unpaid balance. If this amount is more than the unpaid balance, any excess will be returned to the customer.

### **For More Information**

If you have any questions or would like more information, please contact Michigan Gas Utilities at 800-401-6402.