

IOWA
ASSOCIATION OF MUNICIPAL
UTILITIES

**Municipal Utility
Disconnection Handbook
2019**

www.iamu.org

515.289.1999

ACKNOWLEDGEMENT

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INTRODUCTION

Iowa Code Section 388.6 and Article I, Section 6 of the Iowa Constitution require that municipal utility rates be applied uniformly and in a non-discriminatory manner. Under the common law, the rates charged by a municipal utility must be “fair, reasonable, just, [and] uniform.” *State v. City of Iowa City*, 490 N.W.2d 825, 829 (Iowa 1992). If municipal utility rates must be applied uniformly, then any actions that the utility takes to enforce the rates, including disconnection of service, must also be applied uniformly. Disconnection procedures should be applied consistently among customers.

Disconnection procedures differ among the various municipal utilities. Municipal electric and gas utilities are required to comply with the disconnection rules adopted by the Iowa Utilities Board (IUB). Municipal water, sewer, storm water, and solid waste utilities are required to follow the procedures outlined in Iowa Code Section 384.84(3).

This handbook includes the disconnection procedures required for municipal water, electric and gas utilities. The IUB rules and Iowa Code are regularly revised, and these procedures are current as of the date of publication of this handbook. Please consult with your own local counsel to determine whether any legal requirements have changed.

WATER

Disconnection procedures for municipal water utilities are described in Iowa Code Section 384.84(3), which provides that “[a] city utility or enterprise service to a property or premises ... may be discontinued or disconnected if the account for the service becomes delinquent.” However, written notice, by ordinary mail, must be provided to the account holder in whose name the delinquent charges were incurred prior to disconnection. An opportunity for a hearing must also be provided to the account holder prior to disconnection of service.

If more than one utility service is billed in a combined utility service account, all of the services may be disconnected or discontinued if the account becomes delinquent. If gas or electric services are included in the combined service account, the utility must follow the disconnection procedures for gas or electric in addition to the water disconnection procedures.

Simple Disconnection Process

1. Send written notice by regular mail to water account holder informing account holder of the nature of the delinquency
2. Notice must include the right to request a hearing with a neutral city officer (someone not involved in utility billing) prior to disconnection of water service
3. Hold hearing if one is requested and maintain a record of the hearing such as detailed notes, or an audio recording
4. Send a written decision to the account holder by regular mail regarding the outcome of the hearing
5. Proceed to disconnection of water service as indicated in initial notice if no hearing is requested, or as indicated in written decision if hearing has been held

Special Considerations

A. Rental property

If the account holder is a tenant, and the landlord has made a written request for notice, the disconnection notice must also be sent to the landlord by regular mail.

B. Delinquent account holder applying for new service at new address

The utility may withhold service at a new address if the account holder owes delinquent charges for utility service associated with a prior address. New service can be established once the delinquent charges are paid.

C. Collection of delinquent amounts by lien

Delinquent water service rates and charges may be assessed as a lien against the property or premises served. The unpaid rates and charges must be certified to the county treasurer. The governing body of the utility can designate a particular individual who is authorized to certify delinquent charges to the county treasurer. This should be done by resolution. A lien is not valid unless prior written notice of intent to certify a lien was given to the account holder by regular mail at least thirty days prior to the certification to the county treasurer.

If the property ownership has changed between the time that the charges were incurred and the time that the certification occurs, the certification is invalid. In these circumstances, the lien may be assessed against other property within the state that is owned by the utility account holder in whose name the delinquent rates or charges were incurred. A lien can be imposed even where utility service has been discontinued or disconnected to the property or premises.

A lien may not be imposed for delinquent charges of less than five dollars. The utility may charge an administrative fee of up to five dollars for certifying and filing the lien. A lien has equal precedence with ordinary taxes and is collected in the same manner as a property tax.

Residential and commercial rental property, where charges for water service are separately metered and paid to the utility by the tenant, are exempt from the lien procedures if the landlord gives written notice to the utility that the property is residential or commercial rental property and that the tenant is liable for the rates or charges. The written notice must include the name of the tenant responsible for the charges, the address of the rental property that the tenant occupies and the date that the occupancy begins. The landlord must provide a new notice within thirty business days of a change in tenant who is occupying residential rental property, or if the ownership of the residential rental property changes. The landlord must provide a new notice within ten business days of a change in tenant who is occupying commercial rental property, or if the ownership of the commercial rental property changes. This rental exemption does not apply to delinquent charges related to repairs to a water service. Where a lien exemption applies, the utility may require a deposit that does not exceed the usual cost of 90 days of water service.

A lien may not be imposed on premises that is a mobile home, modular home, or manufactured home if the premises is owned by the tenant but is located within a mobile home park or manufactured home community and the owner or manager of the mobile home park or manufactured home community is the utility account holder. However, if the lease agreement provides that the tenant is responsible for payment of a portion of the rates or charges billed to the account holder, a lien may be imposed against the tenant's premises.

Simple Lien Process

1. Check records to determine whether rental property or mobile home park exemption applies.
2. If no exemption, send written notice by regular mail to the account holder of the utility's intent to certify a lien to the county treasurer for the delinquent amount. If a \$5 administrative fee will be imposed, include this in the notice.
3. Wait thirty days from the date of mailing of the notice.
4. Check property records to make sure property ownership has not changed since charges were incurred.
5. Certify and file lien with county treasurer.

GAS & ELECTRIC

Disconnection procedures for municipal gas and electric utilities are described in Iowa Code Section 476.20, which provides that service disconnection must follow the rules adopted by the Iowa Utilities Board (IUB). These rules include requirements regarding payment plans prior to disconnection of service. The rules are located at 199 IAC 19.4 and 20.4.

Generally speaking, disconnection of electric or gas service may not occur until after the utility has provided written notice to the customer. Written notice is not required in the following limited circumstances:

1. In the event of a condition on the customer's premises determined by the utility to be hazardous.

2. In the event of customer use of equipment in a manner which adversely affects the utility's equipment or the utility's service to others.

3. In the event of tampering with the equipment furnished and owned by the utility. A broken or absent meter seal alone shall not constitute tampering.

4. In the event of unauthorized use.

In all other cases, the utility is required to provide written notice of pending disconnection to the customer. The notice shall set forth the reason for the notice and the final date by which the account is to be settled or specific action taken. The notice must be delivered by regular mail to the customer's last known address. The notice is considered provided on the date that it is deposited in the mail. Disconnection of service shall not occur less than 12 days after the notice is provided.

Disconnection may occur, after notice, under the following circumstances:

1. For violation of or noncompliance with the utility's rules.

2. For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way which are specified to be furnished, in the utility's rules, as conditions of obtaining service, or for the withdrawal of that same equipment, or for the termination of those same permissions or rights, or for the failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service.

3. For failure of the customer to permit the utility reasonable access to the utility's equipment.

4. For nonpayment of a bill or deposit.

Where disconnection relates to nonpayment of a bill or deposit, the utility must provide the customer a reasonable opportunity to dispute the reason for the disconnection. The utility must further provide written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection. The notice must include a written summary of the rights and responsibilities available and must include a toll-free or collect telephone number where a utility representative can be reached. The representative must have access to current, detailed information concerning the customer's account and any previous contacts with the utility and must provide the customer with the representative's name.

In addition to the required written notice to the customer, the utility must make a diligent attempt to contact, by telephone or in person, the customer responsible for payment to inform the customer of the pending disconnection and the customer's rights and responsibilities.

If the utility is not able to make contact with the customer, and if disconnection will occur between November 1 and April 1, the premises must be posted at least one day prior to disconnection with a notice informing the customer of the pending disconnection and the rights and responsibilities available to avoid disconnection.

If the utility is not able to make contact with the customer occupying a rental unit, the utility is also required to make a diligent attempt to contact the landlord of the rental unit, if known, to determine whether the customer is still occupying the rental unit and, if so, the customer's present location. The landlord must be informed of the date when service may be disconnected. The utility must attempt to contact the landlord at least 48 hours prior to disconnection of service.

If the disconnection will affect residential rental units that are occupied by tenants of the customer, the premises affected by disconnection must be posted at least two days prior to disconnection with a notice informing any occupants of the date when service will be disconnected and the reasons for disconnection.

Unless the utility has received approval from the IUB for an alternative written summary of the rights and responsibilities available, the following information must be provided to the customer:

CUSTOMER RIGHTS AND RESPONSIBILITIES TO AVOID SHUTOFF OF GAS/ELECTRIC SERVICE FOR NONPAYMENT

1. What can I do if I receive a notice from the utility that says my service will be shut off because I have a past due bill?

- a) Pay the bill in full; or
- b) Enter into a reasonable payment plan with the utility (see #2 below); or
- c) Apply for and become eligible for low-income energy assistance (see #3 below); or
- d) Give the utility a written statement from a doctor or public health official stating that shutting off your electric service would pose an especial health danger for a person living at the residence (see #4 below); or
- e) Tell the utility if you think part of the amount shown on the bill is wrong. However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

- a) Contact the utility as soon as you know you cannot pay the amount you owe. If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.
- b) If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions.
- c) If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement.

3. How do I apply for low-income energy assistance? (Residential customers only)

- a) Contact the local community action agency in your area (see attached list) or visit <https://humanrights.iowa.gov/dcaa/where-apply>.
- b) To avoid disconnection, you must apply for energy assistance or weatherization before your service is shut off. Notify your utility that you may be eligible and have applied for energy

assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

- c) Being certified eligible for energy assistance will prevent your service from being disconnected from November 1 through April 1.
- d) If you have additional questions, contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515) 281-3861.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Board for assistance in resolving the dispute. (See #9 below.)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within 5 days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Iowa Utilities Board for assistance in resolving the dispute. (See #9 below.)

6. When can the utility shut off my utility service because I have not paid my bill?

- a) Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- b) The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c) The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).
- d) The utility will not shut off your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.

- e) If you have qualified for low-income energy assistance, the utility cannot shut off your service from November 1 through April 1. However, you will still owe the utility for the service used during this time.
- f) The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.
- g) If one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment or within 90 days after the end of deployment. In order for this exception to disconnection to apply, the utility must be informed of the deployment prior to disconnection. However, you will still owe the utility for service used during this time.

7. How will I be told the utility is going to shut off my service?

- a) You must be given a written notice at least 12 days before the utility service can be shut off for nonpayment. This notice will include the reason for shutting off your service.
- b) If you have not made payments required by an agreed-upon payment plan, your service may be disconnected with only one day's notice.
- c) The utility must also try to reach you by telephone or in person before it shuts off your service. From November 1 through April 1, if the utility cannot reach you by telephone or in person, the utility will put a written notice on the door of or another conspicuous place at your residence to tell you that your utility service will be shut off.

8. If service is shut off, when will it be turned back on?

- a) The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2 above).
- b) If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.
- c) c. The utility may charge you a fee to turn your service back on. Those fees may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Iowa Utilities Board toll-free at 1-877-565-4450. You may also write the Iowa Utilities Board at 1375 E. Court Avenue, Des Moines, Iowa 50319-0069, or by E-mail at customer@iub.iowa.gov. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 1-800-532-1275.

Special Considerations

1. Disputed bills

If the customer disputes a portion of the bill for service, the utility can require the customer to pay the undisputed portion of the bill to avoid disconnection of service. If the customer pays this amount to the utility, the utility shall delay disconnection for up to 45 days after the date the bill was provided to the customer. This 45-day delay may be extended to 60 days if the customer files a complaint with IUB.

2. Time for disconnection and reconnection

Disconnection of residential customers may only take place between the hours of 6 a.m. and 2 p.m. on a weekday and may not occur on weekends or holidays. If a disconnected customer makes payment during normal business hours or by 7 p.m. for utilities that permit payments to be made after normal business hours, the utility shall take reasonable efforts to reconnect the customer that day. If a disconnected customer makes payment after 7 p.m., the utility shall take reasonable efforts to reconnect the customer not later than 11 a.m. the next day.

3. Severe cold

Disconnection may not take place where the utility service is the only form of heat at a residence where the actual temperature of the 24-hour forecast of the National Weather Service for the area is predicted to be 20 degrees Fahrenheit or colder. If the utility has properly posted the disconnection notice but is prohibited from disconnecting service due to severe cold, the utility may immediately proceed with disconnection when the temperature in the area rises above 20 degrees Fahrenheit and is forecasted to remain above 20 degrees for at least 24 hours.

4. Danger to health of resident

Disconnection of a residential customer shall be postponed for a period of thirty days if such disconnection would present an especial danger to the health of any permanent resident of the premises. This is indicated where the person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others.

The utility may require written verification of an especial health condition by a physician or public health official. The verification should include the name of the person endangered, a statement that the person is a resident of the premises in question, the name, address and phone number of the certifying party, the nature of the health danger, and approximately how long the danger will continue. The initial verification can be provided over the phone, as long as written verification is provided within five days of the phone call.

If disconnection occurred within 14 days prior to proper verification being made, services shall be restored to the residence. The customer must enter into a reasonable payment agreement for the retirement of the unpaid balance on the account within the 30-day deferral period to avoid disconnection. The customer must also remain current on the payment plan to avoid disconnection.

5. Winter energy assistance

Disconnection shall not take place from November 1 through April 1 for a resident who is a head of household and who has been certified to the utility by the community action agency as eligible for either the low-income home energy assistance program or weatherization assistance program. If the utility is informed that the customer's household may qualify for these programs, there shall be no disconnection of services for 30 days from the date of notification to allow the customer time to obtain the assistance.

6. Military deployments

Disconnection cannot take place at a residence where the utility is informed that one of the heads of household is a service member deployed for military service. Disconnection may not occur during the deployment or prior to 90 days after the end of the deployment.

7. Unusual usage

If a customer believes that their consumption appears abnormally high, and if disconnection is based on nonpayment of a bill, the customer may request the utility to provide assistance in identifying the factors contributing to this usage pattern and to suggest remedial measures. The utility shall provide such assistance.

8. Winter assistance funds

The utility must mail customers a notice prior to November 1 describing the availability of winter energy assistance funds and the application process. The notice must be of a type size that is easily legible and conspicuous and must contain the information set out by the agency administering the program. A utility serving fewer than 25,000 customers may publish the notice in a customer newsletter in lieu of mailing. A utility serving fewer than 6,000 customers may publish the notice in an advertisement in a local newspaper of general circulation or shopper's guide.

9. Payment plans

The utility must offer a customer an opportunity to enter into a reasonable payment plan when the customer receives a disconnection notice. The utility shall offer a payment plan with at least 12 even monthly payment to customers who received a disconnection notice or who have been disconnected less than 120 days and are not in default of a payment agreement. The utility shall offer a payment plan with at least 6 even monthly payments to customers who have been disconnected more than 120 days and are not in default of a payment agreement. The customer must be informed that they can pay off the delinquency early without incurring any prepayment penalties. The payment plan must

include a provision for payment of the current account. The utility can also require the customer to enter into a budget billing plan to pay the current bill.

If the payment plan is made in person, a signed copy of the payment plan shall be provided to the customer. If the utility allows the customer the option of making the payment plan over the phone or through electronic transmission, the utility shall provide the customer a written document reflecting the terms of the payment plan within three days of the date the parties entered into the agreement. The payment plan must be sent to the customer's last known address by regular mail. The payment plan is considered provided on the date it is deposited in the mail.

The payment plan must give the customer 10 days in which to object to the terms of the payment plan. The document must include the address and a toll free or collect telephone number where a qualified representative can be reached. Once the first payment is made pursuant to the payment plan, the agreement is deemed accepted by the customer. A customer who enters into a payment plan with the utility shall be granted at least one late payment that is four days or less beyond the due date for payment. The initial payment under a payment plan shall be due on the due date for the next regular utility bill.

A new 12-day notice is not required when a customer defaults on a payment plan related to a gas bill. However, the other requirements regarding personal contact, posting and the prohibitions on disconnection will still apply. A new 12-day notice is also not required when a customer defaults on a payment plan related to an electric bill. In that case, only 24-hour notice is required. The general prohibitions on disconnection will still apply, however.

The utility must offer a second payment plan to a customer who is in default of a first payment plan if the customer has made at least two consecutive full payments under the first payment plan. The second payment plan must be for a term at least as long as the first payment plan. The customer shall be required to pay for current service in addition to the monthly payments under the second payment plan and may be required to make the first payment up-front as a condition of entering into the second payment plan.

A customer may propose a payment plan to the utility. If the customer and utility do not agree on the terms of the payment plan, the utility may orally refuse the payment plan. Within three days of the oral refusal, the utility must provide the customer with a written refusal, stating the reason for the refusal. The written refusal must be sent to the customer's last known address by regular mail. The refusal is considered provided on the date it is deposited in the mail.

Within 10 days of the date of refusal of the payment plan, the customer may ask for assistance from the IUB in working out a reasonable payment agreement. If this request is made, the utility may not disconnect service while the request is being reviewed by IUB.

Summary of Disconnection Procedure

1. Send the customer a 12-day notice of disconnection which includes the reasons for disconnection. The notice must be sent by regular mail to the customer's last known address.
2. If disconnection is for a delinquent bill, customer must be given a reasonable opportunity to dispute bill, customer must be informed that they have at least 12 days in which to make settlement of the account to avoid disconnection, customer rights and responsibilities and a toll free telephone number for the utility must be included in the notice.
3. If disconnection is for a delinquent bill and the customer is a residential customer, the utility must attempt personal contact by phone or in person. The utility must also offer the customer an opportunity to enter into reasonable payment agreement.
4. If disconnection is for a delinquent bill and customer is residential customer, and if disconnection will occur between Nov. 1 and April 1 and no personal contact is made, the utility must post a notice on the premises at least one day prior to disconnection. The notice must include the rights and responsibilities of the customer.
5. If disconnection is for a delinquent bill and customer is residential customer who lives in a rental unit, and if disconnection will occur between Nov. 1 and April 1 and no personal contact is made, the utility must make a diligent attempt to contact the landlord at least 48 hours before the scheduled disconnection to determine the customer's location. The landlord must be informed about the disconnection of service.
6. If disconnection is for a delinquent bill and if it will affect occupants of residential units leased from the customer, the premises containing residential units affected by the disconnection must be posted with a notice at least two days prior to disconnection. The notice must include when the disconnection will occur and the reasons for disconnection.

Summary of Prohibitions on Disconnection

1. In the case of a disputed bill, the utility must delay disconnection for 45 days if the customer has paid the undisputed portion of the bill.
2. Disconnection of residential property can only occur between the hours of 6 a.m. and 2 p.m. on a weekday, and not on a holiday.
3. If the utility service is the only form of heat to a residence, disconnection may not occur during severe cold weather, which is defined as temperatures 20 degrees or colder. The utility must wait until the temperature rises above 20 degrees and is forecasted to remain above 20 degrees for at least 24 hours.
4. Disconnection must be postponed for 30 days upon verification that disconnection of a residential customer will present a danger to the health of any permanent resident of the premises.
5. If the utility is informed that the customer's household may qualify for winter energy assistance, the utility shall delay disconnection for a period of 30 days to allow the customer to apply for assistance. If the head of household is participating in the winter energy assistance program, disconnection may not occur between Nov. 1 and April 1.
6. If the head of household is a deployed military service member, disconnection may not occur during the deployment or within 90 days of the end of the deployment.
7. The utility may not disconnect a residential customer unless the utility has offered the customer an opportunity to enter into a reasonable payment plan.

CUSTOMER RIGHTS AND RESPONSIBILITIES TO AVOID SHUTOFF OF GAS/ELECTRIC SERVICE FOR NONPAYMENT

FREQUENTLY ASKED QUESTIONS

1. How do I prevent non-dependent adults living at a residence from claiming to be new electric or gas utility customers?

The IUB rules provide that an electric or gas utility cannot deny service to a new utility customer if that customer is creditworthy and able to satisfy any deposit requirements. This is the case even where an existing occupant of the premises may be delinquent in payment to the utility. Under this rule, a roommate could therefore apply for utility service as a new customer in the event that another roommate has gotten behind on the utility bills. The utility would not be able to demand the payment of the delinquent bill from the new roommate prior to establishing service.

To prevent this from occurring, the utility should require that all non-dependent adults living at a residence be included in the application for utility service. If all of the roommates have signed on as customers in the application, none of them can claim to be a new customer down the road. The application should further state that those signing the application agree to be jointly and severally liable for payment of all utility services rendered at the address. This will ensure that the utility can look to any of the roommates for payment of a delinquent bill.

If an existing customer becomes delinquent on a bill and a new roommate moves in after the initial utility application is signed and requests service as a new customer, the utility will be required to establish service with the new customer so long as they are creditworthy and able to satisfy the deposit requirements.

2. Can I deny service to a utility customer with a delinquent bill who has moved to a new address?

Yes. Although the IUB rules provide that electric or gas service cannot be denied if the delinquent bill relates to a different type or class of utility service. As an example, if an electric utility customer is delinquent on their commercial account, this cannot be used as the basis for denying electric service at a new residential address.

An electric or gas customer who is entitled to the low-income home energy assistance program cannot be denied service at a new address during the time that those protections apply. Those protections will follow the person to their new address.

3. Am I prohibited from disconnecting a customer if they are in bankruptcy?

Yes. Federal bankruptcy law essentially places a debtor in a status quo financial position. Creditors, including utilities, are prohibited from pursuing collection of any debts while the bankruptcy action is pending. The utility will generally be provided with written notice of a pending bankruptcy action

involving a customer. If such a notice is received, a note should be placed in the customer's file regarding the pending bankruptcy action and no collection activities should occur to collect the amount owed as of the date of the filing of the bankruptcy petition. The utility can file a claim in the bankruptcy case to preserve its right to receive payment through the bankruptcy action.

4. Do I have to follow the IUB deposit rules?

No. The IUB rules regarding deposits do not apply to municipal utilities.

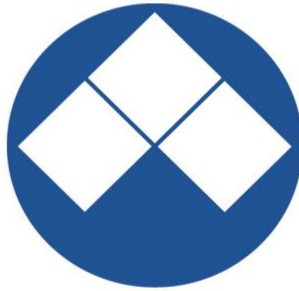
5. What are the limits on deposits?

For water utilities, the utility may charge a deposit amount that does not exceed the usual cost of 90 days of water service. For electric or gas utilities, the utility may charge a deposit amount that does not exceed the usual cost of 60 days of electric or gas service.

6. What rules do I follow for customers who receive both water service and gas or electric service from the utility?

The utility can choose to follow separate disconnection procedures for the separate utility services provided, or it can choose to follow a combined process if the utility would like to disconnect the water and gas or electric services at the same time.

If the utility provides water and gas or electric service to some customers, but only water service to others, the utility should treat all water customers similarly with respect to disconnection of service. Iowa law requires that utilities furnish service to customers in a uniform and nondiscriminatory manner. If one residential water customer is given the opportunity to enter into a payment plan with the utility prior to disconnection (because they also receive electric or gas service), but another residential water customer is not given this opportunity prior to disconnection (because they only receive water service), this could expose the utility to a possible challenge based on discriminatory service. Similar customers must be treated similarly when providing or disconnecting service.



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