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IDAHO PUBLIC  
UTILITIES COMMISSION

April 22, 2016

***VIA HAND DELIVERY***

Idaho Public Service Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Attention: Jean D. Jewell  
Commission Secretary

**RE: CASE NO. PAC-E-16-06  
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER  
FOR AUTHORITY TO MODIFY REGULATION NO. 9 - DEPOSITS AND  
ADVANCE PAYMENTS.**

Please find enclosed the original and seven (7) copies of Rocky Mountain Power's Reply Comments.

Please contact Ted Weston directly at (801) 220-2963 if you have any further questions.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

Enclosures

Yvonne R. Hogle (ISB#8930)  
1407 W. North Temple, Suite 320  
Salt Lake City UT 84116  
Telephone: (801) 220-4050  
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UTILITIES COMMISSION

*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	
<b>MOUNTAIN POWER FOR</b>	)	<b>CASE NO. PAC-E-16-06</b>
<b>AUTHORITY TO MODIFY</b>	)	
<b>REGULATION NO. 9 DEPOSITS</b>	)	<b>REPLY COMMENTS</b>
<b>AND ADVANCE PAYMENTS</b>	)	

Rocky Mountain Power, a division of PacifiCorp (“the Company”), respectfully submits the following Reply Comments in response to comments filed by the Idaho Public Utilities Commission (“Commission”) Staff (“Staff”) on April 15, 2016. In these Reply Comments, Rocky Mountain Power clarifies certain sections of Electric Service Regulation No. 9 - Deposits and Advance Payments, as recommended by Staff and provides an explanation why the Commission should reject certain of Staff’s other recommendations.

**BACKGROUND**

1. On February 16, 2016, Rocky Mountain Power submitted an application to the Commission for authority to modify Electric Service Regulation No. 9 - Deposits and Advance Payments (“Application”).

2. On April 15, 2016, Staff filed comments and recommended approval of the proposed changes to Regulation No. 9 with modifications. Specifically, Staff recommended that the Commission: (1) deny the Company’s proposal to “require an

advance payment for first time applicants”; (2) require the Company to clarify the language in Regulation No. 9 to explain (i) how the customer advance is calculated, (ii) criteria to qualify as a guarantor, and (iii) when a deposit may be required; and (3) eliminate the requirement for deposits for customers that paid an advance the prior season and whose balance was less than \$1,000 by December 31<sup>st</sup> of that year.

### COMPANY RESPONSE

3. First, Staff’s recommendation ignores that Regulation No. 9 already authorizes the Company to require an advance for first time irrigation customers. Subpart (c) of Section 1 states:

“The Company may require a deposit or an advance payment from current and prospective industrial or large commercial customers **or may require an advance payment from irrigation customers for the reasons stated in (b) above.**” (emphasis added)

Subpart (b) specifies that an advance maybe required **“when the applicant is applying for service for the first time from the Company.”** (emphasis added)

The Company’s application did not request approval for the Company, at its discretion, to require an advance payment from first time customers because Regulation 9 currently provides that option. The Company has successfully utilized advances to minimize customer risk and Staff’s request to eliminate customer advances for new customers should be rejected.

4. The Company worked with the Idaho Irrigation Pumper Association, (“IIPA”), and agreed to add an option for a guarantor for both customer advances and deposits to remove any financial burden to new and existing customers while establishing their credit-worthiness.

5. In response to Staff's recommendation for the Company to clarify how it would calculate advance payments, the Company proposes the following language be added to Regulation 9 under the "Irrigation Advances Subpart D" section:

The advance will be equal to the estimated monthly billings for the upcoming irrigation season, based upon the previous 12 months of metered usage at each service point. If the previous 12 months includes inactivity the estimate may include earlier periods.

6. In response to Staff's recommendation that Regulation 9 specify the qualifications of a guarantor, the Company proposes the following additions under the "Irrigation Advances and Irrigation Deposits, Subpart B.2" section:

A guarantor must be: (i) an active Rocky Mountain Power Schedule 10 customer; (ii) larger or comparable in size based on previous year's metered services; and (iii) current on all accounts at the time of the application with no more than one past due notice in the previous twelve months.

7. Staff recommended that the lower limit for customer deposits be raised from \$50.00 to \$1,000.00 to be consistent with Idaho Power's threshold for requiring a customer deposit. The Company does not require a deposit based on any certain dollar threshold. The Application proposed a dollar threshold whereby the Company would be allowed to require a customer advance. Tariff Sheet 9.R2, Subpart D - Irrigation Customers, specifies that an advance may be required: "if the customer had a cumulative past due balance equal to or greater than \$25,000 on December 31."

8. Under the Company's proposal, there would be only two situations whereby an irrigation customer may be required to pay a deposit before service is provided: (1) if the customer received two or more past due notices for non-payment of Schedule 10 service during the most recent irrigation season or the last 12 month period during which service was received; or (2) if the Schedule 10 customer was required to

pay an advance for the previous irrigation season and the balance on December 31 was less than \$25,000. The Company recommends that all customers required to pay an advance should be required to pay a deposit the following year to help establish payment history and demonstrate credit worthiness. Thus, there is no need to raise the lower limit for customer deposits from \$50.00 to \$1,000.00 to be consistent with Idaho Power's threshold for requiring a customer deposit.

### CONCLUSION

Rocky Mountain Power appreciates Staff's comments and has made an effort to clarify how it would calculate a customer advance and to describe the criteria that it would use to determine if a guarantor is acceptable to the Company. With respect to Staff's remaining recommendations, for the reasons set forth above, the Company respectfully requests that the Commission reject them. The Company provided revised tariff sheets incorporating the clarifications with its Reply Comments and respectfully requests that the Commission approve them as filed.

DATED this 22<sup>nd</sup> day of April, 2016.

Respectfully submitted,

A handwritten signature in blue ink that reads "Yvonne R. Hogle". The signature is written in a cursive style with a large, looping initial "Y".

**(b) Small Commercial Customers**

An applicant may be required to pay a deposit as a condition of service for the reasons stated in (a) above, or additionally, when the applicant is applying for service for the first time from the Company.

**(c) Industrial and Large Commercial**

The Company may require a deposit from current and prospective industrial or large commercial customers for the reasons stated in (b) above, or additionally:

- (1) The customer fails to pay the account on or before the date such payment is delinquent.
- (2) The nature of the customer's operation is extremely speculative or subject to a high probability of failure.

**(d) Irrigation Customers**

The Company may require a deposit or advance from past, current, and prospective irrigation, (Schedule 10), customers prior to providing electric service as follows:

**(1) Irrigation Advance**

A. An advance may be required from current, previous, or prospective Schedule 10 customers prior to providing electric service: The advance for each metered service point will be equal to the estimated monthly billings for the upcoming irrigation season based on the previous 12 months of metered usage at the location. If the previous 12 month metered usage includes inactivity during the irrigation season, the estimate may include earlier time periods:

1. If the customer had a cumulative past due balance equal to or greater than \$25,000 on December 31;
2. If the customer had service disconnected for nonpayment during the last four (4) years;
3. If at any time the customer sought any form of relief under the Federal Bankruptcy Laws, or has been discharged from bankruptcy, or whose receivership proceeding has been terminated, or whose bankruptcy proceedings have been dismissed; or
4. If the applicant is requesting service for the first time.

B. As an alternative to payment an advance may be satisfied by:

1. A guarantee of payment from a bank or financial institution acceptable to the Company; or
2. A guarantor acceptable to the Company.

**(1) Irrigation Advance (continued)**

- C. The customer may be required to pay an advance on all Schedule 10 accounts for which the customer is financially responsible and requesting service.
- D. The advance will be equal to the estimated monthly billings for the upcoming irrigation season, based upon the previous 12 months of metered usage at each service point. If the previous 12 months includes inactivity the estimate may include earlier periods.
  - 1. A portion of the advance will be applied to satisfy each monthly bill until the advance is depleted.

**(2) Irrigation Deposit**

- A. A deposit may be required from a current or previous Schedule 10 customer prior to providing electric service:
  - 1. If the customer received two (2) or more past due notices for non-payment of Schedule 10 service during the most recent irrigation season or the last 12 month period during which service was received; or
  - 2. If the Schedule 10 customer was required to pay an advance for the previous irrigation season and the balance on December 31 was less than \$25,000.
- B. As an alternative to payment a deposit may be satisfied by:
  - 1. A guarantee of payment from a bank or financial institution acceptable to the Company; or
  - 2. A guarantor acceptable to the Company.
- C. A Schedule 10 customer that meets the requirements for payment of a deposit may be required to pay a deposit for each Schedule 10 account for which the customer is financially responsible and requesting service.
- D. The deposit for each metered service point is equal to the estimated monthly bill for the two highest months of usage within the last two (2) irrigation seasons. The deposit must be paid before the Company will provide electric service.

**(3) Irrigation Advance or Deposit Guarantor**

- A. A guarantor must be: (i) an active Rocky Mountain Power Schedule 10 customer; (ii) larger or comparable in size based on previous year's metered services; and (iii)

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current on all accounts at the time of the application with no more than one past due notice in the previous twelve months.

**2. BANKRUPT CUSTOMERS**

If an applicant for service or a customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit or advance may be required as a condition of service.

**3. EXPLANATION OF DENIAL OF SERVICE OR REQUIREMENT OF DEPOSIT**

If the Company denies service or requires a deposit as a condition of providing service, then it must immediately provide an explanation regarding the reason for the deposit or denial of service. If service is currently being provided to the premises occupied by an applicant, the Company shall provide written notice of its refusal to serve.

**4. AMOUNT OF DEPOSIT**

A deposit required as a condition of service shall not exceed one-sixth of the Company's estimate of annual billings for residential and small commercial customers. For industrial and large commercial customers, deposits shall not exceed two (2) months of the Company's estimated peak billings. The Company shall advise the customer or applicant that the deposit may be paid in two (2) equal installments with the first installment paid at the time of application and the second installment paid in one (1) month.

**5. INTEREST ON DEPOSITS**

Interest on deposits held by the Company shall be accrued at the rate established annually by the order of the Idaho Public Utilities Commission. Interest shall be computed from the time the deposit is made until it is returned or applied to the bill. Interest will not accrue on a deposit if service is terminated temporarily at the request of a customer who leaves the deposit with the Company for future use as a deposit or if service has been permanently terminated and the Company has been unsuccessful in its attempt to refund a deposit.

**6. RETURN OF DEPOSIT**

**(a) Existing Residential and Small Commercial Customers**

If the customer has paid all undisputed bills and has no more than one (1) late payment during the past twelve (12) consecutive months of service, the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.

**(b) Irrigation Customers**

If the customer has paid all undisputed bills and has no more than one (1) past due notice during the past twelve (12) month period during which service was received,

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the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.

**(c) Former Customers**

Upon termination of service, the deposit, with accrued interest, shall be credited to the final bill. The balance of the deposit remaining, if any, shall be returned promptly to the Customer.

**6. RETURN OF DEPOSIT**

**(d) Retention During Dispute**

The Company may withhold the release of the deposit pending the resolution of a dispute. For residential and small commercial customers, interest will be paid for the entire period over which the deposit was held. For industrial, large commercial and irrigation customers, the Company will continue to pay interest if the resolution is in the customer's favor.

**7. TRANSFER OF DEPOSIT**

A Deposit, less any outstanding balance, shall be transferable and applicable for service to the same customer at a new location within the Company's service area. Deposits shall not be transferred from one customer to another customer or between classes of service.

**8. RECEIPT FOR DEPOSIT**

When payment of a deposit is made, a receipt shall be furnished to each applicant or customer for the amount deposited.

**9. RETURN OF IRRIGATION ADVANCE PAYMENTS**

Any customer advance remaining at the end of the irrigation season will first be applied to any required deposit for the upcoming season before being refunded to the customer. Upon customer request, the Company will conduct an in-season review of the actual electric consumption and associated advance payment. The company may refund at the customer's request the portion of the advance in excess of the revised usage estimate for the remainder of that season.

**10. LARGER OR NEW DEPOSITS AND IRRIGATION ADVANCES**

Nothing in this regulation shall prevent the Company from requiring a deposit or advance or a larger deposit or advance from existing customers in conformity with the standards set forth in this regulation. Should a larger or new deposit or advance be required, the reason therefor shall be specified in writing to the customer.

**(b) Small Commercial Customers**

An applicant may be required to pay a deposit as a condition of service for the reasons stated in (a) above, or additionally, when the applicant is applying for service for the first time from the Company.

**(c) Industrial ~~and~~, Large Commercial ~~and Irrigation~~ Customers**

The Company may require a deposit or an advance payment from current and prospective industrial or large commercial customers or may require an advance payment from irrigation customers for the reasons stated in (b) above, or additionally:

- (1) The ~~c~~Customer fails to pay the account on or before the date such payment is delinquent.
- (2) ~~For seasonal service as an advance payment for service required during the ensuing year.~~
- (3) ~~The nature of the cCustomer's operation is extremely speculative or subject to a high probability of failure.~~

**(d) Irrigation Customers**

The Company may require a deposit or advance from past, current, and prospective irrigation, (Schedule 10), customers prior to providing electric service as follows:

**(1) Irrigation Advance**

A. An advance may be required from current, previous, or prospective Schedule 10 customers prior to providing electric service. The advance for each metered service point will be equal to the estimated monthly billings for the upcoming irrigation season based on the previous 12 months of metered usage at the location. If the previous 12 month metered usage includes inactivity during the irrigation season, the estimate may include earlier time periods:

1. If the customer had a cumulative past due balance equal to or greater than \$25,000 on December 31;
2. If the customer had service disconnected for nonpayment during the last four (4) years;
3. If at any time the customer sought any form of relief under the Federal Bankruptcy Laws, or has been discharged from bankruptcy, or whose receivership proceeding has been terminated, or whose bankruptcy proceedings have been dismissed; or
4. If the applicant is requesting service for the first time.

B. As an alternative to payment an advance may be satisfied by:

**I.P.U.C. No. 1**

1. A guarantee of payment from a bank or financial institution acceptable to the Company; or
2. A guarantor acceptable to the Company.

**~~2. BANKRUPT CUSTOMERS~~**

~~If an applicant for service or a customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit may be required as a condition of service.~~

**~~3. EXPLANATION OF DENIAL OF SERVICE OR REQUIREMENT OF DEPOSIT~~**

~~If the Company denies service or requires a deposit as a condition of providing service, then it must immediately provide an explanation regarding the reason for the deposit or denial of service. If service is currently being provided to the premises occupied by an applicant, the Company shall provide written notice of its refusal to serve.~~

(Continued)

**(1) Irrigation Advance (continued)**

C. The customer may be required to pay an advance on all Schedule 10 accounts for which the customer is financially responsible and requesting service.

D. The advance will be equal to the estimated monthly billings for the upcoming irrigation season, based upon the previous 12 months of metered usage at each service point. If the previous 12 months includes inactivity the estimate may include earlier periods.

1. A portion of the advance will be applied to satisfy each monthly bill until the advance is depleted.

**(2) Irrigation Deposit**

A. A deposit may be required from a current or previous Schedule 10 customer prior to providing electric service:

1. If the customer received two (2) or more past due notices for non-payment of Schedule 10 service during the most recent irrigation season or the last 12 month period during which service was received; or

2. If the Schedule 10 customer was required to pay an advance for the previous irrigation season and the balance on December 31 was less than \$25,000.

B. As an alternative to payment a deposit may be satisfied by:

1. A guarantee of payment from a bank or financial institution acceptable to the Company; or

2. A guarantor acceptable to the Company.

C. A Schedule 10 customer that meets the requirements for payment of a deposit may be required to pay a deposit for each Schedule 10 account for which the customer is financially responsible and requesting service.

D. The deposit for each metered service point is equal to the estimated monthly bill for the two highest months of usage within the last two (2) irrigation seasons. The deposit must be paid before the Company will provide electric service.

**(3) Irrigation Advance or Deposit Guarantor**

A. A guarantor must be: (i) an active Rocky Mountain Power Schedule 10 customer; (ii) larger or comparable in size based on previous year's metered services; and (iii) current on all accounts at the time of the application with no more than one past due notice in the previous twelve months.

**2. BANKRUPT CUSTOMERS**

If an applicant for service or a customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit or advance may be required as a condition of service.

**4. AMOUNT OF DEPOSIT**

~~A deposit required as a condition of service shall not exceed one sixth of the Company's estimate of annual billings for residential and small commercial Customers. For industrial and large commercial Customers, deposits shall not exceed two (2) months of the Company's estimated peak billings. The Company shall advise the Customer or applicant that the deposit may be paid in two (2) equal installments with the first installment paid at the time of application and the second installment paid in one (1) month.~~

**5. INTEREST ON DEPOSITS**

~~Interest on deposits held by the Company shall be accrued at the rate established annually by the order of the Idaho Public Utilities Commission. Interest shall be computed from the time the deposit is made until it is returned or applied to the bill. Interest will not accrue on a deposit if service is terminated temporarily at the request of a Customer who leaves the deposit with the Company for future use as a deposit, or if service has been permanently terminated and the Company has been unsuccessful in its attempt to refund a deposit.~~

**6. RETURN OF DEPOSIT**

**(a) Existing Residential and Small Commercial Customers**

~~If the Customer has paid all undisputed bills and has no more than one (1) late payment during the past twelve (12) consecutive months of service, the Company shall promptly return the deposit (with accrued interest) by either crediting the Customer's current account or issuing a refund.~~

**(b) Former Customers**

~~Upon termination of service, the deposit, with accrued interest, shall be credited to the final bill. The balance of the deposit remaining, if any, shall be returned promptly to the Customer.~~

**(c) Retention During Dispute**

~~The Company may withhold the release of the deposit pending the resolution of a dispute. For residential and small commercial Customers, interest will be paid for the entire period over which the deposit was held. For industrial, large commercial and irrigation Customers, the Company will continue to pay interest if the resolution is in the Customer's favor.~~



I.P.U.C. No. 1

~~Second~~**First** Revision of Sheet No. 9R.3  
Canceling ~~Original~~**First Revision of** Sheet No. 9R.3

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Submitted Under ~~Advice Letter~~Case No. ~~09-04~~PAC-E-16-06

ISSUED: ~~August 25, 2009~~February 16, 2016

EFFECTIVE: ~~September 1, 2009~~May 16, 2016

current on all accounts at the time of the application with no more than one past due notice in the previous twelve months.

For  
num

**2. BANKRUPT CUSTOMERS**

If an applicant for service or a customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit or advance may be required as a condition of service.

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**6. RETURN OF DEPOSIT**

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If the customer has paid all undisputed bills and has no more than one (1) late payment during the past twelve (12) consecutive months of service, the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.

**(b) Irrigation Customers**

If the customer has paid all undisputed bills and has no more than one (1) past due notice during the past twelve (12) month period during which service was received,

the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.

**(c) Former Customers**

Upon termination of service, the deposit, with accrued interest, shall be credited to the final bill. The balance of the deposit remaining, if any, shall be returned promptly to the Customer.

(Continued)

**7. TRANSFER OF DEPOSIT**

A Deposit, less any outstanding balance, shall be transferable and applicable for service to the same customer at a new location within the Company's service area. Deposits shall not be transferred from one customer to another customer or between classes of service.

**8. RECEIPT FOR DEPOSIT**

When payment of a deposit is made, a receipt shall be furnished to each applicant or customer for the amount deposited.

**9. ADVANCE PAYMENTS**

An advance payment may be required from seasonal industrial, commercial and irrigation customers as a condition of service. The amount of advance required from seasonal customers may be the total estimated charges for a 12-month period. Customer advances shall be credited to the customer's account and if, at the end of the season, a credit balance remains, such balance will be refunded to the customer.

**10. LARGER OR NEW DEPOSITS AND ADVANCES**

Nothing in this regulation shall prevent the Company from requiring a deposit or advance or a larger deposit or advance from existing customers in conformity with the standards set forth in this regulation. Should a larger or new deposit or advance be required, the reason therefor shall be specified in writing to the customer.



I.P.U.C. No. 1

Original Sheet No. 9R.4

← For

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Submitted Under ~~Advice Letter~~ Case No. ~~06-06~~PAC-E-16-06

ISSUED: ~~August 14, 2006~~February 16, 2016

EFFECTIVE: ~~September 15, 2006~~May 16, 2016

the Company shall promptly return the deposit (with accrued interest) by either crediting the customer's current account or issuing a refund.

**(c) Former Customers**

Upon termination of service, the deposit, with accrued interest, shall be credited to the final bill. The balance of the deposit remaining, if any, shall be returned promptly to the Customer.

**6. RETURN OF DEPOSIT**

**(d) Retention During Dispute**

The Company may withhold the release of the deposit pending the resolution of a dispute. For residential and small commercial customers, interest will be paid for the entire period over which the deposit was held. For industrial, large commercial and irrigation customers, the Company will continue to pay interest if the resolution is in the customer's favor.

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Any customer advance remaining at the end of the irrigation season will first be applied to any required deposit for the upcoming season before being refunded to the customer. Upon customer request, the Company will conduct an in-season review of the actual electric consumption and associated advance payment. The company may refund at the customer's request the portion of the advance in excess of the revised usage estimate for the remainder of that season.

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Nothing in this regulation shall prevent the Company from requiring a deposit or advance or a larger deposit or advance from existing customers in conformity with the standards set forth in this regulation. Should a larger or new deposit or advance be required, the reason therefor shall be specified in writing to the customer.