



Newport Utilities Commercial Deposit Options

Newport Utilities requires deposits on all commercial accounts; the accounts highest bill times two determines the amount of deposit.

NU re-evaluates forms of deposit every year. In the event that an increase in deposit is required due to an increase in the customer's usage, poor pay history with NU, or diminished credit status, NU will notify the customer that an increase in deposit would be needed to secure the account(s).

NU has several options available to the customer to secure a large commercial deposit.

Irrevocable Letter of Credit – This letter is issued from a bank as a guarantee of payment in the event of a default of the customer to pay bills. They are re-evaluated every year.

Surety Bond – This is issued from an insurance company as a guarantee of payment in the event of a default of the customer to pay bills. Most companies in this area charge a percentage of the amount of the letter. Bonds are generally continued every year unless we are notified from the bonding company in advance of a cancellation. These are charged for every year or so, and we re-evaluate the bond amount every year.

Cash – A cash deposit is accepted by NU and accrues interest annually by our current rates. These are re-evaluated every year. If we have to increase, we can bill the additional in monthly installments up to 6 months.