



RULE 6

Sheet 1

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

A. Establishment of Credit – Residential Service

Before receiving residential service, each applicant shall be required to establish credit as follows:

- 1. By providing credit information to the satisfaction of the Utility; or
- 2. By making a cash deposit as prescribed in Rule 7; or
- 3. By furnishing a qualified guarantor to secure payment of bills as prescribed in Rule 7; or
- 4. By having been a residential customer within the last two years and having paid all bills for service as set forth in Rule 9 for the most recent 12 consecutive months of service provided, however, that the customer's creditworthiness has not changed significantly since terminating service with the Utility.
- 5. By any of the above methods, tenants of single metered multi-family dwellings have the right to become Utility customers in place of the landlord who fails to pay the gas bill. The Utility may require that one (or more) applicant(s) assume responsibility to the Utility for payments; such applicant(s) must be willing and able to assume responsibility for the entire account to the satisfaction of the Utility. In addition, where prior service is being considered as a condition for establishing such credit, residency in the multi-family dwellings for the immediately preceding 12 months and proof of prompt payment of rent for this same period of time shall be a satisfactory equivalent; or
- 6. By otherwise establishing credit to the satisfaction of the Utility.

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Advice Ltr. No. 1679-G-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

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Resolution No. E-4092



RULE 6

Sheet 2

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

B. Establishment of Credit – Non-Residential Service

Before receiving such service, each applicant shall be required to establish credit as follows:

1. By making a cash deposit as prescribed in Rule 7; or
2. By furnishing a qualified guarantor to secure payment of bills as prescribed in Rule 7; or
3. By having been a non-residential customers for a similar type of service within the last two years and having paid all bills for service in accordance with the provisions of Rule 9 for the most recent 12 consecutive months of such service provided, however, that the customer's creditworthiness has not changed significantly since terminating service with the Utility. The billing for service consumed at the applicant's former service location shall have been equal to at least 50 percent of billing estimated for the new service location; or
4. By otherwise establishing credit to the satisfaction of the Utility.

C. Re-establishment of Credit – All Classes of Service

1. An applicant who is a former customer of the Utility and whose service has been discontinued for nonpayment of bills at any time during the last 12 months of that service may be required to re-establish credit by making a cash deposit as prescribed in Rule 7.
2. A current customer who fails to pay bills before becoming past due as set forth in Rule 11 may be required to pay such bills and to re-establish credit by making a cash deposit as prescribed in Rule 7. This Rule will apply regardless of whether or not service has been discontinued for such non-payment; except, a Small Business Customer, as defined in Rule 1, may not be required to reestablish credit if such bills are for retroactive charges resulting from a meter error or billing error as prescribed in Rule 18. Pursuant to D.10-10-032, small business customers shall receive one warning letter per 12-month period prior to any deposit request after at least one late payment, which informs that a deposit to re-establish credit may be required if another late payment occurs within the same twelve-month period.
3. A customer using non-residential service may be required re-establish credit at one or more of its locations in accordance with this Rule if the conditions of service or basis upon which credit was originally established, in the opinion of the Utility, have materially changed or the Utility believes a condition of high risk exists.
4. Where the Utility has received information that a residential customer left another utility's service territory with an unpaid closing bill, the customer may be required, as a condition of continued service, to re-establish credit in accordance with this Rule.
5. Pursuant to D.10-10-032, Small Business customers shall not be subject to a reestablishment of service deposit when failure to pay results from charges that were backbilled in the prior three months.

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