

RULE NO. 12

ESTABLISHMENT AND REESTABLISHMENT OF CREDIT

A. ESTABLISHMENT OF CREDIT

Each applicant, as a condition of service, will be required to satisfactorily establish credit.

1. An applicant for residential service may establish credit if the applicant:
 - a. Submits payment of a cash deposit to ensure the payment of a bill issued for service, as prescribed in Rule No. 13;
 - b. Has been a customer of the Company within the preceding two (2) years and has established satisfactory credit;
 - c. Has been a customer of a municipal or any other regulated energy Company within the preceding two (2) years and has made timely payment of each bill issued for service during the twelve (12) months immediately preceding the applicant's request for service;
 - d. Uses a guarantor who must:
 - (1) Be a customer of the Company with satisfactory credit;
 - (2) Assume liability for the customer for whom guarantor is acting for an amount not to exceed the amount of the deposit that the customer otherwise would have been required to pay and for a period not to extend past the date the deposit otherwise would have been required to be refunded; and
 - (3) Make payment for the customer for whom guarantor is acting, in the event guarantor is required to make such payment, within a period not to exceed three (3) months. If payment is not made within this period, the Company may terminate service to the guarantor without notice.

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ESTABLISHMENT AND REESTABLISHMENT OF CREDIT
(Continued)

A. ESTABLISHMENT OF CREDIT (Continued)

1. e. Receives benefits from a retirement plan or the Social Security Administration; or
- f. Has otherwise established credit acceptable to the Company.
2. An applicant for nonresidential service may establish credit if the applicant:
 - a. For amounts not exceeding \$5,000, submits payment of a cash deposit to ensure the payment of a bill issued for service, as prescribed in Rule No. 13;
 - b. Furnishes a surety bond, letter of credit, or other means acceptable to the Company for payment to the Company of a sum equal to the required deposit; or
 - c. Has otherwise established credit acceptable to the Company.

B. REESTABLISHMENT OF CREDIT

1. Former Customers. An applicant who has been a customer of the Company and who is indebted to the Company will be required to reestablish credit by paying all delinquent bills (unless collection of such debt is barred by law) and by depositing the amount prescribed in Rule No. 13.
2. Present Customers
 - a. A customer whose gas service has been terminated for nonpayment of bills for gas service will be required, before such service is restored, to reestablish credit by paying all delinquent bills (unless collection of such debt is barred by law) and by depositing the amount prescribed in Rule No. 13.

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(Continued)

B. REESTABLISHMENT OF CREDIT (Continued)

2. Present Customers (Continued)

- b. A nonresidential customer who is delinquent in the payment of a bill for gas service may be required to reestablish credit by depositing the amount prescribed in Rule No. 13.
- c. A customer who, in establishing credit, was not required to provide a deposit, may be required to reestablish credit by providing a deposit in the amount prescribed in Rule No. 13 once credit has become unsatisfactory.
- d. A customer who is subject to termination of service and who requests the continuation of service may be required to provide a deposit in addition to any other deposit made by customer pursuant to Rule No. 13 only if the initial deposit has been returned to the customer or more than one-half (1/2) of the deposit has been applied to the account of the customer. In no event will the deposit held by the Company exceed the amounts prescribed in Rule No. 13.
- e. A customer who, as a result of receiving benefits from a retirement plan or the Social Security Administration, is exempt from providing a deposit to establish credit may be required to reestablish credit by providing a deposit in the amount prescribed in Rule No. 13 if the customer has established unsatisfactory credit.
- f. An elderly customer who initially established credit by providing the required deposit as prescribed in Rule No. 13 and has since established unsatisfactory credit may be required to reestablish credit by providing an additional deposit amount as prescribed in Rule No. 13.

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C. SPECIAL CONDITION

Request for residential service will not be denied for reason of delinquent billing for other classes of service.

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