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4901:1-17-01 Definitions.

For purposes of this chapter, the following definitions shall apply:

- (A) "Applicant" means any person who requests or makes application with a utility company for any of the following residential services: gas, natural gas, waterworks, or sewage disposal.
- (B) "Class of service" means a description of utility service furnished to a customer used to denote its use either as residential or nonresidential.
- (C) "Consumer" means any person who is an ultimate user of the gas, natural gas, waterworks, or sewage disposal utility services.
- (D) "Customer" means any person who enters into an agreement, whether by contract or under a tariff, to purchase: gas, natural gas, waterworks, or sewage disposal utility service.
- (E) "Fraudulent act" means an intentional misrepresentation or concealment by the customer or consumer of a material fact that the gas, natural gas, waterworks, or sewage disposal system utility company relies on to its detriment. "Fraudulent act" does not include tampering.
- (F) "Past due" means any utility bill balance that is not paid by the bill due date.
- (G) "Percentage of income payment plan" (PIPP) means the income-based payment plan for low-income, residential customers served by a regulated gas or natural gas utility company.
- (H) "Regulated service" means a service offering regulated by the commission.
- (I) "Tampering" means to interfere with, damage, or by-pass a utility meter, conduit, or attachment with the intent to impede the correct registration of a meter or the proper functions of a conduit or attachment so as to reduce the amount of utility service that is registered on the meter. Tampering includes the unauthorized reconnection of a gas, natural gas, or waterworks meter or a conduit or attachment that has been disconnected by the utility company.
- (J) "Utility company" means all persons, firms, or corporations in the business of providing gas, natural gas, waterworks, or sewage disposal service to consumers as defined in division (A)(5) of section 4905.03, division (G) of section 4929.01, and divisions (A)(8) and (A)(14) of section 4905.03 of the Revised Code, respectively. Rules for the establishment of credit for an electric utility company are included in Chapter 4901:1-10 of the Administrative Code.

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4901:1-17-02 General provisions.

- (A) The rules in this chapter apply to all gas, natural gas, waterworks, and sewage disposal utility companies who provide service to residential customers.
- (B) Nothing contained in this chapter shall in any way preclude the commission from any of the following:
- (1) Altering, or amending, in whole or in part, these rules and regulations.
 - (2) Prescribing different standards for the establishment of credit for utility service as deemed necessary by the commission in any proceeding.
 - (3) Waiving any requirement, standard, or rule set forth in this chapter for good cause shown, as supported by a motion and supporting memorandum. The application for a waiver shall include the specific rule(s) requested to be waived. If the request is to waive only a part or parts of a rule, then the application should identify the appropriate paragraphs, sections, or subsections to be waived. The waiver request shall provide sufficient explanation, for each rule provision sought to be waived, to allow the commission to thoroughly evaluate the waiver request.
- (C) The rules of this chapter supersede any inconsistent provisions, terms, and conditions of utility company tariffs. A utility company may adopt or maintain tariffs providing greater protection for customers or consumers.
- (D) Each utility company shall establish and maintain written credit procedures consistent with these rules that allow an applicant for residential service to establish, or an existing residential customer to reestablish, credit with the utility company. The procedures should be equitable and administered in a nondiscriminatory manner. The utility company, without regard to race, color, religion, gender, national origin, age, handicap, or disability, shall base its credit procedures upon the credit risk of the individual as determined by the utility company without regard to the collective credit reputation of the area in which the residential applicant or customer lives. The utility company shall make its current credit procedures available to applicants and customers upon request and shall provide this information either verbally or in writing, based upon the applicant's or customer's preference. The utility company may also provide its applicants or customers with a summary of the utility company's credit procedures, which shall be written in plain English. This summary must be reviewed and approved by commission staff before distribution to the utility company's applicants or customers.
- (E) The rules of this chapter allow the use of electronic transactions and notices, if the customer and the utility company are both in agreement with such use, and such use is consistent with commission requirements or guidelines.

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4901:1-17-03 **Establishment of credit.**

(A) Each utility company may require an applicant for residential service to satisfactorily establish financial responsibility. If the applicant has previously been a customer of that utility company, the utility company may require the residential applicant to establish financial responsibility pursuant to paragraph (C) of rule 4901:1-17-04 of the Administrative Code. Each utility company may use a credit check, pursuant to paragraph (A)(2) of this rule, as the first criterion by which an applicant may establish financial responsibility. If the results of the credit check, at the time of the application do not establish financial responsibility for the applicant or the applicant refuses to provide his/her social security number, each utility company shall then advise the applicant of each of the remaining criteria available under this rule to establish financial responsibility. If the utility company requires an applicant to provide additional information to establish financial responsibility, such as identification or written documentation, then the utility company shall confirm with the applicant when it receives the requested information. An applicant's financial responsibility will be deemed established if the applicant meets any one of the following criteria:

(1) The applicant is the owner of the premises to be served or of other real estate within the territory served by the utility company and has demonstrated financial responsibility: under either of the following conditions:

(a) With respect to that property, if the applicant owns only the premises to be served.

(b) With respect to any other real estate within the service territory served by the utility company, if the applicant owns multiple properties.

(2) The applicant demonstrates that he/she is a satisfactory credit risk by means that may be quickly and inexpensively checked by the utility company. ~~In determining whether the applicant is a financially responsible person, Under this provision, the public utility company may request from the applicant and shall consider information including, but not limited to, the following: name of employer, place of employment, position held, length of service, letters of reference, and names of credit cards possessed by the applicant~~ applicant's social security number in order to obtain credit information and to establish identity. The utility company may not refuse to provide service if the applicant elects not to provide his/her social security number. If the applicant declines the utility company's request for a social security number, the utility company shall inform the applicant of all other options for establishing creditworthiness.

(3) The applicant demonstrates that he/she has ~~had~~ the same class and a similar type of utility service within a period of twenty-four consecutive months preceding the date of application, unless utility company records indicate that the

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applicant's service was disconnected for nonpayment during the last twelve consecutive months of service, or the applicant had received two consecutive bills with past due balances during that twelve-month period and provided further that the financial responsibility of the applicant is not otherwise impaired.

When an applicant requests a copy of his/her payment history to satisfy paragraph (A)(3) of this rule, each utility company shall provide a customer, at his/her request, written information reflecting the customer's payment history. The utility company shall provide this information within five business days of this request.

- (4) The applicant makes a cash deposit to secure payment of bills for the utility's utility company's service as prescribed in rule 4901:1-17-05 of the Administrative Code. Utility companies are prohibited from requiring percentage of income payment plan customers to pay a security deposit.
- (5) The applicant furnishes a creditworthy guarantor to secure payment of bills in an amount sufficient for a sixty-day supply for the service requested. If a third party agrees to be a guarantor for a utility customer, he or she shall meet the criteria as defined in paragraph (A) of this rule or otherwise be creditworthy. The guarantor and/or the utility company shall also comply with the following:
 - (a) Telecommunications service providers shall further comply with the provisions set forth in rule 4901:1-5-14 of the Administrative Code. The guarantor shall be a customer of the utility company.
 - (b) For all utilities, including telecommunications service providers, the guarantor shall sign a written guarantor agreement that shall include, at a minimum, the information shown in the appendix to this rule. The utility company shall provide the guarantor with a copy of the signed agreement and shall keep the original on file during the term of the guaranty.
 - (c) For all utilities, including telecommunications providers, the utility company shall send to the guarantor a copy of all disconnection notifications for notices sent to the guaranteed customer also to the guarantor, unless the guarantor affirmatively waives that right.
 - (d) For all utilities, including telecommunication providers, the utility company shall send a notice to the guarantor when the guaranteed customer requests a transfer of service to a new location. The transfer of service notice shall display all of the following information:
 - (i) The name of the guaranteed customer.

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- (ii) The address of the current guaranteed ~~customer~~ customer's service location.
 - (iii) A statement that the transfer of service to the new location may affect the guarantor's liability.
 - (iv) A statement that, if the guarantor does not want to continue the guaranty at the new service location, the guarantor must provide thirty days' written notice to the utility company to end the guaranty.
- (e) Under the circumstances where a guarantor's utility service is subject to disconnection, the utility company shall, within ten calendar days, advise the customer who provided the guarantor that the guarantor's responsibility to the customer's account will end by a specific date (thirty days from the date of the notice to the guaranteed customer). The utility company shall also advise the customer that, prior to the specific end date stated in the notice, he/she must reestablish credit through one of the alternate means set forth in paragraph (A) of this rule, or be subject to disconnection according to the applicable disconnection rules in Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (gas and natural gas).
- (B) The establishment of credit under the provisions of these rules, or the reestablishment of credit under the provisions of rule 4901:1-17-04 of the Administrative Code, shall not relieve the applicant or customer from compliance with the regulations of the utility company regarding advance payments and payment of bills by the due date, and shall not modify any regulations of the utility company as to the discontinuance of service for nonpayment.
 - (C) Upon default by a customer who has furnished a guarantor as provided in paragraph (A)(5) of this rule, the utility company may pursue collection actions against the defaulting customer and the guarantor in the appropriate court, or ~~if the guarantor is a customer of the same utility, that utility~~ company may transfer the defaulting customer's bill to the guarantor's account. The defaulted amount transferred to the guarantor's ~~bill account~~ shall not be greater than the amount billed to the defaulting - customer for sixty days of service or two monthly bills. After thirty days from the transfer, the utility company may make the guarantor subject to disconnection procedures, if the amount transferred still remains unpaid.
 - (D) An applicant who owes an unpaid bill for previous residential service, whether the bill is owed as a result of service provided to that applicant or is owed under a guarantor agreement, shall not have satisfactorily established or reestablished his/her financial responsibility as long as the bill remains unpaid.

Guarantor Agreement

I, (name of guarantor), agree to be the guarantor for the (utility type) service provided by (name of utility company) for (customer's name) at the service address of (location).

As the guarantor for (customer's name), I agree to be obligated for charges for the (type of utility) services provided to the guaranteed customer, (customer's name), through the date of termination of the guaranty.

I understand that the utility company will send a notice to me when the customer requests to transfer service to a new location.

I understand that the utility company will also send to me all disconnection notifications sent to (name of customer).

If (customer's name) defaults on the account, I will be held legally responsible for and agree to pay the defaulted amount. As guarantor, I understand that the defaulted amount may be transferred to my account and that my service may be subject to disconnection, if the transferred amount remains unpaid for thirty days. I understand that this amount will not be more than the amount of the bill for sixty days of service or two monthly bills.

I understand that I may terminate this guarantor agreement upon thirty days' written notice to (name of utility company). I also understand that, if I terminate this guarantor agreement, (customer's name) may be required to reestablish creditworthiness when I terminate the guaranty.

I understand that the utility company shall annually review the account history of each customer who has provided a guarantor. Once (customer's name) satisfies the requirements for the release of a guarantor, as stated in Rule 4901:1-17-06, of the Ohio Administrative Code, (name of utility company) shall, within thirty days, notify me in writing that I am released from all further responsibility for the account.

I agree to be a guarantor for (customer's name).

(signature of guarantor)
(date)_____

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4901:1-17-04 **Deposit to reestablish creditworthiness.**

- (A) A utility company may require a customer to make a deposit or an additional deposit on an account, as set forth in this rule and pursuant to rules 4901:1-17-03 and 4901:1-17-05 of the Administrative Code, to reestablish creditworthiness for tariffed service based on the customer's credit history on that account with that utility company. ~~After considering the totality of the circumstances, the~~ The utility company may require a customer whose service has been disconnected to pay a deposit, the delinquent bill, and the reconnection charges prior to restoring service in addition to any charges under the applicable reconnection rules in Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (gas and natural gas).
- (B) ~~After considering the totality of the customer's circumstances, a utility company may require a deposit if the customer account meets one of the following criteria:~~ has not made full payment or payment arrangements for any given bill containing a previous balance for regulated services provided by that utility company.
- (1) ~~The customer has not made full payment or payment arrangements by the due date for two consecutive bills during the preceding twelve months.~~
- (2) ~~The customer has been issued a disconnection notice for nonpayment on two or more occasions during the preceding twelve months.~~
- (C) A utility company may require a deposit if the applicant for service was a customer of that utility company, during the preceding twelve months, and had service disconnected for nonpayment, a fraudulent practice, tampering, or unauthorized reconnection.

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4901:1-17-05 **Deposit administration provisions.**

- (A) No ~~public-utility company~~, as defined in this chapter, ~~except telecommunications providers~~, shall require a cash deposit to establish or reestablish credit in an amount in excess of one-twelfth of the estimated charge for ~~—regulated service(s) provided by that distribution-utility company~~ for the ensuing twelve months, plus thirty per cent of the monthly estimated charge. No ~~telecommunications provider~~ shall require a ~~cash deposit to establish or reestablish credit in an amount in excess of that prescribed in rule 4901:1-5-13 of the Administrative Code.~~ Each utility company, upon request, shall furnish a copy of these rules 4901:1-17-03 to 4901:1-17-06 of the Administrative Code, to the ~~applicant/customer~~ from whom a deposit is required. If a copy of ~~the rule~~ these rules is provided to a ~~customer/applicant~~, ~~the applicant/customer~~, the utility company shall also provide the name, address, website address, and telephone number of the public utilities commission of Ohio.
- (B) Upon receiving a cash deposit, the utility company shall furnish to the applicant/customer a receipt that displays all of the following information:
- (1) The name of the applicant/customer.
 - (2) The address of the premises to be served.
 - (3) The billing address for the service.
 - (4) The amount of the deposit and a statement that the rate of interest to be paid on the deposit will be not less than three per cent per annum if the deposit is held for one hundred eighty days or longer.
- (C) Each utility company shall accrue interest at a rate of at least three per cent per annum per deposit held for one hundred eighty days or longer. Interest shall be paid to the customer when the deposit is refunded or deducted from the customer's final bill. A utility company shall not be required to pay interest on a deposit it holds for less than one hundred eighty days. No utility company shall be required to pay additional interest on a deposit after discontinuance of service, if the utility company has made a reasonable effort to refund the deposit. A utility company shall dispose of any unclaimed deposit, plus accrued interest, in conformity with Chapter 169. of the Revised Code.

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4901:1-17-06 **Refund of deposit and release of guarantor.**

- (A) After discontinuing service, the utility company shall promptly apply the customer's deposit, including any accrued interest, to the final bill. The utility company shall promptly refund to the customer any deposit, plus any accrued interest, remaining, unless the amount of the refund is less than one dollar. A transfer of service from one customer location to another within the service area of the utility company does not prompt a refund of the deposit or a release of the guarantor.
- (B) The utility company shall review each account holding a deposit or a guarantor agreement every twelve months and promptly refund the deposit, plus any accrued interest in accordance with paragraph (A) of this rule, or release the guarantor, if the account meets the following criteria:
- (1) The customer has paid his/her bills for service for twelve consecutive months without having had service disconnected for nonpayment.
 - (2) The customer has not had more than two occasions in the preceding twelve months on which his/her bill was not paid by the due date.
 - (3) The customer is not ~~then~~ delinquent in the payment of his/her bills at the time of the review.
- (C) The utility company shall promptly return the deposit, plus any accrued interest in accordance with paragraph (A) of this rule, upon the customer's request at any time the customer's credit has been otherwise established or reestablished, in accordance with this chapter of the Administrative Code.
- (D) Once the customer satisfies the requirements for release of the guarantor, pursuant to paragraph (B) of this rule, the utility company shall notify the guarantor in writing, within thirty days, that the guarantor is released from all further responsibility for the account.
- (E) If a guarantor submits a written request to the utility company for a release of financial responsibility related to a customer's account, the utility company shall, within ten calendar days, advise the customer who provided the guarantor that the guarantor's responsibility to the customer's account will end by a specific date (thirty days from the receipt of the guarantor's request). The utility company shall also advise the customer that prior to the specific end date of the guarantor's responsibility, he/she must reestablish creditworthiness through an alternate means as prescribed by paragraph (A) of rule 4901:1-17-03 of the Administrative Code, or be subject to disconnection according to the applicable disconnection rules in Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (gas and natural gas).

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4901:1-17-07 **Record of deposit.**

Until the deposit is refunded or otherwise disposed of in accordance with applicable law, each utility company holding a cash deposit shall maintain a record that displays all of the following information:

- (A) The name and current or last known billing address of each depositor.
- (B) The amount and date of the deposit.
- (C) Each transaction concerning the deposit.

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4901:1-17-08 **Applicant and/or customer rights.**

(A) Each ~~public-utility company that requires-requests~~ a cash deposit shall notify the applicant/customer of all options available to establish credit as listed in paragraph (A) of rule 4901:1-17-03 of the Administrative Code.

(B) If an applicant for gas or natural gas service indicates that his/her household income is such that the applicant may be eligible for the gas percentage of income payment plan (PIPP) program, the gas or natural gas utility company shall advise the applicant that he/she may apply for the gas PIPP program, in accordance with rule 4901:1-18-12 of the Administrative Code.

~~(B)~~(C) If a ~~public-utility company~~ requires a cash deposit to establish or reestablish service and the ~~applicant/customer~~ expresses dissatisfaction with the ~~utility's utility company's~~ decision, the ~~utility company~~ shall inform the ~~applicant/customer~~ of the following:

- (1) The reason(s) for its decision.
- (2) How to contest the ~~utility's-utility company's~~ decision and show creditworthiness.
- (3) The right to have the ~~utility's-utility company's~~ decision reviewed by an appropriate utility ~~company~~ supervisor.
- (4) The right to have the ~~utility's-utility company's~~ decision reviewed by the commission staff, and provide the applicant/customer the ~~local or toll-free - numbers and/or TDD/TTY numbers~~, address, and the website address of the public utilities commission of Ohio as stated below:

~~The public utilities commission~~ "If you wish to contest the decision for a security deposit, you may call the Public Utilities Commission of Ohio (PUCO) toll-free for assistance at 1-800-686-7826 or 1-614-466-3292, (toll free) or for TDD/TTY toll-free at 1-800-686-1570 or 1-614-466-8180, (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or the PUCO website at www.PUCO.ohio.gov."

~~(C)~~(D) Each ~~public-utility~~, upon Upon request, ~~each utility company shall provide in writing to the applicant/customer~~ send the information required by paragraph ~~(B)~~(C) of this rule to the applicant/customer, in writing, within five business days of the request.