

**RULE 4
CUSTOMER DEPOSITS AND OTHER SECURITY**

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ESTABLISHING CREDITWORTHINESS

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An applicant or customer may establish creditworthiness by either providing the information that demonstrates a deposit is not required or by paying a deposit or providing another acceptable form of security.

DEPOSIT CRITERIA

1) RESIDENTIAL DEPOSIT CRITERIA

A deposit may be required if any of the following are true:

- a) The applicant is not able to demonstrate continuous employment during the prior twelve months and is neither currently employed nor has a regular source of income;
- b) Another party in the dwelling owes a past due balance with the utility;
- c) The applicant, customer or another party in the dwelling has previously tampered with, diverted or stolen utility service;
- d) The customer or applicant has received three or more delinquency notices in the prior twelve months from the Company or another like-utility; or
- e) The applicant was previously a customer who has had his/her gas service disconnected for nonpayment from the Company or another like-utility.

2) NON-RESIDENTIAL DEPOSIT CRITERIA

A deposit may be required if any of the following are true:

- a) The non-residential applicant was previously exempted from paying a deposit based upon false information given at the time of application;
- b) The non-residential applicant is involved in a bankruptcy action, liquidation, bulk sale or financial reorganization; or
- c) The non-residential applicant is adding incremental demand at a premise with an existing service account.

3) ADDITIONAL OR SUBSEQUENT DEPOSITS FOR RESIDENTIAL OR NON-RESIDENTIAL CUSTOMERS

An additional or subsequent deposit may be required as a condition of continued service if any of the following are true:

- a) If the customer remodels, adds gas appliances or moves, and the anticipated usage will be at least twenty percent greater than that upon which the prior deposit was based;
- b) The customer gave false information to establish an account and/or credit status;
- c) The customer has stolen service, tampered with the meter, or diverted service;
- d) The non-residential customer is involved in a bankruptcy action, liquidation, bulk sale or financial reorganization;
- e) The non-residential customer is past due on commitments to creditor such as real estate mortgages or lease agreements, commercial loans, other utility bills and trade accounts; or
- f) The non-residential customer has a past due balance of thirty days or more.

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DEPOSIT CRITERIA (continued)

ADDITIONAL OR SUBSEQUENT DEPOSITS FOR RESIDENTIAL OR NON-RESIDENTIAL CUSTOMERS
(continued)

If a customer owes a deposit or an additional deposit after service is established, the Company will inform the customer of the requirement in writing. The Company communication will include the reason the customer owes a deposit or an additional deposit.

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DEPOSIT AMOUNT DUE

A deposit required under these rules shall not exceed one-sixth the amount of the estimated billing for one year at rates then in effect. This estimate shall be based upon the use of service at the premise during the prior year or upon the type and size of the customer's equipment that will use the service.

PAYMENT ARRANGEMENTS AND OTHER SECURITY

1. RESIDENTIAL

- a) A residential applicant or customer may pay fifty percent of the deposit prior to the initiation of service, with the remaining fifty percent due in two equal payments over the next two months
- b) A residential applicant or customer who indicates an inability to pay may satisfy the deposit requirement in either of the following ways:
 - i. Prepay for services based on the Company's best estimate of that customer's usage for a month times current applicable rates; or
 - ii. Provide a surety agreement signed by a responsible party who is a current customer who is able to establish credit without owing a deposit. If the customer being secured with the surety agreement is disconnected for nonpayment, the surety must require the responsible party to pay the lesser of either the amount due as stated on the customers' disconnection notice or one-sixth of estimated annual billings; or
 - iii. During November 15th through March 15th, notify the utility of its inability to pay a deposit and participate in the Winter Low-income Payment Plan as established in WAC 580-90-143.

2. NON-RESIDENTIAL

An applicant for nonresidential service who is required to pay a deposit may pay the deposit in full prior to receiving service. An applicant for nonresidential service may also fulfill the deposit requirement with an irrevocable letter of credit, surety bond (performance bond), or some other form of guarantee acceptable to the Company.

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GENERAL TERMS AND CONDITIONS

Paying a deposit does not excuse a customer from complying with Cascade's Tariff or other regulations on file with the Commission, such as the obligation to pay bills promptly.

Where a payment of a deposit is made together with a payment for gas service, the amount paid shall first be applied toward payment of the amount due for deposit.

RECEIPT FOR DEPOSIT

Upon payment of a deposit, Cascade shall furnish a receipt showing the date, name of the applicant or customer, the service address, the amount of deposit, a statement that the deposit will accrue interest at the rate prescribed by the Commission, and an explanation of the conditions under which the deposit will be refunded.

INTEREST

If the deposit is held beyond one year, accrued interest will be paid through a credit to the customer's account. If held less than one year, interest will be prorated. Cascade shall keep a detailed record of each deposit received until the deposit is credited or refunded.

A DEPOSIT BALANCE UPON MOVING

In the event the customer moves to a new address within Cascade's service area, the deposit plus accrued interest will be applied to any amount past due on the account. The remainder, if any, will either be reimbursed to the customer or transferred to the new account.

RETURNED DEPOSITS

A deposit plus interest will be returned to the customer as a credit to his/her account if the customer has paid for service for twelve months, a disconnection process has not been started, and the customer has received no more than two delinquency notices.

If the customer is terminating service, the deposit plus interest will be applied toward the customer's outstanding debit and any remaining balance will be returned to the customer.

UNCLAIMED DEPOSITS

Unless otherwise specified by the customer, Cascade shall mail deposit refunds to the customer's last known address. A valid claim for a refund received within one year of the date service was terminated shall be promptly honored. Funds held beyond one year will be disposed of RCW 63.29.080

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