

AVISTA CORPORATION
dba Avista Utilities

RULE NO. 6

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

A. Establishment of Credit - Residential Service

1. Satisfactory Credit – An applicant/customer may demonstrate satisfactory credit for new/continuing service by showing any of the following (providing a deposit is not required under Section A-2 of this rule):
 - a. Received 12 months of continuous utility service, of the same type applied for, during the preceding 24 months which the Company can verify by either contacting the former utility or through an authorized letter, provided by the former utility on utility letterhead, to include dates of service and presented by the applicant/customer or former utility, that the applicant/customer voluntarily terminated service and timely paid for all services rendered;
 - b. Proof of ability to pay by providing either:
 - (1) Proof of employment during the entire 12 months previous to the application of service for person(s) responsible for payment on the account and a work phone number to enable the Company to verify employment; or
 - (2) A statement or other documentation from the income provider or an authorized representative, that the Company can verify, indicating that the applicant/customer receives a regular source of income.
2. Mandatory Deposit –
An applicant/customer may be required to pay a deposit at the time of application for new/continuing service when:
 - a. The applicant/customer is unable to establish credit as defined in Section A-1 of this rule,
 - b. The applicant/customer received the same type of utility service from the Company, or any Oregon energy utility, within the preceding 24 months and owed an account balance that was not paid in full when service was terminated. This sub-paragraph does not apply to a customer who registered a dispute with the OPUC within 60 days after service was terminated and who paid all undisputed or adjudicated amounts, or

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- c. The applicant/customer was previously terminated for theft of service by any Oregon utility, was found to have tampered with the meter or other utility facilities, or was otherwise found to have diverted utility service.
3. In Lieu of Paying a Deposit – an applicant/customer may:
- a. Provide the Company a written surety agreement, from a responsible party, to secure payment in an amount equal to 2 months' average usage. (For purposes of this section, a responsible party is a customer with the same utility who meets one of the qualifying conditions outlined in Section A-1 of this rule. The surety agreement obligation will automatically terminate should the responsible party no longer meet the conditions set forth herein. In the event a responsible party is subsequently found not to qualify, the applicant/customer will be required to either pay a deposit or obtain a written surety agreement from another responsible party. The surety obligation ceases when the customer established good credit.)
4. Deposit Requirements:
- a. The deposit required shall not exceed one-sixth the amount of reasonable estimated billing for 12 months at rates then in effect. The estimate will be based upon the use of service at the premises during the prior 12 months, if known, or upon the type and size of the equipment at the premises. Each deposit shall be rounded to the nearest whole dollar.
5. New or Additional Deposits – may be required from a customer as a condition of continued service when:
- a. The Company discovers the customer gave false information to establish an account and/or credit status,
- b. The Company discovers the customer has stolen utility service, has tampered with the meter or other utility facilities, or was otherwise found to have diverted utility service, or
- c. A customer moves and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit.

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B. Establishment of Credit - Nonresidential Service

1. General

Before an application for service is accepted, the nonresidential applicant shall establish credit standing. Credit standing will be determined based on the credit screening criteria set forth in this Section. Satisfactory credit for the Company's deposit purposes shall be deemed established if the applicant can demonstrate, by supplying evidence upon request of the Company, that the applicant for nonresidential service:

- a. Has received 12 months continuous Avista Utilities service, of the type applied for, within the last 12 months prior to the date of the credit screen and has not received more than one (1) late payment or disconnection notice during such period; or
- b. Has received 12 months continuous utility service, with another utility, of the type applied for, within the last 12 months prior to the date of the credit screen and has not received more than one (1) late payment or disconnection notice during such period. The applicant will be required to request/provide verification in writing.

2. Like Ownership

If the principals of a corporation, partnership, or their commercial enterprise are substantially the same as another corporation, partnership, or other commercial enterprise that either is or has at one time received gas service, then they will be deemed to be the same corporation, partnership, or other commercial enterprise for the purposes of this rule.

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3. Deposit Requirements

A deposit is required equal to a maximum of one-sixth the estimated annual usage at the service address if an applicant or customer:

- a. Does not satisfy the credit-screening criteria set forth in this rule governing nonresidential service;
- b. Owes a bill that is overdue by 30 days or more at the same location or a different location;
- c. Was previously exempted from paying a deposit based upon false information given at the time of application;
- d. Is involved in a liquidation, bulk transfer, or financial reorganization;
or
- e. Has sought any form of relief under the federal bankruptcy laws or is brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner or if a receiver is appointed in a state court proceeding involving the customer, then deposit may be demanded as allowed by the Federal Bankruptcy Act of 1978, in particular, 11 USC 366.

In the case of seasonal customers, the maximum deposit amount will be based on the two peak months of estimated usage.

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