

Rule No. 6

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

A. Establishment of Credit – Domestic Service. Each applicant, before receiving domestic service, will be required to satisfactorily establish credit which will be deemed established if:

1. Applicant is the owner of the premises to be served or of other real estate within the territory served by the Utility; or
2. Applicant makes a cash deposit to secure payment of bills for electric service as prescribed in Rule No. 7; or
3. Applicant furnishes a guarantor, satisfactory to the Utility to secure payment of bills for the service requested; or
4. Applicant has been a Customer of the Utility within the last two years and, during the last twelve consecutive months of that prior service, has had not more than two past due bills as prescribed in Rule No. 11-A; or
5. Applicant's credit is otherwise established to the satisfaction of the Utility.

B. Establishment of Credit – Other Than Domestic Service. Each Applicant, before receiving such service, will be required to satisfactorily establish credit which will be deemed established if:

1. Applicant is the owner with a substantial equity, of value satisfactory to the Utility, in the premises to be served; or
2. Applicant makes a cash deposit to secure payment of bills for electric service as prescribed in Rule No. 7; or
3. Applicant furnishes a guarantor, satisfactory to the Utility, to secure payment of bills for electric service; or
4. Applicant has been a Customer of the Utility for a similar type of service within the last two years and during the last twelve consecutive months of that prior service, has had not more than two past due bills as prescribed in Rule No. 11-A, provided that the periodic bill for such previous service was equal to at least 50% of that estimated for the new service, and , provided further, that the credit of Applicant is unimpaired in the opinion of the Utility, or
5. Applicant's credit is otherwise established to the satisfaction of the Utility.

(Continued)

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(Continued)

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

1. An Applicant who previously has been a Customer of the Utility and whose electric service has been terminated by the Utility during the last twelve months of that prior service because of nonpayment of bills, may be required to re-establish credit by depositing the amount prescribed in Rule No. 7 for that purpose, and by paying electric bills regularly due; except, an Applicant for domestic service will not be denied service for failure to pay such bills for other classes of service.

2. A customer who fails to pay bills before they become past due as defined in Rule 11-A, and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the amount prescribed in Rule 7; 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. In addition, a customer who has been identified by CalPeco as a Small Business Customer, as defined in Rule 1, will receive a warning letter after the first late payment during any twelve-month period informing the customer that a deposit to reestablish credit may be required if another late payment occurs within the same twelve-month period. This rule will apply regardless of whether or not service has been discontinued for such nonpayment.

3. A Customer using other than domestic service may be required to re-establish his credit in accordance with Rule No. 6-B in case the conditions of service or basis on which credit was originally established have, in the opinion of the Utility, materially changed.

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