



Ohio Administrative Code

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

Effective: April 15, 2015

(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. Under this provision, the utility company may request the 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 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 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) The guarantor shall be a customer of the utility company.

(b) The guarantor shall sign the written guarantor agreement provided by the commission in Appendix A, which will also be posted on the commissions website in the forms section. The utility company shall provide the guarantor with a copy of the signed agreement upon request and shall keep the original on file during the term of the guaranty.

(c) The utility company shall send to the guarantor a copy of all disconnection notices sent to the



guaranteed customer.

(d) 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.

(ii) The address of the current guaranteed 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 (electric, gas and natural gas).

(f) The guarantor shall not be on the PIPP plus, graduate PIPP plus, or have PIPP arrearages. If a guarantor enrolls in these programs, the customer no longer qualifies to be a guarantor and the previously guaranteed customer will be required to provide another form of security.

(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 the utility company may transfer the defaulting customer's bill to the guarantor's account. The defaulted amount transferred to the guarantor's 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.