

October 5, 2018

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43266-0573

**RE: Case Nos. 17-207-GA-GCR, 17-214-GA-GCR, 17-307-GA-UEX, 17-314-GA-UEX, 17-407-GA-PIP, and 17-414-GA-PIP**

Dear Ms. McNeal;

Eastern Natural Gas Company and Pike Natural Gas Company (“the Companies”) agreed to in the Stipulation of the above identified cases to submit a written credit and collections policy into the case docket **{P 65}** of the Opinion and Order, sign July 25, 2018. Attached is the credit and collections policies of the Companies.

Very truly yours  
Eastern Natural Gas  
Pike Natural Gas

/s/ *Kenneth N. Rosselet, Jr.*

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## **Eastern Natural Gas Company Residential Credit Policy**

### **Written Credit Procedures:**

Pursuant to the requirements of Rule 4901:1-17-02, Ohio Administrative Code, Eastern Natural Gas Company ("Eastern") has established the following procedures governing the establishment of credit by applicants for residential service and the reestablishment of credit by applicants of credit by residential customers seeking to maintain or reestablish service. These procedures are administered in uniform, nondiscriminatory manner throughout Eastern's service area, and are consistent with the credit policy reflected in Eastern's tariff. Upon request, Eastern provides a copy of its residential credit policy to the applicant or customer.

### **Establishment of Credit:**

Eastern requires each applicant for residential service to establish financial responsibility as a condition of initiating service. An applicant for residential service is considered to have established financial responsibility if the applicant meets one of the following requirements:

1. The applicant is a financially responsible owner of the premises to be served or of other real estate within Eastern's service area.
2. The applicant can demonstrate that he/she is a satisfactory credit risk by means that may be quickly and inexpensively checked by Eastern. In determining whether the applicant has demonstrated that he/she is a satisfactory credit risk, Eastern may request that the applicant provide, and will consider, information including, but not limited to, applicant's employer, place of employment, position, length of employment, letters of reference, and credit card history.
3. The applicant demonstrates that he/she has been a residential customer of another natural gas distribution utility within the twenty-four months preceding the application, and that he/she has not been disconnected for nonpayment during the last twelve consecutive months of such service, that he/she did not receive two consecutive bills with past due balances during that twelve-month period, and that his/her creditworthiness had not subsequently been impaired.
4. The applicant makes a cash deposit with Eastern of \$100.00 or \$0.00 if the average monthly bill is determined to be less than \$77.00.
5. The applicant identifies a creditworthy guarantor that has agreed to secure payment of bills in amount sufficient to cover sixty days of service. Such guarantor must establish financial responsibility in the manner applicable to an applicant for residential service as provided in these procedures, and must sign a written agreement in the form attached hereto. Eastern maintains the original agreement on file and provides a copy to the guarantor. Eastern provides a copy of all disconnection notices sent to the guaranteed customer unless the guarantor affirmatively waives the right to receive copies of such notices.

Eastern provides written notice to the guarantor when the guaranteed customer requests a transfer of service to a new location. The notice includes the name of the customer, the address of the customer's current service location, a statement that the transfer of service may affect the guarantor's liability, and a statement advising the guarantor that if he/she does not wish to continue the guarantee at the new service location, the guarantor must so advise the company in writing within thirty days. Upon default by a guaranteed customer, Eastern may pursue collection actions against the customer and the guarantor, or, where the guarantor is a Eastern customer, may transfer the past due amount, not to exceed the amount of the guarantee to the guarantor's bill, with the guarantor subject to disconnection procedures if the transferred amount is not paid within thirty days. Eastern reviews each account subject to a guarantor agreement no less frequently than every twelve months and shall release the guarantor if the guaranteed customer has not had his/her service disconnected for nonpayment within the prior twelve months, has not failed to pay his/her bill by the due date on more than two occasions during this period, and is not currently delinquent.

Notwithstanding the forgoing procedures, in no event is an applicant for residential service deemed to have established financial responsibility if he/she owes an unpaid bill for previous residential service from Eastern.

#### **Deposit Requirement:**

If the applicant is unable to establish financial responsibility by any means other than a cash deposit, the customer will be required to make a cash deposit with the company as described above.

Upon receipt of the cash deposit, Eastern provides the applicant with a receipt showing the name of the applicant, the address of the premises to be served, the billing address for the service, and a statement advising the applicant of the circumstances under which interest will be paid on the deposit and the amount of such interest.

Deposits are generally held by Eastern for less than one hundred eighty days, and are returned to the customer, without interest, if the customer has promptly paid his/her bills when due during this period, thereby demonstrating his/her financial responsibility. In the event that Eastern retains the deposit for one hundred eighty days or longer, the deposit accrues interest at a rate of three percent per annum. If service is discontinued, Eastern promptly applies the customer's deposit, including any accrued interest, to the final bill. Eastern promptly refunds any remaining amount, plus accrued interest, to the customer.

Eastern reviews each account subject to a deposit requirement no less frequently than every twelve months and promptly returns the deposit if the customer has not had his/her service disconnected for nonpayment within the prior twelve months, has not failed to pay his/her bill by the due date on more than two occasions during this period, and is not currently delinquent. In addition, Eastern promptly returns the deposit, plus any accrued interest, upon request of the customer if the customer subsequently establishes his/her creditworthiness pursuant to these procedures.

Eastern maintains a record of the deposit in the customers account file in its billing system until the deposit is returned, offset against the customer's final bill, or otherwise disposed of in accordance with the applicable law.

If an applicant expresses dissatisfaction with Eastern's determination that a cash deposit is required as a condition of providing residential service to his/her premises, Eastern informs the applicant of the reasons for such determination, how to contest the determination and demonstrate creditworthiness, of applicant's right to have the determination reviewed internally by Eastern supervisory personnel, and the applicant's right to have the determination reviewed by the Staff of the Commission. Eastern provides the applicant with the local or toll-free number and/or TDD/TTY number and the website address of the Commission to facilitate contact with the Staff.

### **Reestablishment of Credit:**

Eastern requires residential customers whose service has been discontinued for nonpayment, a fraudulent practice, tampering, or unauthorized reconnection within the preceding twelve months, or who have an unpaid balance due in connection with residential service previously provided by Eastern at another location, to pay a cash deposit to reestablish financial responsibility as a condition of reconnecting service or connecting service at a new location. In addition, after considering all relevant circumstances, Eastern may require a deposit or an additional deposit to reestablish financial responsibility where the customer has not made full payment or payment arrangements by the due date for two consecutive bills within the preceding twelve months or where the customer has been issued a disconnection notice for nonpayment on two or more occasions during the preceding twelve months.

The amount of a deposit required to reestablish financial responsibility is \$100.00 or \$0.00 if the average monthly bill is determined to be less than \$77.00.

Deposits to reestablish financial responsibility are subject to the same terms, conditions, and procedures as initial deposits.

## **Eastern Natural Gas Company Collection Policy**

Eastern provides on the customer's monthly bill, their current balance due and any unpaid balance from the previous month. When an unpaid balance is more than 30 days old and more than \$50.00 a notice of delinquency is sent to the customer.

If the customer contacts Eastern concerning the payment of the delinquency, Eastern's staff will explain to the customer that cannot pay the delinquency in full the various payment options available. The payment options are:

- The one-third plan (available during the winter heating season) which allows customers to pay one-third (1/3rd) of the total account balance each month from November through April 15 to maintain gas service.
- The one-sixth plan which requires six equal monthly payments on the past due balance in addition to the current bill each month.
- The one-ninth plan which requires nine equal monthly payments on the past due balance in addition to a budget payment plan.
- A customized plan based upon the customer's ability to pay.

If a custom in arrears agrees to a payment plan, they must sign the form which identifies the agreed to payment arrangement and the amount to be paid.

In addition, Eastern will inform the customer in arrears of the availability of medical certifications, the Percentage of Income Payment Plan (PIPP Plus), how to contact the local community action agency for assistance, and how to contact the Public Utilities Commission of Ohio (PUCO).

If the customer in arrears fails to either pay the arrearage, contact Eastern concerning a payment plan, or to make the agreed to payment, Eastern will, as final recourse, disconnect service. Eastern will follow the rules of the PUCO. A 14-day advance notice of the disconnection and during the winter heating period an additional 10-day notice.

If the customer contacts Eastern concerning the disconnection, they will be informed of the payment options to avoid disconnection which are the same as those previously identified. In addition, if the disconnection is to occur during the winter heating period, the customer will be informed of the Winter Reconnection Program.

If the customer does not contact Eastern they will be disconnected. At the time of disconnection the valve is locked, a door hanger is placed on the door, and the meter is read.

Once a customer is disconnected, their outstanding balance owed is maintained in the billing records of Eastern. Eastern does not currently have staff or policies for collections from customers no longer receiving service in their names. Eastern is in the process of establishing a Collections Department within the company to actively pursue the collection of past due amounts. The areas under discussion are: use of in-house staff to actively pursue collections, the active use of the Small Claims Courts, the use of a collection agency, and a combination of these three areas.

## **Pike Natural Gas Company Residential Credit Policy**

### **Written Credit Procedures:**

Pursuant to the requirements of Rule 4901:1-17-02, Ohio Administrative Code, Pike Natural Gas Company ("Pike") has established the following procedures governing the establishment of credit by applicants for residential service and the reestablishment of credit by applicants of credit by residential customers seeking to maintain or reestablish service. These procedures are administered in uniform, nondiscriminatory manner throughout Pike's service area, and are consistent with the credit policy reflected in Pike's tariff. Upon request, Pike provides a copy of its residential credit policy to the applicant or customer.

### **Establishment of Credit:**

Pike requires each applicant for residential service to establish financial responsibility as a condition of initiating service. An applicant for residential service is considered to have established financial responsibility if the applicant meets one of the following requirements:

1. The applicant is a financially responsible owner of the premises to be served or of other real estate within Pike's service area.
2. The applicant can demonstrate that he/she is a satisfactory credit risk by means that may be quickly and inexpensively checked by Pike. In determining whether the applicant has demonstrated that he/she is a satisfactory credit risk, Pike may request that the applicant provide, and will consider, information including, but not limited to, applicant's employer, place of employment, position, length of employment, letters of reference, and credit card history.
3. The applicant demonstrates that he/she has been a residential customer of another natural gas distribution utility within the twenty-four months preceding the application, and that he/she has not been disconnected for nonpayment during the last twelve consecutive months of such service, that he/she did not receive two consecutive bills with past due balances during that twelve-month period, and that his/her creditworthiness had not subsequently been impaired.
4. The applicant makes a cash deposit with Pike of \$100.00 or \$0.00 if the average monthly bill is determined to be less than \$77.00.
5. The applicant identifies a creditworthy guarantor that has agreed to secure payment of bills in amount sufficient to cover sixty days of service. Such guarantor must establish financial responsibility in the manner applicable to an applicant for residential service as provided in these procedures, and must sign a written agreement in the form attached hereto. Pike maintains the original agreement on file and provides a copy to the guarantor. Pike provides a copy of all disconnection notices sent to the guaranteed customer unless the guarantor affirmatively waives the right to receive copies of such notices. Pike provides

written notice to the guarantor when the guaranteed customer requests a transfer of service to a new location. The notice includes the name of the customer, the address of the customer's current service location, a statement that the transfer of service may affect the guarantor's liability, and a statement advising the guarantor that if he/she does not wish to continue the guarantee at the new service location, the guarantor must so advise the company in writing within thirty days. Upon default by a guaranteed customer, Pike may pursue collection actions against the customer and the guarantor, or, where the guarantor is a Pike customer, may transfer the past due amount, not to exceed the amount of the guarantee to the guarantor's bill, with the guarantor subject to disconnection procedures if the transferred amount is not paid within thirty days. Pike reviews each account subject to a guarantor agreement no less frequently than every twelve months and shall release the guarantor if the guaranteed customer has not had his/her service disconnected for nonpayment within the prior twelve months, has not failed to pay his/her bill by the due date on more than two occasions during this period, and is not currently delinquent.

Notwithstanding the forgoing procedures, in no event is an applicant for residential service deemed to have established financial responsibility if he/she owes an unpaid bill for previous residential service from Pike.

#### **Deposit Requirement:**

If the applicant is unable to establish financial responsibility by any means other than a cash deposit, the customer will be required to make a cash deposit with the company as described above.

Upon receipt of the cash deposit, Pike provides the applicant with a receipt showing the name of the applicant, the address of the premises to be served, the billing address for the service, and a statement advising the applicant of the circumstances under which interest will be paid on the deposit and the amount of such interest.

Deposits are generally held by Pike for less than one hundred eighty days, and are returned to the customer, without interest, if the customer has promptly paid his/her bills when due during this period, thereby demonstrating his/her financial responsibility. In the event that Pike retains the deposit for one hundred eighty days or longer, the deposit accrues interest at a rate of three percent per annum. If service is discontinued, Pike promptly applies the customer's deposit, including any accrued interest, to the final bill. Pike promptly refunds any remaining amount, plus accrued interest, to the customer.

Pike reviews each account subject to a deposit requirement no less frequently than every twelve months and promptly returns the deposit if the customer has not had his/her service disconnected for nonpayment within the prior twelve months, has not failed to pay his/her bill by the due date on more than two occasions during this period, and is not currently delinquent. In addition, Pike promptly returns the deposit, plus any accrued interest, upon request of the customer if the customer subsequently establishes his/her creditworthiness pursuant to these procedures.

Pike maintains a record of the deposit in the customers account file in its billing system until the deposit is returned, offset against the customer's final bill, or otherwise disposed of in accordance with the applicable law.

If an applicant expresses dissatisfaction with Pike's determination that a cash deposit is required as a condition of providing residential service to his/her premises, Pike informs the applicant of the reasons for such determination, how to contest the determination and demonstrate creditworthiness, of applicant's right to have the determination reviewed internally by Pike supervisory personnel, and the applicant's right to have the determination reviewed by the Staff of the Commission. Pike provides the applicant with the local or toll-free number and/or TDD/TTY number and the website address of the Commission to facilitate contact with the Staff.

### **Reestablishment of Credit:**

Pike requires residential customers whose service has been discontinued for nonpayment, a fraudulent practice, tampering, or unauthorized reconnection within the preceding twelve months, or who have an unpaid balance due in connection with residential service previously provided by Pike at another location, to pay a cash deposit to reestablish financial responsibility as a condition of reconnecting service or connecting service at a new location. In addition, after considering all relevant circumstances, Pike may require a deposit or an additional deposit to reestablish financial responsibility where the customer has not made full payment or payment arrangements by the due date for two consecutive bills within the preceding twelve months or where the customer has been issued a disconnection notice for nonpayment on two or more occasions during the preceding twelve months.

The amount of a deposit required to reestablish financial responsibility is \$100.00 or \$0.00 if the average monthly bill is determined to be less than \$77.00.

Deposits to reestablish financial responsibility are subject to the same terms, conditions, and procedures as initial deposits.



## **Pike Natural Gas Company Collection Policy**

Pike provides on the customer's monthly bill, their current balance due and any unpaid balance from the previous month. When an unpaid balance is more than 30 days old and more than \$50.00 a notice of delinquency is sent to the customer.

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- The one-sixth plan which requires six equal monthly payments on the past due balance in addition to the current bill each month.
- The one-ninth plan which requires nine equal monthly payments on the past due balance in addition to a budget payment plan.
- A customized plan based upon the customer's ability to pay.

If a custom in arrears agrees to a payment plan, they must sign the form which identifies the agreed to payment arrangement and the amount to be paid.

In addition, Pike will inform the customer in arrears of the availability of medical certifications, the Percentage of Income Payment Plan (PIPP Plus), how to contact the local community action agency for assistance, and how to contact the Public Utilities Commission of Ohio (PUCO).

If the customer in arrears fails to either pay the arrearage, contact Pike concerning a payment plan, or to make the agreed to payment, Pike will, as final recourse, disconnect service. Pike will follow the rules of the PUCO. A 14-day advance notice of the disconnection and during the winter heating period an additional 10-day notice.

If the customer contacts Pike concerning the disconnection, they will be informed of the payment options to avoid disconnection which are the same as those previously identified. In addition, if the disconnection is to occur during the winter heating period, the customer will be informed of the Winter Reconnection Program.

If the customer does not contact Pike they will be disconnected. At the time of disconnection the valve is locked, a door hanger is placed on the door, and the meter is read.

Once a customer is disconnected, their outstanding balance owed is maintained in the billing records of Pike. Pike does not currently have staff or policies for collections from customers no longer receiving service in their names. Pike is in the process of establishing a Collections Department within the company to actively pursue the collection of past due amounts. The areas under discussion are: use of in-house staff to actively pursue collections, the active use of the Small Claims Courts, the use of a collection agency, and a combination of these three areas.

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 17-0207-GA-GCR, 17-0214-GA-GCR, 17-0307-GA-UEX, 17-0314-GA-UEX, 17-0407-GA-PI**

Summary: Report Credit and Collection Policies electronically filed by Mr. Kenneth N Rosselet  
on behalf of Eastern Natural Gas Company and Pike Natural Gas Company