

GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment of Credit.

RESIDENTIAL SERVICE:

Before an application for service is accepted, Applicant shall establish credit standing. Credit standing for Residential service will be determined based on the criteria set forth in Chapter 480-90 of the Washington Administrative Code (hereinafter referred to as "WUTC Credit Rules").

Failure to establish satisfactory credit may be cause to require a deposit as set forth in **RULE 3**.

The re-establishment of credit or establishment of credit shall be considered to be complete if within one (1) year; (a) the account is current; (b) not more than two (2) disconnection notices were issued to the customer during the previous twelve (12) months; and (c) the Customer was not disconnected for non-payment during the previous twelve (12) months.

A Customer may be required to establish or re-establish credit under this General Rule where the conditions of service or the basis upon which credit was originally established have materially changed. For the purposes of this rule, a change is deemed to be material if it is important or in any manner influences or has influenced the Company's determination of a Customer's credit standing or manner of providing service.

The establishment or re-establishment of credit under this rule shall not relieve an Applicant or Customer from complying with the rules and regulations set forth in Chapter 480-90, of the Washington Administrative Code, including but not limited to, the prompt payment of bills and the disconnection of service for nonpayment.

NON-RESIDENTIAL SERVICE:

The Company will not approve an application for service until the Applicant(s) has established satisfactory credit.

The establishment or re-establishment of credit under this General Rule shall not relieve an Applicant or Customer from complying with the Rules and Regulations established by the Commission, including but not limited to, the prompt payment of bills and the disconnection of service for nonpayment.

If the principals of a corporation, partnership or other Non-Residential enterprise are substantially the same as those of another corporation, partnership or Non-Residential enterprise that either is or has at one time received Natural Gas service for a like business, then they will be deemed to be the same corporation, partnership or Non-Residential enterprise for the purposes of establishing credit standing under this **RULE 2**.

For purposes of this General Rule, in order to be considered substantially the same as those of another corporation, partnership or Non-Residential enterprise, the majority of the business ownership must be the same. Where there are only two principals, both principals must be the same in order to be considered substantially the same corporation, partnership, or Non-Residential enterprise.

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GENERAL RULES AND REGULATIONS
(continued)

Rule 2. Establishment of Credit (continued).

NON-RESIDENTIAL SERVICE (continued):

Establishment of Credit.

An Applicant for new or continuing service may establish or re-establish satisfactory credit as follows:

- (A) The Applicant is a prior customer of any Washington energy utility, and the Company can verify that the Applicant:
 - a. Received twelve (12) months of continuous service with the Company for the same type of service prior to the date of application;
 - b. Received no more than one (1) late payment or disconnection notice from the Company during such 12 month period;
 - c. Is licensed to do business in the state of Washington and has kept current over the past twelve (12) months on all real estate mortgages or lease agreements, commercial loans, utility bills and trade accounts;
 - d. Does not owe a past due amount to the utility; and
 - e. Service has not been terminated for non-payment, theft, diversion of service, or for tampering with utility facilities; or
- (B) Payment of a deposit or other security, as set forth in **RULE 3**.

Re-establishment of Credit.

Any Customer may be required to re-establish credit if service to the Customer has been disconnected for non-payment, if the Customer has filed for bankruptcy, or when the conditions of service or the basis upon which credit was originally established have changed.

For purposes of this rule, conditions are considered to have materially changed if any of the following exist:

- (A) A Customer's bill has, or is expected to increase by 50% or more;
- (B) A Customer has been approved by the Company to make a change in their Service Type Selection, and such change is expected to result in an average annual bill to such Customer of \$100,000 or more.

When the re-establishment of credit is required due to a material change in condition, within five (5) Business Days of the Company's request for information, a Customer must provide the Company with any additional credit or financial information as may be necessary for the Company to verify the Customer's creditworthiness.

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