

RULE NO. 13

DEPOSITS

A. PURPOSE

The security deposit required under Rule No. 12 of this Nevada Gas Tariff for each service provided by the Company represents a pledge by an applicant or customer to make future payments to the Company and not payment for future services that are furnished by the Company.

B. AMOUNT TO ESTABLISH OR REESTABLISH CREDIT

1. Residential Customers

- a. An amount not to exceed one and one-half (1½) times the estimated average monthly bill of the customer; however, if service is terminated, the deposit required by the Company to restore service shall be an amount not to exceed one and one-half (1½) times the estimated average monthly bill of the customer.
- b. For the elderly, an amount not to exceed one-half (½) of the deposit established in Section B.1.a. hereof; however, if the customer has established unsatisfactory credit, the Company may require such customer to pay the full amount of the deposit prescribed in Section B.1.a. herein.
- c. For any customer who has been granted a deposit waiver or whose deposit has been refunded and has since established unsatisfactory credit, an amount not to exceed the deposit required in Section B.1.a. herein.

- 2. Nonresidential Customers. An amount not to exceed twice the estimated maximum monthly bill of the customer.

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DEPOSITS
(Continued)

B. AMOUNT TO ESTABLISH OR REESTABLISH CREDIT *(Continued)*

3. Adjustment of Amount of Deposit. The amount of the deposit may be reviewed from time to time at the request of the Company or the customer and adjusted, if necessary, to conform to actual billing experience. The Company may also utilize a customer's payment history as a basis for determining whether the customer meets the requirements of Satisfactory Credit, as defined in Rule 1 of the Nevada Gas Tariff. If the customer does not meet the requirements of Satisfactory Credit, the Company may adjust the amount of a customer deposit or, in the absence of a deposit, require one. In any event, the amount of a deposit shall not exceed the amounts prescribed herein.

C. PRIOR NOTICE OF DEPOSIT REQUIREMENT

If the Company is to require a deposit from an elderly customer or a customer receiving retirement or Social Security benefits, the Company shall notify such customer after the third late payment that an additional deposit or a new deposit, whichever is applicable, may be required after the fourth late payment.

D. DEFERRED PAYMENT PLAN FOR PAYMENT OF DEPOSITS

1. A residential customer who is required to pay a deposit of \$50 or more to establish or reestablish credit shall be permitted to enter into a written agreement with the Company for payment of the deposit in three installments as specified below:
 - a. An amount equal to one-third (1/3) of the deposit prior to service being provided.
 - b. The remainder of the deposit, in two equal installments, not later than 30 and 60 days, respectively, after the date of the agreement.

If the required deposit is less than \$50, such customer shall be permitted to defer payment of the deposit for 30 days.

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D. DEFERRED PAYMENT PLAN FOR PAYMENT OF DEPOSITS (Continued)

2. The customer may be required to pay interest, at a rate set forth in this Nevada Gas Tariff, on the unpaid portion of the deposit.
3. The service of the customer may be terminated without notice for any failure to pay the deposit as agreed and, in such a case, the customer may be required to pay the full amount of the deposit, plus any other money owed the Company, before service is restored.
4. The agreement must specify the date on which each installment is due and contain a statement of the provisions as specified herein. The right of the Company to terminate the service of the customer for any failure to pay the deposit must be stated in bold-faced type on the agreement.

E. DEFERRED PAYMENT PLAN FOR PAYMENT OF DEPOSIT WITH ARREARAGE

A residential customer who enters into an agreement for the deferred payment of an arrearage and is required to pay a deposit as a condition of continuing or resuming service may pay the deposit and arrearage within 120 days in four equal payments, the first of which must be made upon execution of the agreement.

F. APPLICABILITY TO UNPAID ACCOUNTS

Deposits and interest prescribed herein are applicable to unpaid bills owing to the Company when service is discontinued or terminated, or in the event the customer declares bankruptcy or becomes otherwise insolvent.

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G. RETURN OF DEPOSITS

1. Upon discontinuance or termination of service, the Company will refund any balance of the deposit in excess of unpaid bills.
2. After a residential customer has, for 12 consecutive months, paid bills for service timely, the Company shall refund the deposit with interest thereon.
3. After a nonresidential customer has, for 24 consecutive months, paid bills for service without a delinquent payment, the Company shall refund the deposit with interest thereon. The Company shall implement this procedure by utilizing a customer's payment history for the first 24 month period occurring subsequent to the effective date of such procedure.

H. INTEREST ON DEPOSITS

The Company will pay interest on deposits to be computed and paid in the manner as set forth in NRS 704.655, from the date of deposit until the date of settlement or withdrawal of deposit. Where such deposit remains for a period of one year or more and the person making the deposit continues to be a customer, the interest on the deposit at the end of the year shall be applied to the depositor's account. At the depositor's request, the interest may be paid in cash.

I. WAIVER OF DEPOSITS

1. The Company shall waive the deposit required for residential service under Rule No. 12 if the applicant:
 - a. Has established satisfactory credit with the Company;

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(Continued)

I. WAIVER OF DEPOSITS (Continued)

1. (Continued)
 - b. Has been a customer of a municipal or any other regulated energy utility within the preceding two years and has made timely payment of each bill issued for service during the 12 months immediately preceding the applicant's request for service;
 - c. Uses a guarantor with satisfactory credit; or
 - d. Receives benefits from a retirement plan or the Social Security Administration and has established satisfactory credit.
2. The Company, in determining whether to waive the deposit required for residential service, may consider the payment history, if the previous service was not in the name of the applicant, or if the applicant is newly divorced or separated and is seeking service in the applicant's own name.
3. The Company shall provide, at the request of a customer, a form to request credit history from another utility.
4. The Company may require a customer who has been granted a waiver of deposit to provide a deposit once unsatisfactory credit has been established.

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