

**CITY OF VERNON**  
**UTILITIES DEPARTMENT**  
**RULES FOR ELECTRIC SERVICE**

**Rule No. 6: ESTABLISHMENT AND REESTABLISHMENT OF CREDIT**

**A. Establishment of Credit.** Each applicant, before receiving service, will be required to make prepayment in accordance with Rule No. 7 or to satisfactorily establish credit. Credit will be deemed established by on one or more of the following means at the sole discretion of the City:

1. The applicant is the owner with a substantial equity, of value satisfactory to the City, in the Premises to be served.
2. The applicant furnishes a guarantor, satisfactory to the City, to secure payment of bills for electric service.
3. The applicant has been a Customer of the City for a similar type of service within the last two years and during the last twelve consecutive months of that prior service did not have more than two past due bills and provided that the credit of the applicant is unimpaired in the opinion of the City.
4. The applicant's credit is otherwise established to the satisfaction of the City.

**B. Reestablishment of Credit.** An applicant or Customer will be required to make prepayment in accordance with Rule No. 7 and/or to reestablish credit in accordance with Rule No. 6 under any of the following conditions:

1. In case applicant previously has been a Customer of the City and its electric service has been discontinued by the City during the last twelve months because of nonpayment of bills.
2. In case a Customer has failed to pay bills before they become past due as prescribed in Rule No. 11-A, and has further failed to pay such bills within two (2) City working days after presentation of a discontinuance of service notice for nonpayment of bills. This condition will apply regardless of whether or not service has been discontinued.
3. In case the conditions of service or basis on which credit was originally established have, in the opinion of the City, materially changed.