**Section 280.210 Payment Avoidance by Location**

a) Intent: With the understanding that a utility and its customers must deal in good faith with each other, this Section defines the process by which a utility may protect itself and its ratepayers from persons seeking to use a pattern of action to avoid payment for service used at a specific service location.

b) Conditions: Payment avoidance by location (PAL) applies only when all the following conditions occur:

1) a utility receives a new application for service at a service location;

2) a former customer who was disconnected for non-payment at the same service location still resides at the service location; and

3) the utility has proof that the new applicant for service also occupied the service location during the time the previous customer's debt accrued.

c) Exemption: Payment avoidance by location shall not include new owners and/or new tenants at a service location.

d) Notification of PAL: When a utility can demonstrate with evidence that a pattern of payment avoidance is occurring by a person or persons at a location, in order to invoke the protections of this Section, it shall provide the following notice:

1) The utility shall notify the person of the PAL allegation using the same method of contact by which that person contacted the utility.

2) The utility shall notify the person of the PAL allegation in writing. The written notification may be sent electronically if agreed upon by the utility and the person receiving the notification.

3) The notice shall be sent no later than two business days after the utility's decision to invoke the protections available to it under this Section.

4) The notice shall contain a detailed description of the problem and the facts and evidence that the utility has to support the PAL allegation.

5) The notice shall contain an explanation of the steps that the person must take in order to dispute or remedy the problem.

6) The notice shall contain the toll free number and contact information for the utility and the toll free number and contact information for the Commission's Consumer Services Division.

7) A duplicate copy of the notice shall be sent to the Commission's Consumer Services Division at the same time it is sent to the person.

e) Deposit: When a utility has proof that PAL is occurring, it may require the applicant to provide a deposit under the following conditions:

1) A deposit required under this Section shall be equal to ⅓ of the estimated annual charges for the premises.

2) The utility may require payment of the deposit in full prior to service.

3) The deposit shall earn interest as described in Section 280.40.

4) The deposit plus interest shall be refunded as described in Section 280.40.

f) Burden of Proof: It shall be the sole responsibility of the utility to prove with evidence that PAL has occurred. The person accused of PAL shall have the right to the full evidence possessed by the utility and the opportunity to present information to refute the allegations.

g) Data Collection and Maintenance: A utility that includes this Section as part of its practices shall collect the following data on a monthly basis and maintain the data for two years following its collection. The utility shall make the data available to Commission Staff within 30 days after a request from Staff:

1) The total number of instances in which the utility alleged that PAL occurred;

2) The total number of PAL instances in which the utility denied service;

3) The total number of PAL instances in which the utility required a deposit to begin service;

4) The total number of PAL instances in which the person successfully refuted the utility's evidence of PAL;

5) The total number of PAL instances in which the utility discovered that its evidence was inaccurate; and

6) The total number of PAL instances in which the person remedied the problem by payment of the arrearage accrued for disconnection of the previous customer.