

TERMS AND CONDITIONS

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IX. DEPOSITS

A. As permitted by Chapter 12 of the Rules and Regulations of the Commission regarding the establishment or re-establishment of credit, the Company may require the Applicant or Customer to deposit with the Company initially and from time to time, as a guarantee of payment for electricity used, such amounts of cash or other security as in the Company's judgment will secure the Company from loss. Deposits for estimated electricity charges for the upcoming twelve months shall not exceed the Customer's estimated liability for two-twelfths of such estimated electricity charges. Deposits for seasonal service shall not exceed one-half of the estimated electricity charges for the season during which the Company is to supply electricity to the Customer. If a deposit is required, the Company shall not be bound to supply electricity until the appropriate deposit is paid, and the Company may discontinue the supply of electricity if the appropriate deposit is not paid.

B. The Company may require a Customer on whose premise the Company's meter, wires or other apparatus have in any manner been tampered with, or damaged in such a way as to prevent the meter from recording under seal the amount of electricity supplied, to deposit with the Company such reasonable amounts of cash as will ensure payment for repairs in the event of future tampering or damage.

C. The collection, retention, interest payment, and refund of all such deposits shall be in accordance with Chapter 12 of the Rules and Regulations of the Commission establishing uniform rules for the collection of Customer deposits.

D. Simple interest will be paid on deposits at the rate of eight percent per annum, provided such deposits remain with the Company for a period of longer than 90 days. Upon request from a Customer, the Company will pay accrued interest annually either by direct refund or credit to the Customer's account.