RULE NO. 7

DEPOSITS

A. **AMOUNT OF DEPOSIT**

1. **Establishment of Credit**

   a. **Residential Service**: The amount of deposit required to establish credit shall be twice the average monthly bill as estimated by the Company.

   b. **Nonresidential Service**: The amount of deposit required to establish credit shall be twice the average monthly bill as estimated by the Company.

2. **Re-establishment of Credit**
   The amount of deposit required to re-establish credit for both residential and nonresidential service shall be twice the average monthly bill as determined by the Company.

B. **RETURN OF DEPOSIT**
The Company will refund the deposit or the balance in excess of the amount applied against unpaid electric service bills, with interest as set forth under C:

1. When service is discontinued, or

2. When the Customer has received continuous electric service and has paid electric service bills within the period as set forth in Rule No. 11 for a period of 12 consecutive months or has otherwise established credit to the satisfaction of the Company.

3. Deposits will not be considered as an offset of past due bills to avoid or delay discontinuance of service.

C. **INTEREST ON DEPOSITS**
Interest will be paid on deposits held by the Company for the time the Customer has received continuous electric service and has paid all bills for such electric service within the period as set forth in Rule No. 11 or has otherwise established credit to the satisfaction of the Company and for such additional time up to the date of refund, or to the date service is disconnected, whichever comes first.

The interest rate may vary and shall be equal to the interest rate on commercial paper (prime, 3 months) for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication, except that when a refund is made within the first 15 days of a calendar month, the interest rate applicable in the previous month shall be applied for the elapsed portion of the month in which the refund is made.

Interest may be paid if service is temporarily or permanently discontinued for nonpayment of service.