GENERAL RULES AND REGULATIONS

(continued)

**Rule 3. Deposits (continued).**

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If the deposit is not paid in full prior to receiving service; the deposit may be paid in three installments, with 50 percent of the deposit amount paid prior to receiving service and the remaining amount paid in equal payments over the Customer’s next two regular billing months following the initial payment date until the deposit is paid in full. The Company will furnish a receipt upon payment of a deposit, and will hold the deposit until credit is satisfactorily established or re-established.

Where an installment payment of a deposit is made together with a payment for utility service, the amount paid shall first be applied toward payment of the amount due for deposit.

Periodic review and adjustment of a deposit amount may be made by Company when necessary to reflect a change in rates, to more accurately reflect usage, to reflect a change in residence, or to reflect a change in credit worthiness.

Any deposit or additional deposit amount required after service is established is due and payable not earlier than 5:00 p.m. of the sixth business day after written notice of the deposit requirement is mailed or delivered to the customer. Failure to pay a deposit or to abide by the terms of a deposit payment arrangement is cause for disconnection of service. Before service will be restored, the customer shall be required to pay one-half the deposit amount plus the applicable reconnection fee.

Deposits will accrue interest at a rate prescribed by WAC 480-90-113 and WAC 480-90-118 of the Washington Administrative Code. Interest shall be computed from the date the deposit payment(s) are made to the date of refund or total application of the deposit to the current account, and shall be compounded or paid annually. If a deposit is held beyond one year, accrued interest will be paid by a credit to the customer's account on the next bill for service following the anniversary of the accrual date. Interest will be prorated on deposits held by the Company for less than a full year. In the event the customer moves to a new address within the Company's service area, the deposit, plus accrued interest, will be transferred to the new account. Deposits will be refunded to customers on terms provided in the WUTC Credit Rules.

The Company may provide more liberal arrangements for payment of deposits under this rule where good cause exists.

 (continue to Sheet 3.3)

(K) Material transferred to Original Sheet No. 3.3

(M) Material transferred from Original Sheet No. 3.1