GENERAL RULES AND REGULATIONS

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**Rule 3. Deposits.**

A deposit may be required from a Residential or Non-Residential Customer or Applicant that:

(a) failed to establish a satisfactory credit history, or otherwise demonstrate that they are a satisfactory credit risk in accordance with **Rule 2**;

(b) within any 12 month period was disconnected for failure to pay amounts owing to any electric or gas utility;

(c) has an unpaid overdue balance owing to any electric or gas utility for similar class of service;

(d) received three or more delinquency notices served upon them by any electric or gas company during the most recent 12 months; or

(e) is a residential customer initiating or continuing service to a residence where a prior customer still resides and where any balance for such service to that prior customer is past due or owing to the Company.

The amount of the deposit shall not exceed one-sixth of the estimated annual billing at the service address based on actual usage history at the premise, rounded to the nearest dollar. If the Company has no record of prior gas service at the service address, or if there is less than 12 months of normal usage history at the service address, a default deposit may apply. For Non-Residential Customers, the default deposit may also apply if the usage history at the service address was for a different business purpose. The default deposit will not apply to a Non-Residential Customer whose natural gas usage is expected to exceed 78 therms per month based on square footage of heated space, or the type of gas-fired equipment and the expected use of such gas-fired equipment.

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| **Installed Gas-Fired Equipment** | **Default Deposit Amount** |
| RESIDENTIAL: |  |
|  Space and Water Heat | $ 100.00 |
|  Space Heat Only | $ 75.00 |
|  No Space Heat | $ 40.00 |
| NON-RESIDENTIAL |  |
|  Space and Water Heat | $ 200.00 |

The Company will review default deposit amounts with any change in billing rates. The default amounts may be revised if a change in customer rates results in an increase or decrease of $10.00 or more to the average Residential Customer’s monthly bill, or $25.00 or more to the average Schedule 3 small Commercial Customer’s monthly bill.

A Residential Customer that is unable to pay a deposit may enter into payment arrangements as set forth in the WUTC Credit Rules. At the Company’s discretion, a Non-Residential Applicant or Customer may enter into payment arrangements for payment of a deposit.

(continue to Sheet 3.2)

(K) Material transferred to 1st Revised Sheet No. 3.2