GENERAL RULES AND REGULATIONS

(continued)

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

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**Special Deposit for Anticipatory Breach or Other Circumstances (Non-Residential).**

A deposit, bond, letter of credit, or other equivalent security may be required, in the amount of the charges for one-sixth of the estimated annual usage of a non-residential customer at the service address, plus any fixed charges due upon termination of service where:

**(a)** there is an anticipatory breach by a customer of a service agreement or special contract in the form of an overt communication of intention or an action which renders performance impossible or demonstrates a clear determination not to continue with performance; or

**(b)** it is reasonably certain that a customer will discontinue service entirely prior to fulfilling existing contractual obligations. Facts sufficient to establish such a reasonable certainty would include, but would not be limited to, the construction of a service connection to an alternative energy source; the installation of alternate fuel facilities; or other explicit acts, statements, or correspondence indicating an intent to discontinue service under existing contracts or otherwise to decline to comply with existing contractual obligations.

The Company shall notify a customer from whom a deposit has been required under this section that the customer may dispute the requirement by appealing to the Commission as provided in the WUTC Credit Rules. Pending resolution of the appeal, the Commission may require the Company to continue service upon such terms and conditions as the Commission finds reasonable. However, the Company may discontinue service 30 days after the date of its request for a deposit unless the customer has provided the deposit, or the Commission has concluded its proceedings on appeal with an order that the deposit shall not be required.

(M) Material transferred from 1st Revised Sheet No. 3.2