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PART II
CREDIT REGULATIONS

- 2.1 **DEPOSIT REQUIREMENT** - The Company may require an applicant for service, or an existing customer, to satisfactorily establish credit to secure payment of bills and protection of Company property on the Customer's premises. Credit will be deemed satisfactorily established through provision of: (a) a cash deposit; (b) irrevocable letter of credit from a bank or surety bond; or (c) an acceptable guaranty. For a new service request, the total deposit may not exceed 2 months of projected charges. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. To the extent that the recalculated deposit amount is less than the initial deposit amount, the Company will return the difference to the customer. To the extent that the recalculated deposit amount exceeds the initial deposit amount, the Company may charge the customer for the difference. Should the Company require a deposit on an account established prior to January 1, 2016, or should a customer request a deposit to be recalculated on such an account, the Company shall recalculate the deposit by utilizing only the available monthly charges from the 12-month period prior to the date the change is sought. In either event, the total deposit shall not exceed 2 months of average actual charges.
- 2.2 **INTEREST ON DEPOSIT** - The Company will issue a receipt to the Customer covering the amount of the initial deposit. Interest will be paid at the rate of 2 percent for all residential customers. For non-residential customers, interest will be paid at the rate of 2 percent for 23 months and at 3 percent after 23 months for non-residential customers who meet the criteria (a-e) in section 2.3 below. The interest will be paid annually in June of each year by applying the credit to the Customer's electric service bill. The Company shall not be required to pay interest on any deposit when the deposit has been held for a period of less than six months.
- 2.3 **REFUND OF RESIDENTIAL DEPOSIT** - Customer deposits securing residential accounts will be refunded by crediting the amount of the deposit plus interest to the electric service bill after the deposit has been held for a period of twelve months, provided within the last twelve months the Customer has not (a) been sent more than one reminder notice, (b) been disconnected for non-payment, (c) had a dishonored check charged to the account, (d) tampered with the meter or stolen electricity, or (e) made fraudulent use of service. When the service is discontinued where a deposit exists on the account, the amount of the deposit, with accrued interest due from the last annual payment date or deposit date, will be paid to the Customer after deducting therefrom all sums owed to the Company by the Customer, including damages to the property of the Company on the Customer's premises.
- 2.4 **APPLICATION OF DEPOSIT** - Deposits shall not be applied in payment of current month bills, and such deposits shall in no way affect the Company's rights arising from non-payment of bills as provided for in the Company's "Rules and Regulations for Electric Service" or in applications or contracts for service.

ISSUED BY: Charles S. Boyett



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- 2.5 NON-ASSIGNMENT OF DEPOSIT - The receipt for deposit cannot be assigned by the Customer without the written consent of the Company.
- 2.6 PAYMENT OF PREVIOUS ACCOUNTS REQUIRED - Applications for service will not be accepted by the Company until the Applicant has paid to the Company all sums at any time owing and then unpaid:
 - (1) By Applicant for service of the same class rendered by the Company whether at the premises applied for or at any other premises, or
 - (2) By the previous occupant of the premises as long as the current Applicant or Customer occupied the premises at the time the delinquency occurred and the previous Customer continues to occupy the premises and such previous Customer shall benefit from such service.

PART III
LINE EXTENSION AND SERVICE CONNECTION REGULATIONS

- 3.1 APPLIES TO ALL APPLICANTS - These regulations apply to all applicants requesting service from the regular distribution systems of the Company for residential, commercial and industrial usage. Customers requesting service from the transmission system of the Company may require individual consideration and will be handled accordingly as they request service.
- 3.2 CONNECTION OF INITIAL SERVICE - Where the Company's distribution circuits already are in place on the pole adjacent to the Customer's premises requiring only the installation of service wires and meter, the Company will place the service wires and meter completing the connection to provide service. The Customer shall pay a charge of \$27.00 residential / \$50.00 non-residential for such connection, in addition to the deposit provided for elsewhere. The Company shall have the discretion to waive the connection fee that would otherwise apply to the new or existing Customer as a consequence of significant damage to their premises caused by a natural disaster or other similar conditions for which an emergency has been declared by a governmental body authorized to make such a declaration.
- 3.3 CONNECTION OF EXISTING SERVICE - Where service has previously been connected at a premise, a \$27.00 residential / \$50.00 non-residential service charge shall be paid for all subsequent reconnections, except for restoration of service after violation of regulations as provided in Paragraph 4.11 of these Rules or at the Company's discretion as a consequence of significant damage to the new or existing Customer's premises caused by a natural disaster or other similar conditions for which an emergency has been declared by a governmental body authorized to make such a declaration.
- 3.4 SERVICE IF NEW OR UPGRADED FACILITIES ARE REQUIRED - When new or upgraded facilities are required to place the service applied for adjacent to the Customer's premises, a test will be run on the projected revenue vs. the estimated construction costs, exclusive of meters and services.

Contributions-in-aid-of-construction for new or upgraded overhead facilities:

$$CIAC_{OH} = \text{Construction Cost} - (4 \text{ years expected incremental base energy revenue}) - (4 \text{ years expected incremental base demand revenue})$$

Contributions-in-aid-of-construction for new or upgraded underground facilities:

$$CIAC_{UG} = CIAC_{OH} + \text{Estimated difference between cost of providing the service underground and overhead}$$