

RULE L
DEPOSITS

1. Residential and Small Commercial Customers. Unless otherwise specified in another rule, the Company's practices relating to deposits are governed by the Utility Customer Relations Rules (UCRR) of the Idaho Public Utilities Commission, in effect at the time the event occurred which required application of the UCRR.
2. Large Commercial and Special Contract Customers. The Company may require a deposit from Large Commercial or Special Contract Customers as follows:
 - a. Existing Customers. A deposit may be required for failure to pay the amount due on or before the date the bill is delinquent, the risk of future loss is evident based on the Customer's current commercial credit rating, or the Company becomes aware the Customer's business activities are speculative or subject to a high rate of failure. Evidence of a high rate of failure may include, but is not limited to, elevated risk of bankruptcy.
 - b. Applicants. A deposit may be required under the following conditions:
 - i. If the nature of the applicant's business is speculative or subject to a high rate of failure; or
 - ii. The applicant is applying for service with the Company for the first time; or
 - iii. The applicant has an outstanding prior service account with the Company that accrued within the last four years and at the time of application for service remains unpaid and not in dispute; or
 - iv. The applicant fails to pass an objective commercial credit screen.
 - c. Written Explanation for Denial of Service or Requirement of Deposit. If the Company denies service or requires a cash deposit as a condition of providing or continuing service, then it will immediately provide a written explanation to the applicant or Customer stating the reasons why it denies service or requires a deposit. The applicant or Customer will be given an opportunity to rebut those reasons.
 - d. Amount of Deposit. The amount of the deposit shall not exceed two times the Customer's or applicant's actual or estimated highest monthly bill. The deposit may be paid in two equal installments; the first installment must be paid at the time of the application for service or upon notice from the Company to Existing Customers, and the second installment must be paid within 30 days.
 - e. Interest on Deposits. Interest on deposits held by the Company shall be accrued at the rate established by the Commission specified in IDAPA 31.21.01 Rule 106. Interest shall be computed from the time the deposit is made until it is refunded or applied to the Customer's regular bill. Interest will not accrue on a deposit if service is discontinued temporarily at the request of a Customer who leaves the deposit with the Company for future use as a deposit, or if service has been permanently discontinued and the Company has been unsuccessful in its attempt to refund a deposit.

RULE L
DEPOSITS
(Continued)

2. Large Commercial and Special Contract Customers (Continued)

f. Retention During Dispute. The Company may retain the deposit pending the resolution of a dispute over termination of service. If the deposit is later returned to the Customer, the Company shall pay interest at the annual rates established in IDAPA 31.21.01 Rule 106 for the entire period over which the deposit was held.

g. Transfer of Deposit. Deposits shall not be transferred from one Customer to another Customer or between classes of service, except at the Customer's request. When a Customer with a deposit on file transfers service to a new location within the Company's service area, the deposit and any outstanding balance shall be transferred to the account for the new location.

h. Bankrupt Customers. If an applicant for service or a Customer has sought any form of relief under the Federal Bankruptcy Laws, has been brought within the jurisdiction of the bankruptcy court for any reason in an involuntary manner, or has had a receiver appointed in a state court proceeding, then a deposit may be required as a condition of service.

i. Refunding Deposits. The Company will retain deposits for a minimum of twelve calendar months. If the Customer has established good credit with the Company at the end of twelve months, the original deposit amount along with any accrued interest will be applied as a credit to the Customer's current account or refunded. Whenever a Customer does not establish good credit with the Company at the end of the first twelve months, the deposit will be retained and the Customer's credit history will be evaluated every twelve months until good credit has been established. If a Customer's business activities have been determined to be speculative or subject to a high rate of failure, the Company may retain the deposit beyond twelve months. In such instances, the need for a deposit will be evaluated every twelve months until the Customer passes an objective commercial credit screen.