

RULE L
DEPOSITS

1. Residential Customers. The Company may require a deposit from a residential customer if: (1) the Customer is unable to establish credit as defined in section 1 of OAR 860-021-0200, (2) the Customer has received electric service from either the Company or another Oregon regulated electric utility within the preceding 24 months and at the time service was terminated owed an account balance that was not paid according to its terms for which a dispute was not registered within 60 days of the date service was terminated, or (3) was previously terminated for theft of service by the Company or any Oregon regulated utility or was otherwise found to have diverted utility service. In either of these two cases, the Company may require a deposit from the Customer equal to one-sixth of the estimated annual billing at the rates then in effect if the calculated deposit amount exceeds \$250. The Company's practices relating to deposit payment arrangements for residential customers are governed by OAR 860-021-0205.

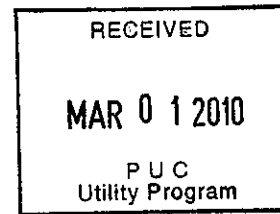
2. Commercial and Special Contract Customers (Schedules 7, 9, 19 and Special Contract). The Company may require a deposit from Commercial or Special Contract customers if: (1) the Customer has been disconnected for nonpayment within the last 12 months; (2) the Customer has received more than two 15-day termination notices within the last 12 months; (3) the Customer becomes a debtor in a bankruptcy proceeding; (4) the Customer falsifies information in the application for service; (5) the Customer fails to establish credit satisfactory to the Company; (6) the nature of the Customer's business is speculative or subject to a high rate of failure; (7) the Customer is applying for service with the Company for the first time; (8) the Customer 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 (9) the risk of future loss is evident based on the Customer's current commercial credit rating; or (10) the Customer requests service be provided for a period of less than 90 days. If any of the criteria (1) through (9) are met, the Company may require a deposit not exceeding two times the Customer's estimated monthly billing at the service address if the calculated deposit amount exceeds \$250. When a Customer requests service be provided for less than 90 days, a deposit equal to \$100 or twice the estimated monthly billing, whichever is greater, may be required.

A new Customer can establish satisfactory credit by presenting to the Company one of the following: (1) a statement from another electric utility showing the Customer's most recent 12-month credit history during which time the Customer had not received any notices of disconnection; (2) a letter of credit from a major financial institution; or (3) a current Dun and Bradstreet report that substantiates the credit reliability of the Customer. Deposits 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.

3. 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 provide a written explanation to the 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.

4. Interest on Deposits. Interest on deposits held by the Company shall be accrued at the rate established by the Commission specified in OAR 860-021-0210. 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.

5. Refund of Deposit. Deposits will be refunded with interest or applied to the next monthly bill (at the Customer's option) if the Customer's account is current and the account has not been disconnected for nonpayment nor been issued more than two 5-day disconnection notices during the previous 12 months.



RULE L
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(Continued)

6. 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 OAR 860-021-0210 for the entire period over which the deposit was held.
7. 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 shall remain with the Customer at the new location.