

Rule No. 7
DEPOSITS

APPROVED

AMOUNTS TO ESTABLISH CREDIT

A. Application of Deposit

The Utility may require a deposit to establish or re-establish service if and only an applicant for service is unable to demonstrate acceptable credit to the satisfaction of the Utility. Failure to provide a social security number shall not be cause for requiring a deposit. A Utility may not require for its own benefit a deposit for services provided by another Utility, or refuse to accept a deposit in lieu of demonstrating satisfactory credit.

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B. Flat Rate Exchange Service

No deposits from applicants for Flat Rate Exchange Service will be required to establish credit except as provided in Rule No. 6. A deposit to establish or re-establish basic service may not exceed twice the estimated or typical monthly bill for recurring charges for basic service. A Utility may require an additional deposit for services it provides other than basic service.

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C. Universal Lifeline Telephone Service

The deposit will be waived for Universal Lifeline Telephone Service customers who voluntarily elect to take toll blocking/toll restriction.

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AMOUNTS TO RE-ESTABLISH CREDIT

A. The amount of the deposit required from an applicant or customer to re-establish credit for telephone service, as set forth in Rule No. 6, or from any customer whose service has been discontinued for nonpayment of bills or who has failed to pay bills upon second notice, in the time required by second notice, shall not exceed a sum equal to the average of the periodic bills for that telephone service for the immediately preceding months, not exceeding six months.

APPLICABILITY TO UNPAID ACCOUNTS

A. Deposits prescribed herein are applicable to unpaid bills for telephone service when such service is discontinued.

Rule No. 7

DEPOSITS
(Continued)



RETURN OF DEPOSITS

A. The Utility will notify the customer in writing when his deposit is subject to return and will refund the deposit in accordance with the following:

- 1. When an application has been cancelled prior to the establishment of service, unless there are charges due the Utility for telephone service, in which case the deposit will be applied to the charges applicable in accordance with the tariff schedules and the excess portion of the deposits will be returned.
- 2. Upon discontinuance of telephone service, the Utility will refund, within 30 days and with interest, the customers deposit or the balance in excess of unpaid bills for the service, and the customer will be so advised.
- 3. The Utility shall refund deposit amounts associated with basic service, with interest, after one continuous year of timely payments for basic service, and not later than 30 days after basic service is discontinued. The Utility shall refund deposits associated with other services not later than 120 days after service is discontinued.

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INTEREST ON DEPOSITS

- A. Deposits shall earn on the monthly, unused balance not less than simple annual interest based on the three-month financial commercial paper rate published by the Federal Reserve Board, on November 30th, of the prior year.
- B. No interest will be paid if service is temporarily or permanently discontinued for nonpayment of bills, nor for a fraction of a full month in excess of the number of full months deposits are held.

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