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INTRASTATE LOCAL SERVICE

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SECTION 2. RULES AND REGULATIONS

2.4 Payment Arrangements and Credit Allowances

A. Payment of Rates, Charges and Deposits

- (1) The Company will, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or which does not have established credit (except for a Customer which is a successor of a company which has established credit and has no history of late payments to the Company), to make a deposit prior to or at any time after the provision of a service to the Customer. The deposit will be held by the Company as guarantee of the payment of rates and charges. Such deposit may not exceed the actual or estimated rates and charges for the service for a two-month period. The fact that a deposit has been made in no way relieves the Customer from complying with the Company's regulations as to the prompt payment of bills.
- (2) Customers may satisfy deposit requirements as follows: in cash, certified funds, money orders, acceptable bank letter of credit, acceptable third party guarantee, or other forms of security acceptable to the company.
- (3) Deposits will be refunded to the Customer, along with accrued interest when one of the following conditions is met:
  - Service has been terminated or discontinued; or
  - A Customer is not currently delinquent and has made timely payment of bills for a period of twelve (12) consecutive months. Timely payment means that no more than two (2) bills during the previous twelve (12) months were paid beyond the due date; or
  - Service has not been suspended for non-payment with the previous twelve (12) months.When service has been terminated or disconnected, the Company will deduct any and all unpaid amounts from the deposit and the difference will be refunded.