KIUC Tariff No. 1 Second Revised Sheet 20 Cancels First Revised Sheet 20

RULE NO. 6

DEPOSITS

The Company may require from any customer or prospective customer a deposit intended to guarantee payment of bills for electric service.

A. AMOUNT

Such deposits shall not be less than \$10.00 nor more in amount than the maximum estimated charge for service for two consecutive months, or as may reasonably be required by the Company in cases involving service for short periods or special occasions.

B. INTEREST ON DEPOSITS

- The Company shall pay simple interest on deposits at the rate of 6% per annum, calculated from the date credit is deemed established with the Company. If refund of deposit is made within one billing period of the establishment of credit, no interest payment is required.
- 2. Payment of the interest to the customer shall be made annually if requested by the customer in writing, or at the time the deposit is returned.
- 3. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date notice is sent to the customer's last known address that the deposit is no longer required.
- 4. The interest shall be accrued annually.

C. NON-TRANSFERABLE

Deposits are not transferable.

D. REFUND

- 1. Upon discontinuance of service, the Company shall refund the balance of a customer's deposit in excess of all unpaid bills for service.
- 2. If a customer is disconnected for non-payment of a bill, or a field service collection charge is imposed in accordance with Rule 8(D), the customer's deposit may be held for up to 12 months from the time of such disconnection or field service collection.

RULE NO. 6 (Continued)

DEPOSITS

- a. If a customer fails to pay a bill before becoming past due, the customer's deposit may be held for up to 12 months from the date of such delinquency.
- 3. The Company may refund the deposit at any time upon request provided the customer's credit may otherwise be established in accordance with Rule No. 5.
- 4. The Company may require the customer to return the Company's deposit receipt properly endorsed before the refund is made.

Issued: October 29, 2002 Effective: November 1, 2002
By: Alton Miyamoto, President and Chief Executive Officer Decision and Order No. 19658