

**RULE 4****CUSTOMER DEPOSITS AND OTHER SECURITY****GENERAL**

The Company may require a deposit or other form of security from an applicant or non-residential customer for reasons set forth in Rule 3 and this Rule.

Paying a deposit or providing some other form of security does not excuse a customer from complying with Cascade's tariffs or other regulations on file with the Commission, such as the obligation to pay bills promptly.

**RESIDENTIAL DEPOSIT REQUIREMENTS**

The Company will not charge a deposit to a customer that is verified to be low-income per OAR 860-021-0180.

**NONRESIDENTIAL DEPOSIT REQUIREMENTS**

1. Deposit Requirement - Nonresidential (Seasonal and Non-Seasonal Service). A deposit may be required equal to one-sixth the estimated annual usage at the service address if an applicant or customer:
  - a. Does not satisfy the credit-screening criteria set forth in Rule 3.
  - b. Owes a bill that is overdue by thirty (30) days or more;
  - c. Was previously exempted from paying a deposit based upon false information given at the time of application;
  - d. Is involved in a bankruptcy action, liquidation, bulk sale or financial reorganization;
  - e. Is adding incremental demand at a premise with an existing service account; or
  - f. The non-residential customer is past due on commitments to creditor such as real estate mortgages or lease agreements, commercial loans, other utility bills and trade accounts.

**DEPOSIT PAYMENT ARRANGEMENTS FOR NON-RESIDENTIAL SERVICE**

1. An applicant for nonresidential service who is required to pay a deposit shall pay the deposit in full prior to receiving service. An applicant for nonresidential service may also fulfill the deposit requirement with an irrevocable letter of credit, surety bond (performance bond) or some other form of guarantee acceptable to the Company.
2. An existing nonresidential customer is considered to be an applicant for purposes of satisfying the deposit requirement. An existing nonresidential customer, if required to pay or supplement a deposit, is required to pay the full amount within 10 days of the date of the notice from the Company that such a deposit is required. This notice will also serve as the notice of disconnection required under OAR 860-021-0505.
3. If service is disconnected for nonpayment of a deposit, the customer disconnected will be required to pay the full amount of the deposit, plus any applicable reconnection fee, disconnect visit charge, late payment fee and past due account balance before service is restored.

(continued)

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**INTEREST ON DEPOSITS FOR RESIDENTIAL AND NONRESIDENTIAL SERVICE**

1. Customer deposits shall accrue interest at the rate established in Schedule 200, which is a rate based upon the effective interest rate for new issues of one-year Treasury Bills issued during the last week of October as determined by the Commission in Docket No. UM 779. This interest rate, rounded to the nearest percent, shall apply to deposits held during January 1 through December 31 of the subsequent year.
2. Upon payment of a deposit, Cascade shall furnish a receipt showing the date, name of the applicant or customer, the service address, the amount of deposit, a statement that the deposit will accrue interest at the rate prescribed by the Commission, and an explanation of the conditions under which the deposit will be refunded.
3. If the deposit is held beyond one-year, accrued interest will be paid through a credit to the customer's account. If held less than one year, interest will be prorated. Cascade shall keep a detailed record of each deposit received until the deposit is credited or refunded.

**REFUND OF DEPOSITS FOR RESIDENTIAL AND NONRESIDENTIAL SERVICE**

1. Upon termination of service, a customer's deposit plus accrued interest, shall first be applied to any unpaid balance on the customer's account and any remaining balance will be refunded to the customer.
2. Cascade may continue holding a deposit until such time as credit is satisfactorily established or reestablished. For purposes of this rule, credit shall be considered to be established or reestablished if one year after a deposit is made:
  - a. The account is current;
  - b. Not more than two five-day disconnection notices were issued to the customer during the previous 12 months; and
  - c. The customer was not disconnected for nonpayment during the previous 12 months.
3. After satisfactory credit has been established or reestablished, the deposit plus any accrued interest shall be promptly credited to the customer's account or refunded at the customer's request.
4. In the event the customer moves to a new address within Cascade's service area, the deposit, plus accrued interest, will be transferred to the new account.
5. Unless otherwise specified by the customer, Cascade shall mail deposit refunds to the customer's last known address. Valid claims for refunds received within one year of the date service was terminated shall be promptly honored. Funds held beyond one year will be disposed of in accordance with ORS 98.316.

(M) Text was previously found on Sheet No. 4.3 and 4.4