

GENERAL RULES AND REGULATIONS

3. General Rules and Regulations (Cont'd.)

3.7 Establishment and Maintenance of Credit

A. Deposits and Guarantees of Payment for Residential Customers

1. The Company may require a deposit or guarantee prior to providing new service or as a condition of continued service. The Company may require a deposit or guarantee as a condition of continued service if:
 - (a) The customer has delinquent charges in two (2) out of the last twelve (12) billing periods; or
 - (b) the customer has had service disconnected for nonpayment of a delinquent charge or failed to post a required deposit or guarantee.
2. In lieu of a deposit, Company may accept a written guarantee. The guarantee shall not exceed the amount of a cash deposit that the Company could request under this section.
3. No deposit, guarantee, additional deposit nor additional guarantee will be required by the Company because of race, sex, creed, national origin, marital status, age, number of dependents, source of income, disability or geographical area of residence.
4. Terms of Deposits:
 - (a) Deposits shall not exceed the estimated charges for two (2) months' service based on the average bill during the preceding twelve (12) months, or, in the case of new applicants for service, the average monthly bill for new subscribers within a customer class.

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GENERAL RULES AND REGULATIONS

3. General Rules and Regulations (Cont'd.)

3.7 Establishment and Maintenance of Credit (Cont'd)

A. Deposits and Guarantees of Payment for Residential Customers (Cont'd)

4. Terms of Deposits (Cont'd)

(c) Upon discontinuance or termination of service, the deposit will be credited to the charges stated on the final bill, and any balance will be returned to the customer within twenty-one (21) days of the rendition of the final bill. (D)

(d) Upon satisfactory payment of all undisputed charges during the last twelve (12) billing periods, guarantors will be released or deposits will be refunded or credited against charges on subsequent bills. Payment of charges will be considered satisfactory if received prior to the date on which the charge becomes delinquent provided the charge is not in dispute. The Company may withhold the refund of a deposit pending the resolution of a dispute with respect to charges secured by the deposit. (D)

(e) The Company will maintain records of all pertinent information with regard to each deposit held.

(f) The Company will provide within ten (10) days of a customer request a receipt that contains information pertinent to that deposit.

(g) Service Reconnection Charges

Where service has been discontinued for failure to establish credit as authorized above, a service reconnection charge found in Section 5.4.E will apply.

GENERAL RULES AND REGULATIONS

3. General Rules and Regulations (Cont'd.)

3.7 Establishment and Maintenance of Credit (Cont'd)

B. Deposits and Guarantees of Payment – Business Service

1. If it is deemed necessary by the Company to safeguard its interests, applicants for service or present customers may be required to make a deposit of an amount not to exceed the sum of two (2) months' monthly recurring charges for services subscribed to plus two (2) months' estimated long distance charges. If the customer's service is terminated for any reasons, the deposit will be applied to reduce the amount of any unpaid charges for exchange or long distance service.
2. An applicant for service, or present customer, may satisfy a deposit requirement by providing a Contract of Guaranty in an amount not more than the requested deposit from a present customer acceptable to the Company. The guaranty contract shall be on a form provided by the Company which shall include the Company's right to transfer charges to the limit of the guaranty, from a defaulted bill of the customer, from whom a deposit or a Contract of Guaranty was required, to the guarantor's account or accounts and the further right to suspend guarantor's service.
3. The fact that a deposit has been made, or a guaranty provided, shall in no way relieve the customer from complying with the Company's regulations as to the prompt payment of bills, nor constitute a waiver or modification of the regular practices of the Company providing for the temporary suspension of service or the termination of the service contract for non-payment of bills.
4. Service may be discontinued for failure to furnish a suitable deposit as outlined in Section 3.9(D) hereafter.

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