3. APPLICATIONS AND CONDITIONS FOR CONNECTION OF SERVICE

3.1 APPLICATION FOR SERVICE

Application for original or additional service may be made at any of the Company's offices by personal call, mail or telephone. The applicant may be required to sign a service application or agreement form. The rendering of service shall be contingent upon the applicant's compliance with the applicable provisions of these service standards and/or the agreement terms.

The electric energy supplied by Company is supplied upon the express condition that it becomes the property of the Customer after it passes the point of delivery, and the Company shall not in any event be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse or presence of the said electric energy on the Customer's premises, or elsewhere, after it passes the point of delivery to the Customer. Each of the parties shall hold the other free and harmless of and from all liability, damages, actions and causes of action caused by or through the ownership, maintenance or operation of its electric property and equipment, and such division of liability shall be the point of delivery as herein defined or as stated in a specific contract between Company and Customer.

The Company may refuse to connect service at a new location for any applicant indebted to the Company for electric service rendered at another location until the applicant has paid, or made satisfactory arrangements to pay, such indebtedness and has complied with other requirements for service.

As used above in this provision, "applicant" means any person, partnership, corporation or other legal entity which requests utility service, is the owner of or has legal right to occupy the property to be served and has not been a Customer of the Company during the ten (10) days immediately preceding application.

3.2 CUSTOMERS' RESPONSIBILITY TO SECURE INFORMATION

It will be the Customers' responsibility to secure information from the Company pertaining to availability of service at a specific location. The Company shall be notified of all proposed new connections and will advise the Customer as to the general location of the service connections and metering equipment. The Customer is advised to secure such information prior to installation of interior wiring to assure service at a time and location that are mutually agreeable.

3.3 SEPARATE APPLICATION FOR EACH CLASS OF SERVICE OR CONNECTION

A separate application or contract, where required, may be made to cover each class of service to each individual, firm or corporation, at each separate address or location. Each such application shall require the installation of but one meter, except that the Company may install more than one meter for its convenience.

It is understood and agreed by the parties thereto that a signed agreement shall be binding upon and inure to the benefits of the successors, legal representatives and assigns of the respective parties, but no assignment by Customer of any agreement shall be binding upon Company unless such assignment is consented to in writing by Company. It is further understood that agreements are subject to the approval of any regulatory body having jurisdiction hereof.

The term of each signed agreement will be stated in the agreement, and service after the expiration of the stated term shall be continued on a month to month basis until terminated by 60 days written notice from either party, unless other specific cancellation or continuation stipulations are made a part of the signed agreement.

3.4 DEPOSITS TO GUARANTEE PAYMENT OF BILLS

The Company reserves the right to request deposits from existing or prospective customers to guarantee payment of bills for service. A new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. Written notice shall be mailed advising the customer of any new or additional deposit requirements, why the deposit is being required and under what conditions, if any, the deposit will be diminished upon return. The customer shall have no less than twelve days from the date of mailing to comply. An appropriate receipt will be provided the customer for a deposit.

A. A DEPOSIT WILL BE REQUIRED:

1. When service to the prospective customer is known to be temporary or for special occasions. For deposit purposes, "temporary" shall be defined as less than twelve months.

2. From all prospective customers with an unsatisfactory credit standing. The following shall be considered evidence of an unsatisfactory credit standing and a deposit shall be required prior to initiation of service:

a. The prospective customer had a previous account with the Company and:

1. the account was disconnected or subject to disconnection for non-payment of a bill which is not in dispute during the last twelve months it was active, or

2. the account was charged to the "reserve for uncollectible accounts".

b. The prospective customer has an unsatisfactory credit standing with a prior utility for the same type of service. The criteria given in 3.4 A. 2. a. above shall be applied in evaluating a prospective customer's credit standing with another utility.

B. A DEPOSIT MAY BE REQUIRED:

When electric service to the customer's account(s) was disconnected or subject to disconnection within the most recent four months.

It shall be the policy of the Company not to accept a guarantor in lieu of a cash deposit requirement.

C. AMOUNT OF DEPOSIT

The total deposit shall not be less than five dollars nor more than an amount equal to two-twelfths (2/12ths) of the customer's estimated annual bill. In estimating a customer's annual bill, consideration will be given to the prior usage history for the account, if any, the type and size of electric utilization devices at the location and the anticipated use of such devices, and the current rate level applicable to the account.

D. INTEREST PAYABLE

The rate of interest payable by the Company to each customer required to make a deposit and whose deposit is in excess of $20.00 shall be 6% per annum compounded annually, or as established by amendment to the applicable Commission rules. Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question if not otherwise already stated on the respective certificate. The Company will pay interest for the period beginning with the date the deposit is fully satisfied to the date of refund or the date that the deposit is applied to the customer's account or the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or notice of deposit refund is forwarded to the customer's last known address. The date a customers bill becomes permanently delinquent relative to an account treated as an uncollectible account is the most recent date the account became delinquent. Payment of interest to the customer will be, by bill credit made annually or at the time the deposit is refunded, whichever is sooner.

E. CONDITIONS UNDER WHICH DEPOSITS ARE TO BE REFUNDED

The deposit plus interest is to be refunded under the following conditions:

1. If the customer has not been delinquent in paying a bill ten or more times in the last twelve months.

2. The customer's service has not been disconnected or subject to disconnection during the last twelve months for reasons set forth in Section 5.6, subsections 3, 4 and 8.

3. The service is terminated. On termination the deposit will be applied against the account. Any credit balance remaining on the account will be refunded to the customer.

4. A deposit will be returned to the customer within forty-five days after qualifying for refund.

On refund of a customer deposit, the customer will be provided a cancellation notice for the deposit which includes the deposit certificate number, total amount applied or refunded and a breakdown of deposit principal and interest.