

RULE NO. 3

ESTABLISHMENT OF SERVICE

GENERAL

Before any person shall be entitled to receive service under the Utility's Rate Schedule Nos. PR-1 and PR-2, such person must sign Utility's standard application form and put up the customary security deposit as provided in this Arizona Propane Tariff.

SECURITY DEPOSIT

1. A deposit is to be required from any applicant for service if, in the opinion of the person passing on credit, the applicant is not a good credit risk.
2. The amount of deposit, if required, should be commensurate with the magnitude and character of service to be rendered. The deposit for Residential customers served under Rate Schedule No. PR-1 is two times the estimated average bill. The deposit for Commercial customers served under Rate Schedule No. PR-2 is two and one-half times the estimated average bill.
3. Accounts of customers who have deposits with the Utility will be reviewed annually and should the customer not be delinquent more than two times in the past 12 months, the deposit will be refunded, along with any accrued interest.
4. The Utility shall be entitled to apply customer's security deposit, together with any unpaid interest accrued thereon, to any indebtedness owed the Utility, and when it has been applied to such indebtedness, the customer's gas service may be discontinued until all the delinquent balance of the account is paid and an adequate deposit is again made with the Utility. No interest will accrue on any deposit after discontinuance of the service to which it relates.
5. The Utility will issue to each customer from whom a security deposit has been received, a non-assignable receipt therefore. The inability of a customer to produce such receipt shall in no way impede the right to receive a refund of the deposit that is reflected in the Utility's records.
6. Interest, computed at the rate of six percent per annum, will be paid by the Utility upon each such deposit for the time the deposit was held and customer was being served by the Utility, except that no interest will be paid on deposits held by the Utility for less than 15 consecutive days.