

1 **Q: Can the risks associated with supply to cryptocurrency customers be adequately**
2 **managed through use of security deposits?**

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4 A. For the purposes of answering this question, we assume that “supply” refers to
5 transmission service and that “risk” refers to the possibility that cryptocurrency
6 customers may exit the system prior to paying rates sufficient to recover the costs
7 associated with investments required to provide service for those customers.

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9 One component of our recommendation is a requirement that customers who are
10 required to pay for a network upgrade provide security for funds included in a revenue
11 credit, which decreases the upfront payment required from customers for directly
12 allocated costs. The customer will pay the resulting upfront payment and the security
13 deposit applies to the revenue credit so that if the customer leaves prior to the term of
14 the revenue credit, the security deposit will be used. The security deposit is just one
15 component of our recommended network addition policy, which as a whole adequately
16 manages risk.