

CITY PUBLIC SERVICE OF SAN ANTONIO, TEXAS

RULES AND REGULATIONS  
APPLYING TO RETAIL ELECTRIC & GAS SERVICE

Revised and Effective: August 26, 2002

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# CITY PUBLIC SERVICE OF SAN ANTONIO, TEXAS

## RULES AND REGULATIONS APPLYING TO RETAIL ELECTRIC & GAS SERVICE

### PART I. STATEMENT OF PURPOSE

These Rules and Regulations govern the provision of retail electric and gas service by City Public Service for residential, commercial and industrial customers to the extent no other specific provisions of a written Service Agreement may apply. CPS' purpose is to secure for each customer satisfactory service consistent with safe, fair and sensible business standards. Utility services are provided by CPS without discrimination as to the race, nationality, color, religion, sex, or marital status of any Applicant or Customer.

These Rules and Regulations, which are subject to revision from time to time, supercede all Rules and Regulations which may heretofore have governed the supplying and taking of either gas or electric service. The current Rules and Regulations, CPS policies, and rate schedules are available to any Customer upon request. These Rules and Regulations, policies and rate schedules may be subject to approval by proper and lawful regulatory authority.

### PART II. DEFINITIONS

The following expressions, when used in these Rules and Regulations, in Rate Schedules and in Service Agreements, shall, unless otherwise indicated, have the meanings given below. These definitions do not modify more technical definitions for terms provided in other CPS policies pertaining to electric and gas service:

1. Applicant: Any person, partnership, association, firm, public or private corporation or governmental agency requesting new service from CPS.
2. Application for Service: A written or oral request from Applicant to CPS for retail electric or gas service.
3. CPS: The City Public Service Board of San Antonio, Texas.
4. Customer: Any person, partnership, association, firm, public or private corporation or governmental agency taking CPS' service at one or more specified location(s).
5. Customer's Installation: In general, the electric wiring or gas main and branch house piping, valves and shut-off cocks, as well as such additional gas or electric devices, apparatus and appliances of any kind or nature on Customer's side of the Point of Delivery utilized in connection with Customer's ability to take Service. A Customer's Installation excludes CPS' Meter.
6. ERCOT: The Electric Reliability Council of Texas, or its successor in function.
7. Meter: The meter(s) and any auxiliary equipment required to measure the Service supplied by CPS at a Point of Delivery.

8. Notice: Unless otherwise specified, Notice from CPS is a written notification from CPS to Customer delivered or mailed to the last known mailing or service address. A notice from Customer to CPS may be either written or verbal but must be transmitted or communicated to a duly authorized CPS representative.
9. Point of Delivery or Service Point: The point where the electric energy or gas first leaves the Service Installation and enters the Customer's Installation, as specified in CPS' Electric Service Standards (for electric service) and Customer's Service Agreement (for gas service). The Point of Delivery shall normally be at the outlet side of CPS' Meter.
10. Rate Schedule: CPS' written statement containing rates and charges stated separately by type or kind of service and by customer class. The Rules and Regulations and the written service contract, if any, are referenced and integrated into the rate schedules.
11. Service also utility service: The availability of electric or gas service to a retail Customer for any general use, irrespective of whether any electric energy or gas is actually taken. The terms "electric service," "gas service," "utility service," and "service" are used in the broadest and most inclusive sense, and include any and all acts done, rendered, or performed and any and all things furnished or supplied, and any and all facilities used, furnished, or supplied by CPS. The terms "utility service" and "service" have the same meaning and are used interchangeably with each other and, as applicable, with "gas service" or "electric service."
12. Service Agreement: An oral or written agreement between CPS and Customer pursuant to which Service is supplied and taken. The Service Agreement is made subsequent to, or as part of, an Application for Service. In this agreement, unless otherwise specifically agreed to by CPS, the Customer agrees to be bound by the terms of the CPS Rules and Regulations Applying to Retail Electric & Gas Service, as well as the CPS Policy for Miscellaneous Customer Charges, CPS Policy for Electric Line Extensions and Service Connections, CPS Policy for Gas Main Extensions and Service Connections, the Electric Service Standards, and any applicable CPS Rate Schedule(s) as they exist, as amended, at the time of service.
13. Service Area: The geographical area to which CPS provides Service as shown on CPS maps available for inspection. The Service Area for gas service may not be the same as the Service Area for the provision of electric service.
14. Service Installation: The primary and/or secondary electrical conductors or gas pipe, together with any required auxiliary devices and poles, that are owned and installed by CPS to connect CPS' distribution lines to Customer's Installation for the provision of utility service.

### **PART III. PROVISION OF SERVICE**

#### **1. ESTABLISHMENT OF SERVICE**

The following rules apply in addition to the Conditions of Service (Part III, section 2).

##### **(A) Applications for Service**

(1) Unless refused under III.1.(B) (Refusal of Service), a Service Agreement is effective according to its terms or when the appropriate Application for Service is properly completed to the satisfaction of CPS, and payment or provision for payment of any security deposit required under Part IV has been made.

(2) When an Application for Service is made, CPS will assist in the selection of the Rate Schedule most favorable to Customer for the Service rendered. The selection will be based on the Customer's statement as to the class of service desired, the amount and manner of use, and any other pertinent information. CPS shall not be liable for any error in connection therewith nor shall a more favorable Rate Schedule for Customer be made effective on a retroactive basis. Any subsequent need for a change in Rate Schedules necessitated by a change in Customer circumstances or other conditions must be brought to CPS' attention by Customer.

(3) Applications for Service may be transacted via telephone, in which case CPS relies upon the information obtained and relies upon the fact that the Customer is authorized to make the Application and is acting in good faith.

(4) For an Application for Service, the Service Agreement is effective when the appropriate information has been supplied by Applicant and verified by CPS. For Applicants for residential Service, appropriate and acceptable application information may include two forms of Customer's personal identification, e.g., Texas Driver's License Number and Social Security Number. Other forms of acceptable identification will be considered by CPS. In the event these forms of identification are unavailable, the application will be reviewed further for acceptance by CPS. For non-residential Applicants, appropriate and acceptable application information may include a Tax Identification Number or other acceptable documentation.

(5) If Service is to be provided under a written Service Agreement and Service is supplied by CPS and taken by Customer before the contract is signed, the provisions of the Service Agreement will nevertheless apply.

#### **(B) Refusal of Service**

(1) Refusal Authorized. CPS may decline to serve an Applicant until such Applicant has complied with these Rules and Regulations as well as any applicable state and municipal regulations or for any of the following reasons:

- (a) *Applicant's Installation inadequate*. If Applicant's Installation is known to be hazardous or of such character that satisfactory Service cannot be given.
- (b) *For indebtedness*. If, at the time of the application, Applicant is indebted to another utility for the same kind of service as that applied for of CPS. However, if the Applicant is disputing the indebtedness and otherwise in compliance with depository requirements, Service shall not be refused under this sub-part.
- (c) *Refusal to make deposit*. For refusal to make a deposit, if Applicant is required to make a deposit under Part IV.
- (d) *Failure to satisfy conditions precedent*. For refusal, breach, default or failure to comply with conditions precedent to Service.

(2) Refusal Not Authorized. Except when due to deception and/or fraud such as false Customer name or false Customer identification provided to CPS, meter tampering, theft or diversion of service, etc., the following actions by Applicant will not be a basis for refusal of Service:

- (a) Delinquency in payment for Service by a previous occupant of the premises to be served.
- (b) Failure to pay for merchandise, or charges for non-utility service purchased from the utility, unless the Customer has expressly agreed otherwise in the written Service Agreement.

- (c) Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application.
- (d) Violation of CPS' rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with Service to others, or other services such as communications services, unless Applicant has first been notified and been afforded a reasonable opportunity to conform to CPS rules.
- (e) Failure to pay a bill of another Customer as guarantor thereof, unless the guarantee was made in writing to CPS as a condition precedent to service.
- (f) Failure to pay the bill of another Customer at the same Service address except in those instances where the change of customer identity is made to avoid or evade payment of a CPS bill.

### **(C) Extension of CPS' Facilities**

(1) When CPS' facilities are not available at a location where Service is desired or not suitable at a location where Service is available, such facilities as required to provide Service may be extended or provided only in accordance with CPS' Policy for Electric Line Extensions and Service Connections and CPS' Policy for Gas Main Extensions and Service Connections.

## **2. CONDITIONS OF SERVICE**

Continuity of reliable Service depends in large part upon a clear understanding of the proper Customer Installation and use of Service. Violation of these conditions may result in the temporary suspension or permanent discontinuance of Service.

### **(A) General Conditions**

(1) Supplying Service. Service is supplied only under and pursuant to these Rules and Regulations and any modifications or additions thereto, and such applicable Rate Schedules and riders as may from time to time be lawfully fixed. Service is supplied, under a given Rate Schedule and/or a CPS-Customer contract, only at such Points of Delivery as are adjacent to CPS facilities and are adequate and suitable, as to capacity and electric voltage and/or gas pressure, for the Service desired. Otherwise, an agreement pertaining to payment and arrangement for Service between Customer and CPS will be required.

(2) Continuity of Service. CPS will make reasonable provisions to supply steady and continuous Service but does not guarantee the Service against fluctuations or interruptions. CPS shall not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, loss of production capacity, or direct or indirect damages of any kind for injuries to persons or property occasioned by interruption, failure to commence delivery, or voltage, wave form or frequency fluctuations, including that caused by interruption, or failure of service or delay in commencing service due to accident to or breakdown of plant, lines, or equipment; or due to strike, act of terrorism, malicious act, riot, act of God, order of any court or judge granted in any bona fide adverse legal proceedings or action or any order of any commission, governmental body or tribunal having jurisdiction; or, without limitation by the preceding enumeration, any other act or things due to causes beyond its control, or due to the negligence of CPS, its employees, or contractors unless it be shown that CPS has not made reasonable provisions to supply steady and continuous Service, consistent with the Customer's class of Service, and in the event of a failure to make such reasonable provisions, whether as a result of CPS' negligence or otherwise, CPS' liability shall be limited to the cost of reasonable and necessary repairs of physical damage proximately caused by the Service failure to those electrical and gas facilities and equipment which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code or, as applicable, any applicable gas industry standards. However, if damages result from fluctuations or interruptions that are caused by CPS' gross negligence or intentional misconduct, this Section shall not preclude recovery of appropriate damages when legally due.

(3) Length of Service Agreements. Unless otherwise specified under a Rate Schedule or written agreement, Service Agreements are to continue in effect until the Customer requests a final bill, or another Customer or Applicant applies for the same type of Service for the same location, or the account is disconnected for nonpayment.

(4) Change of Customer's Address.

- (a) Customer shall give Notice to CPS of any change of location for provision of Service, i.e., change of address, prior to the date of change. Customer is responsible for all Service supplied to the premises originally supplied until such Notice has been received by CPS and CPS has had a reasonable time, but not less than three (3) days from receipt of Notice, to discontinue Service.
- (b) If Customer moves to a location at which CPS may provide the same type of Service, the Notice is considered as Customer's request that CPS transfer such Service to the new location. Such transfer is not to be considered a "cancellation" of the existing Service Agreement and Customer's obligations to CPS remain unchanged.
- (c) If CPS does not have the Service available at the new location, such Notice will be considered a request for cancellation of the Service Agreement and must comply with Section III.3 of these Rules and Regulations.

(5) Indemnity to CPS. Customer shall indemnify, hold harmless and defend CPS from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or arising out of the supplying or availability of electric or gas Service to the Customer on the Customer's side of the Point of Delivery.

(6) Successors and Assigns. Service Agreements shall inure to the benefit of and be binding upon the respective heirs, legal representatives, and successors by operation of law of the parties thereto, but are assignable by the Customer only with the written consent of CPS.

**(B) Customer's Responsibilities**

(1) Responsibilities, Generally. Customer assumes all responsibility on Customer's side of the Point of Delivery, including the Customer's Installation and specifically excluding the Meter, for the Service supplied or taken. Likewise, except as otherwise provided in these Rules and Regulations, Service Agreements or Rate Schedules, CPS will install and maintain its gas pipes and electric supply lines and Service Installations (including the Meter), but CPS shall not be required to install or maintain any equipment on the Customer's side of the Point of Delivery, except the Meter. After Customer has installed an electric meter socket in accordance with the CPS Electric Service Standards, CPS will thereafter maintain the meter socket.

(2) Customer's Installation.

- (a) Customer shall install safe, properly designed equipment and protective devices to safeguard equipment against temporary abnormal conditions of Service. Customer's Installation shall be selected by Customer, with approval of CPS, with the view of obtaining safety, good efficiency, and, (for gas service) sufficient gas pressure and regulation, and (for electric service) sufficient voltage regulation and the highest practicable power factor.
- (b) The Point of Delivery shall be at a suitable location as determined by CPS.
  - (i) *Non-standard connections:* If Customer desires to have connections made in any manner other than as provided in the CPS Electric Service Standards (for electric service) or by

connection to CPS' distribution mains (for gas service), special arrangements may be possible at the sole discretion of CPS. The cost of all special arrangements shall be paid by Customer.

(ii) *Relocation of CPS facilities:* Where the Meter location on the Customer's premises is changed at the Customer's request, or due to the alterations on the Customer's premises, the Customer shall provide and have installed at his or her expense, all wiring and equipment necessary for relocating the Meter to another location acceptable to CPS and sufficient to meet standards provided under these Rules and Regulations.

(c) Customer shall not employ or utilize any equipment, appliance or device so as to affect adversely CPS' Service to Customer or to others.

(i) *Electric Service:* When CPS supplies polyphase service, Customer will control the use thereof so that the load at the Point of Delivery will be maintained in reasonable electrical balance among the phases. In addition, certain types of equipment used by Customers have electrical characteristics that may cause serious fluctuation of voltage or otherwise interfere with Service to other Customers. In such instances CPS may decline to serve such equipment until the Customer has provided, at Customer's expense, suitable apparatus to hold to reasonable limits the effect of interference or fluctuations of any kind. CPS may require such equipment to be supplied by means of a separate Service Installation, and in such event, CPS may require additional contract arrangements and shall bill such Service separately.

(3) Inspection by CPS. CPS shall have the right, but does not assume the duty, to inspect Customer's Installation at any time and to refuse to commence or to continue Service whenever it does not consider such installation to be safe or in good operating condition, but CPS does not in any event assume any responsibility or liability whatsoever in connection with such matters.

(4) Connection, Disconnection and Reconnection. Only CPS employees, its agents, other lawful officials, or licensed persons working under any required permits who are authorized by CPS are authorized to connect, disconnect or reconnect Services for whatever reason, including instances wherein one or more Meters have been disconnected for nonpayment, for Service diversion/theft, for safety hazard, etc. Service connection, disconnection or reconnection performed by any other person will be considered as an illegal unauthorized act and appropriate action will be taken consistent with all legal remedies available to CPS.

(5) Material Changes to Customer's Installation.

(a) Customer shall give Notice to and obtain the consent of CPS before making any material changes or increases to Customer's Installation, due to the fact that CPS' Meter and Service Installation, and the distribution mains and lines connected thereto, have a definite, limited capacity.

(b) CPS will, within a reasonable time, advise Customer whether or not such proposed change or increase is acceptable and, if acceptable, upon what conditions Service can be supplied.

(6) Easements and Rights-of-Way. As prerequisites to providing Service to any Customer, Customer grants and conveys by contract to the City of San Antonio and to CPS certain rights-of-way and/or easements. These shall be satisfactory to CPS and shall be conveyed at no additional cost to CPS to allow unencumbered use of property and passage across property owned or controlled by Customer, so that CPS may access its electric facilities or gas supply lines, mains or extensions thereof necessary or incidental to the operation of the electric or gas system for the provision of safe and reliable Service. Customer shall also maintain easements to ensure unencumbered CPS access for repair and/or

maintenance of its facilities. Customer agrees not to plant trees or shrubs, build fences, erect poles or any permanent obstacle, (including, but not limited to, a house, storage shed, swimming pool and pool walkways, advertisement signage, and lighting structures, etc.), which may obstruct such CPS access. In the event that such obstructions must be removed in order to provide repair and/or maintenance service, the costs of such actions and the subsequent return of the easement to its original condition shall be Customer's responsibility. Rights-of-way and easements once granted shall continue in effect so long as CPS facilities are used or useful for furnishing gas or electric service, or both, even though Service to Customer may be discontinued.

(7) Access to and Protection of Premises.

- (a) Employees and agents of CPS shall have unhindered access at all times to Customer's premises during the course of conducting utility business of a routine or emergency nature, for the purposes of inspecting electric wiring, gas mains and other facilities, trimming shrubs and trees in order to read Meters, disconnecting Service due to nonpayment and/or service diversion/theft, removing, repairing, replacing and/or operating CPS facilities (including distribution and service lines), and for all other purposes necessary to supply service.
- (b) Employees and agents of CPS will exercise due care and will perform only reasonable and necessary site restoration after performance of CPS' work, in order to maintain its facilities for continued Service to Customer. In this regard, CPS assumes no responsibility or liability for incidental damage to Customer improvements within gas and/or electric service easements or along routes of gas and/or electric underground or overhead supply lines and servicing facilities, pursuant to the performance of the aforementioned activities by CPS employees or agents.
- (c) Customer shall protect the Service Installation, Meter and other CPS facilities on Customer's premises and shall permit none but agents of CPS or persons authorized by law to inspect, adjust, touch, handle, alter or interfere with these CPS facilities. In the event of any loss or damage to such property of CPS caused by or arising out of Customer's overloading or due to carelessness, neglect or misuse by Customer or other unauthorized person(s), the cost of making good such loss or repairing such damage shall be paid by Customer.

**(C) Use of Service**

(1) General. Service is supplied directly to Customer's Installation through CPS' Meter and is to be taken by Customer only for the purposes made known to CPS at the time of Customer's Application for Service and as elsewhere provided in these Rules and Regulations. Such Service is for Customer's use only.

(2) Reselling and Sub-metering Service.

- (a) Under no circumstances may Customer or Customer's agent or any other person install meters for the purpose of re-metering or reselling or otherwise disposing of Service supplied Customer or Customer's lessees, tenants, or others, except as authorized by Part III.2(D) (Meters and Metering) of these Rules and Regulations.
- (b) Customer shall not extend or connect Customer's Installation to electric lines or gas mains over or under a street, alley, lane, court or avenue or other public or private space in order to obtain Service for separated property through one Meter even though such separated property may be owned by Customer, except when and to the extent specifically provided in a Customer's Service Agreement.
- (c) In case of unauthorized re-metering, sale or resale of service, extension, service connection or reconnection, other disposition of service, meter tampering, other alteration, theft or diversion of service, CPS may without prior notice to any party immediately discontinue Service until and unless all unauthorized activity ceases and full

payment is made by Customer to CPS for all applicable service charges. Full payment may include special fees, monthly billings from applicable CPS Rate Schedules, miscellaneous customer charges, accrued interest on past due amounts, and charges for CPS expenses incurred in correcting unauthorized activities.

#### **(D) Meters and Metering**

(1) Measurement of Service. Except where otherwise provided for by an applicable Rate Schedule or Service Agreement, the following rules apply to the measurement of Service:

- (a) Customer will be charged for the amount of electricity or gas provided by CPS as measured by a Meter.
- (b) CPS will read Customer's Meter on a regular monthly basis, as nearly as possible on the corresponding day of each Meter reading period, but it may be read at other than monthly intervals if the circumstances warrant.
- (c) CPS furnishes, installs and owns the Meter; the Customer provides an appropriate location (including, as applicable, an adequate meter loop or housepipe) as part of the Customer's Installation, and such location will be maintained by Customer so as to afford CPS convenient access.
- (d) The registration of CPS' Meter shall be accepted and received at all times and places as *prima facie* evidence of the amount of Service taken by Customer.

(2) Meter Accuracy and Testing. CPS tests Meters and maintains accurate of registration in accordance with standards set by the American National Standards Institute (ANSI) (for electric Meters) and good industry practice (for gas Meters). When a Meter is found to violate the applicable standards, CPS will promptly correct the problem. Special tests may be made in the event of a disputed bill or whenever deemed necessary by CPS.

(3) Testing upon Customer Request. At the request of the Customer, the Meter may be tested in Customer's presence. Such testing shall be made during CPS' normal working hours. Following the completion of any requested test, CPS will advise Customer of the test results. CPS will charge for testing in accordance with the CPS Policy for Miscellaneous Customer Charges.

#### (4) Meter Tampering.

- (a) "Meter tampering" means any unauthorized tampering with a Meter, bypassing the same, or other instances of diversion, such as physically disorienting the Meter, attaching objects to the Meter to divert or bypass Service or interfere with the Meter's normal function, inserting objects into the Meter; and any other electrical or mechanical means of tampering with, bypassing, or diverting Service. Where meter tampering results in unbilled Service, theft of Service has occurred.
- (b) Meter tampering is prohibited and is an unlawful use of Service. Only duly authorized personnel or agents of CPS may adjust Meters.
- (c) Indicators or evidence of Meter tampering subjects the Customer to immediate discontinuance of Service, adjustment of prior bills for the period of time affected by the Meter tampering, charges for all CPS costs incurred in addressing the problem, and possible criminal prosecution under local, state or federal laws. Adjustment of bills and imposition of charges related to resolving Meter tampering problems may be made regardless of whether Customer was involved in such Meter tampering.

(5) Reselling and Sub-metering Service. Reselling, re-metering, sub-metering and the like is generally prohibited, except as herein provided. A Customer who operates an office building, an apartment structure or complex or trailer park, or a commercial or industrial establishment located on a single plot or premise or adjoining premises may sell and meter Service to bona fide tenants on such premises to the extent provision therefor is specifically made in the Customer's Service Agreement. The

Customer shall not impose any extra charges on the ultimate user of the Service over and above those charges which are billed by CPS.

### **3. DISCONTINUANCE OF SERVICE**

#### **(A) Voluntary Cancellation**

(1) Service Cancellation Request. Unless otherwise provided in these Rules and Regulations, to cancel Service, a Customer should make a service cancellation request to CPS. Such request shall be consistent with any requirements specified in the Service Agreement and shall include not less than three (3) days' Notice to CPS either in writing, over the telephone, or in person at a Customer Service Center. Upon receipt of a Customer's service cancellation request, CPS may, without liability for injury or damage, physically disconnect, dismantle and/or remove all facilities installed for the purpose of supplying Service to Customer's Installation at the location specified. Thereafter, CPS shall no longer be under any obligation to serve Customer at that location.

(2) Additional Customer Obligations Unaffected. The Service Agreement may provide additional conditions prerequisite to and consequences for the voluntary cancellation of Service. Such request, resulting discontinuation of service and/or CPS physical disconnection does not relieve Customer of any remaining obligations, including obligations related to formerly applicable CPS Rate Schedule(s), provisions of the Service Agreement, these Rules and Regulations, payment agreements, the CPS Policy for Miscellaneous Customer Charges, the CPS Policy for Electric Line Extensions and Service Connections, and/or the CPS Policy for Gas Main Extensions and Service Connections. Such remaining Customer obligations specifically include payment for all services rendered by CPS and its agents.

#### **(B) Temporary Suspension of Service**

(1) Equipment inspection, repair or replacement by CPS. When necessary to make inspections of, repairs to, or changes in CPS equipment, CPS may, without incurring any liability to Customer and using all reasonable diligence, temporarily suspend service for such periods as may be reasonably necessary in order to protect public safety or as required by ERCOT, i.e., through ERCOT's Operating Guides.

(2) Customer Inability to take Service. Should Customer be unable to utilize Service due to any valid reason beyond Customer's reasonable control, CPS may, at its sole discretion, suspend the Service Agreement. When CPS suspends the Service Agreement, the remaining term of the Service Agreement will be extended for a period of time equal to the period of the authorized suspension.

(3) Service Interruptions. In the event of national emergency or local disaster resulting in disruption of normal service, CPS may, in the public interest, interrupt Service to other Customers to provide necessary Service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

#### **(C) Disconnection of Service**

(1) General Rule. For any default or breach of a Service Agreement by Customer, or for default by Customer under any other agreement with CPS in which Customer has specifically agreed to a service termination remedy by CPS, CPS (in addition to all other legal remedies) may elect to terminate the Service Agreement or suspend Service. Unless specifically provided by contract or under these Rules and Regulations, no such termination or suspension will be made by CPS without Notice to Customer, stating in what particular manner the Service Agreement, these Rules and Regulations or other applicable agreement has been violated. Before Service is reestablished, the Customer is required to pay to or make satisfactory payment arrangements with CPS for any amounts owed to CPS as well as for all costs of discontinuing and reestablishing Service.

(2) Disconnection for Delinquent Bills. A Customer's Service may be disconnected if a Past Due bill has not been paid or a deferred payment agreement has not been realized by the disconnection date, provided that proper notice has been given to Customer.

- (a) *Terms.* A bill for Services rendered becomes “Past Due” if unpaid by the Due Date posted on the original bill. The “Due Date” may not be less than 16 days after the date of the original bill’s issuance as provided in Section IV.2 (A)(1)(b) of these rules. “Proper notice” means CPS provides Notice by a separate mailing (the “Disconnect Notice”), which must be mailed after the due date and at least five (5) days prior to the disconnection date.
  - (b) *Contents of Disconnect Notice.* The Disconnect Notice shall inform the Customer of the delinquency, the scheduled disconnection date and the informal conference procedure provided under these Rules and Regulations. The Disconnect Notice shall prominently display, in Spanish and English (as appropriate), that it is a “Disconnect Notice,” and that payment arrangements might be explored by contacting CPS.
- (3) Disconnection with Notice. CPS may disconnect Service after proper notice:
- (a) *Interference with Service to other Customers:* Where Service is used in such a manner as to interfere with or jeopardize service to others, including through the Customer’s use of non-standard equipment, termination or suspension may be effected after CPS has made a reasonable attempt to notify and provided the Customer a reasonable opportunity to correct the problem.
  - (b) *Breach of Service Agreement.* Where Customer fails to comply with deposit or guaranty arrangements or other provisions of the Service Agreement entered into under these Rules and Regulations.

(4) Disconnection of Master-Metered Apartments. When a bill for Services is Past Due for a master-metered apartment complex (defined as a sub-metered or non-sub-metered building in which a single Meter serves five or more residential dwelling units), the following apply:

- (a) CPS will send a notice to the Customer as provided in this section. At the time such Notice is issued, CPS shall also inform the Customer that notice of possible disconnection will be provided to the tenants of the apartment complex in six days if payment is not rendered before that time.
- (b) At least six days after providing Notice to the Customer and at least four days prior to disconnect, CPS will provide tenants with the notice of possible disconnection by posting a minimum of five notices in conspicuous areas in the corridors or other public places of the apartment complex. Language in the notice to tenants shall be prominently displayed and shall read:

Notice to residents of (name and address of apartment complex): (electric and/or gas) utility service to this apartment complex is scheduled for disconnection on (date), because (reason for disconnection).

(5) No Notice Required.

- (a) No prior Notice of disconnection need be given in any of the following circumstances:
  - (i) where a known dangerous condition exists for as long as the condition exists;
  - (ii) where Service is connected without authority by a person who has not made Application for Service or who has reconnected Service without authority following termination of Service for nonpayment or any other reason;
  - (iii) in instances of tampering the Meter, bypassing the same, or other instances of diversion or other unauthorized use; or

- (iv) other unauthorized use, including the sale or resale of Service and extension of facilities.
- (b) Where disconnection is caused by a hazardous condition and where circumstances allow, a written statement providing Notice of Disconnection and the reason therefor will be posted at the place of common entry or at the place of Service as soon as possible after Service has been disconnected.
- (6) Disconnection Not Authorized. Unless otherwise specified in these Rules & Regulations, the following actions by the Customer will not be a basis for discontinuance of Service:
  - (a) Delinquency in payment for Service by a previous occupant of the premises.
  - (b) Failure to pay for merchandise, or charges for non-utility service provided by the utility, unless the Customer has expressly agreed otherwise in the contract for such merchandise or non-utility service.
  - (c) Failure to pay for a different type or class of utility service or another Customer's account unless the fee for such Service is included on the same bill, or the Customer has expressly agreed otherwise in the contract for such service.
  - (d) Failure to pay the account of another Customer as guarantor thereof, unless CPS has in writing the guarantee as a condition precedent to Service.
  - (e) Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing.
  - (f) Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due pursuant to a bill adjustment made after determination of meter error.
  - (g) Failure to pay an estimated bill other than a bill rendered pursuant to an approved Meter reading plan, unless CPS is unable to read the Meter due to circumstances beyond its control.
- (7) CPS' Reservation of Rights. Failure of CPS at anytime after any such default or breach either to suspend the supply of Service or to terminate the Service Agreement or to resort to any other legal remedy, or its exercise of any one or more of such remedies does not affect CPS' right to resort thereafter to any one or more of such remedies for the same or any future default or breach by Customer.

**(D) Special Circumstances for Discontinuance**

- (1) Disconnection During Weekends or Extreme Weather Emergencies.
  - (a) CPS will not discontinue or disconnect service to a residential customer on a weekend day or during an extreme weather emergency. CPS will also defer collection of the full payment of bills that are due during an extreme weather emergency until the extreme weather emergency is over.
  - (b) "Extreme weather emergency" means a period when:
    - (i) The previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below 32 degrees Fahrenheit for the next 24 hours according to the nearest National Weather Service (NWS) reports; or
    - (ii) The NWS issues a heat advisory for a county in the CPS service area, and the first two (2) days following the termination of such advisory.
  - (c) A residential customer whose residential bill is due and unpaid during an extreme weather emergency may apply for payment plans described in paragraph IV.2 (B)(3) of these Rules and Regulations.

(2) Disconnection to Ill or Disabled Customers

- (a) Utility service will not be discontinued to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued.
- (b) The following showing is required:
  - (i) A Customer seeking to avoid termination of service under this rule must have the attending physician (for purposes of this rule, the term "physician" shall mean any public health official, including, but not limited to, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact CPS within 16 days of issuance of the utility bill.
  - (ii) A written statement must be received by CPS from the physician within 26 days of the issuance of the utility bill.
  - (iii) The prohibition against service termination provided by this rule shall last 63 days from the issuance of the utility bill or such lesser period as may be agreed upon by the utility and the customer or physician. The Customer who makes such request shall enter into a deferred payment plan. Additionally, in a continuing effort to avoid termination of service, a certified letter will be mailed to the customer 10 days prior to the scheduled disconnection date.

(3) Disconnection to Energy Assistance Grantees. CPS will not terminate Service to a delinquent residential Customer for a billing period in which the Customer has applied for and has been granted energy assistance funds, if any agency administering those funds has notified CPS prior to the date of disconnection of approval of an award sufficient to cover the bill, or a portion thereof, so that the Customer can successfully enter into a deferred payment plan for the balance.

**PART IV. DEPOSITS & BILLING**

**1. SECURITY DEPOSITS**

**(A) Deposits, Generally**

(1) All Types of Service. Any Applicant or Customer may be required to submit a security deposit to establish credit satisfactory to CPS, but such establishment of credit shall not relieve Customer from complying with the rules for prompt payment of bills.

(2) Periodic Review. CPS reserves the right to periodically review and revise deposit requirements, including the deposit amount and any decision to defer collection of a deposit. Adjustments to the deposit may be based upon the following factors:

- (a) Customer's billing payment history;
- (b) Changes in the location of Customer's Service;
- (c) Change of Customer record status;
- (d) Change in a non-residential Customer's ownership; or
- (e) Other considerations taken in good faith that are determined by CPS to be in the best interests of CPS and its other customers.

(3) Considerations in Deferral of Deposits. In addition to the provisions specific to residential or non-residential Customers, if any Customer expresses difficulty in paying the full amount of the deposit during the initial application process, CPS may, at its sole option, include payment of the security deposit in a CPS deferred payment plan. CPS also reserves the right to defer payment of a deposit for a Customer who enters into a multi-year full service contract.

(4) Reestablishment of Credit. An Applicant who previously has been a Customer and whose Service has been discontinued for nonpayment or Meter tampering will be required, before Service is rendered, to pay all amounts due CPS or execute a payment arrangement plan acceptable to CPS, and establish credit as provided in these rules.

### **(B) Residential Customers**

(1) Amount of Deposit. Unless specifically provided under the Service Agreement or these Rules and Regulations, any security deposit required for a Customer of residential Service shall not exceed an amount equivalent to one-sixth (1/6) of the actual or estimated annual billings for the specific residential location.

(2) Deferral. At CPS' discretion, CPS may defer the deposit requirement upon Customer's satisfaction of one or more of the following conditions:

- (a) *History of utility service*: Customer was (is) the customer of record of a water, cable or cable TV, telecommunications, electric and/or gas utility within the past two years and Customer, within the prior year, has not been delinquent more than two (2) times with utility bill payments, was never disconnected for nonpayment or has had at least a satisfactory payment record. Upon Customer request, credit history information may be applied equally for a reasonable period for the spouse or former spouse of a residential Customer who shared the service. Credit history maintained by one spouse may be applied equally to the other spouse without modification and without additional qualifications not required of the other spouse.

### **(C) Non-Residential Customers**

(1) Amount of Deposit. Unless specifically provided under the Service Agreement or these Rules and Regulations, a security deposit required of a non-residential Customer shall not exceed an amount equivalent to one-sixth (1/6) of the actual or estimated annual billings for the specific location. If recent consumption history is available, the data will be used in the revenue estimation process.

(2) Deferral. At CPS' discretion, CPS may defer the deposit requirement for a non-residential Customer demonstrating a satisfactory history or, in particular, an established prompt payment record with CPS. The following considerations apply:

- (a) A "prompt payment record" means that the customer has no more than two (2) delinquencies during the preceding twenty-four months. Under this sub-part, a "delinquency" is defined as any bill paid twenty (20) days or more after the date of a bill's original issuance by CPS.
- (b) Residential payment history is not normally acceptable by CPS in the consideration of deferring non-residential deposits.
- (c) Customers without a payment history with CPS may demonstrate their favorable credit history through provision of a credit report from a credit-reporting agency acceptable to CPS. The deposit may be deferred initially, subject to regular review.

(3) Non-Cash Deposits. Accounts are normally secured with cash deposits at the time service is established with CPS. In lieu of cash deposits, CPS may accept Certificates of Deposit with assignment to CPS. In order to be accepted the original Certificate of Deposit instrument must be retained by City Public Service. CPS also may accept Corporate Surety Bonds with Corporate Letters of Guarantee. In order to be accepted, all bonds must be issued by companies licensed or qualified to do business in the State of Texas and the company must be listed in a national or international ratings guide acceptable to CPS. These "in lieu of cash" deposit instruments are accepted only for CPS deposit requirements greater than \$1,000 and must be issued for a minimum two-year period.

### **(D) Interest**

(1) Amount. The effective annual interest rate applied to CPS security deposits is established annually in December of the preceding year as 85% of the average rate of one-year Treasury bills over

the latest available 12 months – as amended and consistent with current Texas State law and CPS regulatory authority.

(2) Accrual. Interest begins to accrue from the time the deposit is received by CPS. Interest will no longer accrue when the deposit is refunded to Customer or credited to Customer's account.

(3) Payment of Interest. Generally, interest on security deposits held by CPS is credited to the Customer's account each month at the time of Customer's monthly billing. Alternatively, interest shall be credited to the first billing period immediately following each anniversary of the date CPS credited the deposit to Customer's account, or, at that time, it shall be paid to the Customer if the Customer has previously submitted a written request that interest be returned.

#### **(E) Refunds**

(1) Residential Customers. Any required security deposit (plus accrued and uncredited/unpaid interest) may be refunded to Customer if all of the following conditions are met:

- (a) The deposit has been held by CPS for at least twelve (12) months; and
- (b) Customer has not had more than one collection activity occurrence (including not honored and returned checks, mailed disconnect notices, telephone call disconnect notices and field disconnect notices) in the prior 12 months; and
- (c) There is no "Past Due" bill currently owed to CPS for the applicable Service accounts.

(2) Non-Residential Customers. Any required security deposit plus (accrued and uncredited/unpaid interest) may be refunded upon request to a non-residential Customer if all of the following conditions are met:

- (a) A prompt payment record over a twenty-four (24) month period has been established; and
- (b) Customer has not had more than one collection activity occurrence (including not honored and returned checks, mailed disconnect notices, telephone call disconnect notices and field disconnect notices) in the prior 24 months; and
- (c) there is no "Past Due" bill currently owed to CPS for the applicable Service account.

(3) Credit to Account. Notwithstanding the foregoing provisions, CPS reserves the right to refund security deposits and/or other amounts owed by CPS to Customer by crediting Customer's monthly CPS bills. If Service ends on an account due to a Customer's service cancellation request or disconnection for nonpayment, the deposit and any accrued and uncredited/unpaid interest thereon may be credited to any amounts due CPS. [Such amount may be credited to any balance owed to CPS by the Customer, including amounts owing on other accounts of that same Customer.](#) Any remaining credits will be refunded to Customer by check or by other mutually agreeable means, except as provided in part (4), below.

(4) Provision for Issuing Refund Check. [Should any deposit balance amount, refund or credit amount, or account closing overpayment amount be due and payable by CPS to Customer be of a sum that is nominal, including any amount less than the estimated cost of issuing the refund; notice of the refund amount shall be given to the Customer at the account address contained in CPS records, with the option given the Customer to receive the deposit at a CPS Customer Service Center or by mail at an address designated by the Customer. Upon receipt of the Customer's direction as to the location at which the Customer wishes the amount to be paid or forwarded, CPS will issue a refund check to the forwarding address or will authorize payment of such amount to the Customer at a CPS Customer Service Center.](#)

## 2. BILLING

### (A) Calculations and Issuance

(1) Billing Cycle. CPS bills are based upon the applicable Rate Schedule and/or the Service Agreement and rendered bills will show an amount due as specified by the Rate Schedule and/or Service Agreement. Bills are issued on regular monthly intervals, except for periods when Service is rendered for less than a month or as authorized by the regulatory authority, promptly after a Meter is read.

- (a) *Billing Address*. Unless other arrangements acceptable to CPS are made, bills are issued by mail to the Customer's Service location.
- (b) *Due Date*. A bill for Services rendered becomes "Past Due" if unpaid by the Due Date, which is posted or printed on the bill. For convenience of the Customer, the bill may contain the recalculated total "Past Due" amount, including penalties allowed and computed under these Rules and/or the Service Agreement and charges computed under the applicable CPS Rate Schedules (including late payment charges, if any). The Due Date will not fall on a weekend or holiday. The Due Date is calculated as follows:
  - (i) The Due Date will not be less than 16 days after the date of the original bill's issuance.
  - (ii) Residential Senior Citizen Customers (60 or more years old) may live on fixed incomes and require assistance in coordinating bill payments. Residential Senior Citizen Customers of CPS may apply for an extended Due Date, which falls on a date not less than 25 days from the date of issuance. This provision applies only to the Service address at which the Customer resides. The written application form must be completed to the satisfaction of CPS.
- (c) *Billing Multiple Meters*. Unless otherwise specified in the Rate Schedule or written Service Agreement, CPS installs one electric or gas Meter per Customer at a single service address or location and bills each electric or gas Meter independently under the applicable Rate Schedule. Where CPS furnishes more than one Meter for a Customer for either electric or gas service at a given location, CPS reserves the right to permit the combined billing of multiple Meters, so long as an applicable Rate Schedule is in effect and the Customer is required to pay charges associated with the facilities provided and Services performed at each Meter site. Such facilities and Services may include, but are not limited to, the Meter, any additional facilities required to sum Meter registrations, any transformer or line capacity in excess of Customer's load requirements, maintenance of facilities, and meter reading.

### (2) Nonpayment

- (a) *CPS Action*. If payment is Past Due, CPS will assess a late payment charge as specified under the applicable CPS Rate Schedules and may mail a Disconnect Notice to Customer indicating the earliest date Service may be discontinued for nonpayment (the Disconnect Date). Such Disconnect Notice will be mailed as provided in Part III.3(C) (Disconnection of Service).
- (b) *Non-receipt of Bill*. Non-receipt of one or more bills by Customer shall not release or diminish the Customer's obligation to pay for Service.
- (c) *Penalties and fees*. A delinquent bill may be subject to such penalties and fees as provided in the Rate Schedule and Service Agreement.

### (3) Estimated Bills

- (a) When there is good reason for doing so, CPS may submit estimated bills using the applicable Rate Schedule and/or Service Agreement, provided that an actual Meter reading is taken every three months. In months where the meter reader is unable to gain

access to the premises to read the meter on regular meter reading trips, or in months where meters are not read, CPS may provide the Customer with a postcard and request the Customer to read the Meter and return the card to CPS. If such postcard is not received by CPS in time for billing, CPS may estimate the Meter reading and render a bill accordingly.

- (b) For CPS Customers participating in a customer-read program (in which Customers read their own Meter and report their usage monthly) CPS may estimate the customer's meter reading and render a bill accordingly if no meter reading is timely submitted by Customer. However, CPS will read the Meter if the Customer does not submit readings for three consecutive months so that a corrected bill may be issued.

## **(B) PAYMENTS**

(1) In General. Bills are payable in U.S. currency by cash, check, money order, cashier's check, certified check, by pre-authorized electronic payment (whereby Customer authorizes withdrawals via the Automatic Clearing House (ACH) Network or its successor in function), or as otherwise specifically provided in these Rules and Regulations or the Service Agreement. The option to use the pre-authorized electronic payment method must be requested by Customer and is subject to CPS' acceptance under CPS' Pre-authorized Electronic Payment Plan or such similar plan as may be adopted or amended by CPS.

(2) Application of Customer Payments. Upon receipt of Customer's payment, CPS first applies payment to any outstanding balance in the order such charges were incurred.

(3) Payment Extensions, Alternative Payment Plans, and Payment Assistance Programs. A Customer may contact CPS to discuss an inability to pay a bill, or indicate that they would like to consider alternate payment options or they are in need of assistance with their bill payment, CPS Customer Service will inform the Customer of all available extensions, alternative payment plans and payment assistance programs available from CPS for which the Customer may qualify, such as extensions, deferred payment plans, disconnection moratoriums for the ill, and energy assistance programs, as applicable, and of the eligibility requirements and procedure for applying for each.

- (a) *Payment Extensions.* Payment extensions are any special arrangements or agreements between CPS and a Customer in which an outstanding bill will be paid after the Due Date but before the Due Date of the next bill. If a Customer does not fulfill the terms of such payment arrangements, CPS shall have the right to disconnect Service. If a Disconnect Notice was issued prior to the payment arrangements being made, such notice shall suffice as Notice to the Customer.
- (b) *Alternative Payment Plans.* Optional plans for Customer payment may include the Pre-Authorized Electronic Payment Plan (PEP), the Summary Billing Program (SBP), and the Budget Payment Plan (BPP). CPS Customer Service should be contacted for current information as to these or other plans.
- (c) *Payment Assistance Programs.* CPS may provide a deferred payment plan upon Customer request. A deferred payment plan is any arrangement or agreement between CPS and a Customer in which an outstanding bill will be paid in installments that extend beyond the Due Date of the next bill. Other specialized assistance programs may also be available through CPS.

(4) Check Acceptance Policy. As used in this section, "check" or *check* means a personal or business check and similar negotiable or non-negotiable draft or other instrument. *Check* does not include money orders, cashier's checks, or certified checks. If payment of a CPS bill by check or by pre-authorized electronic payment or withdrawal is not honored by Customer's bank or financial institution and is returned to CPS, Customer will be required to pay a CPS Returned Payment Fee as specified in the CPS Policy for Miscellaneous Customer Charges. Any CPS Customer who attempts to pay his or her CPS bills, other lawful debts, or amounts due and payable by Customer to CPS with three (3) or more not honored and returned (NHAR) checks within any twelve (12) month period shall be designated as a "multiple returned check" (MRC) customer for a subsequent period of twelve (12) months. During this

subsequent twelve- (12) month period the MRC customer shall lose CPS check-writing privileges. Thereafter, that customer's CPS check-writing privileges shall be restored for a period of up to thirty-six (36) months on an inactive MRC customer status basis – *if* the customer does not attempt to pay CPS with any more NHAR checks. Should an inactive MRC customer with reinstated CPS check writing privileges attempt to pay CPS with one or more additional NHAR checks, that customer reverts to MRC customer status and shall again lose CPS check writing privileges for another subsequent period of twelve (12) months. Should an inactive MRC customer with reinstated CPS check writing privileges not attempt to pay CPS with any NHAR checks for a period of thirty-six (36) months, that customer's CPS check writing privileges shall be automatically and fully restored. In such case, CPS shall delete past records of MRC customer and inactive MRC customer status.

### **(C) ADJUSTMENTS to Bill**

(1) Adjustment for Inaccurate Meter Registration. In the event that any routine or special test of a CPS Meter discloses its average accuracy of registration to be in error by more than two (2) percent fast or slow, proper correction shall be made to previous readings for the period of six (6) months immediately preceding the removal of such meter from service for the test, or from the time the meter was in service since last tested, but not exceeding six (6) months, and adjusted bills shall be rendered. Said adjustments will be made regardless of the causes of any inaccuracies. No refund shall be made by CPS except (if applicable) to the customer last served by the meter prior to the testing. If a meter is found not to have registered for any period, (excluding cases of meter by-pass or tampering), CPS shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years. Said charge will be made regardless of the cause of any failure to register.

(2) Adjustment Due to Meter Bypass. Where CPS becomes aware that a Service location may have been provided with Service which, although metered through use of an accurate Meter, has not been billed by CPS or paid by Customer, CPS will adjust Customer bills accordingly. In such instances of Meter bypass, the adjustment will be made to the extent that the Customer may reasonably be shown to have benefited from such previously un-metered Service. Service attributable to Meter bypass shall be the responsibility of the Customer regardless of whether the Customer was involved in such bypass.

(3) Billing Disputes. Any customer who questions the accuracy of a bill or has any other good faith dispute regarding the correctness of the bill may telephone or come to any CPS Customer Service Center during normal business hours prior to the Final Payment date shown on the past due notice and obtain, on request, an informal conference with a Customer Service representative. Notice of opportunity for such a conference shall be provided in the Past Due Notice to each customer subject to service termination.

- (a) Any amounts not subject to dispute shall be due and payable as otherwise provided in these Rules and Regulations and the applicable Service Agreement. Subsequent charges for service not subject to the dispute are likewise due and payable as provided.
- (b) Customer Service representatives shall be authorized to correct any billing errors or other mistaken determinations which become evident from such a conference or subsequent investigation, and shall be empowered, upon such resolution of the dispute, to halt any service termination action, or reinstate service without charge to the customer if the conference occurs after the final payment date.
- (c) If the Customer Service representative reasonably determines after the conference that further investigation of the Customer's claim or complaint is necessary in order to resolve the dispute, the representative shall defer any service termination action, pending whatever further investigation is necessary and shall institute the additional investigation. Service may be terminated after the informal conference or after an additional investigation if, in either case, the Customer Service representative or other authorized CPS representative reasonably determines that the amount billed was justly due and so advised the customer prior to termination.