



CPS ENERGY  
RULES AND REGULATIONS  
APPLYING TO RETAIL UTILITY SERVICE  
Revised and Effective: February 1, 2017

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**CPS ENERGY**  
**RULES AND REGULATIONS APPLYING TO RETAIL UTILITY SERVICES**

**I. STATEMENT OF PURPOSE**

These Rules and Regulations govern the provision of retail services provided by the City of San Antonio, acting by and through City Public Service Board (“CPS Energy”) to Customers of utility, except to the extent otherwise specified in a written Service Agreement between CPS Energy and a Customer. CPS Energy’s purpose is to secure for each of its Customers quality service consistent with safe, fair and responsible business standards. Services are provided by CPS Energy without discrimination as to the race, ethnicity, nationality, color, religion, gender, or marital status of any Applicant or Customer.

These Rules and Regulations are subject to revision from time to time, and supersede all prior versions of Rules and Regulations which have governed the provision of Service by CPS Energy. The Rules and Regulations, CPS Energy Policies, and Rate Schedules referred to herein have been approved by proper and lawful regulatory authority and are available to any Customer upon Customer’s request.

CPS Energy shall provide the Services under these Rules and Regulations in a manner consistent with local, state and federal law and nothing in these Rules and Regulations is intended to exempt CPS Energy from following any applicable statute or legal requirement.

**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 Energy Policies and/or Standards pertaining to Service(s).

Account - The record of fees, charges, or payments for Services provided to a Customer by CPS Energy. An Account is an ACTIVE ACCOUNT until a final bill has been rendered at Customer's request or by CPS Energy, in accordance with these Rules and Regulations. An Account is an INACTIVE ACCOUNT if a final bill has been rendered to the Customer for the Account.

Applicant - Any person, partnership, association, firm, public or private corporation or governmental entity requesting Service(s) from CPS Energy.

Application for Service - Notice from Applicant to CPS Energy requesting Service(s) from CPS Energy.

CPS Energy - The City Public Service Board of San Antonio, Texas.

CPS Energy Electric and/or Gas Service Standards, also "Standards" - Construction and/or operational standards for electrical and/or gas Service installation based on Service type and Customer requirements.

Customer - A person, partnership, association, firm, public or private corporation, or governmental entity or their designee who has a Service Agreement with CPS Energy.

Customer's Installation - In general, all wiring, pipes, valves, devices, apparatus, and appliances of any kind or nature on Customer's side of the Point of Delivery, except for CPS Energy Facilities.

ERCOT - The Electric Reliability Council of Texas, or its successor in function.

Facilities - All plant and equipment of CPS Energy, including all tangible and intangible property, without limitation, owned, operated, leased, licensed, used, controlled, or supplied for, by, or in connection with CPS Energy operations and Provision of Service.

Meter - The metering device and any auxiliary equipment, whether physical or virtual, as specified, supplied, owned and operated by CPS Energy that measures the quantity of electric energy or gas used and gathers billing data in order to determine the charges for Services provided by CPS Energy. A Meter shall not be considered part of Customer's Installation and Customer shall not be authorized to purchase and/or operate a Meter.

Meter Tampering/Diversion of Service - Any unauthorized tampering with a Meter, bypassing the same, or other instances of diversion, such as 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, electronic, wireless, or mechanical means of tampering with, bypassing, or diverting Service. Meter Tampering includes tampering with the network equipment used to read the Meter, and also tampering with the behind-the-Meter devices, either, electronically, or wirelessly of the Customer, other Customers, or with Facilities. The aforementioned definition of Meter Tampering applies to both active and inactive meters and devices.

Notice - When Notice is required in these Rules and Regulations, it may be accomplished by electronic, written, verbal or telephonic means unless otherwise stated in the specific Section.

Point of Delivery - In general, the point where the electric energy or gas first leaves the Service Installation and enters the Customer's Installation as reflected in the CPS Energy Electric Service Standards or applicable gas service standards, unless otherwise specified in Customer's Service Agreement.

Rate or Rate Schedule - The written statement of terms, including the Customer classification, which reflects the compensation, tariff, charge or fee that is directly or indirectly demanded, or collected by CPS Energy for Service(s).

Service - The term Service(s) is used in the broadest and most inclusive sense, and includes electric, gas or utility Service, and 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 Energy.

Service Agreement - An oral, electronic, or written agreement between CPS Energy 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. Unless specified otherwise in the Agreement, the Customer agrees to be bound by the terms of the CPS Energy Rules and Regulations Applying to Retail Utility Service, as well as the CPS Energy Policy for Miscellaneous Customer Charges, CPS Energy Policy for Electric Line Extensions and Service Connections, CPS Energy Policy for Gas Main Extensions and Service Connections, the Electric Service Standards, and any applicable CPS Energy Rate Schedule(s) as they exist, as amended at the time these Service(s) are supplied by CPS Energy.

Service Area - The geographical area to which CPS Energy provides Service as shown on CPS Energy 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.

Service Installation - CPS Energy Facilities which are located on Customer's premise that are installed to provide Service to the Customer.

### III. PROVISION OF SERVICE

#### A. ESTABLISHMENT OF SERVICE

##### 1. Applications for Service

An Applicant may make a written, verbal, or electronic application to CPS Energy for Service(s). At the discretion of CPS Energy, an Applicant may receive Service(s) without entering into a written Service Agreement. CPS Energy relies upon the fact that the Applicant is authorized to make the Application, is acting in good faith, and is providing true and accurate information. An Applicant who fails to comply with this section may be denied Service.

##### a. Required Identification

An Applicant shall be required to provide one or more of the following forms of identification:

- i. Verifiable driver's license, issued by a state or territory of the United States;
- ii. Verifiable identification card, issued by a state or territory of the United States;
- iii. Social security number;
- iv. Federal tax identification number; or
- v. Any other form of identification (ID) considered acceptable upon review by CPS Energy.

##### b. Proof of Occupancy

CPS Energy may require an Applicant to produce verifiable proof of the Applicant's right to occupy the premises for which the Applicant is applying for Service, including a date of occupancy, before CPS Energy establishes or reconnects Service for the Customer at the Service premises.

##### c. Credit Security

An Applicant may be required to submit credit security as a condition to receiving Service in accordance with SECURITY DEPOSITS, Section IV.A.

##### d. Prior Debt, Fees and Charges

An Applicant may be required to pay billed or unbilled debt, identified by CPS Energy as the responsibility of Applicant, prior to establishment of Service.

##### e. Selection of Rate

When an Application for Service is made, CPS Energy will assign the Applicant to the Rate Schedule most appropriate to Applicant for the Service(s) provided. The selection will be based on the Applicant's statement as to the class of Service desired, the amount and manner of use, and any other pertinent information.

- i. CPS Energy shall not be liable for any error in connection with the selection of the Rate Schedule nor shall a more favorable Rate Schedule for the Customer be made effective on a retroactive basis.
- ii. Any subsequent need for a change in Rate Schedule(s) necessitated by a change



in Customer circumstances or other conditions must be brought to CPS Energy's attention by the Customer.

- iii. **Optional Rate:** Where a Customer is qualified and eligible to take Service at a given location under one of two or more optional Rates, CPS Energy will, on request, assist in the selection of the most advantageous Rate Schedule. If the Customer applies for another applicable Rate, CPS Energy will bill for that Rate from and after the date of the next Meter reading.

f. **Service before Agreement**

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

g. **Effective Date**

A Service Agreement is effective according to its terms or when the appropriate Application for Service is approved by CPS Energy.

h. **Exemptions**

To the extent an Applicant is a governmental entity, state agency or other entity that believes it is exempt or entitled to a variance from the requirements or obligations found within the Rules and Regulations or Rate Schedule(s), the entity shall provide sufficient documentation to CPS Energy to demonstrate its rights to claim such exemption or variance.

2. **Refusal of Service**

a. **Refusal Authorized**

There may be situations where CPS Energy may decline to serve an Applicant such as:

- i. Applicant has failed to comply with these Rules and Regulations as well as any applicable governmental regulations;
- ii. Applicant's installation is known to be hazardous or of such character that satisfactory Service cannot be provided;
- iii. Refusal to meet the deposit requirements under Section IV.A;
- iv. Applicant has presented fraudulent documentation or information in order to establish an Account;
- v. CPS Energy has discovered prior or current evidence of Meter Tampering, theft or Diversion of Service;
- vi. Applicant has failed to comply with conditions precedent to Service;
- vii. Applicant is indebted to:
  - a) Another utility for the same kind of Service as that which is being applied for; or
  - b) CPS Energy for the same class of Service at any one or more locations of Customer(s).
- viii. The Applicant has applied for Service at premises where another Customer

received Service and is indebted to CPS Energy; and

- a) The new Application for Service is made to assist the other Customer in evading or avoiding payment of the indebtedness; or
- b) The other Customer no longer occupies the premises, but the Applicant is found to have occupied the premises and benefitted from Service prior to date of Application and has refused to make payment of the charges incurred during such occupancy.

b. Refusal Not Authorized

The following actions by Applicant will not be a basis for refusal of Service:

- i. Failure to pay the bill or indebtedness of a previous occupant of the premises to be served, except with respect to refusal of Service for indebtedness as provided for in Section III.A.2.a;
- ii. Failure to pay for merchandise, or charges for Services provided by CPS Energy wherein Customer has expressly agreed to other remedies in a Service Agreement;
- iii. Violation of CPS Energy's Rules and Regulations pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with Service to others, or other CPS Energy services, unless Applicant has first been notified and been afforded a reasonable opportunity to conform to CPS Energy Rules and Regulations;
- iv. Failure to pay a bill of another Customer as guarantor thereof, unless the guarantee was made in writing to CPS Energy as a condition precedent to establishing Service;
- v. The Applicant disputes the refusal of Service allowed under Section III.A.2 and has otherwise made satisfactory arrangements with CPS Energy.

3. Terms of Service

- a. Customer is responsible under a Service Agreement for all Services supplied to the Customer's premises until:
  - i. Customer gives Notice to CPS Energy to cancel Services to the premises and CPS Energy has had at least two (2) business days from the date upon which the Customer requests cancellation of Service to cancel Services; or
  - ii. Another Customer is under a Service Agreement for the same type of Services at the same premises.
- b. If Customer desires to transfer Service to another location within the CPS Energy Service Area, the Customer will be responsible for providing Notice to CPS Energy, at which time CPS Energy will cancel the existing Service Agreement with Customer and Customer will be required to establish a new Service Agreement at the new premises in accordance with Section III.A.
- c. If CPS Energy does not have 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.A.3 of these Rules and Regulations.

## B. GENERAL CONDITIONS OF SERVICE

### 1. General Conditions

#### a. Supplying Service

Service is supplied only under and pursuant to these Rules and Regulations and any modifications or additions thereto. CPS Energy will supply service under the applicable Rate Schedule and Service Agreement at the point of Delivery that CPS Energy considers adequate and suitable for the Service being provided.

#### b. Service Premises

When CPS Energy's Facilities are not available or suitable at a premise where Service is desired, CPS Energy Facilities may be extended or provided in accordance with CPS Energy's Policy for Electric Line Extensions and Service Connections and CPS Energy's Policy for Gas Main Extensions and Service Connections.

#### c. Continuity of Service

CPS Energy will make reasonable provisions to supply Service but does not guarantee a continuous supply of electric energy or that the voltage, wave form, or frequency of the supply will not fluctuate. CPS Energy shall not be liable for damages 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 fluctuation caused by interruption or failure of service or delay in commencing service due to accident or to breakdown of plant, lines, or equipment, strike, 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 or tribunal having jurisdiction; or, without limitation by the preceding enumeration, any other act or things due to causes beyond its control, caused by to the negligence of CPS Energy, its employees, or contractors, except to the extent that the damages are occasioned by the gross negligence or willful misconduct of CPS Energy.

#### d. Continuity of Service Exceptions

Service may be suspended or disrupted by CPS Energy under the following conditions:

- i. Evidence of Meter Tampering, Diversion of Service, theft, or unlawful use of Service;
- ii. A potential health or safety hazard;
- iii. Evidence of unauthorized re-metering, sub-metering, or resale of Service;
- iv. A violation of CPS Energy Rules and Regulations; or
- v. When directed or mandated by court order, law enforcement, or regulatory agency for violation of applicable municipal, county, state or federal codes or laws.

#### e. Release of Liability

As a condition of providing Service(s) to Customer, CPS Energy assumes no

responsibility or liability for Customer's Installation or damage caused by CPS Energy to improvements, landscaping, or structures on Customer's premises that encroach on CPS Energy's side of the Point of Delivery including service easements, lines, or Facilities.

f. Successors and Assigns

Customer's Service Agreement shall inure to the benefit of and be binding upon the Customer's respective heirs, legal representatives, and successors.

g. Performance of Services

Employees and agents of CPS Energy will exercise due care and will perform only reasonable and necessary work, as necessary to maintain reliability and minimize interruption of Service to the Customer.

2. Customer Responsibilities

a. General Responsibilities

Customer assumes all responsibility on Customer's side of the Point of Delivery, including the Customer's Installation, except for the Meter or as otherwise provided in these Rules and Regulations, Service Agreements or Rate Schedules.

b. Specific Responsibilities

Customer's responsibilities shall include, but not be limited to the following:

- i. Paying for Services provided by CPS Energy on or before the payment due date specified on the Customer's bill or in the Service Agreement;
- ii. Installation of safe and properly designed equipment and protective devices to safeguard Customer's Installation and equipment against potential damage caused by fluctuations or interruptions in Service;
- iii. Installation and maintenance of Customer's Installation in accordance with all applicable codes and regulations;
- iv. Easements and Rights-of-Way: Customer may be required to grant and convey certain rights-of-way and/or easements to CPS Energy allowing unrestricted access and passage across the Customer's premises under terms that are satisfactory to CPS Energy at no cost to CPS Energy. The Customer is required to maintain the easements to ensure that access to and across the premises is not obstructed or restricted in any manner. In the event that CPS Energy is impeded in its access of Customer's premises and must remove obstructions in order to provide Services, the costs of such removal and return of the easement to its original condition shall be Customer's responsibility;
- v. Maintaining the Customer's premises to allow verification of the Service address of the premises from the street;
- vi. Providing CPS Energy, its agents, contractors, and employees with safe and unobstructed access to the Customer's premises to allow CPS Energy to:
  - a) remove, repair, replace and/or operate CPS Energy Facilities or equipment;
  - b) read a Meter;

- c) trim or remove a tree, shrubbery or other obstruction that interferes with or creates a danger to a utility line or other CPS Energy Facility(s);
    - d) inspect CPS Energy Facilities and Customer Installation;
    - e) disconnect Service due to nonpayment of Service(s), Meter Tampering, and/or Diversion of Service; and
    - f) Carry out all other purposes necessary to supply the Services.
  - vii. Protecting the Service Installation and other CPS Energy Facilities on Customer's premises by allowing no persons, other than agents of CPS Energy or those authorized by law, to inspect, adjust, touch, handle, alter or interfere with the CPS Energy Facilities;
  - viii. Giving Notice and obtaining the consent of CPS Energy before making any material changes to Customer's Installation;
  - ix. Giving Notice to CPS Energy of any change of address for provision of Service prior to the date of change;
  - x. Making application with CPS Energy for the installation of distributed generation equipment for the following purposes:
    - a) Generation installed behind the billing Meter;
    - b) Generation installed to provide backup power; or
    - c) Generation tied directly to the grid for commercial purposes.
  - xi. Failure to do the above may subject Customer to miscellaneous charges in accordance with the CPS Energy Policy for Miscellaneous Customer Charges.
- c. Customer Installation
  - i. Customer Connections
    - a) The Customer's Installation shall be selected and installed by Customer, with prior approval by CPS Energy. The Customer's Installation shall be safe, efficient, and provide sufficient pressure and regulation for gas Service and voltage regulation and the highest practicable power factor for electric Service.
    - b) The Point of Delivery shall be at a suitable location as determined by CPS Energy.
  - ii. Changes to Connections - If Customer desires to have non-standard Facilities placed on the Customer's premise or connections made on the Customer's premise in any manner other than as provided in the CPS Energy's Electric Service Standards (for electric service) or by connection to CPS Energy's distribution mains (for gas service), special arrangements may be possible at the sole discretion of CPS Energy. Costs associated with all such special arrangements shall be the responsibility of Customer and shall be paid in accordance with the terms of the special arrangements.
  - iii. Relocation of CPS Energy Facilities - Where the Meter location on the Customer's premises is changed at the Customer's request, or is required due to 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 Energy and sufficient to meet

standards provided under these Rules and Regulations.

iv. Utilization of Other Devices and Load Balance

- a) Customer shall not employ or utilize any equipment, appliance or device so as to affect adversely CPS Energy's Service to Customer or to others.
- b) When CPS Energy 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.
- c) 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 Energy may decline to provide Service for such equipment until the Customer has provided, at Customer's expense, a suitable apparatus to hold to reasonable limits the effect of interference or fluctuations of any kind. CPS Energy may require such equipment to be supplied by means of a separate Service Installation, and in such event, CPS Energy may require additional contract arrangements and shall bill such Service separately.

d. Inspection by CPS Energy

CPS Energy 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. CPS Energy assumes no responsibility or liability in connection with such inspection.

e. Customer Liabilities

- i. A Customer is responsible and liable for the Customer Installation and Service provided on the Customer's side of the Point of Delivery, including:
  - a) Excessive consumption caused by faulty equipment;
  - b) Damage caused by an open valve or circuit after Service initiation;
  - c) A violation of the Rules and Regulations, including Meter Tampering, Diversion of Service, unlawful use of Service, or damage to CPS Energy Facilities; and
  - d) Any loss or damage to CPS Energy Facilities or third party facilities required to provide Service caused by or arising out of Customer's overloading or due to carelessness, neglect, or misuse by Customer or other unauthorized person(s).
- ii. The cost of making good such loss or repairing such damage, due to the reasons stated above, shall be paid by Customer.

f. Connection, Disconnection, and Reconnection

- i. Only CPS Energy employees, its agents, other lawful officials, or licensed persons working under any required permits, who are authorized by CPS Energy, have the authority to connect, disconnect or reconnect Services either remotely or on-site. This includes instances wherein one or more Meters have been disconnected for nonpayment, for Diversion of Service /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 Energy including but not limited to criminal prosecution.

- ii. Customer will be responsible for any fees and/or miscellaneous charges associated with any connection, disconnection and/or reconnection activities. Upon Customer's correction of the reasons for disconnection, CPS Energy shall reconnect the Service subject to Customer's payment of standard reconnect fees assessed in accordance with the CPS Energy Policy for Miscellaneous Customer Charges, if any. Should a Customer demonstrate evidence of a satisfactory correction of issues resulting in disconnection of service by 5:00 p.m. on a business day, a service order for reconnection of service shall be issued the same day. All demonstrated corrections made after 5:00 p.m. on a business day shall result in a reconnection of service the next business day.
- iii. Exceptions to Customer being reconnected are:
  - a) Evidence of meter tampering, meter bypass or other instances of diversion, theft, or unlawful use of Service;
  - b) A potential health or safety hazard;
  - c) Evidence of unauthorized re-metering, sub-metering, or resale of Service
  - d) A violation of CPS Energy Rules and Regulations or their Service Agreement; or
  - e) When directed or mandated by court order, law enforcement, or regulatory agency for violation of applicable municipal, county, state or federal codes or laws.
- g. Material Changes to Customer's Installation
  - i. Should Customer Notify CPS Energy of any proposed changes to Customer's Installation, CPS Energy will, within a reasonable time, advise Customer whether or not any proposed changes or modifications to Customer's Installation is acceptable and, if acceptable, upon what conditions Service can be supplied.
- h. Duty to Maintain and Not Obstruct
  - i. Customer shall maintain all required clearances around Service laterals and metering equipment satisfactory to CPS Energy.
  - ii. Customer shall not obstruct CPS Energy access to or around CPS Energy Facilities. Customer is responsible for maintaining trees and shrubs. Customer shall not build fences, erect poles or any permanent obstacle, (including, but not limited to, a house, storage shed, swimming pool and pool walkways, pool equipment, hot tubs, advertisement signage, dumpsters, retaining walls, and lighting structures, etc.), in a way that obstructs or interferes with CPS Energy's access to its facilities without written permission from CPS Energy.
  - iii. In the event that obstruction(s) must be removed in order to provide Service, the costs associated with such actions shall be Customer's responsibility.

### 3. Use of Service

#### a. General

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

#### b. Reselling and Sub-metering Service

- i. 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 to Customer or Customer's lessees, tenants, or others, except as authorized by Part III.B.4 of these Rules and Regulations.
- ii. 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.
- iii. 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 Energy 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 Energy for all applicable Service charges in accordance with the applicable sections of these Rules and Regulations. Full payment may include special fees, monthly billings from applicable CPS Energy Rate Schedules, CPS Energy Policy for Miscellaneous Customer Charges, accrued interest on past due amounts, and charges for CPS Energy expenses incurred in correcting unauthorized activities.
- iv. The Customer or CPS Energy may install devices behind the Meter to provide additional information regarding the usage characteristics of the Customer's load; however, the CPS Energy Meter will continue to be Point of Delivery and the basis for any billing.

### 4. Meters and Metering

#### a. Measurement of Service

Except where otherwise provided for by an applicable Rate Schedule or Service Agreement, the following provisions apply to the measurement of Service:

- i. Customer will be charged for the amount of electricity or gas provided by CPS Energy as measured by a Meter.
- ii. CPS Energy 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. Exceptions to the monthly Meter reading interval may be due to:
  - a) Availability of alternate billing options;
  - b) Maintenance of Meter infrastructure; or
  - c) Circumstances described in Section IV.B.1.f.



- iii. CPS Energy furnishes, installs and owns the Meter and 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 Energy convenient access.
- iv. Customers may elect to request a meter exchange in accordance with CPS Energy's programs governing such exchange.
- v. The registration of the CPS Energy Meter shall be accepted and received at all times and places as a true and correct record of the amount of Service taken by Customer. Such registration can be based on the physical or electronic registration of the Meter. In some instances the registration shall be a calculated value based on data from one or more Meters.

b. Meter Accuracy and Testing

CPS Energy tests Meters and maintains the accuracy of registration in accordance with standards set by the American National Standards Institute (ANSI) (for electric Meters), or their successor in function, and good industry practice (for gas Meters). When a Meter is found to not meet the applicable standards, CPS Energy will correct the problem. Special tests may be made in the event of a disputed bill or whenever deemed necessary by CPS Energy. At the request of the Customer, the Meter may be tested in Customer's presence. Such testing shall be made during CPS Energy's normal working hours. Following the completion of any requested test, CPS Energy will advise Customer of the test results. CPS Energy will charge for testing in accordance with the CPS Energy Policy for Miscellaneous Customer Charges.

c. Meter Tampering

- i. Where Meter Tampering results in unbilled Service, theft of Service is deemed to have occurred.
- ii. Meter Tampering is prohibited and is unlawful. Only duly authorized personnel or agents of CPS Energy may adjust Meters.
- iii. Indicators or evidence of Meter Tampering, including physical, electronic, or wireless, subject the Customer or a person receiving the benefit of service as a result of Meter Tampering to immediate discontinuance of Service, adjustment of prior bills for the period of time affected by the Meter Tampering, charges for all CPS Energy 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 or a person receiving the benefit of service as a result of Meter Tampering was involved in or has knowledge of the Meter Tampering.

d. Reselling and Sub-metering Service

Reselling, re-metering, sub-metering and similar actions are 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 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 Energy.

## C. DISCONTINUANCE OF SERVICE

### 1. Voluntary Cancellation

#### a. Notice of Service Cancellation

Unless otherwise provided in these Rules and Regulations, a Customer who vacates the Service premises or wishes to cancel Service(s) must provide a Notice to cancel to CPS Energy. The Notice shall be consistent with any requirements specified in the Service Agreement and shall be provided no less than two (2) business days prior to the date upon which the Customer desires cancellation. Upon receipt of a Customer's Notice of Service cancellation, CPS Energy may, in its discretion, without liability for injury or damage, remotely disconnect, physically disconnect, dismantle and/or remove all CPS Energy Facilities installed for the purpose of supplying Service to Customer's Installation at the premise specified.

#### b. Responsibility for Service

A Customer is responsible for the Service(s) provided by CPS Energy to the Customer's Service premises until the later of the date that CPS Energy:

- i. receives the Notice of cancellation;
- ii. disconnects Service; or
- iii. closes the Customer's Account.

Thereafter, CPS Energy shall no longer be under any obligation to serve Customer at that premise.

#### c. Additional Customer Obligations Unaffected

The Service Agreement may provide additional conditions prerequisite to and consequences for the voluntary cancellation of Service. The Notice of cancellation of Service and resulting cancellation of Service and/or CPS Energy's physical disconnection of Service does not relieve Customer of any remaining obligations including payment, indebtedness, liabilities and actions required under the provisions of Customer's Service Agreement(s), these Rules and Regulations, and any other applicable CPS Energy Policy or Rate Schedule.

### 2. Temporary Suspension of Service

#### a. Equipment inspection, repair or replacement by CPS Energy

When necessary to make inspections of, repairs to, or changes in CPS Energy Facilities, CPS Energy may, without incurring any liability to Customer and using all reasonable diligence, temporarily suspend Service for such periods as may be reasonably necessary.

#### b. Customer Inability to take Service

Should Customer be unable to utilize Service due to any valid reason beyond Customer's reasonable control, CPS Energy may, at its sole discretion, suspend the Service Agreement. When CPS Energy suspends the Service Agreement, the

remaining term of the Service Agreement may be extended for a period of time equal to the period of the authorized suspension.

c. Service Interruptions

In the event of national emergency or local disaster, or in order to protect public safety or if required by any governmental or regulatory body such as ERCOT, CPS Energy may disrupt or interrupt normal Service to Customer for such periods as necessary.

3. Termination/Disconnection of Service

a. General Rule

CPS Energy (in addition to all other legal remedies) may elect to terminate the Service Agreement or suspend Service for any default or breach of any Service Agreement or violation of these Rules and Regulations by Customer, or for default by Customer under a Service Agreement with CPS Energy in which Customer has specifically agreed to a Service termination remedy by CPS Energy. In situations of disconnection, such disconnection may occur remotely or on-site. Unless specifically provided otherwise under these Rules and Regulations or within the terms of the Service Agreement, no such termination or suspension of Service will be made by CPS Energy without Notice to Customer. Before Service is reestablished, the Customer is required to pay or to make satisfactory payment arrangements with CPS Energy for any amounts owed to CPS Energy as well as for all costs of discontinuing and reestablishing Service.

b. Notice of Disconnection

The Notice of Disconnection shall inform the Customer of the reason for the disconnection, the scheduled disconnection date and the Dispute Resolution Process provided under these Rules and Regulations. The Notice of Disconnection shall prominently display, in English and Spanish (as appropriate), that it is a "Notice of Disconnection," and that arrangements can be made by contacting CPS Energy.

c. Disconnection with Notice

CPS Energy may disconnect Service after providing Notice to the Customer for the following reasons:

- i. Interference with Service to other Customers - Where Service is used in such a manner as to interfere with or jeopardize Service to others, including Customer's use of non-standard equipment, CPS Energy may disconnect after a reasonable attempt has been made to Notify and provide the Customer a reasonable opportunity to correct the problem.
- ii. Breach of Service Agreement - Where Customer fails to comply with deposit or guaranty arrangements or other provisions of the Service Agreement.
- iii. Failure to pay an outstanding indebtedness for which Customer is responsible, such as a past due bill, or make deferred pay arrangements by the date of disconnection stated on the Notice of Disconnection.
- iv. Failure to make payment in accordance with a deferred payment agreement by the disconnection date.

- v. Failure to pay for Service wherein the Customer has expressly agreed in the Service Agreement to disconnection as a remedy for nonpayment.
- vi. Failure to provide a deposit or credit security, if required, in accordance with Section IV.A.
- vii. Failure of the guarantor to pay the amount guaranteed, provided CPS Energy has a written agreement signed by the guarantor which allows for disconnection of the Service.

d. Disconnection without Notice

A Customer's Service may be disconnected without providing Notice:

- 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 or who has reconnected Service without authority following termination of Service for nonpayment or any other reason;
- iii. In instances of Meter Tampering or tampering with CPS Energy Facilities, bypassing the Meter, Diversion of Service or any other unauthorized use of equipment;
- iv. Where there is evidence of theft of Service;
- v. Any other unauthorized use, including the sale or resale of Service and extension of Facilities; or
- vi. Failure to comply with any mandated local, state and federal regulations pertaining to safe operation of Customer Installation and Customer-owned equipment.

e. Disconnection not Authorized

Unless otherwise specified in these Rules and Regulations, the following actions by the Customer will not be a basis for discontinuance of Service:

- i. Delinquency in payment for Service by a previous occupant of the premises except in the circumstance wherein Customer took beneficial use of the Service and failed to call to establish Service in accordance with Section III.A.
- ii. Failure to pay for any charge arising from a different type or class of Service or another Customer's Account unless the charge for such Service is included on the utility bill, or the Customer has expressly agreed otherwise in a Service Agreement.
- iii. Failure to pay the Account of another Customer as guarantor thereof, unless CPS Energy has in writing the guarantee as a condition precedent to Service.
- iv. Failure to pay charges resulting from an under billing, except theft of Service, for more than the period(s) allowed under Section IV.B.3 prior to the current billing.
- v. Failure to pay charges arising from an under billing due to any faulty metering or Meter error unless such under billing charges are due pursuant to a bill adjustment made in accordance with Section IV.B.3 due to a determination of Meter Tampering.
- vi. Failure to pay an estimated bill other than a bill rendered pursuant to an approved Meter reading plan, unless CPS Energy is unable to read the Meter due to circumstances beyond its control.

f. CPS Energy's Reservation of Rights

Failure of CPS Energy at any time 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 Energy's right to resort thereafter to any one or more of such remedies for the same or any future default or breach by Customer.

4. Special Circumstances

a. Disconnection of Master-Metered Apartments

When a bill for Service to 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) is past due, the following shall apply:

- i. CPS Energy will send a Notice to the Customer as provided in this Section. At the time such Notice is issued, CPS Energy shall also inform the Customer that a Notice of possible disconnection will be provided to the tenants of the apartment complex in six (6) days if payment is not rendered before that time.
- ii. At least six days after providing Notice to the Customer and at least four days prior to the date of disconnection, CPS Energy 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 for 4 days.

b. Disconnection during Weekends or Extreme Weather Emergencies

- i. CPS Energy will not discontinue or disconnect Service to a Customer of residential Service on a weekend day or during an extreme weather emergency. CPS Energy 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.
- ii. "Extreme weather emergency" means a period when:
  - a) 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
  - b) The NWS issues a heat advisory for a county in the CPS Energy service area, and the first two (2) days following the termination of such advisory.
- iii. A Customer of residential Service whose bill is due and unpaid during an extreme weather emergency may apply for payment plans described in Section IV.B.2.f of these Rules and Regulations.

c. Disconnection of Critical Care Residential Customers

- i. A Critical Care Residential Customer is a Customer or person who currently resides with the Customer who has been diagnosed by a physician with a serious medical condition that requires an electric-powered medical device to sustain life or electric heating or cooling to prevent impairment of a major life function

through a significant deterioration or exacerbation of the person's medical condition. The designation under this definition may apply for up to two (2) years.

- ii. Procedure for qualifying Critical Care Residential Customers:
  - a) Upon a Customer's request, CPS Energy shall provide the requesting Customer with a Critical Care Residential Customer Application Form, or Customer may obtain the Form on the CPS Energy website.
  - b) The Form must be completed by the Customer and the attending physician. For purposes of this rule, the term "physician" shall mean any public health official that has a medical board license number, including, but not limited to, medical doctors, doctors of osteopathy, nurse practitioners, and registered nurses.
  - c) The Form must be faxed or emailed to CPS Energy by the attending physician.
  - d) After CPS Energy receives the Form from the physician, it shall evaluate the Form for completeness and, upon a determination that the Form is complete, enroll the Customer. If the Form is incomplete, CPS Energy shall notify the Customer and return the Form to the Customer, informing the Customer of what information is needed to complete the Form.
- iii. The Critical Care Residential Customer designation is valid for no less than the period stipulated in Section 4.c.i from the date the designation was granted. CPS Energy shall notify the Customer no less than 60 days prior to the expiration date of the designation of the need for renewal of the designation. In the event the Customer does not renew the designation by the renewal date, the Customer's designation will expire and the Customer must make Application again following the steps outlined in this Section.
- iv. A Customer designated as a Critical Care Residential Customer may request alternate payment arrangements of the Critical Care Residential Customer's delinquent Account under the following provisions:
  - a) The Customer must be enrolled as Critical Care Residential Customer prior to disconnection of the Service.
  - b) The prohibition against Service termination provided by this subsection shall last up to 63 days from the issuance of the utility bill or such shorter period as may be agreed upon by CPS Energy and the Customer or physician.
- v. To further prevent disconnection occurring without a Critical Care Residential Customer having an opportunity to request deferred payment arrangements, CPS Energy shall send a Critical Care Residential Customer a certified letter 10 days prior to the Critical Care Residential Customer's scheduled disconnection date in addition to taking steps to notify Customer under Section 3 requirements.
- vi. Designation as a Critical Care Residential Customer under this Section does not relieve the Customer of the obligation to pay CPS Energy for Service(s) rendered and does not prohibit CPS Energy from utilizing any approved collection methods for recovering said obligation. An enrolled Critical Care Residential Customer may also request information from CPS Energy regarding eligibility requirements for deferred payment arrangements and/or payment assistance

programs.

d. Disconnection to Energy Assistance Grantees

CPS Energy will not terminate Service to a delinquent Customer of residential Service 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 Energy 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.

## IV. DEPOSITS & BILLING

### A. SECURITY DEPOSITS

#### 1. Deposits, Generally

a. All Types of Service

An Applicant or Customer may be required to establish credit by submitting a security deposit satisfactory to CPS Energy. Establishment of credit shall not relieve Customer from complying with the requirements for prompt payment of bills.

b. Periodic Review

CPS Energy 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 one or more of the following factors:

- i. Customer's billing payment history;
- ii. Changes in the location of Customer's Service;
- iii. Change in ownership of Customer's non-residential Service;
- iv. Customer's credit rating or score as reported by national reporting companies or bureaus; or
- v. Any other changes in Customer's Account or Service Agreement status.

c. Considerations in Deferral of Deposits

In addition to the provisions specific to Customer of residential or non-residential Service, at the Customer's request, CPS Energy may, at its discretion, include payment of the security deposit in a deferred payment plan. CPS Energy also reserves the right to defer payment of a deposit for a Customer who enters into a multi-year Service Agreement.

d. Waiver of Deposits

CPS Energy may, at its discretion and upon receipt of appropriate documentation, waive deposit requirements for certain customers, including but not limited to:

- i. Active members of the U.S. Armed Forces; and
- ii. Victims of Domestic Violence as identified by law enforcement authorities and

as evidenced by submission of a certification letter developed by the Texas Council on Family Violence or applicable regulatory agency.

- e. Reestablishment of Credit
  - i. An Applicant or Customer whose Service has been discontinued for nonpayment will be required to pay all amounts due CPS Energy or execute a payment arrangement plan acceptable to CPS Energy, and establish credit as provided in these rules before Service is reestablished.
  - ii. An Applicant or Customer whose Service has been discontinued for Meter Tampering or theft of Service will be required to pay all amounts due CPS Energy, and establish credit as provided in these rules before Service is reestablished.
- f. Additional deposits by Customers
  - CPS Energy may request an additional deposit from a Customer if:
    - i. Services have been disconnected due to non-payment or if a Disconnection Notice has been issued.
    - ii. Meter Tampering, meter bypass or other instances of Diversion of Service have been identified at the Customers' premise.

## 2. Residential Service

- a. Amount of Deposit
  - Unless specifically provided under the Service Agreement or these Rules and Regulations, a security deposit required for an Applicant or Customer of residential Service shall be the greater of the following:
    - i. Two times the actual or estimated monthly bill for the Service premise for the previous 12 months; or
    - ii. The current average monthly bill for the selected class of Service(s), as determined by CPS Energy.
- b. Deferral
  - At CPS Energy's discretion, CPS Energy may defer the deposit requirement upon Customer's satisfaction of one or more of the following conditions:
    - i. History of utility service: Customer presents payment history as a customer of record of a water, electric or gas utility indicating the following:
      - a) Customer has 12 consecutive months of service within the preceding 24 months;
      - b) Within the most recent 12 months, the Customer has not been delinquent more than two (2) times with the utility bill payments, and
      - c) The Customer's service has not been disconnected by the utility for nonpayment during the 24-month period.

At Customer's request, credit history information may be applied equally for the spouse or former spouse of a Customer of residential Service who shared the service. Credit history maintained by one spouse may be applied equally to the other spouse without modification and without additional qualifications.



### 3. Non-Residential Service

#### a. Amount of Deposit

Unless specifically provided under the Service Agreement or these Rules and Regulations, a security deposit required of an Applicant or Customer of non-residential Service shall be the greater of the following:

- i. Two times the actual or estimated monthly invoice for the Service premise for the previous 12 months; or
- ii. The current average monthly invoice for the selected class of Service(s), as determined by CPS Energy.

#### b. Deferral

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

- i. 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 Energy.
- ii. CPS Energy will not accept payment history on a residential Account is not acceptable by CPS Energy in the consideration of deferring of deposits on non-residential Accounts.
- iii. Customers without a payment history with CPS Energy may demonstrate their favorable credit history through provision of a credit report from a credit-reporting agency acceptable to CPS Energy. The deposit may be deferred initially, subject to regular review.

#### c. Non-Cash Deposits

Accounts are normally secured with cash deposits at the time a Service Agreement is established with CPS Energy. In lieu of cash deposits, CPS Energy may accept certificates of deposit from a federally-insured account, with assignment to CPS Energy. In order to be accepted, the original certificate of deposit instrument must be retained by CPS Energy. CPS Energy 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 Energy. These "in lieu of cash" deposit instruments are accepted only for CPS Energy deposit requirements greater than \$1,000 and must be issued for a minimum two-year period.

### 4. Interest

#### a. Amount

The effective annual interest rate applied to CPS Energy security deposits is established annually in December of the preceding year and is derived from a percentage of the average rate of one-year Federal Treasury bills over the latest available 12 months – as amended and consistent with current Texas State law and CPS Energy regulatory authority.

b. Accrual

Interest begins to accrue from the time the deposit is received by CPS Energy. Interest will no longer accrue when the deposit is refunded to Customer or credited to Customer's Account.

c. Payment of Interest

Interest on security deposits is credited to the Customer's Account for so long as Customer's deposit is held by CPS Energy.

5. Refunds

a. Customers of residential Service

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

- i. The deposit has been held by CPS Energy for at least twelve (12) months; and
- ii. Customer has had no more than one collection activity occurrence (including, but not limited to, not honored and returned checks, mailed disconnect Notices, telephone call disconnect Notices and field disconnect Notices) in the prior 12 months; and
- iii. There is no "Past Due" bill currently owed to CPS Energy for the applicable Service Account(s).
- iv. There are no unpaid debts owed to CPS Energy by Customer as described above.

b. Customers of non-residential Service

Any required security deposit plus (accrued and unaccredited/unpaid interest) may be refunded to a Customer of non-residential Service if all of the following conditions are met:

- i. A prompt payment record over a twenty-four (24) month period has been established; and
- ii. Customer has had no more than one collection activity occurrence (including, but not limited to, not honored and returned checks, mailed disconnect Notices, telephone call disconnect Notices and field disconnect Notices) in the prior 24 months; and
- iii. There is no "Past Due" bill currently owed to CPS Energy for the applicable Service account(s).
- iv. There are no unpaid debts owed to CPS Energy by Customer as described in Section 5.a above.

c. Credit to Account

CPS Energy reserves the right to refund security deposits and/or other amounts owed by CPS Energy to Customer by crediting Customer's monthly CPS Energy Account(s). Upon Customer request, any remaining credits on an Active Account will be refunded by check.

## B. BILLING

### 1. Calculations and Issuance

#### a. Billing Cycle

CPS Energy 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 promptly after a Meter is read or Meter data is collected. Exceptions to the monthly billing interval may be due to:

- i. Availability of alternate billing options;
- ii. Maintenance of Metering infrastructure; or
- iii. Inability to obtain Meter data.

#### b. Billing Address

Unless other arrangements acceptable to CPS Energy are made, bills are issued by mail to the Customer's Service premise.

#### c. Due Date

Regardless of payment method, a bill for Services rendered becomes "Past Due" if payment is not received by CPS Energy or its authorized pay agent by the date posted or printed on the bill ("Due Date"). 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 Energy 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. Customers of residential Service who are at least 60 years of age or who receive Supplemental Security Income (SSI) 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 premise at which the Customer resides. A written application form may be required to be completed to the satisfaction of CPS Energy.

#### d. Billing Multiple Meters

Unless otherwise specified in the Rate Schedule or written Service Agreement, CPS Energy installs one electric or gas Meter per Customer at a single Service premise and bills each electric or gas Meter independently under the applicable Rate Schedule. Where CPS Energy furnishes more than one Meter for a Customer for either electric or gas Service at a single premise, CPS Energy 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 or Meter data collection.

e. Non-payment

- i. CPS Energy Action - If payment is Past Due, CPS Energy will assess a late payment charge as specified under the applicable CPS Energy Rate Schedules and may issue a Notice of disconnection to Customer indicating the earliest date Service may be discontinued for nonpayment (the Disconnect Date). Such Notice of disconnection will be sent as provided in Section III.C.3 (Termination/Disconnection of Service).
- ii. Non-receipt of Bill - Non-receipt of one or more bills by Customer does not excuse the Customer's obligation to pay for Service.
- iii. Penalties and fees - A delinquent bill may be subject to such penalties and fees as provided in these Rules or in the Rate Schedule and Service Agreement.

f. Estimated Bills

- i. When necessary, CPS Energy may issue estimated bills using the applicable Rate Schedule and/or Service Agreement, provided that bills are calculated on actual Meter data at least once every three months. If CPS Energy is unable to gain access to the Service premises to read the Meter or obtain Meter data on regular Meter reading trips, CPS Energy may:
  - a) Charge the Customer any applicable fees or charges as specified in the CPS Energy Policy for Miscellaneous Customer Charges.
  - b) Continue to estimate the bill until Customer provides access to the Meter.
- ii. In months where CPS Energy is unable to read the Meter on a regular meter reading trip, or in months where Meters are not routinely read, CPS Energy may request that the Customer read the Meter and provide the data to CPS Energy. If such data are not received by CPS Energy in time for billing, CPS Energy may estimate the Meter reading and render a bill accordingly.
- iii. Customers may participate in a Customer-read Program in which Customers read their own Meter and report their usage monthly in accordance with the Customer-read Program terms of participation. Customer's who elect to participate in the Customer-read Program will be required to provide access to authorized personnel or agents of CPS Energy access for an annual safety inspection and meter read. If the annual inspection indicates that Customer has provided inaccurate or false Meter reads, or if a Customer fails to submit their Meter read data in a timely manner for bill issuance, CPS Energy is authorized to estimate Customer's current usage and adjust prior bills as necessary to accurately reflect the usage. :
- iv. CPS Energy may read the Meter if the Customer does not submit readings for three consecutive months so that a corrected bill may be issued.

## 2. Payments

### a. 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 Energy's acceptance under CPS Energy's Automatic Monthly Payment (AutoPay) Plan or such similar plan as may be adopted or amended by CPS Energy.

### b. Application of Customer Payments

Upon receipt of Customer's payment, CPS Energy first applies payment to any outstanding Account balance relating to Service in the order such charges were incurred.

### c. Payment Extensions, Alternative Payment Plans, and Payment Assistance Programs

A Customer may contact CPS Energy to discuss an inability to pay a bill, indicate that they would like to consider alternate payment options, or that they are in need of assistance with their bill payment. CPS Energy Customer Service will inform the Customer of all available options for which the Customer may qualify, such as extensions, deferred payment plans, programs for persons who have a critical care condition or are on life support, and payment assistance programs, as applicable, and of the eligibility requirements and procedure for applying for each.

- i. Customer must pay in full any payments returned for nonpayment prior to becoming eligible for CPS Energy payment plans.

### d. Payment Extensions

Payment extensions are any special arrangements or agreements between CPS Energy 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 Energy shall have the right to disconnect Service. If a Notice of disconnection was issued prior to the payment arrangements being made, such Notice of disconnection shall suffice as Notice to the Customer.

### e. Alternative Payment Plans

Optional plans for Customer payment may include, but are not limited to, the Auto Monthly Payment (AutoPay) Plan, the Summary Billing Program (Collective), and the Budget Payment Plan (BPP). CPS Energy Customer Service should be contacted for current information regarding these or other available plans.

### f. Payment Assistance Programs

CPS Energy may provide a deferred payment plan upon Customer request. A deferred payment plan is any arrangement or agreement between CPS Energy and a Customer in which an outstanding balance 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 Energy.

g. Check Acceptance Policy

- i. As used in this section, “check” means a personal or business check, money order, cashier’s check, certified check and similar negotiable or non-negotiable draft or other instrument, as well as pre-authorized electronic payment or withdrawal.
- ii. If a Customer’s check is returned to CPS Energy unpaid by Customer's financial institution, Customer will be required to pay a CPS Energy Returned Payment Fee as specified in the CPS Energy Policy for Miscellaneous Customer Charges.
- iii. A Customer who attempts to pay for Services with three (3) checks within a twelve (12) month period that are returned unpaid to CPS Energy by Customer’s financial institution shall lose CPS Energy check payment privileges for a period of twelve (12) months from the date of the last returned item. At the end of said period, Customer’s check payment privileges shall be restored. Thereafter, and for the remainder of the term of Customer’s Service Agreement with CPS Energy, if the Customer attempts to pay for Services with a check that is returned unpaid to CPS Energy by Customer’s financial institution, Customer shall lose check payment privileges for a period of twelve (12) months from the date of that returned item.

3. Adjustments to Bill

a. Adjustment for Under billing on Active or Inactive Accounts

- i. When CPS Energy becomes aware that a Customer has been billed on an Account for less than the amount owed for Services that were provided by CPS Energy, an adjustment will be made to the Customer’s Account and a corrected bill(s) issued. An adjustment will be made to the Customer's Account and a corrected bill(s) issued reflecting the adjusted amount for a period up to 6 months before the date the error was corrected. Account corrections will only be made to the Customer’s Account last served by the Meter.

Exceptions to the above paragraph may include instances where:

- a) directed otherwise by local, state, or federal law
- b) the under billing results from Meter Tampering, meter bypass or other Diversion of Service
- c) the under billing results from the Customer not providing CPS Energy unimpeded access to a Meter(s), or

the under billing results from Customer providing an inaccurate or false Meter read under a Customer-read Program. ii. In cases where actual Meter read or other data are unavailable, CPS Energy may estimate adjustments using the Customer's prior utility consumption history, consumption from a replacement Meter, or such other methods and information that CPS Energy deems reasonably appropriate.

b. Adjustment for Overbilling on Active or Inactive Accounts

When CPS Energy becomes aware that a Service has been billed for more than the amount owed for Services provided by CPS Energy, the Customer’s Account will be adjusted and a corrected bill(s) issued reflecting the adjusted amount for the

overbilling, unless directed otherwise by local, state, or federal law. Account corrections will only be made for the Customer's Account last served by the Meter.

c. Adjustment for Balance due on Inactive Account

If a Customer is liable for a balance on an Inactive Account, CPS Energy may at any time transfer that balance to any of the Customer's Active Accounts.

4. Dispute Resolution Process

A Customer who wishes to dispute an action, policy, invoice, or decision made by a representative of the CPS Energy Business Unit must follow the Dispute Resolution Process outlined in this Section.

a. Informal Dispute

Resolution of a Customer's dispute begins with a Customer giving Notice to CPS Energy advising CPS Energy of the nature of the dispute. The dispute will be handled in accordance with CPS Energy's internal escalation policies and practices. The Customer is entitled to have a CPS Energy manager or manager's designee review any decision made regarding Customer's dispute.

b. Formal Dispute

Should the Customer not agree with the decision(s) made by the CPS Energy manager or manager's designee, the Customer may further dispute the decision(s) by following the formal dispute resolution process below:

- i. Customer must provide written or electronic Notice to CPS Energy of the nature of the dispute and desired outcome within 30 calendar days after the decision(s) made by the CPS Energy manager or manager's designee.
- ii. CPS Energy shall provide to Customer a written or electronic Notice of the decision made by the highest level of executive in the CPS Energy Business Unit no later than 90 days following receipt of Customer's Notice of dispute. Such decision shall be considered final and not subject to further appeal.
- iii. A Customer is not eligible for the formal dispute resolution process if the subject of the dispute is any of the following:
  - a) Customer's financial ability to pay for Services provided by CPS Energy;
  - b) The terms found in or denial of a deferred payment arrangement;
  - c) The requirement, application, or amount of a security deposit;
  - d) Terms found within CPS Energy Rate Schedule(s), Policies, and Service Standards;
  - e) A finding of Meter Tampering, theft of Service, or unauthorized sale or re-sale of Service(s);
  - f) Local, state, or federal regulations, policies, fees, or any other governmental impositions;
  - g) The right of CPS Energy to collect for under billing resulting from theft of Service, or damage to CPS Energy Facilities;

- h) Utility consumption provided the Meter has been tested and found accurate, or when Customer has refused a Meter test;
    - i) CPS Energy's denial or discontinuance of Service based on a danger to public health and safety, or on a required Service curtailment; or
    - j) A matter already before or decided by a court.
  - c. Continuity of Service during Dispute Resolution Process

CPS Energy will continue to provide Customer with Service unless:

    - i. The Service was disconnected prior to the initiation of the dispute process;
    - ii. The Customer fails to pay for Services not included in the subject dispute;
    - iii. The Customer's Service is transferred; or
    - iv. Termination is required to protect the health or safety of others.
  - d. Reconnection of Service during Dispute Resolution Process

If Customer's Service was disconnected prior to the initiation of the dispute process, CPS Energy will reconnect Service if the Customer pays the applicable Fee(s) as specified in the CPS Energy Policy for Miscellaneous Customer Charges. CPS Energy will credit the Fee(s) to Customer's account if the final decision is rendered in favor of Customer.
  - e. Exceptions to Continuity/Reconnection

CPS Energy will not continue or reconnect Service(s) under the conditions stipulated in Section III.B.1.d.