

CPS ENERGY CUSTOMER
TERMS AND CONDITIONS
APPLYING TO RETAIL
UTILITY SERVICE
FORMERLY KNOWN AS
CPS ENERGY RULES AND
REGULATIONS APPLYING
TO RETAIL UTILITY
SERVICE

Revised and Effective: March 1, 2019

I.	STATEMENT OF PURPOSE	5
II.	DEFINITIONS.....	5
III.	PROVISION OF SERVICE	8
A.	ESTABLISHMENT OF SERVICE.....	8
1.	Application for Service	8
a.	Required Identification	8
b.	Proof of Occupancy	8
c.	Security Deposit.....	8
d.	Prior Debt, Fees and Charges.....	9
e.	Selection of Rate	9
f.	Service Before Agreement	9
g.	Effective Date	9
h.	Exemptions	9
i.	Distributed Generation Customers.....	9
j.	Electric Vehicle Supply Equipment Customers.....	9
k.	New Products and Services.....	10
2.	Refusal of Service	10
a.	Refusal Authorized	10
b.	Refusal Not Authorized	10
3.	Terms of Service	11
B.	GENERAL CONDITIONS OF SERVICE	11
1.	General Conditions	11
a.	Supplying Service	11
b.	Service Premises	12
c.	Continuity of Service	12
d.	Continuity of Service Exceptions.....	12
e.	Release of Liability	12
f.	Successors and Assigns.....	12
g.	Performance of Services	13
h.	Customer Privacy.....	13
2.	Customer Responsibilities.....	13
a.	General Responsibilities	13
b.	Specific Responsibilities	13
c.	Customer’s Installation	14
d.	Inspection by CPS Energy	15
e.	Customer Liabilities.....	15
f.	Connection, Disconnection, and Reconnection.....	16
g.	Material Changes to Customer’s Installation.....	17
h.	Duty to Maintain and Not Obstruct.....	17
i.	Procedure for Qualifying Critical Care Residential Customers:	17
3.	Use of Service.....	18
a.	General.....	18
b.	Extension of Service	18
c.	Reselling and Sub-Metering Service.....	18
4.	Meters and Metering	18
a.	Measurement of Service.....	18
b.	Meter Accuracy and Testing	19
c.	Meter Tampering.....	19
d.	Reselling and Sub-Metering Service.....	20
e.	Standard Meter Type.....	20
C.	DISCONTINUANCE OF SERVICE.....	20
1.	Voluntary Cancellation	20
a.	Notice of Service Cancellation.....	20

b.	Responsibility for Service.....	20
c.	Additional Customer Obligations Unaffected.....	20
2.	Temporary Suspension of Service	21
a.	Equipment Inspection, Repair, or Replacement by CPS Energy	21
b.	Customer Inability to Take Service.....	21
c.	Service Interruptions	21
3.	Termination/Disconnection of Service	21
a.	General Rule	21
b.	Notice of Disconnection.....	21
c.	Disconnection With Notice.....	21
d.	Disconnection Without Notice.....	22
e.	Disconnection Not Authorized.....	22
f.	CPS Energy’s Reservation of Rights	23
4.	Special Circumstances	23
a.	Disconnection of Master-Metered Apartments	23
b.	Disconnection During Weekends or Extreme Weather Emergencies	23
c.	Disconnection of Critical Care Residential Customers.....	23
d.	Disconnection to Energy Assistance Grantees.....	24
IV.	DEPOSITS & BILLING	24
A.	SECURITY DEPOSITS	24
1.	Deposits, Generally.....	24
a.	All Types of Service	24
b.	Periodic Review	24
c.	Considerations in Deferral of Deposits.....	24
d.	Waiver of Deposits.....	25
e.	Reestablishment of Credit.....	25
f.	Additional Deposits by Customers	25
2.	Residential Service.....	25
a.	Amount of Deposit.....	25
b.	Deferral	25
3.	Non-Residential Service	26
a.	Amount of Deposit.....	26
b.	Deferral	26
c.	Non-Cash Deposits	26
4.	Interest	26
a.	Amount	26
b.	Accrual.....	27
c.	Payment of Interest	27
5.	Refunds	27
a.	Customers of Residential Service	27
b.	Customers of Non-Residential Service.....	27
c.	Credit to Account	27
B.	BILLING	28
1.	Calculations and Issuance	28
a.	Billing Cycle	28
b.	Billing Address	28
c.	Due Date	28
d.	Billing Multiple Meters.....	28
e.	Non-Payment	29
f.	Estimated Bills.....	29
2.	Payments	29
a.	In General.....	29
b.	Application of Customer Payments	29

c.	Payment Extensions, Alternative Payment Plans, and Payment Assistance Programs.....	30
d.	Payment Extensions	30
e.	Alternative Payment Plans	30
f.	Payment Assistance Programs	30
g.	Check Acceptance Policy.....	30
3.	Adjustments to Bill	31
a.	Adjustment for Underbilling on Account	31
b.	Adjustment for Overbilling on Account	31
c.	Adjustment for Balance Due on Inactive Account.....	31
4.	Dispute Resolution Process.....	31
a.	Informal Dispute	31
b.	Formal Dispute.....	31
c.	Continuity of Service During Dispute Resolution Process	32
d.	Reconnection of Service During Dispute Resolution Process	32
e.	Exceptions to Continuity/Reconnection.....	32

CPS ENERGY
CUSTOMER TERMS AND CONDITIONS APPLYING TO RETAIL UTILITY
SERVICES

I. STATEMENT OF PURPOSE

These Customer Terms and Conditions Applying to Retail Utility Services¹ (“Terms and Conditions”) govern the provision of retail Services provided by the City of San Antonio, acting by and through its City Public Service Board (“CPS Energy”) to Customers of CPS Energy, 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. CPS Energy provides Services without discrimination as to the race, creed, national origin, sex, ethnicity, ancestry, nationality, color, religion, gender, disability, lawful source of income, level of income, familial status, or marital status of any Applicant or Customer.

These Terms and Conditions are subject to revision from time to time and supersede all prior versions that governed the provision of Service by CPS Energy. The Terms and Conditions, 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 request.

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

II. DEFINITIONS

The following terms, when used in these Terms and Conditions, Rate Schedules and Service Agreements, shall have the meanings given below, unless otherwise indicated. 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 is rendered at Customer's request or by CPS Energy, in accordance with these Terms and Conditions. An Account is an “Inactive Account” if a final bill was rendered to Customer for the Account.

AMI Meter - Type of Meter utilizing advanced metering infrastructure that measures electric energy or gas consumption and allows for two-way communication over the air. This is CPS Energy’s standard meter.

Applicant - Any person, partnership, association, firm, public or private corporation or

¹ The title of this document was amended in 2019 and previously in 2017. The previous titles were CPS Energy Rules and Regulations Applying to Retail Utility Service and CPS Energy Rules and Regulations Applying to Electric & Gas Service, respectively. Under each title, this document was commonly referred to as the “Rules and Regulations.” Any internal or external reference(s) to previous titles shall be considered a reference to this document.

governmental entity or their designee requesting Service(s) from CPS Energy.

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

Business Day - Any normal working day between Monday and Friday, except for CPS Energy recognized holidays.

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

CPS Energy Electric 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.

Critical Care Residential Customer - A Customer or person who currently resides with 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.

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.

Distributed Generation - Electrical generation and storage systems with 10 megawatts or less of capacity installed at or near Customer's Premises. Examples of Distributed Generation include, but are not limited to, solar photovoltaic, wind, combined heat and power, fuel cells and energy storage.

Electric Vehicle Supply Equipment - Infrastructure that supplies electric energy for the recharging of electric vehicles and plug-in hybrid vehicles.

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

Extreme Weather Emergency - A period when 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 the NWS issues a heat advisory for a county in the CPS Energy Service Area, and the first two (2) calendar days following the termination of such advisory.

Facilities - All buildings, structures, Meters, 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.

Master Meter - Any Meter that has one or more Customer-owned sub-meters on the

Customer side of a revenue meter.

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 to determine the charges for Service(s) provided by CPS Energy. A Meter shall not be considered part of Customer's Installation and Customer shall not be authorized to purchase, install, remove and/or operate a Meter. The term Meter is inclusive of both AMI Meters and Non-Standard Meters.

Meter Tampering - Any unauthorized alteration, manipulation, change, modification, harming, defacing, theft, or tampering of a Meter, bypassing the same, or other instances of diversion. This may include, but is not limited to, actions 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 also includes, but is not limited to, interference with or obstruction of Meter communications, alteration of Meter data, tampering with the network equipment used to read the Meter, and tampering with CPS Energy owned equipment behind the Meter devices, either, electronically, or wirelessly of Customer, other Customers, or with Facilities. The definition of Meter Tampering applies to both active and inactive Meters and devices and includes disrupting, controlling, or hacking into AMI technology.

Non-Standard Meter - Any CPS Energy approved non-AMI meter that measures electric energy or gas consumption.

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

Premises - A tract of land, real estate or related commonly used tracts, including buildings or locations where Customer is eligible to receive Service.

Prompt Payment Record - A Customer record with no more than two (2) delinquencies during the preceding twenty-four months.

Point of Delivery - In general, the physical point where the electric energy or gas first leaves the Service Installation and enters 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 Customer classification, which reflects the compensation, tariff, charge or fee that is directly or indirectly demanded, charged, or collected by CPS Energy for Service(s).

Service - The term Service 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, used or supplied, including Facilities by CPS Energy.

Service Agreement - An oral, electronic, or written agreement between CPS Energy and Customer by which Service is supplied and taken. The Service Agreement is made after, or as part of, an Application for Service. Unless specified otherwise in the Service Agreement, Customer agrees to be bound by the CPS Energy Terms and Conditions, as well as the CPS Energy Policy for Miscellaneous Customer Charges, CPS Energy Policy for Electric Line Extensions and Service Installations, CPS Energy Policy for Gas Main Extensions and Service Installations, the Electric Service Standards, and any applicable CPS Energy Rate Schedule(s) as they exist, as amended at the time CPS Energy supplied the Service.

Service Area - The geographical area to which CPS Energy provides Service as shown on CPS Energy maps available for inspection. CPS Energy's 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 Premises that are installed to provide Service to Customer.

III. PROVISION OF SERVICE

A. ESTABLISHMENT OF SERVICE

1. Application for Service

An Applicant may apply for Service(s) by completing a written, verbal, or electronic Application for Service to CPS Energy. At the discretion of CPS Energy, an Applicant may receive Service(s) without entering into a written Service Agreement. Applicant is responsible for providing accurate information to CPS Energy in its Application for Service. CPS Energy relies upon the declaration that the Applicant is authorized to make the Application for Service, 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 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 verifiable 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 Applicant or Customer at the Service Premises.

c. Security Deposit

An Applicant may be required to submit a security deposit as a condition to

receiving Service in accordance with 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, before 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. CPS Energy may periodically review Rate Schedules assigned to Customers.

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 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 Customer.

iii. 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 Customer applies for another applicable Rate, CPS Energy will bill for that Rate after the date of the next billing cycle.

f. Service Before Agreement

Once Customer accepts Service, Customer agrees to adhere to the Terms and Conditions regardless of whether a Service Agreement has been executed or otherwise completed. Customers who take Service without contacting CPS Energy are deemed to have accepted Service.

g. Effective Date

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

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 Terms and Conditions or Rate Schedule(s), the entity shall provide sufficient documentation to CPS Energy to demonstrate its rights to claim such exemption or variance. CPS Energy shall place Applicant's Account into the applicable tax rate for Applicant's Service until CPS Energy receives and approves such documentation.

i. Distributed Generation Customers

Applicants and Customers seeking to install and utilize Distributed Generation equipment that will connect to CPS Energy's electric grid are required to comply with applicable CPS Energy programs, policies and standards, including but not limited to CPS Energy's Distributed Generation (DG) Manual.

j. Electric Vehicle Supply Equipment Customers

Applicants and Customers seeking to install and utilize Electric Vehicle Supply Equipment are required to comply with applicable CPS Energy programs, policies and standards. A Customer who operates Electric Vehicle Supply Equipment for commercial purposes may be permitted to sell electric vehicle recharging Service(s) if Customer makes an application that is approved by CPS Energy and complies with applicable CPS Energy policies, tariffs, Rate Schedules, programs and any other applicable federal, state, or local laws.

k. New Products and Services

CPS Energy may develop new products or Services that are not offered at the time of the last revision to this document. Should CPS Energy develop such products or Services, Applicants and Customers for such products or Services are required to comply with any applicable CPS Energy program(s) and policy(ies) developed for such product or Service.

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 Terms and Conditions, CPS Energy program requirements, or any applicable governmental regulations;
- ii. Applicant's installation is known to be hazardous, contaminated, or of such character that satisfactory Service cannot be provided;
- iii. Applicant's refusal to meet the deposit requirements under IV.A;
- iv. Applicant has presented fraudulent documentation or information to establish an Account;
- v. Discovery of prior or current evidence of Meter Tampering or theft of Service;
- vi. Applicant has failed to comply with requirements necessary to obtain Service; as set forth in Section III.A;
- 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. 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 the other Customer's Service before the date of Application for Service 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 III.A.2.a;

- ii. Failure to pay for Service, or charges related to Service(s) provided by CPS Energy where Customer has expressly agreed to other remedies in a Service Agreement;
- iii. Violation of CPS Energy's Terms and Conditions about the operation of nonstandard equipment or unauthorized attachments which interfere with Service to others, or other CPS Energy services, unless Applicant has first been given Notice and been afforded a reasonable opportunity to conform to CPS Energy Terms and Conditions;
- 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; or
- v. The Applicant disputes the refusal of Service allowed under 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 Service(s) supplied to Customer's Premises until:
 - i. Customer gives Notice to CPS Energy to cancel Service(s) to the Premises and CPS Energy has had at least two (2) Business Days from the date of receipt of the Customer's cancellation of Service Customer request to cancel these Services; or
 - ii. Another Customer is under a Service Agreement for the same type of Services at the same Premises.
- b. If Customer continues to occupy the Premises and benefit from the Service(s) after the occurrence of an event described in Section III.A.3.a., CPS Energy may continue to hold Customer responsible for Service(s) if Customer fails to make final payment on their Account and the event described in Section III.A.3.a. occurred to enable Customer to avoid paying their bill.
- c. If Customer desires to transfer Service to another location within the CPS Energy Service Area, 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 III.A.
- d. 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 III.A.3 of these Terms and Conditions.

B. GENERAL CONDITIONS OF SERVICE

1. General Conditions

a. Supplying Service

Service is supplied only under these Terms and Conditions and any modifications or additions thereto, unless otherwise specified in Service Agreement. 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 Premises 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 Installations and CPS Energy's Policy for Gas Main Extensions and Service Installations.

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, waveform, or frequency of the supply will not fluctuate. CPS Energy also does not guarantee a continuous supply of gas or that pressure or energy content 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, frequency fluctuation, or pressure change of energy content 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 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, theft of Service, or unlawful use of Service;
- ii. A potential health or safety hazard to CPS Energy personnel, Customers or the general public;
- iii. Evidence of unauthorized re-metering, sub-metering, or resale of Service;
- iv. A violation of CPS Energy Terms and Conditions; 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 for 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. This release of liability also extends to any CPS Energy Facilities placed beyond the Point of Delivery where such Facilities are requested by Customer or necessary to provide Service.

f. Successors and Assigns

Customer's Service Agreement shall pass to the benefit of and be binding upon Customer's respective assigns, 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 to maintain reliability and minimize interruption of Service to Customer.

h. Customer Privacy

CPS Energy is committed to protecting the privacy of Customer information. CPS Energy will exercise due care to protect the privacy of Customer information through its privacy policies.

2. Customer Responsibilities

a. General Responsibilities

Customer assumes all responsibility on Customer's side of the Point of Delivery, including Customer's Installation and all updates to electrical systems or alterations/renovations made with or without notification to the City of San Antonio or other municipal or governmental entities in the Service Area, except for the Meter or as otherwise provided in these Terms and Conditions, Service Agreements or Rate Schedules.

b. Specific Responsibilities

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

- i. Paying for Services provided by CPS Energy on or before the payment Due Date specified on Customer's bill or as described in the Service Agreement;
- ii. Installation of safe and properly designed equipment and protective devices to safeguard Customer's Installation 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 for additional Facilities in connection with CPS Energy operations and provision of Service, to allow unrestricted access and passage across Customer's Premises under terms that are satisfactory to CPS Energy and at no cost to CPS Energy. Customer is required to maintain and keep the easements clear of any structures or any other obstructions in order to ensure that access along and across the easements is not obstructed or restricted in any manner. If CPS Energy is impeded in its access of CPS Energy's easements and must remove obstructions to provide Services, the costs of such removal and return of the easement to its original condition shall be Customer's responsibility;
- v. Maintaining Customer's Premises to allow for visual 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 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 Facilities;
 - d) Inspect CPS Energy Facilities and Customer's Installation;
 - e) Disconnect Service due to nonpayment of Service(s), Meter Tampering, and/or theft of Service; and
 - f) Carry out all other purposes necessary to supply the Services(s).
- 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 before the date of change;
 - x. Filing an application with CPS Energy and complying with applicable CPS Energy policies and programs for the installation and use of Distributed Generation equipment and/or Electric Vehicle Supply Equipment for the following purposes:
 - a) Equipment installed behind the billing Meter;
 - b) Equipment installed to provide backup power; or
 - c) Equipment tied directly to the grid for commercial purposes;
 - xi. Providing CPS Energy with Notice, and if required an application, for changes to Distributed Generation equipment or Electric Vehicle Supply Equipment.
 - xii. Failure to comply with the provisions of this section may subject Customer to miscellaneous charges in accordance with CPS Energy's Policy for Miscellaneous Customer Charges and/or suspension or termination of Service.
- c. Customer's Installation
- i. Customer Connections
 - a) Customer's Installation shall be selected and installed by Customer, with prior approval by CPS Energy. 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 Customer's Premises or connections made on Customer's Premises 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 with CPS Energy.
 - iii. Relocation of CPS Energy Facilities - Where the Meter location on Customer's

Premises is changed at Customer's request, or is required due to alterations on Customer's Premises, Customer shall provide and have installed at his or her expense, all wiring, plumbing, and equipment necessary for relocating the Meter to another location acceptable to CPS Energy and sufficient to meet standards provided under these Terms and Conditions.

iv. Utilization of Other Devices and Load Balance

- a) Customer shall not employ or utilize any equipment, appliance or device to adversely affect CPS Energy's Service to Customer or to others. This includes, but is not limited to, the use of Distributed Generation equipment or Electric Vehicle Supply Equipment outside of CPS Energy programs and policies.
- b) When CPS Energy supplies polyphase service, Customer will control the use so that the load at the Point of Delivery will be maintained in reasonable electrical balance among the phases.
- c) 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 Customer has provided, at Customer's expense, a suitable apparatus to hold to reasonable limits the effect of interference or fluctuations of any kind by the Customer's equipment. CPS Energy may require such equipment to be supplied using a separate Service Installation, and in such event, CPS Energy may require additional contract arrangements and shall bill such Service to the Customer 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 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 Customer's Installation and Service provided on Customer's side of the Point of Delivery, including but not limited to:
 - a) Excessive consumption caused by faulty equipment;
 - b) Damage caused by an open valve or circuit after Service initiation;
 - c) A violation of the Terms and Conditions, including Meter Tampering, theft 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 person(s).
- ii. Customer liabilities extend to any loss or damage to CPS Energy Facilities or third party facilities caused by electrical backfeed or other negligent or intentional misuse of Distributed Generation equipment connected to CPS Energy Facilities, regardless of whether such equipment is installed through a CPS Energy program. The cost of any damage or loss to CPS Energy

or any third parties, due to the reasons stated above shall be the responsibility of the Customer.

f. Connection, Disconnection, and Reconnection

- i. Only CPS Energy employees, its agents, other lawful officials, or licensed persons working under any required permits and who are authorized by CPS Energy, have the authority to connect, disconnect or reconnect Service(s) either remotely or on-site. This includes instances where one or more Meter(s) have been disconnected for any reason including but not limited to nonpayment, Meter Tampering, theft, or the existence of a safety hazard. Service connection, disconnection or reconnection performed by any other person will be considered as an unauthorized act and appropriate action may be taken consistent with any legal remedies available to CPS Energy, including but not limited to, criminal prosecution.
- ii. Customer is 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.
- iii. Should a Customer demonstrate evidence of a satisfactory correction of issues resulting in disconnection of electric Service by 5:00 p.m. on a Business Day, a service order for reconnection of Service shall be issued the same day and CPS Energy will typically attempt reconnection that 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. Should a Customer demonstrate evidence of a satisfactory correction of issues resulting in disconnection of gas Service by 1:00 p.m. on a Business Day, a service order for reconnection of gas Service shall be issued the same day and CPS Energy will typically attempt to reconnect that day. All demonstrated corrections made after 1:00 p.m. on a Business Day shall result in a reconnection of gas Service on the next Business Day.
- iv. CPS Energy does not typically perform reconnections on weekends or holidays except under critical care exceptions or where a gas leak or outage is present. In the event CPS Energy attempts reconnection after 5 p.m. on a Business Day or on any non-Business Day, CPS Energy may impose additional requirements prior to attempting such reconnection in order to ensure that such reconnection can be completed safely.
- v. CPS Energy may refuse to reconnect Service to Customer if any of the following conditions exists:
 - a) Evidence of Meter Tampering, instances of theft of Service, 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 Terms and Conditions or Customer's 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;

- f) An individual 18 years or older is not present during the reconnection of gas Service; or
 - g) Severe weather or another force majeure event prevents CPS Energy from safely accessing the Premises.
- g. Material Changes to Customer's Installation
- i. Should Customer provide Notice to CPS Energy of any proposed changes to Customer's Installation, CPS Energy will 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 lines 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 to maintain clearances to CPS Energy Facilities. Customer shall not build fences, erect any pole(s) or permanent obstacle(s), (including, but not limited to, a house, storage shed, swimming pool, pool walkways, pool equipment, hot tubs, advertisement signage, dumpsters, retaining walls, and lighting structures), in a way that obstructs or interferes with CPS Energy's access to its facilities without written permission from CPS Energy.
 - iii. If the obstruction(s) must be removed in order to provide, maintain, or operate Service, the costs associated with such actions shall be Customer's responsibility.
- i. Procedure for Qualifying Critical Care Residential Customers:
- a) Upon Customer's request, CPS Energy shall provide the requesting Customer with a Residential Critical Care Program application form, or Customer may obtain the form on CPS Energy's website.
 - b) The form must be completed by 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 Customer. If the form is incomplete, CPS Energy shall notify Customer and return the form to Customer, informing Customer of what information is needed to complete the form.
- ii. The Critical Care Residential Customer designation is valid for no less than two years from the date the designation was granted. CPS Energy shall notify Customer no less than 60 calendar days before the expiration date of the designation of the need for renewal of the designation. In the event Customer does not renew the designation by the renewal date, Customer's designation will expire and Customer must make an application again following the steps outlined in this Section.

3. Use of Service

a. General

Service is supplied directly to Customer's Installation through the Meter for Customer's use. Customer may only utilize Service for the purpose(s) made known to and accepted by CPS Energy at the time of Customer's Application for Service and as elsewhere provided in these Terms and Conditions.

b. Extension of Service

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. Reselling and Sub-Metering Service

- i. Under no circumstances may Customer, Customer's agent or any other person install Meters for the purpose of re-metering, reselling or otherwise disposing of Service supplied to Customer or Customer's lessees, tenants, or others, except as authorized by Section III.B.4.d of these Terms and Conditions.
- ii. In case of unauthorized re-metering, sale or resale of Service, extension, Service connection or reconnection, other disposition of Service, Meter Tampering, other alteration, or theft, 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 Terms and Conditions. Full payment may include special fees, monthly billings from applicable CPS Energy Rate Schedules, CPS Energy's Policy for Miscellaneous Customer Charges, accrued interest on past due amounts, estimated or actual past gas or electrical usage, and charges for CPS Energy expenses incurred in correcting Customer's unauthorized activities.
- iii. Customer or CPS Energy may install devices behind the Meter to provide additional information regarding the usage characteristics of Customer's load; however, the CPS Energy Meter will continue to be Point of Delivery and the basis for any billing, unless otherwise determined by CPS Energy.

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 basis, as nearly as possible on the corresponding day of each Meter reading period, but it may be read at other intervals if the circumstances warrant. Exceptions to the regular Meter reading interval may be due to:
 - a) Availability of alternate billing options;
 - b) Maintenance of Meter infrastructure; or

- c) Circumstances described in IV.B.1.f.
- iii. CPS Energy furnishes, installs and owns the Meter and Customer provides an appropriate location (including, as applicable, an adequate meter loop or housepipe) as part of Customer's Installation. Customer is responsible for maintaining this location in a manner that provides CPS Energy convenient access to the Meter and other CPS Energy Facilities.
- iv. Customers may elect to request that CPS Energy supply a Non-Standard Meter in accordance with any existing CPS Energy program(s) governing such election. CPS Energy may offer such program(s) at its sole discretion. Program(s) shall only apply to single family residential homes. Commercial, multi-family residential, and Distributed Generation Customers are not eligible to participate. Customers electing to request a Non-Standard Meter are responsible for any applicable fees associated with such program(s). Failure of Customer to pay such fees will be considered a breach of Customer's Service Agreement and may result in Customer incurring fees, losing the ability to utilize a Non-Standard Meter, and/or disconnection. CPS Energy may decline an election for a Non-Standard Meter if the requested Meter type is incompatible with the Services delivered, are no longer available, or the existing Meter is operating properly and has passed accuracy testing. CPS Energy may also limit the overall number of Meter exchanges per Premises.
- v. The information registered by 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 Customer, Meter may be tested in Customer's presence onsite. 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 may charge for testing in accordance with the CPS Energy's 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 Customer or a person receiving the benefit of service as a result of Meter Tampering to immediate discontinuance of Service, an 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 applicable 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 Premises or adjoining Premises may sell and provide meter Service to bona fide tenants on such Premises to the extent provision is specifically made in Customer's Service Agreement. 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. The imposition of any additional charges by Customer shall be considered unauthorized reselling of electricity.

e. Standard Meter Type

CPS Energy shall install or utilize an AMI Meter at Customer's Premises unless Customer requests a Non-Standard Meter through an existing CPS Energy program(s), is accepted into such program, and maintains compliance with the program's requirements.

C. DISCONTINUANCE OF SERVICE

1. Voluntary Cancellation

a. Notice of Service Cancellation

Unless otherwise provided in these Terms and Conditions, a Customer who vacates the Service Premises or wishes to cancel Service(s) must provide a Notice to cancel Service(s) to CPS Energy. Notice shall be consistent with any requirements specified in the Service Agreement and shall be provided no less than two (2) Business Days before the date upon which Customer desires cancellation. Upon receipt of a Customer's Notice of Service cancellation, CPS Energy may, in its discretion and without liability for injury or damage, disconnect, dismantle and remove all CPS Energy Facilities installed for the purpose of supplying Service to Customer's Installation at the Premises specified.

b. Responsibility for Service

A Customer is responsible for the Service(s) provided by CPS Energy to 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 Customer's Account.

Thereafter, CPS Energy shall no longer have any obligation to serve Customer at that Premises.

c. Additional Customer Obligations Unaffected

The Service Agreement may provide additional conditions, including prerequisites to and consequences for the voluntary cancellation of Service. The Notice of cancellation of Service, the 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 Terms and Conditions, 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

If Customer is unable to utilize Service for any 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, 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 any other legal remedies, may elect to terminate Customer's Service Agreement or suspend Service for any of the following reasons: default or breach of Customer's Service Agreement, violation of these Terms and Conditions by Customer, or default by Customer under a Service Agreement with CPS Energy in which Customer has specifically agreed to a Service termination as the applicable remedy. In situations of Service disconnection, such disconnection may occur remotely or on-site. Unless specifically provided under these Terms and Conditions or within the terms of the Service Agreement, no termination or suspension of Service will be made by CPS Energy without Notice to Customer. Before Service is reestablished, Customer is required to pay or to make satisfactory payment arrangements with CPS Energy for any amounts owed to CPS Energy, including all costs of discontinuing and reestablishing Service.

b. Notice of Disconnection

The Notice of Disconnection shall inform Customer of the reason for the disconnection, the scheduled disconnection date, and the Dispute Resolution Process provided under these Terms and Conditions. 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 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 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 or these Terms and Conditions;
- iii. Failure to pay outstanding debt for which Customer is responsible, such as a past due bill, or failure to make deferred pay arrangements by the date of disconnection stated in 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 where Customer has expressly agreed in the Service Agreement to disconnection as a remedy for nonpayment;
- vi. Failure to provide a deposit, if required, in accordance with IV.A; or
- 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

Customer's Service may be disconnected without providing Notice for the following or other related conditions:

- 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 Meter Tampering, tampering with CPS Energy Facilities on Active or Inactive Accounts, bypassing the Meter, or any other unauthorized use of CPS Energy Facilities or equipment;
- iv. Where there is evidence of theft of Service;
- v. Any other unauthorized use, including the sale or resale of Service or extension of Facilities; or
- vi. Failure to comply with any mandated local, state and federal regulations pertaining to safe operation of Customer's Installation and Customer-owned equipment.

e. Disconnection Not Authorized

Unless otherwise specified in these Terms and Conditions, the following actions by 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 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 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 the guarantee in writing as a condition precedent to Service;
- iv. Failure to pay charges resulting from an under billing, except in cases of Meter Tampering, theft of Service, or for more than the period(s) allowed under IV.B.3 before 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 IV.B.3 due to a determination of Meter Tampering; or
- vi. Failure to pay an estimated bill other than a bill rendered under 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

CPS Energy's exercise, or failure to exercise, any of the remedies in the Terms and Conditions does not waive or affect CPS Energy's right to exercise one or more additional remedies.

4. Special Circumstances

a. Disconnection of Master-Metered Apartments

When a bill for Service to a Master-Metered apartment complex, which is 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 Notice to Customer as provided in this Section. At the time such Notice is issued, CPS Energy shall also inform Customer that 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 (6) days after providing Notice to Customer and at least four (4) days before 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.

b. Disconnection During Weekends or Extreme Weather Emergencies

CPS Energy will not discontinue or disconnect Service to a Customer of residential Service on a weekend day or during an Extreme Weather Emergency.

c. Disconnection of Critical Care Residential Customers

- i. 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) Customer must be enrolled as Critical Care Residential Customer before disconnection of the Service.
 - b) The prohibition against Service termination provided by this sub-section shall last up to 63 calendar days from the issuance of the utility bill or such shorter period as may be agreed upon by CPS Energy and Customer or physician.

- ii. To further prevent disconnection from 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 ten (10) calendar days before the Critical Care Residential Customer's scheduled disconnection date in addition to taking steps to notify Customer under Section III.C.4.c.
 - iii. Designation as a Critical Care Residential Customer under this Section does not relieve 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 the 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 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 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, upon 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 may be required to establish credit as provided in these Terms and Conditions before Service is reestablished.
- ii. An Applicant or Customer whose Service was discontinued for Meter Tampering or theft of Service will be required to pay all amounts due CPS Energy, and may be required to establish credit as provided in these Terms and Conditions before Service is reestablished. CPS Energy may permit the use of a payment plan in its sole discretion.

f. Additional Deposits by Customers

CPS Energy may request an additional deposit from Customer if:

- i. Services were disconnected due to non-payment or if a disconnection Notice was issued; or
- ii. Meter Tampering and/or theft of Service was identified at Customer's Premises.

2. Residential Service

a. Amount of Deposit

Unless specifically provided under the Service Agreement or these Terms and Conditions, 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 Premises 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, Customer has not been delinquent more

than two (2) times with the utility bill payments; and

- c) Customer's service has not been disconnected by the utility for nonpayment during the most recent 24-month period.

At Customer's request, previous payment history 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 additional qualifications.

3. Non-Residential Service

a. Amount of Deposit

Unless specifically provided under the Service Agreement or these Terms and Conditions, 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 Premises for the previous 12 months; or
- ii. The current average monthly invoice for the selected class of Services(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 an established Prompt Payment Record with CPS Energy. The following considerations apply to this provision:

- i. Under this sub-part, a "delinquency" is defined as any bill paid twenty (20) calendar 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 when considering the deferral 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. Instead of cash deposits, CPS Energy may accept certificates of deposit from a federally-insured account, with assignment to CPS Energy. To be accepted, the original certificate of deposit instrument must be retained by CPS Energy. CPS Energy may also 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 non-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 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;
- ii. Customer has had no more than one collection activity occurrence in the prior 12 months. Collection activity occurrences include, but are not limited to, returned checks, mailed disconnect Notices, telephone call disconnect Notices, and field disconnect Notices;
- iii. There is no "Past Due" bill currently owed to CPS Energy for the applicable Service Account(s);
- iv. Customer does not have a "Past Due" bill on any other Account; and
- v. 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;
- ii. Customer has had no more than one collection activity occurrence in the prior 24 months. Collection activity occurrences include, but are not limited to, returned checks, mailed disconnect Notices, telephone call disconnect Notices and field disconnect Notices);
- iii. There is no "Past Due" bill currently owed to CPS Energy for the applicable Service Account(s.); and
- iv. There are no unpaid debts owed to CPS Energy by Customer as described in IV.A.5.a.

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 or in a manner consistent with CPS Energy's current processes.

B. BILLING

1. Calculations and Issuance

a. Billing Cycle

CPS Energy bills are based upon the applicable Rate Schedule and 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 for the preceding interval. 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 mutually acceptable arrangements are made with CPS Energy, bills are issued by email notification to the email address provided by Customer, by text message notification to the phone number provided by Customer, or by mail to Customer's Service Premises.

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 Customer's convenience, the bill may contain the recalculated total "Past Due" amount, including penalties allowed and computed under these Terms and Conditions, the Service Agreement, and applicable Rate Schedules (including late payment charges, if any). The Due Date will not fall on a weekend or CPS Energy recognized holiday. The Due Date is calculated as follows:

- i. The Due Date will not be less than 16 calendar 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 calendar days from the bill's issuance. This provision applies only to the Service Premises at which 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 Premises 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 Premises, CPS Energy reserves the right to permit the combined billing of multiple Meters, so long as an applicable Rate Schedule is in effect and Customer is required to pay charges associated with the Facilities provided

and Service(s) performed at each Meter site. Such Facilities and Service(s) 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 may 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 III.C.3.
- ii. Non-receipt of Bill - Non-receipt of one or more bills by Customer does not excuse 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 Terms and Conditions or the Rate Schedule and/or 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 Customer any applicable fees or charges as specified in the CPS Energy Policy for Miscellaneous Customer Charges; and
 - 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 cycle CPS Energy may estimate the Meter reading and render a bill accordingly.

2. Payments

a. In General

Bills are payable in U.S. currency by cash, check, money order, cashier's check, credit or debit card, certified check, mobile channels accepted by CPS Energy, 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 Terms and Conditions 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. Customer agrees that usage of credit or debit cards, or payments made at non-CPS Energy locations may incur convenience fees charged by the payment processor and payment of such fees is Customer's responsibility. Third party payment devices (i.e. checks made out to anyone other than CPS Energy) may not be accepted as payment.

b. Application of Customer Payments

Upon receipt of Customer's payment, CPS Energy first applies the 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 alternative payment options, or that they are in need of assistance with their bill payment. CPS Energy Customer Service will inform Customer of all available options for which 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 before 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 is paid after the current 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 has the right to disconnect Service. If a Notice of disconnection was issued before the payment arrangements being made, such Notice of disconnection shall suffice as Notice to 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 is 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 drawn on a United States financial institution.
- 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 CPS Energy’s Policy for Miscellaneous Customer Charges.
- iii. A Customer who attempts to pay for Services with two (2) 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 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 Customer attempts to pay for Service(s) 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.

- iv. A Customer who attempts to pay for Service(s) with a check returned by Customer's financial institution for fraudulent activity shall lose CPS Energy check payment privileges indefinitely.

3. Adjustments to Bill

a. Adjustment for Underbilling on Account

- i. When CPS Energy becomes aware that Customer was billed on an Account for less than the amount owed for Service(s) that were provided by CPS Energy, an adjustment will be made to Customer's Account and a corrected bill(s) issued. An adjustment will be made to 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 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 underbilling results from Meter Tampering or theft of Service;
 - c) The underbilling results from Customer not providing CPS Energy unimpeded access to a Meter(s); or
- ii. In cases where actual Meter read or other data are unavailable, CPS Energy may estimate adjustments using 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 Account

When CPS Energy becomes aware that Service was billed for more than the amount owed for Service(s) provided by CPS Energy, 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 Customer's Account last served by the Meter.

c. Adjustment for Balance Due on Inactive Account

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

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 Customer's dispute begins with 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. 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 Customer not agree with the decision(s) made by the CPS Energy manager or manager's designee, 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 responsible CPS Energy Business Unit no later than 90 calendar days following receipt of Customer's Notice of dispute. Such decision shall be considered final and not subject to further appeal by CPS Energy.
- iii. 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 Service(s) 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 Standards;
 - e) A finding of Meter Tampering, theft of Service, or unauthorized sale or resale 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 was tested and found accurate, or when Customer has refused a Meter test;
 - i) CPS Energy's denial or discontinuance of Service based on danger to public health and safety, or as required by a regulatory agency; 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 before the initiation of the dispute process;
- ii. Customer fails to pay for Service(s) not included in the subject dispute;
- iii. 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 before the initiation of the dispute process, CPS Energy will reconnect Service if 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 III.B.1.d.