

RULE NO. 9

BILLING

GENERAL

Customers receiving gas service from the distribution facilities of the Utility within its certificated area shall be rendered bills at the approved rates and rules under this Arizona Tariff.

A. METER READ:

All meters shall be read as nearly as may be practicable, on the same day of each calendar month. The reading of such meter shall be conclusive, both with respect to the Utility and the customer, as to the quantities of gas delivered to the consumer, with the following exceptions:

1. Meter Error Corrections:

Any meter found upon a meter test to register within three percent of the accuracy, whether slow or fast, shall be deemed to be correct. If a meter is found to register more than three percent slow or fast, then for the period between the discovery of the inaccuracy and the last previous test, the reading of such meter shall be corrected by increasing or decreasing the volume of gas, as the case may be, by an amount equal to the difference between the total inaccuracy and three percent.

In no event shall an adjustment for inaccuracy extend over a period longer than 30 days.

2. Damaged Meter:

In the event the Utility's meter index should be damaged to the extent that it could not be read or the meter should become inoperative with meter valves open, the quantity of gas delivered during such period shall be determined by one of the following methods applicable:

(a) By computing the deliveries from the registration of customer's check meter, should customer have a corresponding meter installed and accurately registering;

(b) By estimating the quantity delivered upon the basis of deliveries during preceding billing period under similar conditions when the meter was registering accurately.

3. No adjustment shall be made and the Utility shall not be liable for any leakage beyond the point of delivery.

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GENERAL (Continued)

B. BILLING UNITS:

For the purpose of billing customer(s), the unit of measurement shall be 100 cubic feet (therm) of gas at the pressure at which it is measured, except when such gas is measured at a gauge pressure in excess of 11 inches water column. The volume of gas measured at a gauge pressure in excess of 4 ounces per square inch shall be adjusted by computation in accordance with Boyle's law, to the volume that it would occupy at a gauge pressure of 11 inches water column. In such computations, a value of 12.6 pounds per square inch shall be used for normal atmospheric pressure and a value of 60 degrees Fahrenheit shall be used for the base and flowing temperature of the gas.

C. BILLING TERMS AND CONDITIONS:

The billing of all customers shall be completed as promptly as practicable following the Utility's established monthly meter reading date, but not to exceed a period of more than five days. Customer shall be allowed ten days following the date bills are rendered to pay the net amount; thereafter, the account becomes past due.

Whenever any customer fails to pay the account within ten days following the date due, the full amount of any bill for gas or other charges authorized to be made by this Tariff, the Utility shall give customer five days written notice that if account is not paid in full within the grace period, it will be necessary for the Utility to apply the customer's security deposit and accrued interest, if any, to this account.

Should the amount of customer's security deposit and accrued interest not be sufficient to cover the total amount due to the Utility, service will be discontinued. Following such action, if customer wishes to resume gas service, it will be necessary to pay Utility the balance of the unpaid account in addition to a reconnection charge as specified on the Utility's Statement of Rates A.C.C. Sheet No. 5 of this Arizona Propane Tariff and to put up a security deposit with the Utility before service will be resumed.

D. DISPUTED BILLS:

In the event that a customer should question the amount of any bill for service rendered by Utility, the proper remedy for such customer to prevent disconnection for non-payment of the bill shall be to pay the disputed account under protest to the Utility. The Utility shall promptly make a thorough investigation of the disputed account and, if found to be correct, the Utility's representative will endeavor to explain all points in question to the customer. If the account is found in error, the Utility shall promptly correct same and render a corrected bill to the customer, together with any refund to which the customer is entitled.

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E. CHANGE OF OCCUPANCY:

When a customer moves from any premises supplied by the Utility with gas service, notice thereof shall be given at the office of Utility prior to the date of such change, by the outgoing party, who will be held responsible for all service supplied to the premises until such notice is received, and final meter reading made.

F. SERVING NOTICE:

1. Notice may be given by the Utility to a customer either by an authorized representative of the Utility or by letter or postcard deposited in the United States (U.S.) mail with postage prepaid. Notice given through the mail will be considered given when it is deposited in the U.S. mail, postage prepaid.
2. Notice may be given by the customer to the Utility either directly to an authorized representative of the Utility or by letter or postcard deposited in the U.S. mail with postage prepaid. Notice given through the mail will be considered given at the time it is deposited in the U.S. mail.

G. TERMINATION OF SERVICE WITHOUT NOTICE:

The Utility shall have the right to discontinue service at any time without advance notice to customer for any of the following reasons:

1. Presence of an unsafe condition found on customer's premises.
2. Destruction, damaging or tampering with the Utility's property on the customer's premises.
3. Refusal at any reasonable time to grant an authorized representative of the Utility access to the customer's premises for any lawful purpose.
4. Use, sale or delivery of gas in violation of the terms of customer's service agreement, contract or these rules and regulations or any applicable law or ordinance.

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BILLING OPTIONS

Customers are also eligible for the following billing services as long as they meet the conditions of the Tariff specified herein.

A. SUMMARY BILLING:

Summary Billing is an optional billing service for sales customers whereby customers with several individual accounts may receive a summary bill with summarized billing data for these accounts. A summary bill may be generated in lieu of the individual bills under the following conditions:

1. Customers electing this service shall execute a service agreement in order to participate in Summary Billing.
2. Eligibility for this service is limited to customers with a minimum of ten individual accounts.
3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Utility in U.S. currency, unless other arrangements acceptable to the Utility have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within ten days after its issuance.
6. The Utility shall not be required to offer or to continue to offer Summary Billing to any customer whose account(s) is (are) past due or in arrears.
7. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Propane Tariff are applicable to Summary Billing and are made a part hereof.

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BILLING
(Continued)

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3. The customer name on all of the individual accounts summarized under any one Summary Billing account must be the same.
4. Each month's payment of a summary bill for the "Amount Due" must be one payment in the form of a check, cashier's check or money order drawn on a bank or other financial institution and payable to the Utility in U.S. currency, unless other arrangements acceptable to the Utility have been previously established.
5. Payment of a summary bill is past due and subject to a late charge if the payment is not received within ten days after its issuance.
6. The Utility shall not be required to offer or to continue to offer Summary Billing to any customer whose account(s) is (are) past due or in arrears.
7. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Propane Tariff are applicable to Summary Billing and are made a part hereof.

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BILLING OPTIONS (Continued)

B. EQUAL PAYMENT PLAN:

1. The Equal Payment Plan (EPP) is available to all residential customers provided that the customer (applicant) has established credit to the satisfaction of the Utility.
2. Participation in the EPP is subject to approval by the Utility.
3. Customers may sign up for the EPP at any time of year. The EPP amount will be based on the annual estimated bill divided into 12 equal monthly payments.
4. The Utility will render its regular monthly billing statement showing both the amount for actual usage for the period and the designated EPP amount. The customer will pay his designated EPP amount, plus any additional amount shown on the bill for materials, parts, labor or other charges.
5. The settlement month will be the customer's anniversary date, 12 months from the time the customer entered the EPP. The settlement amount is the difference between the EPP payments made and the amount actually owing based on actual usage during the period the customer was billed under the EPP. All debit amounts are due and payable in the settlement month. However, debit amounts of \$50 or less may be carried forward and added to the total annual estimated bill for the next EPP year. Credit amounts of \$50 or less will be carried forward and applied against the first billing or billings due in the next EPP year. Amounts over \$50 will be refunded by check.
6. The EPP amount may be adjusted quarterly to reduce the likelihood of an excessive debit or credit balance in the settlement month for changes in rates due to Commission-approved rate increases or decreases greater than 5 percent, or when estimates indicate that an overpayment or undercollection of \$50 or more may occur by the end of the plan year.
7. The Utility may remove from the EPP and place on regular billing any customer who fails to make timely payments according to his EPP obligation. Such a customer will then be subject to termination of service in accordance with this tariff.
8. Readmission to the EPP will be subject to approval by the Utility and payment in full of all past due amounts.

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BILLING OPTIONS (Continued)

B. EQUAL PAYMENT PLAN: (Continued)

9. A customer may voluntarily withdraw from the EPP at any time. Any amounts then owing for usage in excess of usage already paid for under the EPP will become due and payable at the customer's next regular billing, in accordance with the Utility's filed tariff schedules. Any EPP payments in excess of amounts based upon actual usage at the time of withdrawal will be applied to the customer's next regular monthly bill, or will be refunded by check if so requested by the customer.

C. LANDLORD AGREEMENTS:

A landlord agreement is defined herein as an agreement between the Utility and a qualified landlord which allows for the automatic continuation of service in the landlord's name when a tenant requests disconnection of service. A qualified landlord is a rental property owner that has established credit with the Utility according to the provisions set forth in this Arizona Propane Tariff.

1. The landlord agreement shall not apply when a tenant is disconnected for nonpayment of gas bills.
2. Disputes regarding effective dates of service shall be resolved between the tenant and the landlord.
3. The service establishment charge may be waived when service under the landlord agreement automatically reverts to the landlord's account, but shall apply when a new tenant requests service at that location.
4. The landlord agreement may be terminated by the landlord or the Utility at any time with 30 days written notice.

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BILLING OPTIONS (Continued)

D. DEFERRED PAYMENT PLAN:

1. The Utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for Utility service.
2. Each deferred payment agreement entered into by the Utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:
 - (a) Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
 - (b) Customer agrees to pay all future bills for Utility service in accordance with the billing and collection tariffs of the Utility.
 - (c) Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six months.
3. For the purposes of determining a reasonable installment payment schedule under these rules, the Utility and the customer shall give consideration to the following conditions:
 - (a) Size of the delinquent account
 - (b) Customer's ability to pay
 - (c) Customer's payment history
 - (d) Length of time that the debt has been outstanding
 - (e) Circumstances which resulted in the debt being outstanding
 - (f) Any other relevant factors related to the circumstances of the customer
4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Utility's scheduled termination date for nonpayment of bills. In the event a deferred payment agreement has been negotiated and the customer fails to execute said agreement prior to the scheduled termination date, the Utility shall discontinue service for nonpayment.

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BILLING OPTIONS (Continued)

D. DEFERRED PAYMENT PLAN: (Continued)

5. Deferred payment agreements may be in writing and shall be signed by the customer and an authorized Utility representative.
6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.
7. If a customer has not fulfilled the terms of a deferred payment agreement, the Utility shall have the right to disconnect service pursuant to the Utility's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

E. ELECTRONIC BILLING:

Electronic Billing is an optional billing service for residential sales customers whereby customers may elect to receive, view, and pay their gas bills electronically. An electronic bill may be generated in lieu of a paper bill under the following conditions:

1. Customers requesting this service may be required to complete additional forms and agreements with the Utility and/or the Electronic Billing Service Provider.
2. Customers must use a third party Electronic Billing Service Provider.
3. Electronic Billing may be discontinued at any time by the Utility, the customer or the Electronic Billing Service Provider.
4. Except as otherwise provided in this section, all other provisions of the Utility's Rules and Regulations as contained in this Arizona Propane Tariff are applicable to Electronic Billing and made a part hereof.