

when air conditioning and watering use goes up. So if your first month with Budget Billing is June, July or August, chances are your Budget Bill will be lower.

Q. How is Budget Billing calculated?

A. If you have been an NBU customer at the same location for more than a year, NBU totals your utility bills for the current month plus the preceding 11 months and then divides the total by 11. This amount becomes your Budget Bill amount.

Q. What if I've been at my current location for less than a year?

A. If a 12-month history is not available, NBU will estimate the annual billing for you.

Q. How can I keep track of the differences between my actual utility bill and my Budget Billing costs?

A. The difference between these two amounts is called the "Deferred Balance" and you'll find it on every billing statement at the very bottom of the bill. This deferred amount accumulates from month to month and shows whether a credit or debit is accumulated. NBU will be reviewing the progress of the program every six months. If an adjustment is necessary before the 12 months are complete, you will be notified of the new Budget Billing amount one month in advance.

Q. When is my account settled up?

A. At the end of 12 months, we will look at your account to see if it needs an adjustment. The year-end balance (debit or credit) will be rolled into the next year's cycle of budget billing and you will be notified of that difference one month in advance. You may elect to remove yourself from the Budget Billing program at any time. We do suggest keeping Budget Billing for at least 12 months so you may evaluate the benefits properly.

Also, once you cancel Budget Billing, you must wait at least two months before becoming re-eligible.

Q. If I have a credit deferred balance any month, is my account still drafted that month?

A. Yes—each and every month you have to pay the pre-determined Budget Billed amount. Credit balances do not accrue interest. If we receive notice of insufficient funds in your bank account, you will be subject to removal from the Budget Billing program for one year.

For more information, please call:

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Bright Ideas



Answers to your questions about

Budget Billing

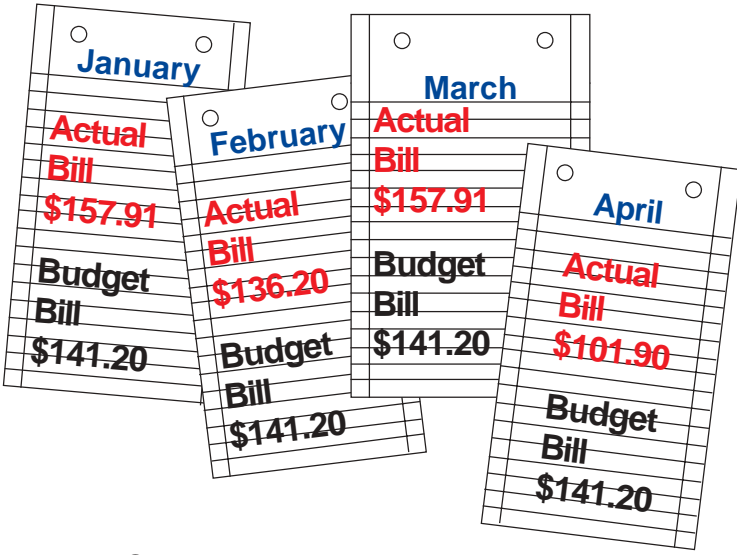
From

NBU
New Braunfels Utilities

Budget Billing.

The sensible way to handle your utility costs.

- Your utility bills won't go up and down and you'll know exactly what your utility bill will be from month to month, making it easier to manage your budget.



- Over time, Budget Billing won't cost you any more than regular billing.

Here's how Budget Billing works.

Look at the calendar illustrations. For each month, you'll see two amounts. The "Actual Bill" is a sample amount a customer might pay each billing period using NBU's regular billing system. The "Budget Bill" amount shows what the customer enrolled in Budget Billing would pay.

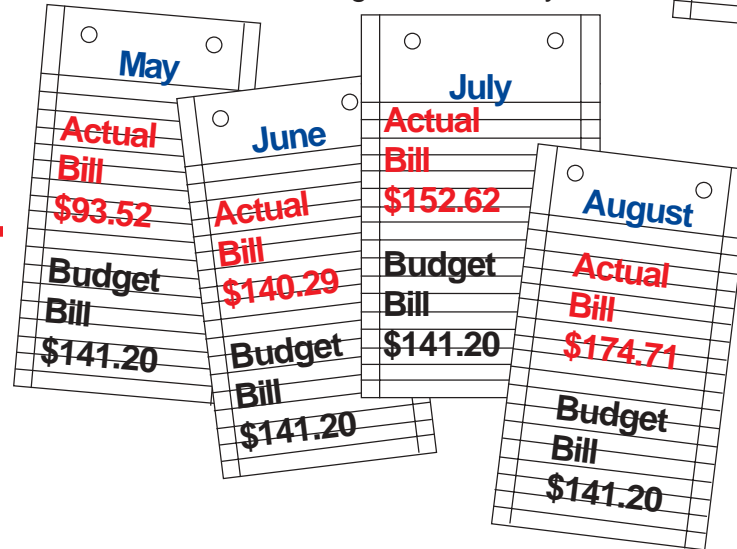
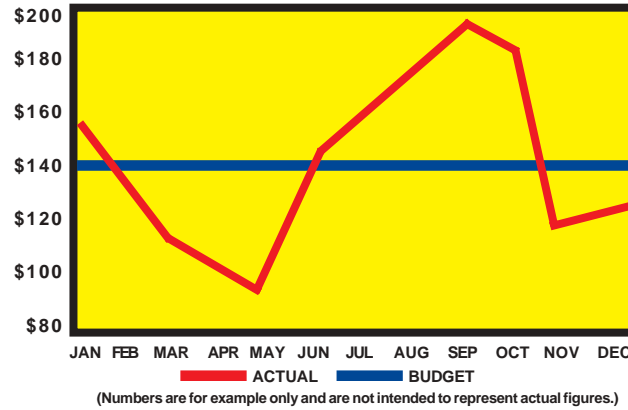


Chart shows how Budget Billing smooths out monthly billing differences



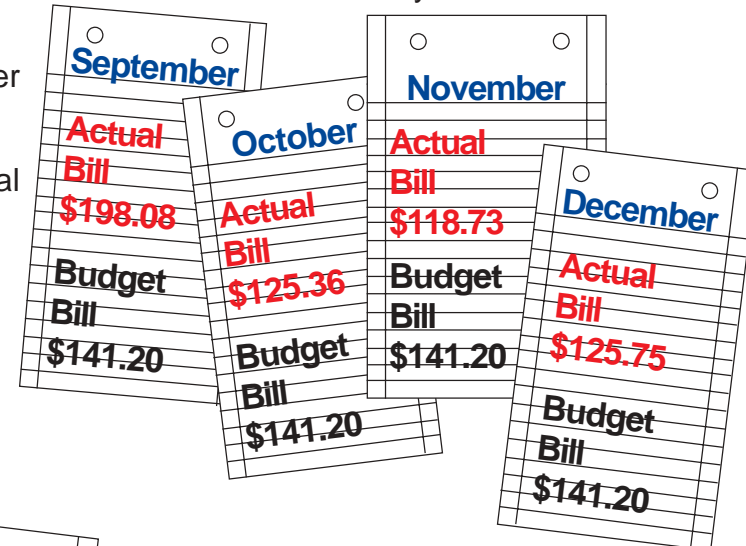
The net result is that through Budget Billing you can avoid big changes in your utility bill—especially during peak months when air conditioning, heating and watering can drive bills way up.

Please note that the total Budget Billing costs over time won't be higher than actual costs. But with Budget Billing, each month's bill is the same. For example, in September that actual sample bill was \$198.08, more than twice as much as the actual bill in May. But under Budget Billing, the September bill is only \$141.20—the same as the Budget Bill in May.

Budget Billing Q&A

Q. Who is eligible for Budget Billing?

A. Any NBU residential customer who has no outstanding bills or charges owing can sign up for the program by stopping by our office or calling, requesting a form, filling out the form, and returning the original back to NBU. We will also need to enroll your account in the AutoDraft Program. With AutoDraft, your monthly payment is automatically deducted from your bank account on the actual due date. That means no stamps, no checks, no lines and no late fees for you!



Actual Bill Total \$1694.45 Budget Bill Total \$1694.40

Q. After signing up for Budget Billing, will my first bill be higher or lower than usual?

A. That depends on your typical utility usage. Generally, NBU customers have higher bills during the summer