# NBU Customer Service Conditions Policy

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**Latest Revision: 11.1.12**
I. General

New Braunfels Utilities (NBU) is a municipally owned utility providing electric, water, wastewater treatment and other ancillary services to the greater New Braunfels area. As such, NBU is required to abide by the ordinances established by the City Council and the policies and procedures of the Board of Trustees. NBU endeavors to provide quality services at reasonable prices and has established policies and procedures to insure that customers are treated fairly and in a consistent, professional, manner. NBU has and maintains a strong credit policy in order to protect all customers by managing costs to assure lowest rates.
II. Definition(s):

A customer of record is defined as the Person(s), as that term is defined in Section 130-1 of the City of New Braunfels Code of Ordinances, who makes proper application for the utility services provided by New Braunfels Utilities. If the applicant for utility services is doing business under an assumed name, the Person(s) who is the registrant of the assumed name is also considered the customer of record. The term "customer of record" includes the principals of the entity who are identified at the time application for utility service is made. All those constituting customer of record are jointly and severally liable for all amounts due New Braunfels Utilities.
III. Application for service

All customers desiring utility service shall make proper application for such service. Such application upon execution, whether orally or written, by the customer and NBU shall constitute a contract and shall specify the conditions of sale of utility service to the customer. Application for service also requires social security number, driver's license or Texas identification number, and telephone number. No utility service shall be extended or supplied until such proper application and other service prerequisites have been made and have been accepted by NBU.

Utility service shall be on a month-to-month basis, unless otherwise specified by contract, with service continuous from the date of the initial connection until the customer gives proper notice of discontinuance to NBU or service is otherwise terminated under the provisions of this policy or under the terms of such contract.

All contracts between NBU and utility customers shall be expressly made subject to the Charter and Code of Ordinances of the City; and in the event of any conflict between a provision of any contract and the provisions of the Charter or Code of Ordinances, the applicable Charter or Code provision shall prevail.

Upon application for service or when a customer notifies NBU of the need for service, customers will be assigned to the appropriate rate class for billing purposes. Determination of the appropriate rate class will be at NBU's discretion and may involve discussion and research with NBU's engineering divisions.
IV. Liability

NBU is responsible for design, construction, operation, and maintenance of utility service facilities up to and including the point of delivery. Customer is responsible for design, construction, operation, and maintenance of customer's installation beyond the point of delivery and has sole control and supervision over customer's installation, including compliance with all applicable codes and ordinances.

Customer assumes responsibility for the service supplied or taken, including excessive consumption due to faulty equipment, leaks, damages caused by open circuits or valves following service initiation, and for all related damages caused by service diversion, unlawful use of service, or damage to NBU equipment.
V. Confidentiality

Residential customers can request that certain personal information contained in utility records not be released to unauthorized persons except as provided by applicable law.

Texas Law allows publicly owned utilities to give their residential customers the option of making the customer’s address, telephone number, social security number, and billing and usage information, confidential. Customers may exercise this option, by completing the appropriate NBU Confidentiality form or by submitting a written request to NBU.

A customer may rescind a request for confidentiality by providing NBU with written permission to disclose personal information.
VI. Senior Citizens / House Bill 670

In compliance with House Bill 670, NBU offers deferred payment of utility bills to any residential customer occupying a single family residence who is 60 years of age or older. NBU will delay without penalty the due date of a bill for providing utility service until at least 25 days from the billing date. The deferred payment provision can be implemented for the most recent and all subsequent utility bills upon notifying NBU and providing proof of age. Customers qualifying for deferred payment under this provision are subject to all other payment requirements as set forth in this policy including termination of service for non-payment.
VII. Credit Requirements

Any customer desiring utility service shall make application to New Braunfels Utilities, and shall meet NBU's credit requirements. Prior to issuing work orders to initiate utility service, the application for service process must be complete including meeting the required credit conditions as indicated by customer classification:

(a) Residential. Credit requirements will include a deposit of two months' estimated billings paid in cash, by credit card or check, or an approved letter of satisfactory credit and payment record from the immediate past electric utility company serving the applicant, or a satisfactory guaranty of payment (see Guarantor).

Guarantor – In lieu of cash or other credit security, an individual residential customer account can be guaranteed by another individual who has service with NBU. In order to qualify as a Guarantor, the individual must be a current residential customer of NBU and have maintained an NBU credit score of "B" or better for a 24 consecutive month period. No individual may serve as Guarantor on more than three (3) residential accounts at any one time. NBU can collect a debt from a Guarantor without first trying to collect from the customer of record. NBU can transfer the customer’s unpaid balance to the Guarantor’s account. NBU can use the same collection methods with a Guarantor that can be used with a customer of record, including suing and/or terminating utility service. NBU can terminate utility service if the Guarantor fails to pay the entire balance of a guaranteed account, which may include the balance transferred from the customer’s account plus collection costs incurred, if any. If the customer’s debt is ever in default, that fact may become a part of the Guarantor’s credit record. A Guarantor may be released from an account only upon completion of a 24 consecutive month period, during which the guaranteed account maintains an NBU credit score of “B” or better or as specified by contract or upon receipt of a two month estimated billing cash deposit for the account.

(b) Non-Residential. Except as provided in section VII (c), two months’ estimated billings paid in cash, by credit card or check, credit insurance or an unconditional and irrevocable letter of credit
from an approved financial institution in form and substance satisfactory to New Braunfels Utilities in an amount equal to two months’ estimated billing.

(c) Very Large Power-Distribution, Power Supply Direct-Distribution, Power Supply Direct-Transmission, Interruptible Rate, Very Large Power-Transmission. Deposit as determined by NBU to be paid in cash, by check or credit card, credit insurance, or an unconditional and irrevocable letter of credit from an approved financial institution in form and substance satisfactory to New Braunfels Utilities in an amount established by New Braunfels Utilities for payment of utility billings and recovery of facilities investment in case of default, or as specified in a contract between the customer and New Braunfels Utilities.

Estimated billings for security calculation shall be as determined by New Braunfels Utilities, and any variation between estimated and actual billings may require an adjustment in the deposit or security requirement. NBU reserves the right to require cash payments as opposed to accepting checks or credit cards if, in its judgment, it is prudent to do so.

Credit insurance can be acquired to meet credit conditions at the discretion of NBU through a provider approved by NBU. If credit insurance is acquired as security on an account, the customer insured will be responsible for the premiums incurred for adequate coverage.
VIII. Deposit Conditions

One-half of the deposit is due when making application for service and the balance of the deposit will be billed by NBU on the first monthly billing. The deposit installment shall be payable contemporaneously with the payment for utility services as provided in this policy and subject to the same disconnection provisions contained in this policy. The deposit shall be held by New Braunfels Utilities for a period of time not less than 24 months for residential customers and not less than 60 months for non-residential customers and then refunded at the discretion of New Braunfels Utilities only if the account maintains an NBU credit score of “B” or better or as specified by contract.

Simple interest will be calculated for security deposits held by NBU from the date the deposit is received by New Braunfels Utilities at the minimum rate required by applicable law, but if no such minimum rate is established by applicable law, at a variable rate equal to the auction rate quoted on 13-week United States Treasury Bills, less 25 basis points (0.25 percent), in effect on January 1, April 1, July 1, and October 1 of each year, fixed and established in advance for such calendar quarter. Such interest shall be credited to the customer's account annually on the January billing provided the customer's account is not delinquent. Upon termination of service, accrued and unpaid interest will be paid to the customer, provided the account is not delinquent; and in the case of delinquency, New Braunfels Utilities is authorized to credit such interest along with the deposit to the unpaid account balance. If the deposit and any credited interest are insufficient to cover the unpaid balance, the customer shall be liable for the deficiency.

An existing customer with an NBU credit rating of A or B having maintained such rating for a period of at least 24 consecutive months for residential customers and 60 consecutive months for commercial customers, desiring additional metered connections may, at the discretion of New Braunfels Utilities, be exempt from all or a portion of the deposit or other credit requirements.

If deposits have been returned to the customer after meeting the requirements stated in this section, or if other acceptable credit conditions no longer apply, and the customer then exhibits a poor billing payment record that results in an NBU credit rating other than A or B, the deposit or other credit surety requirement may be reinstated, or other measures designed to protect New Braunfels Utilities may be implemented, at the discretion of New Braunfels Utilities. If the deposit is reinstated, one-half of the amount due will be required upon notification to the
customer that a deposit reinstatement is necessary. The remaining half of the
deposit will be billed on the next monthly billing.

*Waiving of Deposits.* If a residential customer moves out of the NBU service area
and then returns to the NBU service area, within 12 months or less, the
customer’s prior NBU credit history and payment record will be considered in lieu
of a deposit, if the customer had an NBU credit score of “B” or better for at least a
24 consecutive month period at the time of their departure.
IX. Billing & Payments

Bills for utility service shall be due and payable at the office of New Braunfels Utilities monthly in accordance with New Braunfels Utilities (NBU) rate schedules and service conditions. Customer, Guarantor, or other responsible party agrees to pay their bill as measured by NBU’s metering equipment (if applicable) and according to NBU rate and fee schedules. Service under this agreement may be disconnected for nonpayment. If service is processed for nonpayment, a processing fee plus the account balance due will be collected by NBU before utility service will be restored.

The initial billing period for a new account shall begin when a customer begins using electric, water, or wastewater utility service, or 30 days after such service is made available, whichever occurs first.

It is the customer’s responsibility to deliver current billing payments to NBU before 5:00 p.m. on the due date, or to the designated collection points by the time and date posted at the designated location.

Customer, Guarantor, or other responsible party shall pay NBU monthly for service rendered, at the rates and upon the terms and conditions established by Board policy and City ordinances. Customers will be billed according to NBU’s rate schedules for the class of service supplied. Utility service rate schedules are on file at NBU’s offices and the City of New Braunfels. All references to NBU’s rate schedules and service conditions contained in this policy shall be to those then in effect.

In the event a billing or metering error occurs, Customer, Guarantor, or other responsible party will nevertheless be responsible for payment for actual service rendered; however, NBU may only collect for the last six months of corrected billings.
X. Delinquent Payments

Customers will have at least 21 days from the billing date within which to pay the amount due by 5:00 p.m. without being subject to a late charge. Late fees can be applied to any and all charges billed to the customer by NBU including utility service fees and miscellaneous charges. The due date will be specified on the billing statement. Customers will have at least 10 days following the stated due date within which to pay the amount due, plus late charges, prior to being subject to disconnection of service. NBU makes no guarantee as to delivery of the bill. Customers will be advised of their due date at the time of application for service and it is each customer’s individual responsibility to insure that their bill is paid by the due date. Postmark dates are not accepted.

If the amount due shown on the monthly billing statement is not paid by the due date, the customer will be assessed a late charge equal to ten (10) percent of the amount due.

Account balances not paid in full by 5:00 p.m. on the 31st day from the billing date are subject to disconnection of service. Customers may request additional time to pay delinquent bills due to temporary health or financial conditions up to two times within a 12-month period. Customers are responsible for contacting NBU to request an extension that will be granted solely at the discretion of NBU. Requests for payment arrangements must be made prior to the last day to pay the most current bill to avoid disconnection of service and costly processing fees.

To the extent allowed by applicable law, balances owing on one or more accounts may be transferred to another active account of the individual(s) responsible for the original debt. This provision applies to customers seeking to re-establish service with NBU that have an outstanding balance or balances with NBU. NBU is not required to render utility service until all outstanding debt has been paid or addressed to NBU’s satisfaction.
XI. Credit Rating Calculation

For purposes of determining whether a deposit or other credit condition will be refunded, removed, or maintained, NBU will, to the extent allowed by applicable law, determine a credit rating score for each customer as follows:

<table>
<thead>
<tr>
<th>Credit Events</th>
<th>Score</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delinquent notice on acct. or 1st final letter</td>
<td>10 points</td>
<td>1 year</td>
</tr>
<tr>
<td>Late payment charge</td>
<td>10 points</td>
<td>1 year</td>
</tr>
<tr>
<td>Door hanger and/or second final letter</td>
<td>20 points</td>
<td>1 year</td>
</tr>
<tr>
<td>Returned Check or Failed Auto-Draft</td>
<td>50 points</td>
<td>1 year</td>
</tr>
<tr>
<td>Disconnection for non-payment (termination)</td>
<td>225 points</td>
<td>7 years</td>
</tr>
<tr>
<td>Tampering – 1st offense</td>
<td>225 points</td>
<td>1 year</td>
</tr>
<tr>
<td>Tampering – 2nd offense</td>
<td>300 points</td>
<td>2 years</td>
</tr>
<tr>
<td>Tampering – 3rd offense</td>
<td>375 points</td>
<td>7 years</td>
</tr>
<tr>
<td>Charge off</td>
<td>225 points</td>
<td>7 years</td>
</tr>
</tbody>
</table>

A = 0 – 59
B = 60 – 223
C = 224 – 999
D = 1,000 – 9,999
E = 10,000 and up
XII. Tampering

(a) Tampering fee

A fee will be assessed for tampering with a meter or related equipment. Tampering includes removal of a meter seal or damage to equipment associated with metering. Payment for damaged or missing equipment and diverted power may also apply. Tampering with NBU’s electric or water meters and related equipment is dangerous and constitutes theft. NBU may charge the customer of record (or others NBU determines to be responsible) the following fees and charges for tampering:

First tampering incident........................................$150.00

Second tampering incident for same customer regardless of location....................................................$200.00

Third and each subsequent tampering incident for same customer regardless of location......................$300.00

(b) Damages to equipment

In addition to the above referenced tampering fees, NBU may charge the customer of record for all damage to the meter and related equipment.

(c) Lost revenues

NBU may charge the customer of record for estimated revenues lost as a result of the tampering. The method of calculating the estimated lost revenue will be at the sole discretion of NBU.

(d) Non-exclusive remedies

The remedies established by this policy are not exclusive. NBU may initiate prosecution for violation of City Ordinances or state law. NBU may invoke other rights and remedies allowed by applicable law with respect to tampering.
(e) Actual knowledge not required

The customer of record is ultimately responsible for tampering, whether or not he or she tampered with the meter or related equipment or otherwise had actual knowledge of the tampering.
XIII. Returned Check Fees and Failed Auto-Draft Payments

Checks and failed Auto-Draft payments that are not honored by the customer’s bank for any reason, other than bank error, will be returned to NBU and the customer will be charged a collection fee in the amount of $30.00. Customers who have two returned checks or failed Auto-Draft payments, within a 12-month period, will be required to pay for utility services with cash, credit card, cashiers check, or money order, for the next 12-month period. NBU does not accept partial payment on a returned check or failed Auto-Draft payment.
XIV. Service Connection / Reconnection Fees

- Establishing a new account: $45.00

A new account is defined as an account established for a customer in that customer’s name at a specific location or for which an additional meter is required. This fee may be reduced by 50% for the customer account of an Apartment Complex Owner or Manager enrolled in the Automatic Change of Tenant Program. In hardship cases only, and when requested by the customer, NBU will perform same day service connection or reconnection for a fee of $75.00.
XV. Processing Fees – Disconnection for Non-Payment

A customer who has been processed for disconnection due to failure to pay will incur a fee for uninterrupted service or reconnection as follows:

8:00 a.m. – 8:00 p.m. same business day ................................................... $75.00

8:00 p.m. – 8:00 a.m. of Next business day. After Hours Connection........ $125.00

Next business day........................................................................................ $75.00

If warranted by extenuating circumstances, NBU management may adjust fees.
XVI. Access Hindrance Fee

All customers must provide unobstructed access to the premises for meter reading, inspection, maintenance, replacement, relocation, repair or disconnection of NBU equipment. On request, the owner, lessee or occupant of any property may request identification from NBU staff or authorized contractors for security verification. If access by NBU staff or authorized contractor to the meter is hindered or denied, thereby preventing the reading of the meter or access to other NBU equipment, an Access Hindrance Fee will be charged to the customers account. Additionally, the fee would be charged each time staff are sent to a location and fail to gain access, despite the attempt to coordinate access with the customer. The failure of a customer to coordinate timely access, two failed attempts to gain access within a billing period, or denial of entry, shall be cause for termination of NBU services.

Access Hindrance Fee, per occurrence……………………………………………….$35.00
XVII. Other Fees or Adjustments

When NBU investigates an electrical outage, no fee will be assessed to the customer if the outage is the responsibility of NBU. It is the customer’s responsibility to address all other outages. Replacement or repair of NBU facilities damaged inadvertently or intentionally will be charged at actual cost of labor, equipment, and materials.

The monthly Customer Charge will be prorated on the first and final billings.
XVIII. Critical Care Accounts

A Critical Care customer is defined as one in which an interruption or suspension of electric service would create a dangerous or life-threatening condition.

Customers that have special needs for medical equipment should contact NBU to request a Critical Care form. This form should be completed by the customer and their attending physician. Upon receipt of the completed form, NBU will evaluate the information to determine if the customer meets the qualifications for critical care account designation. Once qualification has been determined, a follow up letter of notification will be sent to the customer.

Accounts with special needs for medical equipment will be so noted in the customer service database so that these customers are known to NBU when power has been interrupted. This information will be kept confidential and will be subject to an annual renewal.

Customers on the Critical Care list are still responsible for payment of their bill on time and under the same conditions as all other customers. NBU will make every attempt to notify customers of any planned outages and what the probable duration of the outage will be. Critical Care customers are responsible for installing and maintaining devices which protect their service installation, equipment, and processes and/or making arrangements for alternative measures during periods of abnormal service conditions or service interruptions. NBU makes no guarantee as to providing a continuous flow of power.
XIX. Budget Billing

In an effort to provide customers with a means of budgeting for utility costs NBU may offer a budget billing program that allows monthly bills to be averaged or levelized. Participation in this program is subject to certain conditions as follows:

- Budget billing applies to residential customers that have no outstanding bills or charges owing
- Actual consumption variations from the projected average may result in an adjustment to the monthly payment amount
- The scheduled budget billing amount must be paid monthly even if a credit balance sufficient to cover the amount due exists
- Budget billing agreements are subject to review and approval by the NBU Customer Service Division
- Budget billing amounts may be adjusted when rates for utility service are adjusted if, in NBU’s opinion, such adjustment is prudent and justified
- Budget billing is available only to customers who are on the auto-draft payment method

Calculation of Budget Billing amount – NBU Customer Service Division will project customer usage for a 12-month period based on prior history at the customer’s present service location or estimation thereof. The 12 month projected usage estimate will be applied to current or projected rates for utility service to calculate the budget-billing estimate. The calculation will include all customary charges including taxes and cost recovery factors as applicable. This calculation will establish the customer’s budget billing amount for the subsequent 11 months. At NBU’s discretion, credit balances may be refunded or used to lower the calculation for the ensuing 12-month billing period. Accounts with credit balances will not accrue interest. Balances owing may be required to be paid in full or included in the calculation for the ensuing 12-month period. Customers will be retained in the budget-billing program unless they notify NBU otherwise. Accounts being terminated will be reconciled in full on the final bill.
XX. Auto-Draft Payments

The Auto-Draft payment option allows customers to have their NBU bill automatically deducted from a checking or savings account. Auto-Draft requests, whether adding or removing, must be received at least seven business days before the net due date of the customer’s bill to initiate or remove Auto-Draft payments for the next billing. Requests turned in after that date will initiate Auto-Draft payment for the following month.

If a customer has two insufficient fund drafts within twelve months, NBU will remove the account from Auto-Draft and notify the customer. The customer will then be ineligible for the Auto-Draft payment option for the next twelve months.
XXI. Variances and Waivers

NBU shall have the authority to vary or waive any deposit, deposit condition, imposition and amount of late charges, time for payment of amounts due, and such other fees and requirements, except rates, when in its opinion, equity, business judgment, or community interest justify such variance or waiver.

No free utility service or service discounts shall be allowed to any person, firm, corporation, association, or governmental entity, except as provided by applicable law and City Ordinance. NBU has the authority and discretion to waive some or all charges for service in the event of catastrophic or other extraordinary circumstance that in its judgment justifies such waiver.
XXII. Disconnection of Electric Service

In the absence of any other electrical service disconnect, NBU shall have the authority to seal and lock the electrical breaker panel when electric service has been terminated at a premise.