



Service Conditions Policy

NBU[®]
NEW BRAUNFELS
UTILITIES

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

New Braunfels Utilities complies with all state laws and regulatory requirements and will bill the customer of record for Utility Services, charges, penalties, and fines as set forth in the City of New Braunfels Code of Ordinances, Chapter 130, or as further noted in the NBU Service Conditions Policy for other services or conditions.

New Braunfels Utilities Main Office

263 Main Plaza
New Braunfels, TX 78130

Regular Office Hours:

8:00 a.m. - 5:00 p.m., Monday – Friday 830.629.8400
Customer Care Toll-Free: 1.866.629.8400

Mail Payments to:

PO Box 660
San Antonio, TX 78293-0660

Website:

www.nbutexas.com

Report Outages:

1.830.629.4NBU (4628)

SERVICE ELIGIBILITY

New Braunfels Utilities reserves the right to deny service to any Customer:

- If the applicant or Customer whose installation or equipment is known to be hazardous;
- If the applicant or Customer does not comply with all NBU Electric/Water/Wastewater Connection Policies or, unauthorized attachments that interfere with the service of others;
- If the applicant applies for service at a location where another customer received, or continues to receive service, and NBU can reasonably demonstrate that the change of account holder and billing name is made to avoid or evade payment of a bill owed to NBU;
- If the applicant or Customer owes a bona fide debt to NBU for Utility Services or miscellaneous charges;
- If the applicant or Customer has acted as a guarantor for another applicant or Customer and failed to pay the guaranteed amount, where such guarantee was made in writing and was a condition of service; or
- If the applicant or Customer fails to comply with the credit and deposit requirements set forth in the Service Conditions Policy.

VARIANCES AND WAIVERS

New Braunfels Utilities shall have the authority to vary or waive any provision of this policy, except rates, when in its opinion, equity, business judgment, or community interest justifies such a variance or waiver. Deposit waivers or variances are described in the Credit Requirements and Deposit Conditions section.

New Braunfels Utilities has the authority and discretion to waive some or all administrative fees for service in the event of catastrophic or other extraordinary circumstance that in its judgment justifies such waiver.



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I. APPLICATION FOR SERVICE

All customers desiring utility service shall make proper application for such service. Such application upon execution, whether orally, written or electronic, 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 the following from the Customer of Record:

- Applicable social security number and/or valid U.S. issued driver's license or U.S. identification number
- Telephone number
- Current email address
- Valid passports for residential, small commercial (sole proprietorships only), and guarantors in lieu of the social security number and U.S. issued driver's license numbers for non-citizens
- Commercial customers will be required to provide additional documentation based on the type of entity
 - NBU will attempt to obtain appropriate documentation through online resources. If documentation is not available, the customer will be responsible for providing the requested documentation.

No utility service shall be extended or supplied until a proper application and other service prerequisites have been made and accepted by NBU.

CUSTOMER OF RECORD

A Customer of Record is defined as the Person(s), as that term is defined in Section 130-7 of the City of New Braunfels Code of Ordinances, who makes proper application for utility services provided by NBU. 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 NBU and are subject to the following policies and procedures: Service Conditions Policy, Electric Connection Policy, Water/Wastewater Connections Policy, and Customer Service Schedule of Fees, Charges and Assessments.

New Braunfels Utilities will not continue to provide utility services to a customer of record who has passed away. Upon notification or verification of a current customer's passing, NBU will notify the current resident by letter, that services will be discontinued if the account remains in the deceased customer's name. In order for services to be continued, current resident will be required to submit an application, meet the service prerequisites and be accepted by NBU.

CONFIDENTIALITY

Section 182.052 of the Texas Utilities Code prohibits NBU from disclosing personal information in a customer's account record or any information relating to the volume or units of utility usage or the amounts billed to or collected from the individual for utility usage, unless the customer requests that the government operated utility disclose the information. Personal information in a customer's record includes the account holder's address, telephone number, or social security number.

A customer may request disclosure of personal information at any time. The request may be made by submitting a written request to New Braunfels Utilities or by submitting a signed and completed form to New Braunfels Utilities via mail or email. A customer may also rescind a request for disclosure of information by providing New Braunfels Utilities with a written request to withhold personal information.

CONTRACTING FOR UTILITY SERVICE

Terms of Service

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

CODE OF ORDINANCES

All contracts between NBU and Customer of Record shall be expressly made subject to the Charter and Code of Ordinances of the City of New Braunfels. In the event of any conflict between a provision of this service policy or any contract and the provisions of the Charter or Code of Ordinances, the applicable Charter or Code provision shall prevail.

The rates and pricing for various Utility Services are set forth in the City of New Braunfels Code of Ordinances and may be amended by the New Braunfels City Council.

Utility Service under this Contract will begin on the meter reading date set by NBU.

RATE CLASSIFICATION

Upon application for service or when a customer notifies NBU of the need for service, customers will be assigned to the appropriate rate classification 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 Departments.

New Braunfels Utilities may evaluate at any time the assignment of appropriate rate class and, upon notification to the Customer of Record via U.S. mail to the mailing address on the account, apply the appropriate rate class and contracts, immediately or retroactively, whichever may apply. New Braunfels Utilities must be notified within 10 days of the change of purpose of any residential service to commercial service point or commercial service to residential service point.

CHANGES IN RATES AND CONTRACT TERMS

New Braunfels Utilities will provide published notice through various media outlets within 60-days of any material change in this policy. In the event there is a change (including a change in interpretation) in law, regulation, rule, ordinance, order, directive, filed tariff, decision, writ, judgment, or decree by a government authority, and such change results in NBU incurring additional costs and expenses in providing services; such additional costs and expenses will be the responsibility of the customer and will be assessed in the monthly bill.

NEW BRAUNFELS UTILITIES' RESPONSIBILITY

New Braunfels Utilities is responsible for design, construction, operation, and maintenance of utility service facilities up to and including the point of delivery.

CUSTOMER'S RESPONSIBILITY

Customer is responsible for the 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 government codes and ordinances. All customers are responsible for any charges or usage until proper disconnection notice is provided to NBU. No retroactive billing adjustments will be authorized for failure to request disconnection.

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 or restoration, and for all related damages caused by service diversion, unlawful use of service, or damage to NBU equipment.

CUSTOMER'S ACKNOWLEDGMENT

New Braunfels Utilities will make commercially reasonable effort to supply utility services, but does not guarantee a continuous supply of utility services. Customer acknowledges that certain causes and events may result in interruptions in service and NBU will not be liable for any such interruption. Customer agrees that NBU will not be liable for damages caused by utility services, Force Majeure events, including acts of God, acts of any governmental authority, acts of terrorists or enemies of the state, accidents, labor, or maintenance work.

DISCONNECTION WITHOUT NOTICE

New Braunfels Utilities may disconnect service at a customer's location without notice if known dangerous conditions exist at the premises; where service is connected without authority; where service is reconnected without authority after disconnection for non-payment; where there has been tampering with the meter or other service provider equipment; or where there is evidence of theft of service.

ALL CUSTOMERS SUBJECT TO CHAPTER 130 OF THE NEW BRAUNFELS CODE OF ORDINANCES

As a condition of service, all customers, including those whose service properties are located outside the city limits of the City of New Braunfels, are subject to Chapter 130 of the New Braunfels Code of Ordinances.

CUSTOMER NOTIFICATION

All customers will be automatically opted in to receive notifications from NBU via text message, email, telephone, and all other future communication media regarding conservation, education, outages, bill presentment, payment reminders and confirmation, and emergency information as a condition of service, unless written notification is submitted to and received by NBU Customer Service personnel. NBU is committed to keeping customers informed.

As needed, NBU may provide informational, educational, and/or emergent text and voice mail messages. Customers may opt-out at any time. Customer's standard text and data rates shall apply to any and all devices used to receive pertinent customer information.

CUSTOMER INITIATION, TRANSFER, OR TERMINATION OF UTILITY SERVICE

NBU may initiate, transfer, or terminate a customer's utility service (electric, water, sewer) service on receipt of a customer request. Such request may be made by mail, telephone, NBU website, fax or through email at least one NBU business day prior to requested disconnect date.

II. CREDIT REQUIREMENTS AND DEPOSIT CONDITIONS

Any customer desiring Utility Service shall make application to NBU, and shall meet NBU's credit requirements. Prior to issuing work orders to initiate utility service, all outstanding debts with NBU must be paid. In addition, the application for service process must be complete including meeting the required credit requirements and deposit conditions as indicated by customer classification:

RESIDENTIAL SERVICES

Residential Service (includes the following rate classifications)

Electric Service

- Residential

Water Service

- Residential service
- Multi-unit permanent residential water service
- Landscape/Irrigation service

Wastewater (Sewer) Service

- Residential service 1 & 2

Credit Requirements and Deposit Conditions

All customers desiring Utility Service should select one of the following options to meet the credit requirements and deposit conditions:

- A deposit paid in cash; by NBU accepted credit card (currently set at \$1,500 limit per Customer of Record per month), or by check
- The option to sign up for Quick Connect in lieu of deposit (see "Quick Connect Service"); paid in cash, cashier's check, money order, or by credit card
- At such time that soft credit checks become operationally available to NBU, verification of an acceptable credit rating from a credit source utilized by NBU (see "Credit Source"), may allow a deposit to be waived; however, the credit check fee will be billed on the first monthly bill following the date the report was run
- A new residential customer who has provided an approved letter of satisfactory credit history (see "Satisfactory Credit History")
- An existing NBU residential customer who has established a satisfactory credit history with NBU for the last consecutive 12-month period (see "Satisfactory Credit History")
- A satisfactory guaranty of payment (see "Guarantor")

QUICK CONNECT SERVICE

Residential customers who are required to pay a deposit have the option to pay a one-time non-refundable charge of \$250.00 instead of a deposit at the time of application. This fee must be paid in cash, cashier's check, money order, or by credit card.

Customers must complete the Quick Connect form at the time of application. Customers choosing this option who have an outstanding past-due balance with NBU will be required to pay the balance in full before applying for Quick Connect Service.

Customers selecting the Quick Connect service option may receive same-day service (for locations where NBU services and meters exist) if a valid application is received and approved for connection by NBU no later than 12:00 p.m. on an NBU business day.

Customers selecting the Quick Connect option shall be required to pay a deposit if the customer does not maintain a Satisfactory Credit History. If the deposit is required, one-half of the amount due will be billed on the next monthly bill, and the remaining half of the deposit will be billed on the following monthly bill, upon notification to the Customer of Record via U.S. mail to the mailing address on the account that a deposit is required.

CREDIT SOURCE

At such time soft credit check becomes operationally available, at the customer's request, NBU may conduct a credit check and the fee will be billed on the first monthly bill following the date the report was run. This source conducts a soft credit pull that accesses the customer's credit report. The report does not affect the customer's external credit rating.

SATISFACTORY CREDIT HISTORY

Existing residential customers establish a **Satisfactory Credit History** by:

- Having no more than two past due (late) payments during the last 12-months of NBU service;
- Have not had service disconnected for nonpayment in last 12-months; and
- Have not had a check, credit card, auto-draft, or an auto-pay payment returned for non-sufficient funds (on all utility accounts) (Refer to Section IV. Non-Sufficient Funds).

New residential customers establish a **Satisfactory Credit History** by:

- At such time that soft credit checks become operationally available to NBU, verification of an acceptable credit rating from a credit source utilized by NBU, or
- Upon receipt of an approved letter of satisfactory credit history from a customer's immediate past electric utility provider (or water provider if applying for water service only) reflecting a Satisfactory Credit History for a consecutive 12-month period within the last 12-months. The letter and the new NBU account must match the name on the applicant's photo ID and be received within the first 30 days of start date.

The letter must also reflect the following:

- Having no more than two past due (late) payments during the last 12-months of service;
- Have not had service disconnected for nonpayment in last 12-months; and
- Have not had a check, credit card, auto-draft, or an auto-pay payment returned for non-sufficient funds (on all utility accounts) (Refer to Section IV. Non-Sufficient Funds).

GUARANTOR

In lieu of cash or other credit security, an individual residential customer may choose to have another individual ("Guarantor") who has service with NBU to guaranty the residential customer's account. In order to qualify as a Guarantor, the individual must be the primary account holder of an active residential account of NBU and have established a Satisfactory Credit History.

- No individual may serve as Guarantor on more than three (3) residential accounts at any one time.
- New Braunfels Utilities can collect a debt from a Guarantor after normal collection efforts have failed to settle debts from the Customer of Record.
- New Braunfels Utilities can transfer the customer's unpaid balance to the Guarantor's account.
- New Braunfels Utilities can use the same collection methods with a Guarantor that may be used with a Customer of Record, including suing and/or terminating Utility Service.
- New Braunfels Utilities 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 when the applicant of the guaranteed account has established one of the following:
 - A Satisfactory Credit History,
 - Paid a deposit. Such deposit will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable, or
 - The guaranteed account has a credit balance or zero balance when the account has been closed and finalized.

DEPOSIT

The amount of money placed with NBU by each customer as security for payment of the electric, water or wastewater bill.

Single-Family Residences

Existing Residences

- Deposits will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable.
- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Existing Rental Locations – Landlord Short-Term Use (Make Ready)

\$100.00 per unit (Full deposit is required in advance of services.)

Newly Constructed Residences

For newly constructed homes with no usage and payment history, the deposit will be based upon estimated billings of anticipated usage, or the average usage for the customer class, at NBU's sole determination, and will be calculated as stated below.

Electric Service Deposit:

The electric service deposit is calculated as shown below:

\$124.00 plus Sq. Ft. deposit factor multiplied by the square footage of the unit, or

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Builder/Contractor Deposit During Construction of Single-Family Residences

Electric Service Deposit:

Builder/Contractor's electric service deposit. \$100.00

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUE's as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Multifamily Development Residential Units

*For Apartment owners/property managers, refer to the Small Commercial section of this policy.

Existing Multifamily Residential Units

- Deposits will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable.
- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Existing Rental Multifamily Residential Units – Landlord Short-term Use (Make Ready)

\$100.00 per unit (Full deposit is required in advance of services.)

Newly Constructed Multifamily Residential Units

- For customers with no usage and payment history, the deposit will be based upon estimated billings of anticipated usage, or the average usage for the customer class, at NBU's sole determination, and will be calculated as stated below.

Electric Service Deposit:

The electric service deposit is calculated as shown below:

\$124.00 plus Sq. Ft. deposit factor multiplied by the square footage of the home, or

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is 1 Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Deposit Waiver

To qualify for a Deposit Waiver you must be the primary account holder. Customers utilizing one of the deposit waiver options must present proper documentation at time of service initiation or no later than 30-days from service start date.

- If a residential customer transfers within the NBU service territory, or 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 for purposes of NBU deposit requirements. An otherwise required deposit will be waived if the applicant for service previously established a Satisfactory Credit History.
- Active Duty, Guard, or Reserve members of the U.S. military will qualify to have the deposit waived upon providing their non-expired Military ID to NBU.
- Victims of domestic violence as identified by law enforcement authorities and evidenced by submission of a certification letter developed by the Texas Council on Family Violence or applicable regulatory agency dated within the last 12-months.
- Applicants 65 years-of-age and older may qualify to have the deposit waived.
- Customers who are exempt from deposit shall be required to pay a deposit if the customer does not maintain a satisfactory credit history. If the deposit is required, one-half of the amount due will be billed on the next monthly bill, and the remaining half of the deposit will be billed on the following monthly bill, upon notification to the customer via U.S. mail to the mailing address on the account that a deposit is required.
- A previous write off with New Braunfels Utilities may void deposit waiver eligibility.

Deposit Interest

Interest will accrue on deposits from the time the deposit is made at the annual rate established on or before each December 1 by the Public Utility Commission of Texas. Payment of accrued interest will be credited to the customer's account annually within the first three months of the calendar year if the customer has maintained a satisfactory credit rating.

When service is discontinued, NBU shall return the deposit and any accrued and unpaid interest to the customer unless there is a payment due for utility services. In such a case, NBU 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. If the account has a negative balance upon termination, the deposit will be refunded to the customer.

Deposit Reinstatement

If a deposit has 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 has not established a Satisfactory Credit History, the deposit or other credit surety requirement shall be reinstated, or other measures designed to protect NBU will be implemented. If the deposit is reinstated, one-half of the amount due will be billed on the next monthly bill and the remaining half of the deposit will be billed on the following monthly bill upon notification to the customer via U.S. mail to the mailing address on the account that a deposit reinstatement is necessary.

Deposit Refund

Customer deposit(s) shall be held by NBU for a period of time not less than 12-months for residential customers, then credited to the customer account during the last three months of the calendar year, unless the customer has not established a Satisfactory Credit History. Apartment owners/property managers, refer to the Small Commercial section of this policy.

When Utility Services are terminated, the deposit along with any unpaid interest will be credited on the final bill. Final accounts with balance owing will be transferred to active accounts after 10 days if customer fails to make payment. For any customer moving outside the NBU service area, any remaining credit will be refunded to the customer. For any customer who remains active within the NBU service area, any remaining credit will be transferred to their active account. If tampering or theft of service has occurred at any time in the history of the account, the Customer of Record will not be eligible for a deposit refund until the close of the account.

Unclaimed Deposits

Pursuant to Texas law, a utility deposit is presumed abandoned on the latest of the following:

- The first anniversary of the date a refund check for the utility deposit was payable to the owner of the deposit;
- The first anniversary of the date the utility last received documented communication from the owner of the utility deposit; or
- The first anniversary of the date the utility issued a refund check for the deposit payable to the owner of the deposit if, according to the knowledge and records of the utility or payor of the check during that period, a claim to the check has not been asserted or an act of ownership by the payee has not been exercised.

A utility deposit is not presumed abandoned for two years from the time the depositor provides documentation to the utility of being called to active military service in any branch of the United States Armed Forces during any part of the period described herein.

If a deposit is considered abandoned under the law, NBU will deliver the deposit to the Texas Comptroller in accordance with state law. The owner of the deposit will then be required to claim the property from the Texas Comptroller in accordance with the Texas Property Code. Customers and former customers can search <https://www.claimitexas.gov> if they believe they are owed any deposit funds.

Additional Metered Connections

An existing residential customer who has demonstrated a Satisfactory Credit History on all accounts for the last consecutive 12-month period, desiring additional metered connections, or transferring from a different location within NBU's service area, may be exempt from all or a portion of the deposit or other credit requirements. Customers who request additional metering connections must have no outstanding balance(s) before services are extended.

Estimated Billings

Estimated billings for deposit calculations shall be as determined by NBU, and any variation between estimated and actual billings may require an adjustment in the deposit or security requirement.

RENTAL PROPERTIES: ADDITIONAL PROGRAMS

Rental Properties: Additional Programs

Provisions regarding additional programs for landlords are addressed in a separate procedures document and considered part of this policy.

Landlord Short-Term Use (Make Ready)

A landlord is required to pay the landlord short-term use deposit for all properties owned, with the exception of primary homestead. A current list of rental properties and proof of ownership must be provided to New Braunfels Utilities in order to qualify for the landlord short-term use deposit. New Braunfels Utilities will attempt to obtain proof of ownership through online resources. If documentation is not available, the customer will be responsible for providing the proof of ownership. It is the owner's responsibility to notify NBU in writing of new or relinquished properties. Satisfactory credit history must be maintained on all accounts in order to qualify and/or remain eligible for the landlord short-term use deposit. New Braunfels Utilities may require a full deposit and terminate the landlord policy for anyone living/established residency at the location.

SMALL COMMERCIAL SERVICES

Small Commercial (includes the following rate classifications)

Electric service

- Residential - Apartments, Multi-unit Family
- Small general service

Water service

- Multi-unit permanent residential water service
- General service
- Landscape/Irrigation service

Wastewater (Sewer) service

- General service 1 & 2

Credit Requirements and Deposit Conditions

All customers desiring utility service should select one of the following options to meet the credit requirements and deposit conditions:

- A deposit paid in cash, by NBU accepted credit cards (currently set at \$1,500 limit per Customer of Record per month), or by check
- At such time that soft credit checks become operationally available to NBU, a verification of an acceptable credit rating from a credit source utilized by NBU (see "Credit Source"), may allow a deposit to be waived; however, the credit check fee will be billed on the first monthly bill following the date the report was run
- An unconditional and irrevocable letter of credit from an approved financial institution in form and substance satisfactory to NBU (see "Irrevocable Letter of Credit")
- An existing NBU Small Commercial customer who has established a satisfactory credit history with NBU for the last 24-month period (see "Satisfactory Credit History")

CREDIT SOURCE

At such time that soft credit checks become operationally available to NBU, at the customer's request, NBU may conduct a credit check and the fee will be billed on the first monthly bill following the date the report was run. This source conducts a soft credit pull that accesses the customer's credit report. The report does not affect the customer's external credit rating.

IRREVOCABLE LETTER OF CREDIT

An irrevocable commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the letter of credit and any associated reimbursement agreement.

SATISFACTORY CREDIT HISTORY

Existing Small Commercial customers establish a **Satisfactory Credit History** by:

- Having no more than two past due (late) payments during the last 24-months of NBU service;
- Have not had service disconnected for nonpayment; and
- Have not had a check, credit card, auto-draft, or an auto-pay payment returned for non-sufficient funds (on all utility accounts) (Refer to Section IV. Non-Sufficient Funds).

New Small Commercial customers establish a **Satisfactory Credit History** by:

- At such time that soft credit checks become operationally available to NBU, a verification of an acceptable credit rating from a credit source utilized by NBU (see "Credit Source"), may allow a deposit to be waived; however,
- The credit check fee will be billed on the first monthly bill following the date the report was run.

DEPOSIT

Small Commercial

Existing Locations

- Deposits will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable.
- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Newly Constructed or Locations Newly Defined as Commercial

- For customers occupying newly constructed commercial buildings with no usage and payment history, the deposit will be based upon estimated billings of anticipated usage, or the average usage for the customer class, at NBU's sole determination, and will be calculated as stated below.

Electric Service Deposit:

The electric service deposit is calculated as shown below:

Sq. Ft. deposit factor multiplied by the square footage of the building, or Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Electric Service Deposit for Permanent Meter for a Non-structure:

(Irrigation system controller, lighting, traffic lighting, communication nodes, etc.):

\$130.00

Water and Wastewater Service Deposit:

The water and wastewater service deposit is based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits below are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Builder/Contractor Deposit During Construction of a Small Commercial Project

Electric Service Deposit:

\$200.00 for single phase electric service only, or

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposit is based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- (Full deposit is required in advance of services.)

Builder/Contractor Deposit During Construction of a Small Commercial Multi-Unit Complex

Temporary Electric Service Deposit:

The electric service deposit is calculated as shown below:

\$200.00 – single phase service per temporary service, or

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Electric Service Deposit for House Meters:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Multifamily Developments

*For Apartment owners/property managers.

Existing Locations – House Meters

- Deposits will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable.

Existing Locations – Individual Residential Units

Electric Service Deposit: \$100.00 per unit

- Full deposit is required in advance of services.

Builder/Contractor Deposit During Construction of a Multifamily Development

Temporary Electric Service Deposit:

The electric service deposit is calculated as shown below:

\$200.00 for single phase electric service per service connection, or

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

House Meters (Buildings other than residential units):

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Deposit Waiver

If a Small Commercial customer transfers within the NBU service territory or 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 for purposes of NBU deposit requirements. An otherwise required deposit will be waived if the applicant for service previously established a Satisfactory Credit History.

Customers who are exempt from deposit shall be required to pay a deposit if the customer does not maintain a Satisfactory Credit History. If the deposit is required, one-half of the amount due will be billed on the next monthly bill, and the remaining half of the deposit will be billed on the following monthly bill, upon notification to the customer that a deposit is required.

Deposit Interest

Interest will accrue on deposits from the time the deposit is made at the annual rate established on or before each December 1 by the Public Utility Commission of Texas. Payment of accrued interest will be credited to the customer's account annually within the first three months of the calendar year if the customer has maintained a satisfactory credit rating.

When service is discontinued, NBU shall return the deposit and any accrued and unpaid interest to the customer unless there is a payment due for utility services. In such a case, NBU 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. If the account has a negative balance upon termination, the deposit will be refunded to the customer.

Deposit Reinstatement

If a deposit has 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 has not established a Satisfactory Credit History, the deposit or other credit surety requirement shall be reinstated, or other measures designed to protect NBU will be implemented. If the deposit is reinstated, one-half of the amount due will be billed on the next monthly bill and the remaining half of the deposit will be billed on the following monthly bill upon notification to the customer via U.S. mail to the mailing address on the account that a deposit reinstatement is necessary.

Deposit Refund

Customer deposit(s) shall be held by NBU for a period of time not less than 24 months for small commercial customers, then credited to the customer account during the last three months of the calendar year, unless the customer has not established a Satisfactory Credit History.

When utility services are terminated, the deposit along with any unpaid interest will be credited on the final bill. Final accounts with balance owing will be transferred to active accounts after 10 days if customer fails to make payment. For any customer moving outside the NBU service area, any remaining credit will be refunded to the customer. For any customer who remains active within the NBU service area, any remaining credit will be transferred to their active account. If tampering or theft of service has occurred at any time in the history of the account, the customer of record will not be eligible for a deposit refund until the close of the account.

Unclaimed Deposits

Pursuant to Texas law, a utility deposit is presumed abandoned on the latest of the following:

- The first anniversary of the date a refund check for the utility deposit was payable to the owner of the deposit;
- The first anniversary of the date the utility last received documented communication from the owner of the utility deposit; or
- The first anniversary of the date the utility issued a refund check for the deposit payable to the owner of the deposit if, according to the knowledge and records of the utility or payor of the check during that period, a claim to the check has not been asserted or an act of ownership by the payee has not been exercised.

A utility deposit is not presumed abandoned for two years from the time the depositor provides documentation to the utility of being called to active military service in any branch of the United States Armed Forces during any part of the period described herein.

If a deposit is considered abandoned under the law, NBU will deliver the deposit to the Texas Comptroller in accordance with state law. The owner of the deposit will then be required to claim the property from the state in accordance with the Texas Property Code.

Additional Metered Connections

An existing small commercial customer who has demonstrated a Satisfactory Credit History on all accounts for the last consecutive 24-month period, desiring additional metered connections, or transferring from a different location within NBU's service area, may be exempt from all or a portion of the deposit or other credit requirements.

Estimated Billings

Estimated billings for deposit calculations shall be as determined by NBU, and any variation between estimated and actual billings may require an adjustment in the deposit or security requirement.

LARGE COMMERCIAL SERVICES

Large Commercial (includes the following rate classifications)

Electric service

- Large general service ("LGS")
- Very large power-distribution ("VLP")
- Transmission service rate ("TSR")

Water service

- Large general service
- Landscape/Irrigation service

Wastewater (Sewer) service

- General service 1 & 2

Credit Requirements and Deposit Conditions

All customers desiring utility service should select one of the following options to meet the credit requirements and deposit conditions:

- A deposit paid in cash, by NBU accepted credit card (currently set at \$1,500 limit per Customer of Record per month), or by check
- A Surety Bond with power of attorney from an approved insurance company in form and substance satisfactory to NBU – only if estimated aggregated annual billed sales exceed \$100,000 per customer (see “Surety Bond”)
- An unconditional and irrevocable letter of credit from an approved financial institution in form and substance satisfactory to NBU (see “Irrevocable Letter of Credit”)
- Another form of risk mitigation instrument acceptable to NBU for Very large power-distribution (“VLP) customers

*Additional credit/collateral may be required in certain special (individual) circumstances when determined by NBU.

SURETY BOND

Surety Bonds can be acquired to meet credit conditions at the discretion of NBU through an insurance provider approved by NBU and must include a Power of Attorney authorizing the agent or officer to execute the bond or consent of surety. If a surety bond is acquired as security on an account, the customer will be responsible for premiums incurred for adequate coverage. The surety bond can be canceled on the date the account is closed.

If a customer chooses to discontinue the surety bond option, the customer will be required to provide a security deposit with an irrevocable letter of credit, or a deposit paid in cash, by credit card (\$1,500 limit) or by cashier's check.

IRREVOCABLE LETTER OF CREDIT

An irrevocable commitment, made by a commercial bank acceptable to the NBU Chief Financial Officer, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the letter of credit and any associated reimbursement agreement.

DEPOSIT

Large Commercial

Existing Locations

- Deposits will be based upon doubling of the annual average of the premise's actual historical billings for utilities as applicable.
- 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 bill. The deposit installment shall be payable along with the payment for utility services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Newly Constructed Locations

- For customers occupying newly constructed commercial buildings with no usage and payment history, the deposit will be based upon estimated billings of anticipated usage, or the average usage for the customer class, at NBU's sole determination, and will be calculated as stated below.

Electric Service Deposit:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposit is based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- 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 bill. The deposit installment shall be payable along with the payment for Utility Services as provided in this policy and subject to the same disconnection provisions contained in this policy.

Builder/Contractor Deposit During Construction of a Large Commercial Project

Temporary Electric Service Deposit:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposit is based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Builder/Contractor Deposit During Construction of a Large Commercial Multi-Unit Complex

Temporary Electric Service Deposit:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Electric Service Deposit for House Meters:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Builder/Contractor Deposit During Construction of Multifamily Residential Units

Temporary Electric Service Deposit:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

House Meters (Buildings other than residential units):

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

The water and wastewater service deposits are based on the size of the water meter. Deposits are calculated based on the services NBU provides to the location. The following deposits are based on a 5/8" meter, which is one (1) Living Unit Equivalent (LUE).

Water \$ 60.00

Wastewater \$ 100.00

For larger meters, these amounts will be multiplied by the LUE associated with the meter size. For listing of LUEs for larger water meters, refer to NBU's Impact Fee (Capital Recovery) Policy on the NBU website or see Appendix 1 for a reference only chart on LUEs as determined by Water and Wastewater Connection policies.

- Full deposit is required in advance of services.

Deposit Interest

Interest will accrue on deposits from the time the deposit is made at the annual rate established established on or before each December 1 by the Public Utility Commission of Texas. Payment of accrued interest will be credited to the customer's account annually within the first three months of the calendar year if the customer has maintained a satisfactory credit rating.

When service is discontinued, NBU shall return the deposit and any accrued and unpaid interest to the customer unless there is a payment due for utility services. In such a case, NBU 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. If the account has a negative balance upon termination, the deposit will be refunded to the customer.

Deposit Reinstatement

If a deposit has been returned to the customer, or if other acceptable credit conditions no longer apply, and the customer has not established a Satisfactory Credit History, the deposit or other credit surety requirement shall be reinstated, or other measures designed to protect NBU will be implemented. If the deposit is reinstated, one-half of the amount due will be billed on the next monthly bill and the remaining half of the deposit will be billed on the following monthly bill upon notification to the customer via U.S. mail to the mailing address on the account that a deposit reinstatement is necessary.

Deposit Refund

Customer deposit(s) shall be held by NBU for a period of time not less than 24 months for large general service customers, then credited to the customer account during the last three months of the calendar year, unless the customer has not established a Satisfactory Credit History.

Customer deposit(s) shall be held by NBU until the account is closed for Very large power-distribution and transmission service rate customers.

When utility services are terminated, the deposit along with any unpaid interest will be credited on the final bill. Final accounts with balance owing will be transferred to active accounts after 10 days if customer fails to make payment. For any customer moving outside NBU service area, any remaining credit will be refunded to the customer. For any customer who remains active within the NBU service area, any remaining credit will be transferred to their active account. If tampering or theft of service has occurred at any time in the history of the account, the customer of record will not be eligible for a deposit refund until the close of the account.

Unclaimed Deposits

Pursuant to Texas law, a utility deposit is presumed abandoned on the latest of the following:

- The first anniversary of the date a refund check for the utility deposit was payable to the owner of the deposit;
- The first anniversary of the date the utility last received documented communication from the owner of the utility deposit; or
- The first anniversary of the date the utility issued a refund check for the deposit payable to the owner of the deposit if, according to the knowledge and records of the utility or payor of the check during that period, a claim to the check has not been asserted or an act of ownership by the payee has not been exercised.

A utility deposit is not presumed abandoned for two years from the time the depositor provides documentation to the utility of being called to active military service in any branch of the United States Armed Forces during any part of the period described herein.

If a deposit is considered abandoned under the law, NBU will deliver the deposit to the Texas Comptroller in accordance with state law. The owner of the deposit will then be required to claim the property from the state in accordance with the Texas Property Code. Customers and former customers can search <https://www.claimtexas.gov> if they believe they are owed any deposit funds.

Estimated Billings

Estimated billings for deposit calculations shall be as determined by NBU, and any variation between estimated and actual billings may require an adjustment in the deposit or security requirement.

OTHER RATE CLASSIFICATIONS

Other Rate Classifications

Electric service

Such as Experimental Electric Rate (EER), Lighting Athletic Fields (LAF), Area Lighting Rate (AL), Second Feeder Service (SFS), Net Metering (NM), and Interstate Highway Lighting Rate (HL).

Water service

Such as Fire Hydrant Service, Tanker Service, Wholesale Service, Contractual Water Service, and Experimental Service.

Wastewater (Sewer) service

Such as General Service 1 & 2, Contractual Water Service, and Experimental Service.

DEPOSIT

Electric Service Deposit:

Deposit will be calculated by an NBU Electrical Engineering Technician upon receipt of customer's electric load requirements.

Water and Wastewater Service Deposit:

Deposit will be calculated by an NBU Water/Sewer Engineering Technician upon receipt of customer's requirements.

III. BILLING AND PAYMENTS

Bills for Utility Service shall be due and payable to NBU monthly for service rendered at the rates and upon the terms and conditions established by the NBU Board of Trustees and the City of New Braunfels Code of Ordinances. Customers are entitled to receive copies of their billing records, at their request, one time per year at no charge. 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, published at nbutexas.com, and the office of the City of New Braunfels. 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. All references to NBU's rate schedules and service conditions contained in this policy shall be to those then in effect.

New Braunfels Utilities may refuse or discontinue service to any property for which any person obligated to pay delinquent charges is receiving or applying for service until all delinquent charges are paid, regardless of the particular party to which the delinquent charges relate.

The initial billing period for a new account shall begin when a customer initiates NBU utility services, the invoice due date will be established by NBU after such service is made available.

New Braunfels Utilities 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 ensure that their bill is paid by the due date. Postmark dates are not accepted.

Customer billing payments delivered to or received by an NBU Customer Service Representative by 5:00 p.m. on an NBU business day are processed the date received. Online and IVR payments completed by 11:59 p.m. are credited the same day. All other payments to drop boxes, night drops, or other alternative payment locations cannot be assured to be processed as a payment on the same NBU business day.

Service under this agreement may be disconnected for nonpayment. If service is processed for nonpayment, the account balance due will be collected by NBU before Utility Service will be restored and a processing fee will be billed on the next monthly bill.

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 (6) months of corrected billings. If the occurrence is due to the customer's attempted service diversion, unlawful use of service, or damage to equipment not caused by NBU, NBU may bill for services up to twelve (12) months. In the event any meter fails to register due to damage or malfunction, the customer shall be billed for service on the basis of customer's previous utility consumption for comparable months or the system average.

New Braunfels Utilities reserves the right to require cash payments as opposed to accepting checks or credit cards if, in its judgment, it is sensible to do so.

In accordance with Texas law, New Braunfels Utilities will defer payment of utility bills to any residential customer occupying a single-family residence who is 60 years of age or older. New Braunfels Utilities will delay without penalty the due date of a bill for providing utility service until at least 25 days after the date the bill is issued. The delayed payment provision can be implemented for the most recent and all subsequent utility bills upon completion and submittal of the appropriate NBU form to the Customer Service department and providing proof of age. Customers qualifying for delayed payment under this provision are subject to all other payment requirements as set forth in this policy including termination of service for non-payment.

New Braunfels Utilities accepts payment by cash, check, money orders, credit cards, and bank draft. Payments by accepted credit cards are subject to payment limits or fees which may change.

DELINQUENT PAYMENTS

The due date will be specified on the monthly bill. Customer's payment(s) of the amount due must be processed on the **due date** or the account is subject to an automatic late charge. If the amount due shown on the monthly bill is not paid by the due date, the customer will be assessed a late charge equal to 10 percent of the amount due.

Late charges can be applied to any and all charges billed to the customer by NBU including Utility Service fees and miscellaneous charges. Customers will have at least 10 days following the stated due date within which to pay the past due amount, plus late charges. Account balances not paid in full on the 10th day from the due date or unpaid past due amounts are subject to immediate disconnection.

New Braunfels Utilities may refer past due balances to an attorney or collection agent for collection, or if NBU files a lien or lawsuit, or collects the past due balance through probate, bankruptcy, or other judicial proceedings. The customer will be responsible for paying reasonable fees and expenses (including late payment penalty, interest, administrative costs, and attorney fees) that NBU incurs in the collection process.

To the extent allowed by applicable law, balances owing on one (1) or more accounts may be transferred to another active account of the customer responsible for the original debt. This provision applies to customers seeking to re-establish service with NBU that have a past due balance or balances with NBU. New Braunfels Utilities is not required to render Utility Service until all past due balances have been paid or addressed to NBU's satisfaction.

Delinquency Restoration of Service

To restore service without re-applying for service with NBU, the past due balance must be paid within three (3) NBU business days of service suspension.

Delinquency Termination of Service

If the past due balance is not paid within three (3) NBU business days of service suspension, the customer account will be closed. If this occurs, the customer will need to reapply for service in addition to paying all outstanding amounts owed to NBU and a deposit prior to having service re-initiated to the premise or activated at another location within the NBU service territory.

PAYMENT ARRANGEMENTS

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 a payment arrangement 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 total delinquent bill(s) to avoid disconnection of service and costly processing fees not to roll over past next due date. If payment is not received by the agreed upon date, customer will not be eligible for another payment arrangement for the next 12-month period.

CRITICAL CARE ACCOUNTS

A Critical Care customer is defined as a permanent resident in your household diagnosed by a physician in which an interruption or suspension of electric service would create a dangerous or life-threatening condition.

Residential customers that have special needs for medical equipment should contact NBU to request a Critical Care Form.

This form must be completed by the customer and their attending physician. NBU shall periodically provide customers who may be considered critical care residential customers information and procedures on who qualifies for a critical care account.

New Braunfels Utilities 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 that protect their service installation, equipment, and processes and/or making arrangements for alternative measures during periods of abnormal service conditions, service interruptions, or ERCOT directed load shed events. **New Braunfels Utilities makes no guarantee as to providing a continuous flow of power.**

Registered customers are not exempt from their financial responsibilities to pay timely for electric utility services provided or from potential termination of service in accordance with NBU policies.

BUDGET BILLING

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 is available only to customers who are on the auto-draft or auto-pay payment methods
- Budget billing applies to residential and small commercial 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 prior to the annual review if the consumption changes significantly
- 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 department
- Budget billing amounts may be adjusted when rates for Utility Service are adjusted if, in NBU's opinion, such adjustment is prudent and justified

Calculation of Budget Billing (levelized) amount – New Braunfels Utilities Customer Service department 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. Credit balances will be used to lower the calculation for the ensuing 12-month billing period or upon the customer request to be removed from the program, and will not be refunded until the close of the account. Customer's that elect to be removed from the program will not be eligible to enroll again for 12-months. 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 must provide at least seven NBU business days before the next due date of the customer's bill to withdraw from Budget Billing. Accounts being terminated will be reconciled in full on the final bill and the customer will be obligated to pay all outstanding amounts in accordance with the Service Conditions Policy.

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 NBU business days before the next 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. Multiple accounts must be enrolled separately. Enrollment does not transfer to new accounts automatically.

If a customer has two insufficient fund drafts within 12-months, NBU will remove the account from auto-draft and notify the customer via U.S. mail to the mailing address on the account. The customer will then be ineligible for the auto-draft payment option for the next 12-months. In such case, the customer will be obligated to pay all outstanding amounts in accordance with the Service Conditions Policy.

AUTO-PAY PAYMENTS

The auto-pay payment option is managed by a third-party merchant card service provider under contract to NBU and allows customers to have their NBU bill automatically deducted from a checking, savings, or credit card accounts. Auto-pay requests, whether adding or removing, must be received at least seven NBU business days before the next due date of the customer's bill to initiate or remove auto-pay payments for the next billing. Requests turned in after that date will initiate auto-pay payment for the following month. Multiple accounts must be enrolled separately. Enrollment does not transfer to new accounts automatically.

If a customer has two rejected drafts within 12-months, NBU may remove the account from auto-pay and notify the customer via U.S. mail to the account's current mailing address. The customer will then be ineligible for the auto-pay payment option for the next 12-months. In such case, the customer will be obligated to pay all outstanding amounts in accordance with the Service Conditions Policy.

WATER BILL ADJUSTMENTS DUE TO WATER LEAK

New Braunfels Utilities may adjust the balance owed for a single-family residential dwelling customer with excessive water usage due to a water leak if the customer provides NBU proof of the leak repair in the form of a receipt. Water adjustments will only apply to water leaks associated with household plumbing. Only utility bills within 45 days of the repair will be considered. Unintentional water usage (i.e. left a water hose running, faucet left on, etc.) is not eligible for an adjustment. Filtering systems, pools, recreational equipment, or irrigation systems are not eligible for adjustment.

When available, NBU will analyze the interval usage data to identify consumption and leak data adjustment will only be applied to leak volume for household consumption. New Braunfels Utilities will compare the usage during the leak to the same time period for the previous two (2) years and adjust for changes in average usage for the respective rate category. The adjusted usage for the previous two (2) years will be used to determine the appropriate water rate classification for the monthly volume charge. Gallons above that amount will be billed at the lowest water rate classification for the monthly volume charge.

If the customer did not have usage during the same time frame of the leak during the previous years, a system average may be used to determine the appropriate water rate classification for the monthly volume charge. Gallons above that amount will be billed at the lowest water rate classification for the monthly volume charge. If determined to be eligible for an adjustment, commercial accounts including multi-unit dwellings will be calculated similarly to the guidelines listed above. Where water rate classifications are not applicable, the adjustment may be calculated against the sewer charges excluding COD/TSS charges.

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.

IV. SCHEDULE OF FEES, CHARGES, AND ASSESSMENTS

Schedule of Fees, Charges & Assessments	
Access Hindrance Fee (Each Occurrence)	\$35.00
Administrative Fee	\$45.00
Availability Charges	As determined by rate classification in City Ordinance
Delivered Power	As determined by rate classification in City Ordinance
Late Charge	10%
Non-sufficient Funds	\$30.00
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:	
Same NBU business day (8:00 a.m. – 8:00 p.m. of same business day)	\$75.00
After Hours Connection (8:00 p.m. – 8:00 a.m. of next business day)	\$125.00
Next NBU business day (8:00 a.m. – 8:00 p.m. of next business day)	\$75.00
Purchased Power	As determined by rate classification in City Ordinance
Quick Connect Service (non-refundable one-time fee) (Includes applicable Administrative Fee)	\$250.00
Service Connection / Reconnection Fees	As determined by NBU
When requested by the customer, NBU will perform same day service connection or reconnection, if requested before noon on an NBU business day, for a fee. Same day service is not always guaranteed for connecting new service. A fee will be charged for requesting connection or reconnection of service outside of normal business hours.	
Smart Meter	\$75.00
One-time fee to exchange Smart Meter for a meter requiring a field visit, for one or both meters	
One-time fee to disable and replace existing digital meter	\$75.00
Square Foot Deposit Factor (Electric) for newly constructed residential	\$0.06
Square Foot Deposit Factor - (Electric) for newly constructed commercial	\$0.30
Tampering Fees	
First tampering incident	\$150.00
Second and each subsequent tampering incident (for same customer regardless of location)	\$300.00
Equipment Damage	As determined by NBU
Lost Revenues	As determined by NBU
Water Supply Fee	As determined by rate classification in City Ordinance

ACCESS HINDRANCE FEE

All customers must provide unobstructed access to NBU equipment 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 customer's 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.

ADMINISTRATIVE FEE

This fee is applied to all new accounts. New accounts are defined as an account established for a customer and that customer's name at a specific location or for which an additional meter is required. A technician is required to verify initial reads on electric and water meters and the fee is applied to cover labor, vehicle, equipment, and associated expenses.

An administrative fee of \$45 will be included on the first month's bill. If the location has both electric and water services, the fee is divided evenly between the two services.

This fee may be reduced by 50 percent for the customer account of an apartment complex owner or manager enrolled in the Automatic Change of Tenant Program only.

AVAILABILITY CHARGES

The base costs incurred in making electric, water, and wastewater service available for customers, including meter system management, billing, and record keeping. This charge is a fixed monthly fee and not based on usage.

The monthly Availability Charge will be prorated on the first and final monthly bills.

DELIVERED POWER

These costs are associated with the delivery of power and the operation and maintenance of the local distribution infrastructure, including poles, wires, and transformers.

LATE CHARGE

A late charge will be assessed if payment of the amount due is not received by an NBU Customer Service Representative by 5:00 p.m. on an NBU business day of the date due. Online and IVR payments completed after 11:59 p.m. of date due will receive a late charge. All other payments to drop boxes, night drops, or other alternative payment locations cannot be assured to be processed as a payment on the due date and may receive a late charge.

Late charges can be applied to any and all charges billed to the customer by NBU including Utility Service fees and miscellaneous charges. Customers will have at least 10 days following the stated due date within which to pay the amount due, plus late charges. Account balances not paid in full by the 10th day from the due date or unpaid past due amounts are subject to immediate disconnection.

NON-SUFFICIENT FUNDS

A non-sufficient funds fee per transaction (or a charge equal to the maximum amount allowed by law) will be assessed to a customer's account for any transaction not processed due to non-sufficient funds (NSF), payment stops or charge backs, or credit availability for any method of payment including checks, bank drafts, or credit card transactions.

Customers who have two non-sufficient fund transactions, within a 12-month period, will be required to pay for Utility Services with cash, cashier's check, or money order, for the next 12-month period. New Braunfels Utilities does not accept partial payment on a non-sufficient fund transaction.

If a customer is enrolled in the auto-draft or auto-pay payment option and has two insufficient fund drafts within 12-months, NBU will remove the account from auto-draft or auto-pay and notify the customer. The customer will then be ineligible for the auto-draft or auto-pay payment options for the next 12-months.

If a payment to restore service after disconnection for non-payment is returned for insufficient funds, NBU has the right to suspend a customer's service without notice.

POWER COST RECOVERY ADJUSTMENT

Power Cost Recovery Adjustment (PCRA) is adjusted to recover the variable cost of purchasing power.

New Braunfels Utilities is a nonprofit entity, as such only actual costs of power are passed through to customers.

Additional detail on these components and how they are calculated can be found under the New Braunfels City Ordinance under "Section 130 – 58 Billing Adjustments."

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. Charges for disconnection of service for non-payment will be assessed if NBU must order the transactions processed, regardless if the service was actually disconnected.

If the customer pays the amount due after a disconnection order is issued, a reconnection order may be sent and received by NBU prior to the service being disconnected; therefore, a customer may not actually lose service, but will still incur the charges.

PURCHASED POWER

Purchased Power is made up of two components: generation costs and transmission costs. The "generation cost" is the cost of electricity generation in the Electric Reliability Council of Texas (ERCOT) Market and "transmission cost" is the cost to move the energy across and through the Texas electric grid. While NBU does not own any electric generation assets, it manages a diverse energy portfolio by purchasing electricity from the ERCOT market.

The Purchased Power charge is governed by the New Braunfels City Council. Additional detail on this charge can be found in the New Braunfels City Ordinance in "Section 130-56. – Electric Rates" shown as the "Cost of power charge" by customer type.

QUICK CONNECT SERVICE

Residential customers who are otherwise required to pay a deposit may choose to pay a one-time non-refundable charge of \$250.00 instead of a deposit. This fee includes the \$45.00 administrative fee for initiation of new service, and must be paid in cash, cashier's check, money order, or by credit card.

SERVICE CONNECTION / RECONNECTION FEES

When requested by the customer, NBU will perform same day service connection or reconnection, if requested before noon on an NBU business day, for a fee. Same day service is not always guaranteed for connecting new service.

A fee will be charged for requesting connection or reconnection of service outside of normal business hours.

SMART METER

These fees shall be applicable for single family residential customers electing to opt out of NBU's Smart Meter.

This includes conversion to a Smart Meter for both electric and water systems. Multifamily residential and commercial customers are not eligible.

In order to maintain eligibility, customers must maintain a **Satisfactory Credit History** by:

- Having no more than two past due (late) payments during the last 12-months of NBU service;
- Have not had service disconnected for nonpayment; and
- Have not had a check for payment, auto-draft, or an auto-pay returned for non-sufficient funds (on all utility accounts) (Refer to Section IV. Non-Sufficient Funds).

TAMPERING

Tampering Fee

A fee may be assessed for tampering with an electric or water meter or related equipment. Tampering includes, but it is not limited to;

- Removal of a meter or bypassing a meter seal
- Operating of a water meter shut-off valve or curb stop
- Operating breaker switches that are behind meter seal
- Moving, restricting, or preventing metering signal equipment from operating effectively
- Damage to equipment associated with metering

Tampering with NBU's electric or water meters and related equipment is dangerous and may constitute theft of service. New Braunfels Utilities may charge the Customer of Record (or others NBU determines to be responsible) the tampering fees.

In addition to tampering fees, NBU reserves the right to initiate legal action at any time tampering of NBU meters and related equipment is verified.

Equipment Damage

In addition to the above referenced tampering fees, NBU may charge the Customer of Record for all damage affecting the meter and related equipment. Payment for labor cost for repairs and investigation time, damaged or missing equipment, and diverted power may also apply.

Lost Revenues

New Braunfels Utilities may charge the Customer of Record for estimated revenues lost as a result of the tampering or theft of service for the entire period of the tampering. The method of calculating the estimated lost revenue will be at the sole discretion of NBU.

Non-exclusive Remedies

The remedies established by this policy are not exclusive. New Braunfels Utilities may initiate prosecution for violation of City Ordinances or state law. New Braunfels Utilities may invoke other rights and remedies allowed by applicable law with respect to tampering.

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.

If tampering occurs, the deposit will not be refunded until the close of the account and deposits will be reinstated if previously refunded.

WATER SUPPLY FEE

The water supply fee is the cost assessed to customers who have a volumetric usage. It consists of the cost of certain water supplies expressed as dollars-per-thousand-gallons, to be multiplied by the gallons sold during a billing period to each customer. Prior to August 1 of each fiscal year, the water supply fee applicable to the months of August-July billing periods is to be calculated based on estimated variables for the period. The amount will be reconciled annually with actual costs and credits. The NBU Board will be apprised of any changes to the water supply fee.

OTHER FEES OR ADJUSTMENTS

When NBU investigates an electrical, water, or wastewater loss of service, no fee will be assessed to the customer if the outage or loss of quality services 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.

CONFLICT

If a conflict exists between this policy and state law, state law controls.

If a conflict exists between this policy and City Charter and/or City Code, City Charter and/or City Code controls.

APPENDIX 1 LIVING UNIT EQUIVALENCY (LUE)

Living Unit Equivalent (LUE) for various types and sizes of water meters installed by NBU			
Meter Type	Meter Size	Continuous Duty Maximum Rate (gpm)	LUE Ratio to 5/8" Meter
Simple	5/8" x 3/4"	10.0	1.0
Simple	1"	25.0	2.5
Simple	1 ½"	50.0	5.0
Simple	2"	80.0	8.0
Compound	2"	80.0	8.0
Turbine	2"	100.0	10.0
Compound	3"	175.0	17.5
Turbine	3"	220.0	22.0
Compound	4"	300.0	30.0
Turbine	4"	420.0	42.0
Compound	6"	675.0	67.5
Turbine	6"	865.0	86.5
Compound	8"	900.0	90.0
Turbine	8"	2,400.0	240.0
Turbine	10"	3,500.0	350.0
Turbine	10"	4,400.0	440.0

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