

**SERVICE RULES
OF THE
MUNICIPAL GAS UTILITY**

GUTHRIE CENTER MUNICIPAL UTILITY

standards of engineering practice and establish special conditions for the installation of piping and appliances.

3.5 (1) Damage to Utility Facilities

The customer shall not use the equipment or structures of the utility for reasons other than those incident to normal service nor create a condition likely to interfere with the functions of such equipment and structures, without written consent of the utility. The customer shall be held responsible for his/her actions which cause damage to or loss of equipment or structures located on property occupied by the customer.

3.5 (2) Customer Premises

The customer and owner shall grant the utility, without charge, right of way over and on the premises on which equipment and structures of the utility are located. Access to the equipment and structures shall be granted to the utility at reasonable times for installation, inspection, testing, repair, and other functions necessary for the maintenance of satisfactory service.

3.5 (3) Notice by Customer to Terminate Service

A customer shall give the utility not less than three business days notice prior to final termination of service. Disconnection of service under this section shall be during the regular business hours of the utility.

SECTION 3.6 CUSTOMER COMPLAINTS

Customers may be asked to submit complaints in writing, specifying the nature of the complaint and the relief sought. Complaints concerning the charges, practices, facilities or service of the utility shall be investigated promptly and thoroughly. A customer may appeal the findings of the investigation and shall be given reasonable opportunity for a full hearing of the matter before the governing body or hearing officer(s) appointed by the governing body.

Complaints involving policies or actions of the utility that are regulated by the Utilities Division of the Iowa Department of Commerce may also be filed with the agency in accordance with applicable regulations.

DIVISION FOUR LEGAL STATEMENTS

SECTION 4.1 – REPEALER

All ordinances or parts of ordinances or resolutions or parts of resolutions in conflict with the provision of these service rules are hereby repealed.

SECTION 4.2 – SEVERABILITY CLAUSE

If any section, provision or part of these service rules shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provisions or part thereof not adjudged invalid or unconstitutional.

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DIVISION ONE
PURPOSE AND CONSTRUCTION

SECTION 1.1 PURPOSE

These service rules have been adopted by the governing body of the municipal utility. The rules are subject to change from time to time to ensure safe and efficient service in compliance with applicable laws and regulations.

SECTION 1.2 APPLICABILITY

These service rules are intended to broadly govern operation of the municipal gas utility. Where a rule cannot be reasonably applied to a specific situation, the governing body reserves the right to act in an adjudicative capacity to resolve such conflicts.

Rates and charges are not included in these operating rules. References to rates or charges and certain other terms and conditions of service "adopted by the governing body" refer to applicable resolutions or ordinances adopted by the utility's governing body.

Certain aspects of municipal utility operations are regulated, under state law, by the Utilities Division of the Iowa Department of Commerce. Unless a state law specifically provides for regulation of municipally owned utilities, regulatory authority of the Utilities Division is limited to those statutes referenced in section 476.1B of the Code of Iowa. However, the Utilities Division of the Iowa Department of Transportation also serves as an inspection and enforcement agent for the Office of Pipeline Safety of the U.S. Department of Transportation, which exercises broad regulatory authority over the operation of gas utilities. In the event of a conflict between these service rules and applicable state or federal laws or regulations, the state or federal laws or regulations shall govern.

SECTION 1.3 DEFINITIONS

Unless another meaning is specifically indicated, when used in these rules:

- a. "Complaint" means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury dissatisfactions, illegal action or procedure, dangerous condition or action, or utility obligation. The utility may require that complaints be in writing.
- b. "Customer" means any person, firm, association, or corporation, any legal entity directly benefiting from gas service from the utility. In the case of a residence, customer also means other adult persons occupying the residence.
- c. "Delinquent or delinquency" means an account for which a service bill or service payment has not been paid in full on or before the last date for timely payment.

- d. "Gas" means manufactured gas, natural gas, other hydrocarbon gases, or any mixture of gases produced, transmitted, distributed or furnished by the utility.
- e. "Governing body" means the board of trustees established under Chapter 388, Code of Iowa, or, if a utility board has not been established, the City Council.
- f. "Main" means a gas pipe owned, operated, or maintained by the utility, which is used for the purpose of transmission or distribution of gas, but does not include the "service line."
- g. "Meter," without other qualification, means any device or instrument that measures a quantity of gas.
- h. "Service line" means a distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer's piping, whichever is farther downstream. A customer meter is the meter that measures the transfer of gas from the utility to a customer.
- i. "Timely payment" is a payment on a customer's account made on or before the date shown on a current bill for service, or on a form which records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as payment charge to the current bill or future collection efforts.
- j. "Utility" means the municipal gas utility.

DIVISION TWO SERVICE CHARACTERISTICS

SECTION 2.1 SERVICE CHARACTERISTICS (General Statements)

To the extent practicable and subject to limits of gas supply, the utility shall provide gas service of a character determined by the utility to meet the needs of its customers. The standard gas service available to meet this need is gas having an approximate heating value of 1000 British thermal units (Btu) per cubic foot at a pressure approximately 4 ounces psig at the customers' piping. In all standard service extensions, the utility shall furnish, own and maintain all facilities up to and including the meter.

Other service connections, including service at higher pressures, are available at the option of the utility and may require a contribution in aid of construction or an advance for construction costs. Extension policies, including charges and other terms and conditions, shall be established by the governing body. Where a customer contribution in aid of construction or an advance for construction costs is required, the governing body may waive such requirements in whole or in part upon a determination that the waiver is in the public interest. Such waiver, when entered in the minutes of the governing body, shall not be considered a discriminatory practice.

SECTION 2.2 ENGINEERING PRACTICE

Facilities of the utility shall be constructed, installed, maintained and operated in accordance with accepted good engineering practice in the gas industry to assure, as far as reasonably possible, continuity of service and safety of people and property. However, the utility shall not be held liable in actions arising from interruptions in service.

2.2 (1) Standards of Accepted Good Practice

The utility shall use and shall require compliance with applicable provisions of the publications adopted by the Utilities Division of the Iowa Department of Commerce as standards of accepted good practice (199 IAC 19.592)), including:

- a. P.H.M.S.A, Parts 191 and 192.
- b. Gas Displacement Meters, 500 Cubic Foot per Hour Capacity and Under, ANSI B109.1 (see 19.5(2) for current edition and exceptions.).
- c. Gas Transmission and Distribution Piping Systems, ANSI B31.8.
- d. Liquefied Petroleum Gases at Utility Gas Plants, ANSI/NFPA No. 59.
- e. National Fuel Gas Code, ANSI Z223.1
- f. Orifice Metering of Natural Gas, ANSI/API 2530
- g. Test for Calorific Value of Gaseous Fuels by the Water-Flow Calorimeter, ANSI/ASTM D900-55.

References to these publications shall be deemed to be the latest edition or revision accepted by the Utilities Division of the Iowa Department of Commerce.

2.2(2) Guides for Acceptable Practice

The utility may use applicable provisions of the publications adopted by the Utilities Division of the Iowa Department of Commerce as guides for acceptable practice (199 IAC 19.5(3)).

2.2(3) Other Standards

The utility shall use and shall require compliance with other applicable laws and regulations, including provisions of the City Code.

SECTION 2.3 SPECIAL CONDITIONS OF SERVICE

The customer shall be responsible for all gas piping and appliances on his/her premises. The installation and maintenance of customer facilities shall be consistent with standards imposed by these service rules and any other applicable laws or regulations.

No inspection or approval of a customer's compliance with this section by the utility or other agent of the municipal government shall be construed to impose any duty or liability on the utility, but shall be considered solely for the purpose of ensuring protection of the utility's property and continuity of service to customers of the utility.

2.3(1) Gas Appliances

Each gas appliance shall bear a nameplate showing the manufacturer's name and the seal of approval of either the American Gas Association or Underwriters Laboratories. Appliances without nameplate data must be approved in writing by the municipality prior to being connected to the gas system.

2.3(2) Interconnection Prohibited

Separately metered gas piping shall not be interconnected.

2.3(3) Energy Conservation Standards

As a condition of gas service for space heating or cooling, the owner or builder of any structure, completed after April 1, 1984, and intended primarily for human occupancy, must certify to the utility that the building conforms to the energy conservation requirements of the State Building Code [661 IAC 16.800(3) as amended by 16.800(4)]. If compliance is being certified to another state or local agency, a copy of the certification form may be provided to the utility. If no other certification is being made, the utility will provide a form.

SECTION 2.4 CLASS OF SERVICE FOR APPLICATION OF RATES

Service classification shall be based upon the type of service supplied and on similarities in customer load and demand characteristics. Service classifications shall be defined as part of the rate schedules adopted by the governing body. In addition, the utility reserves the right to supply gas service in accordance with the provisions of a written contract. As nearly as practicable, rate schedules adopted by the utility shall reflect relative differences in the costs of providing various quantities of service to each customer class.

SECTION 2.5 METER INSTALLATION

The utility shall install, own, and maintain a meter of a type appropriate to the nature of the service, for each service extension. Meters shall not be required, however, where consumption can be readily computed without metering or where the service is of a temporary nature and the cost of meter installation would be unreasonable. A meter seal shall be placed on all meters such that the seal must be broken to gain entry.

2.5 (1) Individual Metering

Individual metering shall be required on multi-occupancy premises in which units are separately rented or owned, except that the utility may provide single meters for gas used in central heating, cooling, water heating or ventilation systems; where individual metering is impractical; where a facility is designated for elderly or handicapped persons

and utility costs constitute part of the operating cost and are not apportioned to individual tenants; or where sub-metering or resale of service was permitted prior to 1966.

2.5 (2) Special Metering installations

The utility reserves the right, at its option, to require or place special meters or instruments on the premises of a customer for the purpose of special tests of all or part of the customer's load or equipment.

2.5 (3) Meter Register

Where it is necessary to apply a multiplier to the meter readings, the multiplier shall be marked on the face of the meter register or stenciled in weather resistant paint upon the front cover of the meter. Wherever practicable, customers shall have continuous visual access to meter registers.

2.5 (4) Meter Testing

All meters and associated devices shall be inspected, tested, adjusted, and certified to be within an allowable tolerance of error, in accordance with commonly accepted engineering practice.

DIVISION THREE CUSTOMER RELATIONS

SECTION 3.1 APPLICATION FOR SERVICE

Application for service shall be filed at the utility's business office. At the time of application, the applicant shall be given an opportunity to designate a person or agency to receive a copy of any notice to disconnect service due to the applicant's nonpayment of a bill or deposit. As soon as practicable after the approval of the application, the utility shall supply service to the applicant in accordance with these rules and at a rate established by the utility for the applicant's appropriate class of service.

SECTION 3.2 CUSTOMER DEPOSITS

A deposit intended to guarantee payment of bills for service may be required prior to approval of the service application. In any case where a deposit has been refunded or is found to be inadequate, a new or additional deposit may be required upon twelve days written notice of the need for such deposit.

3.2 (1) Credit Criteria for Initial Deposits

The requirements of an initial deposit shall be determined by application of the following criteria:

- a. No initial service deposit shall be required of an applicant: 1) who has previously established a credit history with the utility; 2) whose twelve most recent bills from the utility were timely paid; and 3) whose new service is subject to the same rate classification as that for which the payment history was established. Reasonable proof of an equivalent recent payment history for similar service from another utility may be accepted by the utility.
- b. An initial service deposit the greater of 1) the highest monthly usage using the highest monthly gas rate for service during the previous twelve month period or 2) the highest gas balance during the past twelve month period shall be required of an applicant for service who does not meet the credit criteria of subparagraph "a" above.

3.2 (2) Credit Criteria for New or Additional Deposits

A new or additional deposit may be required of a current customer whose initial deposit has been refunded or is found to be inadequate. The new or additional deposit shall ensure a total deposit equal to the highest monthly billing for service during the previous twelve month period and shall apply to customers who make two late payments in a twelve month period.

3.2 (3) Deposit Calculation Criteria

In calculating customer deposits the deposit shall be the greater of 1) the highest monthly usage using the highest monthly gas rate for service during the previous twelve month period or 2) the highest gas balance due during the past twelve month period.

3.2 (4) Interest on Deposits

Interest at a rate determined by the governing body will be paid on deposits from the date of deposit to the date of refund or the due date of any bill to which the deposit is applied. The date of refund is the date on which the refund or notice of refund is forwarded to the customer's last known address.

3.2 (5) Record of Deposits

The utility shall maintain a record of all deposits. The record of each unclaimed deposit shall be maintained for a period of three years from the date service is terminated. During that period, the utility shall make a reasonable effort to return the deposit. Unclaimed deposits, together with accrued interest, shall be credited to an appropriate utility account. Deposits remaining unclaimed two years after termination of service will be transferred to the state in accordance with Chapter 556, Code of Iowa.

3.2 (6) Refund of Deposit

A deposit shall be refunded after twelve consecutive months of prompt payment. For refund purposes, the account shall be reviewed for prompt payment after twelve months of service following the making of the deposit and for each twelve-month interval terminating on the anniversary of the deposit. Upon termination of service, the deposit plus accumulated interest (if applicable), less any unpaid utility bill of the customer, shall be reimbursed to the customer or other person who made the deposit.

SECTION 3.3 BILLING INFORMATION

Customers shall be billed on a monthly basis according to the appropriate rate schedule for metered service received during the billing period. In addition, the bill will include charges for applicable purchased gas adjustments as well as special extension and service costs applicable to the billing period.

3.3 (1) Billing Form

The following information shall be included on the billing form or made available to the customer at the utility's business office:

- a. The actual or estimated meter readings at the beginning and end of the billing period.
- b. The date of the meter readings.
- c. The number and kind of units metered.
- d. Reference to the applicable rate schedule.
- e. The account balance brought forward and amount of each net charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.
- f. The last date for timely payment shall be clearly shown and shall be not less than twenty days after the bill is rendered.
- g. A distinct marking to identify an estimated bill or meter reading.
- h. A distinct marking to identify a minimum bill.
- i. Any conversions from meter reading units to billing units or any other calculations to determine billing units from recording or other devices or any other factors such as sliding scale or automatic adjustments used in determining the bill.

3.3 (2) When Payable – Late Payment Penalty

A bill shall be due and payable when rendered and shall be considered delinquent after twenty days from the time it is rendered. A bill shall be considered rendered by the utility when deposited in the U.S. mail with postage prepaid or when delivered by the utility to the last known address of the party responsible for payment. Bill payments received by the utility on or after the delinquent date shall be for the gross amount stated on the bill which shall include a late payment penalty as determined by the governing

body. Failure to receive a properly rendered bill shall not entitle the customer to relief from penalties for late payment.

The date of delinquency for all customers shall be changeable for cause in writing.

3.3 (3) Partial Payments

When a partial payment is made prior to the delinquent date and without designation as to the service being paid, the payment shall be credited in the following order: garbage, solid waste, wastewater, sewer, sewer tax, gas, gas tax, gas, and gas tax.

3.3 (4) Where Payable

Bills shall be paid by mail, by direct deposit through a financial institution, by deposit in a designated receptacle, or in person at the utility's business office.

3.3(5) Level Payment Plan (Budget Billing)

- a. The utility will offer budget billing plans. The utility will set up new budget accounts each year in April with the first payment starting on May 20.
- b. Any current account may apply for budget billing. New accounts applying for budget billing with past due amounts must be paid in full by April 20 before budget billing can begin.
- c. Budget amounts are calculated using actual usage averaged over the past twelve months for a location. Once a dollar amount has been determined, the same figure will be printed on each monthly bill.
- d. All budget accounts must be paid by the 20th of the month.
- e. If a budget account has more than one late payment, budget billing will be discontinued and the customer will have to wait until the following spring to begin budget billing again. An option to eliminate late payments include automatic bank draft payments that can be set up by the utility office with any bank.
- f. If a budget account is closed at any time and excess dollars have accrued, those funds will be returned to the customer. Excess money from any budget account can not be held by the utility to pay future bills.
- g. All budget accounts will be reviewed no less than each year in March and adjustments made if needed. The goal with all budget accounts is to reach a near zero balance one a year in the spring.

- h. The utility reserves the right to review accounts at any time throughout the year and has the ability to raise or lower the payment amount due if adjustments are needed.

3.3 (6) Reasonable Agreement to Pay

A residential customer who has been disconnected or is about to be disconnected due to inability to pay in full may be offered the opportunity to enter into a reasonable agreement to pay in accordance with applicable rules of the Utilities Division of the Iowa Department of Commerce.

3.3 (7) Minimum Bill

The minimum bill provided for in the rate schedule for each class of service will apply to any billing period during which the service remains connected and the minimum quantity of service is not used.

3.3 (8) Temporary Disconnections

The utility may, upon reasonable notice by a customer, make temporary disconnections for the customer's convenience. The customer shall be required to pay a fee for such service in an amount to be determined by the governing body.

3.3 (9) Service Calls

The utility shall investigate leak calls and relight pilot lights extinguished as a result of pressure failure, without charge to the customer. In providing these services as a convenience to its customers, the utility, its employees, and/or the municipality offer no warranty express or implied, as to the operating condition of customer piping and appliances. For other services, such as adjustments to customer piping and appliances, the customer shall be advised to contact a qualified plumber, appliance dealer, or contractor.

3.3 (10) Customer Requested Meter Tests

The utility will periodically inspect and test meters in accordance with accepted engineering practice. In addition to regular testing, the customer may request a meter test, providing that such tests need not be made more frequently than once each eighteen months. The customer or the customer's representative may be present when the meter is tested and the results shall be reported to the customer within a reasonable time. If the meter is within the allowable tolerance, the customer shall be billed for the cost of the test in an amount established by the governing body.

3.3 (11) Adjustment of Bill for Meter Error

Whenever a meter is found to have an average error exceeding the allowable tolerance by more than 2.0 percent, the utility shall adjust a current customer's bill or issue a refund or back bill to a past customer. The amount of the adjustment shall be calculated on the basis of metering accuracy of one hundred percent. The adjustment period shall extend from the date the error began. If that date cannot be determined, it shall be assumed the error has existed for the shortest time calculated as five years from the date the error was discovered, one half the time since the meter was installed, or one half the time since the last previous meter test. The adjustment period for slow meters shall not exceed six months without the approval of the governing body. When a meter is found not to register, the utility shall issue an estimated bill.

An adjustment, refund or back-billing shall be made for any overcharge or undercharge resulting from incorrect reading of the meter, incorrect application of the rate schedule, incorrect meter connection or other similar reason.

This section shall not be construed to require a cash refund to a current customer nor a refund or back-billing to a previous customer in an amount less than five dollars. The utility further reserves the right to forego back-billing procedures which it determines are not cost effective.

3.3 (12) Returned Checks

A service charge in an amount established by the governing body shall be assessed to any customer whose check is returned unpaid by the bank on which it was drawn. The service charge shall be in addition to the late payment penalty if the check is not made good and the service fee not paid prior to the delinquent date of the bill. If two or more checks are dishonored within a six month period, the utility may require future payments to be by cash, cashier's check or postal money order.

SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE

The utility reserves the right to disconnect or deny service in accordance with applicable rules of the Utilities Division of the Iowa Department of Commerce. Gas supply may be shut off due to any violation of the gas service rules.

A reconnection fee in an amount established by the governing body shall be applicable when service has been disconnected pursuant to this section.

SECTION 3.5 CUSTOMER OBLIGATIONS

Acceptance of service shall obligate a customer to the conditions imposed by these rules and applicable rules of the Utilities Division of the Iowa Department of Commerce. Customers should note that other sections of these service rules prescribe