UTILITY
RATES & FEES
-FY 2019/2020-

Table of Contents

Please note the different ways to move through this pdf document: 1) Use the pdf page numbers shown below to go to each section; 2) click on the section name below to go to that section; or 3) use the bookmarks for each section.

	Section	pdf pg#
Rates		
District Cooling…….....	D	3
Electric……..…….....	E	5
Natural Gas…….……	NG	30
Solid Waste……..……	R	56
Wastewater……..	S	75
Water……..…….	W	91
Sales and Delivery		
Terms & Conditions for the Sale of Utilities.....	SD01	117
Electric Utility Code of Conduct.....	SD02	129
Electric Utility Terms & Conditions for Direct Access	SD03	133
Electric Utility Terms & Conditions: Standard Offer & Direct Access	SD04	155
Electric Utility Rules & Regulations…….....…	SD05	169
Utility Service Fees…….	USF	207

GENERAL DISTRICT COOLING SERVICE – D3.1

Interdepartmental – D6.1

APPLICATION

These rates are applicable to all district cooling service for which no specific schedule is provided, when such service is provided at one point through one meter for the billing of utilities commencing with the August 2016 billing cycles.

Not applicable to temporary, breakdown, standby, supplementary or resale service.

MONTHLY BILL PER METER

Capacity-Demand Charge:	$8.45 per Rated-Ton
Generation/Distribution Charge:	$0.07388 per Ton-hour, all Ton-hours

Electric Power Purchase cost is to be added to all per Ton-hour rates. See Adjustment 1 below.

ADJUSTMENTS

1. Subject to adjustments, based on the costs for the City's District Cooling operations for the price of electric power purchased, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the district cooling or service sold hereunder shall be added to each utility bill.

DEFINITIONS

"Rated-Ton" – amount of cooling need a building or structure based on square footage and anticipated usage.
"Ton-Hour" – one ton-hour of cooling is 12,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

This page intentionally left blank.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for monthly billing cycles commencing on and after the Effective Date.

RESIDENTIAL SERVICE – STANDARD OFFER - E1.1

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

		MAY/OCTOBER		NOVEMBER/APRIL
Electric System Service Charge:		$12.00		$12.00
Usage Charge ($/kWh):	0 – 1,200 kWh	$0.05128	800 kWh	$0.03765
	> 1,200 kWh	$0.04822	800 kWh	$0.01633
Minimum:		$12.00		$12.00

ADJUSTMENTS

1. An Electric Energy Supply Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.
3. Renewable Energy Service Rider adjustment. Eligible customers who wish to support development of renewable energy may elect the inclusion of a Renewable Energy Service Rider adjustment upon request. See the Renewable Energy Service Rider page for additional information on eligibility, availability, and applicable charges and elections.

THREE-PHASE SERVICE

Three-phase service is furnished under the City standards. Three-phase service is required for motors with an individual rated capacity of 3 hp. or larger.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

ELECTRIC RATE SCHEDULE

Electric service sold hereunder is delivered at single phase, approximately sixty Hertz, and at 120 volts, subject to availability and approval by the Mesa Electric Utility.

DUSK TO DAWN RESIDENTIAL LIGHTING SERVICE - E1.2

APPLICATION

To residential customers for the purpose of outdoor lighting of privately owned property within the City of Mesa Electric Service Area. Electric service is from dusk to dawn. City of Mesa will install, own, operate and maintain the complete lighting installation, including lamp replacements.

MONTHLY BILL PER INSTALLATION

Rate:	Installation on existing utility pole.	$8.67
	Installation on wood pole for the purpose of outdoor lighting only.	$14.79
Minimum:		$8.67

ADJUSTMENTS

The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

UNDERGROUND ELECTRIC SERVICE

If an underground service is required or agreed upon to service the lighting installation, the customer is required to provide the trenching and backfilling from the location of the lighting pole to the "point of service" as determined by the Mesa Electric Utility. The trench shall be in accordance with the City of Mesa specifications and shall pass inspection prior to the utility installing the conduit and wire in the trench and energizing the light.

LIGHTING INSTALLATION AGREEMENT

The customer shall sign a four (4) year lease agreement for the installation of the dusk to dawn light at the time of application for service.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to a Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility).

RESIDENTIAL SERVICE – DIRECT ACCESS - E1.5

APPLICATION

To all electric service required for residential purposes in individual private dwellings and in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

		MAY/OCTOBER		NOVEMBER/APRIL
Customer Charge:		$12.00		$12.00
Energy Charge: ($/kWh) Distribution	0 – 1,200 kWh	$0.05128	800 kWh	$0.03765
	> 1,200 kWh	$0.04822	800 kWh	$0.01633
Minimum:		$12.00		$12.00

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

THREE-PHASE SERVICE

Three-phase service is furnished under the City standards. Three-phase service is required for motors with an individual rated capacity of 3 hp. or larger.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to eligible customers who would otherwise receive service under Schedule E1.1, at single or three-phase, approximately sixty Hertz, and at one standard voltage (120/240 or 120/208 as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities for monthly billing cycles commencing on and after the Effective Date.

PILOT PROGRAM: RESIDENTIAL SERVICE – ECONOMY – E1.11

APPLICATION

To eligible customers for electric service required for their residential purposes in either individual private dwellings or in individually metered apartments, when such service is supplied at one Point of Delivery and measured through one meter.

ELIGIBILITY

Subject to availability and approval by the Mesa Electric Utility, customers must satisfy the following conditions to be and remain eligible to receive service under this Schedule:

1. The electric utility account must be in the eligible customer's name, and that customer of record must be a full time permanent resident at the dwelling where service is supplied.
2. Customer of record must complete and submit the City's application for the Pilot Program; completed applications are subject to approval by City and must include all requested information. Information is subject to verification by City.
3. Eligible customers will be provided service under this Schedule for 12 months. Annual recertification will be required for the eligibility of rates under this Schedule (if available) to continue. As this service is a Pilot Program, there is no guarantee of continued eligibility or availability and there will be limits on the number of customers who may participate.
4. Eligibility of service under this Schedule is limited to customers of record with total verified household income (income from all sources) at or below twenty seven thousand dollars ($27,000.00) annually.
5. The Mesa Electric Utility may include consideration of household size in relation to income as well as federal poverty guidelines to determine whether customers receive service under this Schedule. Preference will be made for customers who require life support, are disabled, or have other vulnerabilities.
6. Any customer no longer deemed eligible for service under this Schedule shall be billed, beginning the first month after ineligibility, at E1.1.

MONTHLY BILL PER METER

		JULY, AUGUST, SEPTEMBER
Electric System Service Charge:		$0.00
Usage Charge ($/kWh):	0-80 kWh	$0.0000
	81–1,200 kWh	$0.05128
	> 1,200 kWh	$0.04822
Minimum:		$0.00

		MAY, JUNE or OCTOBER
Electric System Service Charge:		$12.00
Usage Charge ($/kWh):	0–1,200 kWh	$0.05128
	> 1,200 kWh	$0.04822
Minimum:		$12.00

		NOVEMBER through APRIL
Electric System Service Charge:		$12.00
Usage Charge ($/kWh):	0–800 kWh	$0.03765
	>800 kWh	$0.01633
Minimum:		$12.00

ADJUSTMENTS

1. An Electric Energy Supply Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions which are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

THREE-PHASE SERVICE

Three-phase service is furnished under the City standards. Three-phase service is required for motors with an individual rated capacity of 3 hp. or larger.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (7200/12470, 2400/4160, 480, 277/480, 120/240 or 120/208 volts as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities for the monthly billing cycles commencing on and after the Effective Date.

NON-RESIDENTIAL SERVICE – STANDARD OFFER – E3.1

NON-RESIDENTIAL SERVICE – STANDARD OFFER- Public Authorities
Hospitals – E7.1
Federal – E7.2
State & Local Govts – E8.1
Schools - Non-Residential Service – E9.1

APPLICATION

To all electric service required for any purpose, where no schedule specifically applicable to the customer's classification is provided, and when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

		MAY/OCTOBER		NOVEMBER/APRIL	
		Single Phase	Three Phase	Single Phase	Three Phase
Customer Charge:		$7.22	$13.24	$7.22	$13.24
Energy Charge: ($/kWh)					
Distribution	0 - 15,000 kWh	$0.06491	$0.06491	$0.05375	$0.05375
	15,001 - 75,000 kWh	$0.04125	$0.04125	$0.03692	$0.03692
	> 75,000 kWh	$0.02901	$0.02901	$0.02060	$0.02060
Demand Charge: ($/kW)					
Generation	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$3.52	$3.52	$3.20	$3.20
Distribution	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$0.3968	$0.3968	$0.1150	$0.1150
Minimum:		$7.22	$13.24	$7.22	$13.24

The City may require special service agreements for unusual or large loads as provided for in the Terms and Conditions.

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

   Determination of kW - (Billing Demand)

   The average kW supplied during the 30-minute period of maximum use during the month, as determined from readings of the meter.
3. Subject to possible adjustments in the form of credits applied based on a percentage of the total reduction of electric consumption by each residential customer during the summer months from June 1 through October 31 under the conservation credit program when offered by the city.
4. Renewable Energy Service Rider adjustment. Eligible customers who wish to support development of renewable energy may elect the inclusion of a Renewable Energy Service Rider adjustment upon request. See the Renewable Energy Service Rider page for additional information on eligibility. availability, and applicable charges and elections.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three-phase service is required for motors of an individual rated capacity of 3 hp. or more.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

DOWNTOWN SMALL BUSINESS ATTRACTION ELECTRIC RATE SCHEDULE – E3.6D

APPLICATION

These rates are applicable to new Non-Residential service for the billing of utilities commencing on and after the Effective Date for Customers meeting the Eligibility Criteria.

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately Sixty (60) Hertz, and at one standard voltage (7200/12470, 2400/4160, 277/480, 120/240, or 120/208 volts) as may be selected by the Customer, subject to satisfaction and eligibility criteria set forth herein.

PURPOSE

The purpose of this schedule is to attract new non- residential City electric customers to Downtown Mesa, which also generates increased economic activity in Downtown Mesa.

MONTHLY BILLING CYCLE PER METER

		MAY/OCTOBER		NOVEMBER/APRIL	
		Single Phase	Three Phase	Single Phase	Three Phase
Customer Charge:		$7.22	$13.24	$7.22	$13.24
Energy Charge: ($/kWh)					
Distribution	0 - 15,000 kWh	$0.06491	$0.06491	$0.05375	$0.05375
	15,001 - 75,000 kWh	$0.04125	$0.04125	$0.03692	$0.03692
	> 75,000 kWh	$0.02901	$0.02901	$0.02060	$0.02060
Demand Charge: ($/kW)					
Generation	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$3.52	$3.52	$3.20	$3.20
Distribution	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$0.3968	$0.3968	$0.1150	$0.1150
Minimum:		$13.24	$13.24	$7.22	$13.24

Charges are subject to discount as set forth in the Adjustments Section.

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Bills subject to further adjustment as follows: the EECAF electric supply cost adjustment factor addition, energy usage charge, demand usage charge and the electric system service charge for each bill for each month during the eligibility period shall be reduced by twenty five percent (25%). Taxes not subject to adjustment.
3. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.
4. Determination of kW - (Billing Demand) = The average kW supplied during the 30-minute period of maximum use during the month, as determined from readings of the meter.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three-phase service is required for motors of an individual rated capacity of 3 h.p. or more.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.
Terms and Conditions for the Sale of Utilities

Additional Terms and Conditions:

(i) Limited to three (3) consecutive years per eligible Customer.
(ii) The Customer must sign a three-year agreement evidencing a commitment through the 3 year period to meeting the eligibility criteria.
(iii) Customers may apply for the small business utility rate only within their first year of operation.
(iv) Customers may only participate once.
(v) Customers that do not maintain or increase their total average annual utility usage from their first year receiving the rate may be required to repay the City for the difference between this Schedule E3.6D and the otherwise applicable City electric rate schedule.
(vi) The City may terminate, suspend or modify the rate for active and/or future participants should it serve the interests of the City.
(vii) Customers may be required to obtain a financial instrument satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this Rate Schedule.
(viii) Customers are required to provide employment verification each year beginning in year two (2) evidencing the employment of a minimum of two (2) full-time employees.
(ix) If the customer experiences employee vacancies that cause it to employ less than the minimum number of employees needed to meet eligibility criteria at any given time, the customer is allowed no more than six months cumulative within a 12 month period to fill such vacancies.

ELIGIBILITY

Non-residential Customers (i) with a new customer number; (ii) with an existing customer number (but without electric service) moving to a new qualifying premise; (iii) receiving Mesa electric service and moving from an unqualified premise to a qualifying premise. To qualify, premises must be located inside the Central Business District and Town Center Redevelopment Area (CBD/TRA). Additionally, the Customer and premises must: (i) have an average total minimum actual or projected annual energy consumption of twelve thousand (12,000) kilowatt-hours (kWh) for up to the most recent twelve-month period and a maximum of eight hundred thousand (800,000) kWh for up to the most recent twelve-month period; (ii) have a single point of delivery within the CBD/TRA measured through one meter for the billing of each utility service; (iii) meets the definition of a small business as stated by the U.S. Small Business Administration; (iv) consists of a use consistent with Mesa's adopted form-based code or in a commercial or industrial zoned area where the form-based code does not apply; and (v) employs the equivalent of at least two (2) full-time employee (FTE) positions (subject to verification through unemployment tax and wage reporting or comparable records). Customers must also be current on all utility bills and any other amounts owed the City.

INELIGIBILITY OR LOSS OF ELIGIBILITY

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Electric rate schedule. As set forth in the Eligibility requirements, Customer may be responsible for payment of back charges under the otherwise applicable City Electric rate Schedule for service provided under this Schedule which becomes ineligible. In addition, (i) if the Customer's average electric use during the second year of the program or third year of the program is less than the Customer's average use the first year of the program, the Customer may be responsible for payment of the difference of consumption, and (ii) if the Customer experiences vacancies that cause it to employ less than the equal of two (2) full-time employees at any given time, the business is allowed no more than six months cumulative within a 12 month period to fill the vacancy or else be considered in violation of the agreement and may be responsible for payment of the difference of consumption.

ELECTRIC RATE SCHEDULE

Electric service sold hereunder is delivered at single phase, approximately sixty Hertz, and at 120 volts, subject to availability and approval by the Mesa Electric Utility. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

DUSK TO DAWN LIGHTING SERVICE – E3.2

Interdepartmental– E6.6

APPLICATION

To commercial and interdepartmental customers for the purpose of outdoor lighting of privately owned property within the City of Mesa Electric Service Area. Electric service is from dusk to dawn. City of Mesa will install, own, operate and maintain the complete lighting installation, including lamp replacements.

MONTHLY BILL PER INSTALLATION

Rate:	Installation on existing wood pole	$9.69
	Installation on new wood pole	$15.81
	Installation on base mounted steel pole	$20.40
Minimum:		$9.69

ADJUSTMENTS

The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of gross revenues of the City and/or the price or revenue from the electric energy or service sold hereunder.

UNDERGROUND ELECTRIC SERVICE

If an underground service is required or agreed upon to service the lighting installation, the customer is required to provide the trenching and backfilling from the location of the lighting pole to the "point of service" as determined by the Mesa Electric Utility. The trench shall be in accordance with the City of Mesa specifications and shall pass inspection prior to the utility installing the conduit and wire in the trench and energizing the light.

LIGHTING INSTALLATION AGREEMENT

The customer shall sign a lease agreement for the installation of the dusk to dawn light at the time of application for service. The agreement shall be for four (4) years for installations on wood poles and ten (10) years for installations on steel poles.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

X-RAY SERVICE – E3.3

X-RAY SERVICE– Public Authorities

Hospitals – E7.3

APPLICATION

Applicable to all customers having x-ray machines in use. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

MONTHLY BILL

Rate: Any consumption in kWh and demand in kW registered on the meter shall be billed in accordance with Schedule E3.1.

Minimum: To the above-metered billing, a flat charge shall be added as follows:

Where connected to common transformers		$ 16.68
Where connected to separate transformer	10 kva size	$ 16.68
Where connected to separate transformer	15 kva size	$ 25.02
Where connected to separate transformer	25 kva size	$ 41.70
Where connected to separate transformer	37.5 kva size	$ 62.55
Where connected to separate transformer	50 kva size	$ 83.39
Where connected to separate transformer	75 kva size	$125.07
Where connected to separate transformer	100 kva size	$166.77
Where connected to separate transformer	112 kva size	$186.78
Where connected to separate transformer	150 kva size	$250.16
Where connected to separate transformer	over 150 kva size	$1.67 per kva

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to customer at single or three-phase, sixty Hertz and at standard voltages of approximately 120/208, 120/240, 277/480 or 480 volts, as may be selected by customer subject to availability and approval by the Mesa Electric Utility. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

ELECTRIC MOTOR STANDBY SERVICE – E3.4

APPLICATION

To all electric service required for standby service, when such service is supplied at one point of delivery and measured through one meter.

MONTHLY BILL PER METER

	Horsepower of Connected Load	Service Charge Per H.P. Per Month	Energy Charge to be Added to Service Charge
Rate:	1 to 20 HP	$1.73	$0.06449 /kwh
	21 to 45 HP	$1.43	$0.06449 /kwh
	46 to 65 HP	$1.13	$0.06449 /kwh
	66 to 100 HP	$1.02	$0.06449 /kwh
	101 HP and over	$ .91	$0.06449 /kwh
Minimum:	The monthly minimum charge shall be the monthly service charge.		

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL CONDITIONS

1. Customers connected loads are subject to the rules and regulations governing electric service as listed in the City of Mesa Electric Service Specifications.
2. The rated capacity of the customer's equipment will be the rated horsepower output of standard rated motors. Normally, such ratings will be based on the manufacturer's ratings, as shown on the nameplate or elsewhere, but may be based on test or other reliable information, at the option of the Mesa Electric Utility.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately sixty Hertz, and at one standard voltage (7200/12470, 2400/4160, 480, 277/480, 120/240 or 120/208 volts as may be selected by the Customer, subject to availability and approval by the Mesa Electric Utility). These rates are applicable for the billing of utilities for the monthly billing cycles commencing on and after the Effective Date.

NON-RESIDENTIAL SERVICE – DIRECT ACCESS – E3.5

APPLICATION

To all electric service required for any purpose, where no schedule specifically applicable to the customer's classification is provided, and when such service is supplied at one Point of Delivery and measured through one meter.

MONTHLY BILL PER METER

		MAY/OCTOBER		NOVEMBER/APRIL	
		Single Phase	Three Phase	Single Phase	Three Phase
Customer Charge:		$7.22	$13.24	$7.22	$13.24
Energy Charge: ($/kWh)					
Distribution	0 - 15,000 kWh	$0.06491	$0.06491	$0.05375	$0.05375
	15,001 - 75,000 kWh	$0.04125	$0.04125	$0.03692	$0.03692
	> 75,000 kWh	$0.02901	$0.02901	$0.02060	$0.02060
Demand Charge: ($/kW)					
Generation	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$3.52	$3.52	$3.20	$3.20
Distribution	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$0.3968	$0.3968	$0.1150	$0.1150
Minimum:		$7.22	$13.24	$7.22	$13.24

The City may require special service agreements for unusual or large loads as provided for in the Terms and Conditions.

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments heet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

   Determination of kW - (Billing Demand)

   The average kW supplied during the 30-minute period of maximum use during the month, as determined from readings of the meter.
3. Subject to possible adjustments in the form of credits applied based on a percentage of the total reduction of electric consumption by each residential customer during the summer months from June 1 through October 31 under the conservation credit program when offered by the city.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 hp. except where facilities are already in place. Three-phase service is required for motors of an individual rated capacity of 3 hp. or more.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations – Utility Department – Electric Division.

ELECTRIC RATE SCHEDULE

Electricity sold hereunder is delivered to the Customer at single or three-phase, approximately Sixty (60) Hertz, and at one standard voltage (7200/12470, 2400/4160, 277/480, 120/240, or 120/208 volts) as may be selected by the Customer, subject to availability and approval by the Mesa Energy Resources Department.

PURPOSE

The purpose of this schedule is to provide a rate for the economic development or retention of large Non-Residential Customers.

NON-RESIDENTIAL - CUSTOMER RETENTION/ECONOMIC DEVELOPMENT – E3.6

APPLICATION

These rates are applicable to Non-Residential service for the billing of utilities commencing with the August 2016 billing cycles and to Customers meeting the following Eligibility Criteria.

ELIGIBILITY- INITIAL TERM

1. Limited to five (5) consecutive years.
2. New and expanding Non-Residential Customers must satisfy the following conditions to be and remain eligible to receive service under this Schedule:
   (i) Within a period of three (3) years from the date the rate is applied for new Customers, and two (2) years for expanding, existing Customers, the Customer must have a minimum projected annual energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) based on meter readings at a single Premises; and
   (ii) Either: (a) establish and maintain a number of jobs at the qualifying Premises equal to five (5) full time employees per one hundred (100) kilowatts (kW) of projected electric demand at the monthly average of the required annual minimum consumption level (subject to verification through unemployment tax and wage reporting or comparable records); or (b) make a minimum capital investment in property/facility improvements of five hundred thousand dollars ($500,000) at the qualifying Premises (subject to initial verification through Maricopa County tax and assessment statements, building permits, or comparable records).
3. Customers that may reduce or eliminate their future consumption of electric energy and with a twelve (12) month or longer billing history at or above the minimum annual energy consumption level not meeting the Eligibility Criteria set forth in Section 2 above must satisfy the following conditions to be and remain eligible to receive service under this Schedule:
   (i) Maintain or exceed the minimum annual energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) based on meter readings at a single Premises; and
   (ii) Enter into a five (5) year agreement, executed by the Customer and the City Manager or designee, which provides adequate assurance to City that Customer shall maintain its consumption at the required kWh throughout the five (5) years at the Premises; and
   (iii) The initial term of service under this rate schedule and the five (5) year contract shall require the customer to obtain a financial instrument (Financial Instrument), satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this Rate Schedule
4. All Non Residential Customers otherwise satisfying the Initial Term Eligibility requirements under this Schedule must also have no existing delinquencies relating to payment of City utility services.

ELIGIBILITY- RENEWAL TERM

Eligibility for Customers on this Rate Schedule E3.6 that may reduce or eliminate their future consumption of electric energy and desire to remain on this Schedule beyond the initial five (5) year term must satisfy the following conditions:

1. Customer has maintained and will continue to maintain an annual minimum energy consumption of two million four hundred thousand (2,400,000) kilowatt hours (kWh) at a single Premises, based on readings consolidated from no more than four (4) meters at that Premises; and
2. Customer shall enter into a one (1) year agreement, executed by the Customer and the City Manager or designee, which provides adequate assurance to City that Customer shall maintain its consumption at the required kWh through the renewal term; and
3. Customer has no existing delinquencies relating to payment of City utility services

INELIGIBILITY OR LOSS OF ELIGIBILITY

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Electric rate schedule. As set forth in the Eligibility requirements, Customer may be responsible for payment of back charges under the otherwise applicable City Electric rate Schedule for service provided under this Schedule which becomes ineligible.

MONTHLY BILLING CYCLE PER METER

		MAY/OCTOBER		NOVEMBER/APRIL	
		Single Phase	Three Phase	Single Phase	Three Phase
Customer Charge:		$7.22	$13.24	$7.22	$13.24
Energy Charge: ($/kWh)					
Distribution	0 - 15,000 kWh	$0.06491	$0.06491	$0.05375	$0.05375
	15,001 - 75,000 kWh	$0.04125	$0.04125	$0.02000	$0.02000
	> 75,000 kWh	$0.01900	$0.01900	$0.00800	$0.00800
Demand Charge: ($/kW)					
Generation	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$3.52	$3.52	$3.20	$3.20
Distribution	0 – 50 kW	$0.00	$0.00	$0.00	$0.00
	> 50 kW	$0.3968	$0.3968	$0.1150	$0.1150
Minimum:		$7.22	$13.24	$7.22	$13.24

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.
2. Plus the applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the electric energy sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.
3. Determination of kW (Billing Demand) = The average kW supplied during the 30 minute period of maximum use during the month, as determined from reading of the meter.

THREE-PHASE SERVICE

Three-phase service is furnished under the City's standards, including the transformation equipment. Three-phase service is not furnished for motors with an individual rated capacity of less than 3 h.p., except where facilities are already in place. Three phase service is required for motors of an individual rated capacity of 3 h.p. or more.

TERMS AND CONDITIONS

See Schedule ETC-SO: Terms and Conditions for Standard Offer and Direct Access Services.
See Schedule TC-DA: Terms and Conditions for Direct Access Services.
City of Mesa Rules and Regulations- Utility Department- Electric Division.
Terms and Conditions for the Sale of Utilities
Other Terms and Conditions.

1. Billing under this Rate Schedule E 3.6 shall continue to be administered in the same fashion as the Rate Schedule previously applicable to the Customer.
2. Term of Rate Applicability:
   This rate schedule may apply to electric service for an initial term not to exceed five (5) years. Upon termination of service under this rate schedule, the requirement for any Financial Instrument required under this rate schedule may also terminate.

STREET LIGHT SERVICE – E6.3

APPLICATION

To all electric service required for streetlights within the Mesa Electric Utility Service area, owned and operated by the City of Mesa. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

Rate: $0.04760 per kWh for all kWh

ADJUSTMENTS

An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.

INTERDEPARTMENTAL ELECTRIC SERVICE – E6.1, E6.2

APPLICATION

To all interdepartmental electric service required for any purpose, where no schedule specifically applicable to the customer's classification is provided, and when such service is supplied at one Point of Delivery and measured through one meter. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

MONTHLY BILL PER METER

Electric Sales – Without Demand Meter (E6.1):

Energy Charge:	$0.07140 per kWh for all kWh

Electric Sales – With Demand Meter (E6.2):

Demand Charge:	first 220 KW over 10 KW, plus	$2.50 /KW
	all additional KW	$1.17 /KW
Energy Charge:	first 4000 kWh, plus	$0.06863 /kWh
	all additional kWh	$0.02720/kWh

ADJUSTMENTS

1. An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.

2. Less any taxes or impositions not applicable to the City

PUMPING SERVICE – E6.4

APPLICATION

To all electric service required for water pumping within the Mesa Electric Utility Service area, owned and operated by the City of Mesa. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

MONTHLY BILL PER METER

Service Charge:	$1.17 per kW for all kW
Energy Charge:	$0.04443 per kWh for all kWh

ADJUSTMENTS

An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.

SPORTS LIGHTING SERVICE – E6.5

APPLICATION

To all electric service required for sports lighting within the Mesa Electric Utility Service area, owned and/or operated by the City of Mesa. These rates are applicable for the billing of utilities for the billing cycles commencing with the August 2016 billing cycles.

Rate:	$0.08060 /kWh	first 4,000 kWh
	$0.07534 /kWh	all additional kWh

ADJUSTMENTS

An Electric Energy Cost Adjustment Factor ("EECAF") shall be added to all bills based on the cost of purchased, electric power and its delivery to the City's electric utility, as shown on the Tariff Adjustments sheet.

RENEWABLE ENERGY SERVICE RIDER - RESR

APPLICATION

Available to Customers who are being served under Residential Electric Schedule No. E1.1, General Service Electric Schedule No. E3.1, and Other Public Authority Rate Schedules No. E7.1, E7.2, E8.1 and E9.1. All provisions of the Customer's current applicable rate schedule will apply in addition to this service rider.

DEFINITIONS

Renewable Energy: The combination of energy delivered to the Customer by Mesa plus a proportional amount of Renewable Energy Certificates (RECs) that are retired on Customer's behalf by Mesa. Renewable Energy can be sourced from biogas energy, biomass energy, hydropower energy, fuel cells (which use only fuel derived from another renewable source or use hydrogen generated from another renewable source), geothermal energy, landfill gas energy, solar energy, or wind energy. Renewable Energy may come from originally sourced, bundled RECs (RECs that are sold, delivered or purchased with the associated energy from the source renewable generation project) or from unbundled RECs (RECs that are sold, delivered, or purchased separately from the associated energy) at Mesa's discretion.

CONDITIONS

1. Customers may participate in the RESR to meet 25 percent, 50 percent, 75 percent or 100 percent of the Customer's annual kWh consumption (Elected Percentage).
2. New enrollment in the Renewable Energy Service Rider (RESR) shall be limited by Mesa at its sole discretion. On an annual basis, Renewable Energy purchased for all the Customers enrolled in the RESR may not exceed $500,000.
3. If Mesa, at its sole discretion, continues offering the RESR into the following year, Mesa will extend an offer to the Customer to continue with the RESR, along with any changes to the RESR.

PROGRAM OPERATION

1. The standard RESR Enrollment Period shall be from April 1 to June 1. If successfully enrolled, City will account for Customer energy consumption based on the Elected Percentage as renewable energy for a term of one year beginning with the July billing cycle. Mesa reserves the right to open the RESR program for further enrollment at other times if deemed appropriate.
2. Mesa will estimate the amount of Renewable Energy that is to be purchased on behalf of participating Customer's based on a composite of historic data and the Elected Percentage. Mesa will make commercially reasonable efforts to secure Renewable Energy by purchasing, procuring or generating renewable supplies or retiring Renewable Energy Certificates (REC's) (either with or without associated energy) for a year equal to the calculated total of Customer Annual Renewable Energy demand under the RESR program. Participating Customers acknowledge that minor variances in the total amount of Renewable Energy from that calculated based on the composite Elected Percentage and demand of all RESR participants may occur, and that no representation is made as to the actual manner of generation of power and energy available from the municipal distribution system at any particular point in time.
3. A Customer may cancel service under this rider with no remaining obligations (i) after twelve billing cycles and (ii) by providing written notice to Mesa during the Enrollment Period.
    i. If a Customer wishes to cancel service under this rider prior to twelve billing cycles and if the Customer Annual Renewable Energy that is remaining to be paid by the Customer for that year to date exceeds 100,000 kWh, the customer will be charged for all Renewable Energy above 100,000 kWh (Estimated Excess Remaining kWh) that it would have consumed in the year at the monthly RESR Premium Charge Rate ($/kWh) multiplied by such Estimated Excess Remaining kWh. After receipt of such payment, cancellation shall become effective at the end of the billing cycle in which the notice for cancellation is received by Mesa.

MONTHLY BILL

For any Customer electing to participate in this rider, the monthly RESR Premium Charge shall be equal to the RESR Premium Charge Rate ($0.01/kWh) multiplied by the customer's Elected Percentage multiplied by the customer's monthly billed kWh. The RESR Premium Charge shall be applied in addition to the Customer's other monthly bill charges and adjustments. The RESR Premium Charge shall not substitute for any other billing line items.

This page intentionally left blank.

RESIDENTIAL GAS SERVICE

City - G1.1, Magma - GM1.1

APPLICATION

These rates are applicable to all natural gas service required for residential purposes in individual private dwellings and in individually metered apartments served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa, when such service is supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date.

Not applicable to temporary, breakdown, standby, supplementary or resale service, nor to gas used directly or indirectly for operation of prime movers.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$15.06 Gas System Service Charge, plus
$0.6685 per Billed Therm, Usage Charge first 25 Billed Therms and
$0.2167 per Billed Therm, Usage Charge all additional Billed Therms

For billing cycles November through April
$17.99 Gas System Service Charge, plus
$0.6685 per Billed Therm, Usage Charge first 25 Billed Therms and
$0.4926 per Billed Therm, Usage Charge all additional Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$16.05 Gas System Service Charge, plus
$0.7370 per Billed Therm, Usage Charge first 25 Billed Therms and
$0.2388 per Billed Therm, Usage Charge all additional Billed Therms

For billing cycles November through April
$19.29 Gas System Service Charge, plus
$0.7370 per Billed Therm, Usage Charge first 25 Billed Therms and
$0.5433 per Billed Therm, Usage Charge all additional Billed Therms

A per Billed Therm Natural Gas Supply Cost Adjustment shall be included in all bills. See Adjustment 1 below.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.

2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

3. A residential surcharge shall be included in the Magma Gas Cost Adjustment when the City of Mesa Magma residential total billing amounts are lower than the most recent comparable market rate total billing amounts. This surcharge shall be equal to the difference between the City of Mesa Magma residential total monthly billing amounts and the calculated total billing amounts based on the most recent comparable market rates, and shall be included as such differences occur.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units)

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

GAS SERVICE TO STREET LAMPS

City - G1.3, Magma - GM1.3
City – G3.3, Magma – GM3.3

APPLICATION

These rates are applicable to all customers with unmetered gas lamps that are connected to a City gas main served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa for the billing of utilities commencing with the August 2016 billing cycles.

MONTHLY BILLING CYCLE

City Service Area

Residential Rate:	$14.88 per lamp
Commercial Rate:	$14.88 per lamp

Magma Service Area

Residential Rate:	$16.28 per lamp
Commercial Rate:	$18.09 per lamp

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

RESIDENTIAL COMPRESSED NATURAL GAS SERVICE

City - G1.9, Magma - GM1.9

APPLICATION

These rates are applicable to any residential customer served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa, using natural gas for the sole purpose of compressing natural gas for use as a fuel vehicular internal combustion engine for monthly billing cycles commencing on and after the Effective Date.

Service under these schedules shall be through one or more meters at the option of the City's Energy Resources Department, provided they are located at the same premise. Service for any end use of gas other than compression of natural gas for vehicle use, such as space heating, water heating, processing or boiler fuel use, is not permitted under these schedules nor through the meter(s) through which service under these schedules is provided. Not applicable to temporary, breakdown, standby, supplementary, or resale service.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$34.41 Service Charge, plus
$0.0879 per Billed Therm, all Billed Therms

For billing cycles November through April
$44.09 Service Charge, plus
$0.0879 per Billed Therm, all Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$37.39 Service Charge, plus
$0.0970 per Billed Therm, all Billed Therms

For billing cycles November through April
$48.08 Service Charge, plus
$0.0970 per Billed Therm, all Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $13.37 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

Magma Service Area
An additional charge of $14.58 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

GENERAL GAS SERVICE

City – G3.1, Magma - GM3.1
Interdepartmental – G6.1
GENERAL GAS SERVICE – Public Authorities
Hospitals – City – G7.1, Magma – GM7.1
Federal – City – G7.2, Magma - GM7.2
State & Local Govts – City – G8.1, Magma – GM8.1
Schools – City – G9.1, Magma – GM9.1

APPLICATION

This rate is applicable to any nonresidential customer using the City's natural gas for any purpose, provided the customer's premises are designated by the City as suitable for service hereunder; and which (i) is served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa; (ii) if an existing customer, has average monthly billed usage in the last twelve (12) months of less than six thousand seven hundred (6,700) Billed Therms, or if a new customer or a customer with less than twelve (12) months of billing history, has anticipated average monthly billed usage in the next twelve (12) months of less than six thousand seven hundred (6,700) Billed Therms; and (iii) is supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date.

Not applicable to temporary, breakdown, standby, supplementary or resale service.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$35.66 Service Charge, plus
$0.5280 per Billed Therm, first 1,200 Billed Therms and
$0.3166 per Billed Therm, all additional Billed Therms

For billing cycles November through April
$45.34 Service Charge, plus
$0.5718 per Billed Therm, first 1,200 Billed Therms and
$0.4574 per Billed Therm, all additional Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$42.48 Service Charge, plus
$0.6522 per Billed Therm, first 1,200 Billed Therms and
$0.3910 per Billed Therm, all additional Billed Therms

For billing cycles November through April
$54.41 Service Charge, plus
$0.7061 per Billed Therm, first 1,200 Billed Therms and
$0.5648 per Billed Therm, all additional Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

GAS LINE EXTENSION AGREEMENT

Prior to construction of any incremental delivery infrastructure, the City may require that the customer execute a contract which may include commitments from the customer, including but not limited to, service requirements and consumption. This contract may require the payment by customer, prior to construction, of some or all of the infrastructure extension costs in accordance with the Mesa City Code.

SUBSTITUTION OF RATE

The customer may transfer to another rate for which such customer is qualified after any period of twelve (12) months or more of continuous service hereunder. Each such transfer shall be effective with the first regular meter reading date following the written request for, and confirmation by the City of qualification for, such transfer.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

INTERFERING EQUIPMENT

Whenever the customer's gas equipment has characteristics that may cause interference with City's Gas Service, including but not limited to service to other customers or interference with accurate metering, Customer shall provide facilities at customer's expense to preclude such interference prior to receiving service.

GENERAL GAS SERVICE FOR AIR CONDITIONING

City – G3.2, Magma - GM3.2
Interdepartmental – G6.2

APPLICATION

These rates are applicable to any general service customer using natural gas for air conditioning equipment, that is served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa, when such service is supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date. Not applicable to temporary, breakdown, standby, supplementary or resale service.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$35.66 Service Charge, plus
$0.2167 per Billed Therm, all Billed Therms

For billing cycles November through April
$45.34 Service Charge, plus
$0.5718 per Billed Therm, first 1,200 Billed Therms, and
$0.4574 per Billed Therm, all additional Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$42.48 Service Charge, plus
$0.2676 per Billed Therm, all Billed Therms

For billing cycles November through April
$54.41 Service Charge, plus
$0.7061 per Billed Therm, first 1,200 Billed Therms, and
$0.5648 per Billed Therm, all additional Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.

2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

COGENERATION GAS SERVICE

City – G3.5, Magma – GM3.5
Interdepartmental – G6.5
COGENERATION GAS SERVICE – Public Authorities
Hospitals – City – G7.7, Magma – GM7.7

APPLICATION

These rates are applicable to any nonresidential customer served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa using the City's natural gas service for Cogeneration or On-Site Generation for monthly billing cycles commencing on and after the Effective Date. The electricity that is required by a given facility is produced onsite by natural gas fueled engines, fuel cells, or turbines with the capability of supplementing the local electric utility's supply and/or recovering the equipment's heat of rejection for space conditioning and/or process uses.

MONTHLY BILLING CYCLE

City Service Area
Rate: $468.51 Service Charge, plus
$0.0879 per Billed Therm, all Billed Therms

Magma Service Area
Rate: $577.13 Service Charge, plus
$0.1087 per Billed Therm, all Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

Magma Service Area
An additional charge of $21.49 billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

LARGE GENERAL GAS SERVICE

City – G3.6, Magma – GM3.6
Interdepartmental – G6.10
LARGE GENERAL GAS SERVICE – Public Authorities
Federal – City – G7.3, Magma – GM7.3
Hospitals – City – G7.5, Magma – GM7.5
State & Local Govts – City – G8.2
State & Local Govts – Magma – GM8.2
Schools – City – G9.2, Magma – GM9.2

APPLICATION

This rate is applicable to any nonresidential customer using the City's natural gas for any purpose, provided the customer's premises are designated by the City as suitable for service hereunder; and which (i) is served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa; (ii) if an existing customer, has average monthly billed usage in the preceding twelve (12) months of equal to or greater than six thousand seven hundred (6,700) Billed Therms, or if a new customer or a customer with less than twelve (12) months of billing history, has anticipated average monthly billed usage in the next twelve (12) months equal to or greater than six thousand seven hundred (6,700) Billed Therms, and; (iii) is supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date.

Not applicable to temporary, breakdown, standby, supplementary or resale service.

MONTHLY BILLING CYCLE

City Service Area
Service Charge: $930.36 per billing cycle
Rate: $0.2843 per Billed Therm, all Billed Therms

Magma Service Area
Service Charge: $1,147.58 per billing cycle
Rate: $0.3511 per Billed Therm, for all Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

GAS LINE EXTENSION AGREEMENT

Prior to construction of any incremental delivery infrastructure, the City may require that the customer execute a contract which may include commitments from the customer, including but not limited to, service requirements and consumption. This contract may require the payment by customer, prior to construction, of some or all of the infrastructure extension costs in accordance with the Mesa City Code.

SUBSTITUTION OF RATE

The customer may transfer to another rate for which such customer is and remains qualified after any period of twelve (12) months or more of continuous service hereunder. Each such transfer shall be effective with the first regular meter reading date following the written request for, and confirmation by the City of qualification for, such transfer.

INTERFERING EQUIPMENT

Whenever any of the customer's utilization equipment has characteristics that will cause interference with service to any other customer or interfere with proper metering, suitable facilities shall be provided at the customer's expense to preclude such interference.

SEASONAL GAS SERVICE

City – G3.8, Magma – GM3.8

APPLICATION

These rates are applicable from May 1 through October 31 to all gas used for agricultural production, processing and dehydration (but not including agricultural irrigation) served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa, supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date. From November 1 to April 30, Schedule G3.1 General Gas Service shall be applicable to all such service. Not applicable to temporary, breakdown, standby, supplementary or resale service.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$35.66 Service Charge, plus
$0.2167 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$45.34 Service Charge, plus
$0.5718 per Billed Therm, first 1,200 Billed Therms and
$0.4574 per Billed Therm, all additional Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$42.48 Service Charge, plus
$0.2676 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$54.41 Service Charge, plus
$0.7061 per Billed Therm, first 1,200 Billed Therms and
$0.5648 per Billed Therm, all additional Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

GENERAL SERVICE COMPRESSED NATURAL GAS SERVICE – SMALL

City – G3.9, Magma - GM3.9
Interdepartmental – G6.9

APPLICATION

These rates are applicable to gas service to any non-residential customer served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa using natural gas for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines for monthly billing cycles commencing on and after the Effective Date.

Service under these schedules shall be through one or more meters at the option of the City's Energy Resources Department, provided they are located at the same premise. Service for any end use of gas other than compression of natural gas for vehicle use, such as space heating, water heating, processing or boiler fuel use, is not permitted under these schedules nor through the meter(s) through which service under these schedules is provided. Small general service compressed natural gas service customers are defined as those compressing natural gas using equipment rated at 30 cubic feet per minute or less, and who receive service at 5 pounds per square inch gauge or less.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$33.66 Service Charge, plus
$0.1379 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$43.34 Service Charge, plus
$0.1379 per Billed Therm Usage Charge, all Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$40.48 Service Charge, plus
$0.1705 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$52.41 Service Charge, plus
$0.1705 per Billed Therm Usage Charge, all Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

GENERAL SERVICE COMPRESSED NATURAL GAS SERVICE – LARGE

City – G3.9L, Magma - GM3L
Interdepartmental – G6.9L

APPLICATION

These rates are applicable to gas service to any non-residential customer served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa using natural gas for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines for monthly billing cycles commencing on and after the Effective Date.

Service under these schedules shall be through one or more meters at the option of the City's Energy Resources Department, provided they are located at the same premise. Service for any end use of gas other than compression of natural gas for vehicle use, such as space heating, water heating, processing or boiler fuel use, is not permitted under these schedules nor through the meter(s) through which service under these schedules is provided. Large general service compressed natural gas service customers are defined as those compressing natural gas using equipment rated above 30 cubic feet per minute or receiving service at more than 5 pounds per square inch gauge.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$100.00 Service Charge, plus
$0.1379 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$100.00 Service Charge, plus
$0.1379 per Billed Therm Usage Charge, all Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$120.59 Service Charge, plus
$0.1705 per Billed Therm Usage Charge, all Billed Therms

For billing cycles November through April
$120.59 Service Charge, plus
$0.1705 per Billed Therm Usage Charge, all Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

IRRIGATION PUMPING GAS SERVICE

City – G5.1, Magma - GM5.1

APPLICATION

These rates are applicable from May 1 through Oct 31 to all gas served primarily or entirely from City and Magma gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa required for agricultural irrigation for monthly billing cycles commencing on and after the Effective Date. From November 1 through April 30, Schedule G3.1 General Gas Service shall be applicable to all such service.

MONTHLY BILLING CYCLE

City Service Area

Rate: For billing cycles May through October
$35.66 Service Charge, plus
$0.2167 per Billed Therm, all Billed Therms

For billing cycles November through April
$45.34 Service Charge, plus
$0.5718 per Billed Therm, first 1,200 Billed Therms and
$0.4574 per Billed Therm, all additional Billed Therms

Magma Service Area

Rate: For billing cycles May through October
$42.48 Service Charge, plus
$0.2676 per Billed Therm, all Billed Therms

For billing cycles November through April
$54.41 Service Charge, plus
$0.7061 per Billed Therm, first 1,200 Billed Therms and
$0.5648 per Billed Therm, all additional Billed Therms

A per Billed Therm Gas Cost shall be included in all bills. See Adjustment 1 below.

HIGH PRESSURE GAS SERVICE

City Service Area
An additional charge of $14.73 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

Magma Service Area
An additional charge of $21.49 per billing cycle will be made for each meter being supplied with a higher than normal pressure. This charge will be made regardless of the quantity of gas consumed in the month.

ADJUSTMENTS

1. A Purchased Natural Gas Cost Adjustment Factor ("PNGCAF") shall be added to all bills based on the cost of purchased natural gas and its delivery to the City's gas utility, as shown on the Tariff Adjustments sheet.
2. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.

THERM DEFINED

"Therm" - that amount of gas having a heating value of 100,000 BTU (British Thermal Units).

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

TRANSPORTATION GAS SERVICE

City – G6.3, Magma – GM6.3

TRANSPORTATION GAS SERVICE- Public Authorities

Federal – City – G7.4, Magma – GM7.4
Hospitals – City – G7.6, Magma – GM7.6
State & Local Govts - City – G8.3, Magma – GM8.3
Schools – City – G9.3, Magma – GM9.3

APPLICATION

This rate is applicable to any Customer served primarily or entirely from City and Magma's gate stations and other distribution infrastructure located within the corporate limits of the City of Mesa meeting the qualifications listed in the "Customer Eligibility" section of this rate schedule and subject to the following:

1. The Customer shall enter into a Natural Gas Transportation Agreement ("Agreement) specified by the City.
2. The Customer has arranged for delivery of natural gas to and receipt of gas from City and Magma's gas pipeline system (the "System").
3. City reserves the right to deny service if, in its sole discretion, (1) adequate capacity is not available in the existing City and Magma's System to provide the service, (2) such service would adversely affect City and Magma's System full-requirements sales customers, or (3) such service would pose a hazard to public safety.
4. Natural gas transported by the City under this schedule shall be for the Customer's use only.

These rates are applicable for monthly billing cycles commencing on and after the Effective Date.

CUSTOMER ELIGIBILITY

A Customer is eligible to receive natural gas transportation service under this Transportation Gas Service Tariff provided that the following conditions are satisfied:

1. The Customer's average monthly consumption at one of the customer's metered points of delivery as designated in the Agreement is no less than fifteen thousand (15,000) Therms.
2. The Customer's monthly load factor is no less than 0.7, as determined by dividing the total consumption of the lowest billed month by the total consumption of the highest billed month (within normal operating parameters). If the Customer is new to the City and Magma's Gas system, or if the Customer is altering its operations, the Customer shall provide sufficient evidence that future consumption will satisfy this requirement.
3. The Customer's hourly load factor is no less than 0.5, as determined by dividing the total consumption of the lowest billed hour by the total consumption of the highest billed hour (within normal operating parameters). If the Customer is new to the City and Magma's Gas system, or if the Customer is altering its operations, the Customer shall provide sufficient evidence that future consumption will satisfy this requirement.
4. The Customer has demonstrated (by producing a signed contract with a natural gas supplier and natural gas pipeline transmission company) that the Customer has procured the appropriate natural gas supplies and transmission capabilities to meet the Customer's natural gas requirements. Such gas shall be of a quality and composition acceptable to the City and its upstream pipeline operators as described in the upstream pipeline operators' Gas Tariff as filed with and approved by the Federal Energy Regulatory Commission ("FERC").

Additional conditions may apply and be included in the Natural Gas Transportation Service Agreement. Failure to satisfy any of these conditions may result in the termination of transportation service at the City's discretion.

MAXIMUM DAILY DELIVERY QUANTITY

Customer and City shall agree to a Maximum Daily Delivery Quantity ("MDDQ") to be transported by City. Such MDDQ shall be specified in the Natural Gas Transportation Agreement. If Customer exceeds the MDDQ specified in the service agreement on any day with City's consent, these excess quantities shall be deemed to be an authorized overrun and shall be treated for billing purposes the same as regular transportation services.

Exceedance by Customer on any day of the MDDQ specified in the Agreement, for which City approval was not specifically requested and granted, shall be deemed an unauthorized overrun. The sales rate under Gas Schedule No. G3.6 and any adjustments thereto shall be applicable (including all gas costs specified on the Tariff Adjustment sheet) to all unauthorized overrun gas quantities, in addition to reimbursement by Customer of any imbalance or penalty charges otherwise imposed on or applicable to the City.

MONTHLY BILLING CYCLE

The Natural Gas Transportation Service rate shall apply to all gas transported during the billing cycle up to the contractual MDDQ multiplied by the number of days in the billing cycle.

City Service Area
Monthly Billing Cycle Transportation Service Charge: $930.36
Monthly Billing Cycle Transportation Charge (per delivery point meter)
Flow Rate: $0.2903 per Billed Therm Transportation Charge

Magma Service Area
Monthly Billing Cycle Transportation Service Charge: $1,147.58
Monthly Billing Cycle Transportation Charge (per delivery point meter)
Flow Rate: $0.3585 per Billed Therm Transportation Charge

In addition, the Customer shall be responsible for any other costs as specified in the Agreement. The minimum charge per month shall be the Monthly Billing Cycle Transportation Service Charge, plus all adjustments set forth herein.

ADJUSTMENTS

1. Taxes and Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the gas or service sold and/or the volume of gas generated or purchased for sale and/or sold hereunder shall be added to each utility bill.
2. Subsequent events. If any sales, excise, or other new or additional taxes, licenses, or fees are hereafter imposed against the City related to services rendered to Customer, such tax or taxes, licenses or fees shall be reimbursed by Customer to City.
3. Balancing and Cash-Out. An imbalance is the amount by which receipts into City and Magma's system for Customer's account differ from deliveries to Customer. A "Monthly Imbalance Percentage" is the amount stated as a percentage derived by dividing the monthly imbalance by the total gas quantities delivered to Customer in a given month. Customer shall use all reasonable efforts to conform its actual usage to its nominated, confirmed, and allocated daily volumes on each day throughout the course of each month, to minimize daily and monthly imbalances between nominations and actual usage. Customers will be assessed excess imbalance charges if the Monthly Imbalance Percentage exceeds five percent (5%). In addition to the charges payable under this Schedule and the customer's otherwise applicable rate Schedule, any monthly excess imbalance quantity shall be billed as follows:

A. Positive Excess Imbalance: When the sum of the Customer's scheduled transportation quantity for a month (plus any authorized overrun) exceeds the Customer's metered quantity for the same month, such excess gas quantity shall be retained by the City and no unit transportation usage charges shall apply to such excess gas. For each Therm by which the scheduled quantity exceeds the metered quantity, up to five percent (5%) of the scheduled quantity shall be credited on the customer's billing statement in the amount of seventy five percent (75%) of the Monthly System Cash-Out Index Price for the appropriate month posted by El Paso Natural Gas. Amounts by which the scheduled quantity exceeds the metered quantity in excess of five (5%) shall be not be credited to customer.

B. Negative Excess Imbalance: When the sum of the Customer's scheduled transportation quantity for a month (plus any authorized overrun) is less than the Customer's metered quantity for a month, the shortfall imbalance in an amount of up to five percent (5%) of the scheduled quantity shall be made up by the customer the following month within the first ten (10) calendar days of such month. Any shortfall imbalance quantity exceeding five percent (5%) of the scheduled quantity shall be billed at one and one-half (1 ½) times the rate (in $/Therm) under Gas Schedule No. G3.6 including all gas cost adjustments.

4. Imbalance Or Other Penalties Assessed On City. If Customer's inability to balance its actual usage with its nominated, confirmed, and allocated daily volumes causes City to incur any penalties or increased costs, including, but not limited to, Critical or Strained Operating Condition penalties, overrun charges or penalties, unauthorized overpull penalties, additional gas purchases from gas merchants, or cash-outs at a price adverse to City, City shall pass through to Customer, and Customer shall pay City, for all such penalties or increased costs.

PROVISIONS FOR FUEL AND LOSSES

City will transport the quantity of gas tendered by Customer to City less a percentage specified in the Agreement by the City to recover any fuel and line losses associated with transportation of Customer's natural gas. Transportation charges shall apply to all gas quantities tendered by Customer to City for transportation, including quantities specified for fuel and losses.

POINT OF RECEIPT

Gas received by the City for transportation hereunder shall be tendered at the outlet of El Paso Natural Gas Company's meter(s) (or other interstate natural gas transmission pipeline) at City and Magma's gate meter station(s) which interconnect the City's System with that of El Paso Natural Gas Company (or other interstate natural gas transmission pipeline).

POINT OF DELIVERY

All gas transported to Customer by City hereunder shall be delivered at outlet of the Customer's meter ("Delivery Point"). Customer must specify what proportion of the supplied gas is to be transported to each Delivery Point.

RECEIPT POINT PRESSURE

Gas received by the City for transportation hereunder shall be received at a pressure sufficient to allow gas to enter the City and Magma's System but not in excess of the maximum pressures specified in City's service agreement with El Paso Natural Gas Company (or other interstate natural gas transmission pipeline). City shall not be required to compress into its System or facilities gas received by City under this Schedule, to lower its system operating pressure, to alter the direction of gas flow and/or the gas load or other operation or utilization of its System, or otherwise to change its normal distribution operations in order to receive and transport gas hereunder.

DELIVERY POINT PRESSURE

City shall deliver gas at each Delivery Point designated in the Agreement at such pressures as are available from time to time.

SCHEDULING AND NOMINATION INFORMATION

NAESB guidelines applicable to El Paso Natural Gas Company (or other interstate natural gas transmission pipeline) will be followed regarding nominating, confirming and scheduling gas receipts and deliveries, as they may be revised by the FERC from time to time. The Customer shall be responsible for directly contacting the City or its designee (collectively the "City") and the upstream interstate natural gas transmission pipeline(s) to arrange for the nominating and scheduling of receipts and deliveries hereunder, provided, however, that the Customer may designate one party to serve as its Agent for such purpose (collectively the "Customer"). The City and upstream interstate natural gas transmission pipeline(s) require that specific information be provided to successfully process each nomination. It is Customer's responsibility to satisfy the information requirements of both the City and the upstream interstate natural gas transmission pipeline(s).

LIMITATION ON TRANSPORTATION OBLIGATIONS

Customer's day to day gas quantities are to be consumed and supplied at approximately a uniform rate. On any operating day, the City may refuse to accept quantities of gas that result in fluctuations in excess of twenty percent (20%) from the volumes transported during the previous operating day. Fluctuations in excess of twenty percent (20%) shall only be allowed if prior approval has been obtained from the City (or its designee). If not approved, the fluctuations shall be considered excess imbalances and be charged to the Customer as such.

OPERATIONAL FLOW ORDERS

Customer shall voluntarily change its nomination upon twenty-four (24) hours' notice by City or its designee. If the Customer fails to respond to City's request voluntarily, City (or its designee) may issue an Operational Flow Order (OFO) at the end of the twenty-four (24) hour period. Such OFO shall establish Customer's nomination on City's system. All quantities tendered to and/or taken from City on a daily basis in violation of City's OFO shall constitute unauthorized receipts or deliveries for which a charge of three (3) times the rate under Gas Schedule No. G3.6 shall be assessed for each Therm tendered to and/or taken from City on a daily basis in violation of City's OFO. Customer shall be exempt from cash-out for imbalance quantities that result from complying with City's OFO request(s) issued under this section.

CURTAILMENT OF SERVICE

City (or its designee) shall use all reasonable efforts to provide transportation service to Customer. However, City (or its designee) shall curtail service to Customer on a pro-rata basis as necessary to assure continued service to all of City's customers or to meet a system emergency. City gas deliveries to Customer hereunder shall be subject to curtailment or interruption in whole or in part upon thirty (30) minutes notice, if practicable, by telephone or otherwise by City. During a period of curtailment, the City may, to the extent practicable, continue to accept delivery of Customer's gas and attempt to redeliver such gas at the Delivery Point(s).

QUALITY OF GAS

All gas tendered to City shall meet all applicable specifications set out in Section 5 of the General Terms and Conditions (or successor provisions) of El Paso Natural Gas Company's (or other interstate natural gas transmission pipeline) FERC Gas Tariff.

WARRANTY OF TITLE AND INDEMNIFICATION

Title to all gas transported hereunder will at all times remain with the Customer. Customer shall warrant that it shall have good title to all gas transported under this Schedule, and Customer shall agree to fully defend, protect, indemnify, and hold harmless City (or its designee) from and against any claim, demand, cost (including attorney fees and court costs), liability, injury, damage, or judgment made or asserted against City (or its designee) resulting from any dispute regarding title to Customer's gas.

Prior to Customer's tender of Gas to City at the Point of Receipt, as between Customer and City, Customer shall be deemed to be in control and possession of the Gas transported under this Schedule. After City (or its designee) has received Customer's Gas at the Point of Receipt, City (or its designee) will be deemed in possession and control of Customer's Gas until City (or its designee) tenders the Gas to Customer at the Point of Delivery. Upon City's (or its designee) delivery of gas to Customer at the Delivery Point, Customer shall be deemed to be in possession and control of the gas.

When the gas is in the control and possession of a Party, such possessing Party agrees to fully defend, protect, indemnify, and hold harmless the non-possessing Party, its agents, employees, subcontractors, and persons for whom the non-possessing Party is responsible, from and against any claim, demand, cost (including attorney fees and court costs), liability (including strict liability), injury, damage, or judgment made or asserted against such non-possessing Party, its agents, employees, and subcontractors, resulting from damage, loss of whatever kind or character arising out of or in connection with the operation of facilities or the handling of gas by the possessing Party, its agents, employees, subcontractors, and persons for whom the possessing Party is responsible in connection with the performance under this Schedule. Such indemnification shall exclude damage or losses caused by the sole negligence or fault of the non-possessing Party, its agents, employees, and subcontractors.

CONSTRUCTION, INSTALLATION, AND MAINTENANCE OF FACILITIES

City shall install, at Customer's expense, all necessary equipment to transport gas, including, but not limited to, pipelines, meters, regulators, and electronic flow measurement and telemetry (EFM) equipment, which will permit continuous monitoring of Customer’s usage. Customer shall provide a physical location of land suitable to locate the necessary metering and regulating equipment. All such equipment shall be owned, operated and maintained by City.

Customer also shall supply, at its own expense, an electric supply and telephone line, if applicable, as well as a site suitable on which to locate the EFM equipment, to accommodate EFM data transmission to City. City shall provide Customer with access to the EFM data generated by City's equipment at Customer's request and expense. City shall own, operate and maintain all EFM equipment.

Customer shall also be responsible for all costs associated with any distribution infrastructure or upstream infrastructure costs required to provide transportation service to the Customer and which City can demonstrate are a result of the customer’s transportation service. All such facilities shall be installed and owned by the City.

OTHER TERMS AND CONDITIONS

Service hereunder is subject to City's Terms and Conditions for the Sale of Utilities.

This page intentionally left blank.

MESA SOLID WASTE DIVISION RATES

RESIDENTIAL TRASH AND RECYCLING SERVICE - BARRELS

R1.2, R1.2A, R1.2B, R1.21, R1.22, R1.23, R1.24, R1.25, R1.28, R1.29, R2.9A, R2.9B

APPLICATION

These rates are applicable to each residential dwelling unit at any structure or premise used as a home, residence or other form of household, including single residential units, duplexes, triplexes, fourplexes, patio homes, assisted living facilities, condominiums, townhouses or any complex of the foregoing, and apartments (4 units or less) with an active water account for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rates Applicable Per Dwelling Unit (4 or Less Residential Units Per Structure)

R1.2, R1.2A, R1.2B, R1.21, R1.22, R1.23, R1.28

Rate R1.2*:	$29.34 per dwelling unit for once per week 90 gallon trash barrel and recycling barrel collection.
Rate R1.2A*:	$26.19 per dwelling unit for once per week 60 gallon trash barrel and recycling barrel collection.
Rate R1.2B*:	$24.68 per dwelling unit for once per week 35 gallon trash barrel and recycling barrel collection.
Rate R1.21:	$13.85 per additional 90 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months. This rate is only eligible for R1.2, R1.24 and R1.29 customers.
Rate R1.22:	$13.85 per additional 60 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months.
Rate R1.23:	$31.48 for the first 90 gallon trash barrel in addition to the R1.2 or R1.24 rate for twice per week trash collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit

Rates Applicable Per Dwelling Unit (5 or More Residential Units Per Structure)

R1.21, R1.22, R1.23, R1.24, R1.25, R1.28

Rate R1.24*:	$26.19 per dwelling unit for a multi-unit structure with five or more residential units for once per week 90 gallon trash barrel and recycling barrel collection when the water account servicing the units is active with one bill payee.
Rate R1.25*:	$26.19 per dwelling unit for a multi-unit structure with five or more residential units for once per week 60 gallon trash barrel and recycling barrel collection when the water account servicing the units is active with one bill payee.
Rate R1.21:	$13.85 per additional 90 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months. This rate is only eligible for R1.2, R1.24 and R1.29 customers.
Rate R1.22:	$13.85 per additional 60 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months.
Rate R1.23:	$31.48 for the first 90 gallon trash barrel in addition to the R1.2 or R1.24 rate for twice per week trash collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit

Rates Applicable Per Dwelling Unit (Every Other Week Recycling)

R1.28, R1.29, R2.9A, R2.9B

Rate R1.29*:	$28.38 per dwelling unit for once per week 90 gallon trash barrel collection and every other week recycling barrel collection.**
Rate R2.9A*:	$25.22 per dwelling unit for once per week 60 gallon trash barrel collection and every other week recycling barrel collection.**
Rate R2.9B*:	$23.74 per dwelling unit for once per week 35 gallon trash barrel collection and every other week recycling barrel collection.**
Rate R1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit
** Applicability subject to approval of the Solid Waste Division of the City's Environmental Management and Sustainability Department.

BARREL PULLBACK FEES

If a customer is in violation of section 8-3-5(A) of the Mesa City Code (requiring the removal of barrels no less than six feet from the curb by 6:00 a.m. the day after collection), the City shall assess $10.00 per barrel, per occurrence, as a pullback fee.

BARREL SPECIAL EVENT FEES

The City offers temporary barrels for Special Events within the Mesa solid waste service area any day of the week, for the following fees per barrel:

60/90 Gallon Barrel	$9.52 Set fee
	$10.87 Service fee
	$6.81 Removal fee

BARREL SPECIAL PICK-UP FEES

All Barrel Sizes	$14.24 per single or first barrel on the scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $12.86 trip fee shall be assessed. $27.80 per single or first barrel on a non-scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $25.08 trip fee shall be assessed.

RECYCLING PROGRAM REINSTATEMENT BARREL DELIVERY FEE

Customers suspended from the curbside recycling program for noncompliance, may request program reinstatement after completing the suspension period. A $42.00 recycle barrel delivery fee will be charged.

HOMEOWNER LANDFILL FEES

Customers on a R1.2, R1.2A, R1.2B, R1.24, R1.25, R1.29, R2.9A or R2.9B rate are allowed to dispose of one load per calendar month, per customer of solid or vegetative waste for a $13.00 fee at one of the participating transfer stations or landfills. The load must not exceed 2,000 pounds, and be delivered in a vehicle that is no larger than one-ton manufacturer rated. If the load exceeds 2,000 pounds, or the vehicle is larger than one-ton, the customer must pay the landfill directly for the entire load at the current gate rate. Customer must present a Mesa original or electronic copy of the utility bill for the current or previous month, and a picture identification card showing that the individual resides at the address that is listed on the utility bill. A list of the participating sites can be found by visiting the City's website at: http://www.mesaaz.gov/residents/solid-waste-trash-recycling-/trash-recycling-for-single-family-homes/landfill-use-program.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

RESIDENTIAL TRASH AND RECYCLING SERVICE – UNIQUE SITUATIONS – R1.9*

APPLICATION

These rates are applicable to all residential solid waste accounts where there is a unique situation for which no other Solid Waste Rate Schedule is applicable for monthly billing cycles commencing on and after the Effective Date.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit

MONTHLY BILLING CYCLE

The City Manager or designee is authorized to establish a rate.

BARREL PULLBACK FEES

If a customer is in violation of section 8-3-5(A) of the Mesa City Code (requiring the removal of barrels no less than six feet from the curb by 6:00 a.m. the day after collection), the City shall assess $10.00 per barrel, per occurrence, as a pullback fee.

BARREL SPECIAL PICK-UP FEES

All Barrel Sizes	$14.24 per single or first barrel on the scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $12.86 trip fee shall be assessed. $27.80 per single or first barrel on a non-scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $25.08 trip fee shall be assessed.

HOMEOWNER LANDFILL FEES

Customers on a R1.2, R1.2A, R1.2B, R1.24, R1.25, R1.29, R2.9A or R2.9B rate are allowed to dispose of one load per calendar month, per customer of solid or vegetative waste for a $13.00 fee at one of the participating transfer stations or landfills. The load must not exceed 2,000 pounds, and be delivered in a vehicle that is no larger than one-ton manufacturer rated. If the load exceeds 2,000 pounds, or the vehicle is larger than one-ton, the customer must pay the landfill directly for the entire load at the current gate rate. Customer must present a Mesa original or electronic copy of the utility bill for the current or previous month, and a picture identification card showing that the individual resides at the address that is listed on the utility bill. A list of the participating sites can be found by visiting the City's website at: http://www.mesaaz.gov/residents/solid-waste-trash-recycling-/trash-recycling-for-single-family-homes/landfill-use-program.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

TRASH AND RECYCLING SERVICE – BINS

R1.26, R1.27, R3.3, R3.5, R6.1, R7.1, R7.2, R8.1, R9.1

APPLICATION

For bin service customers served by the City for the monthly billing cycles commencing on and after the Effective Date. Collection of these bins is provided in geographical zones.

MONTHLY BILLING CYCLE

RESIDENTIAL TRASH SERVICE - BINS

R1.26, R1.27, R3.3

These rates are applicable per dwelling unit to any structure or premise used as a domicile, dwelling, or habitation, including duplexes, triplexes, fourplexes, patio homes, rooming houses, boardinghouses, assisted living facilities, condominiums, townhouses or any complex of the foregoing, and apartments (4 units or less) used for residential purposes and with an active water account for monthly billing cycles commencing on and after the effective date. Collection of these bins is provided in geographical zones.

Rates Applicable Per Dwelling Unit (4 or Less Residential Units Per Structure) – R1.26

Rate R1.26*: $29.34 per dwelling unit for duplexes, triplexes and fourplexes when the water account servicing the unit or units is active, or where the premise is otherwise located within the Mesa Solid Waste service area for bin service Applicability of the rate shall be based on a standard volume range of 0.5 to 1.0 weekly cubic yards of service per unit.

The City Manager or designee is authorized to combine multiple R1.26 rate customers and offer the R3.3 rate if (1) there are greater than 20 units; (2) there is a single bill payer for trash services; (3) there is a commonality among the units i.e. common bin placement, shared parking, community pool, etc.

Rates Applicable Per Dwelling Unit (5 to 20 Residential Units Per Structure) – R1.27

Rate R1.27*: $26.19 per dwelling unit for a multi-unit structure with five to twenty residential units when the water account servicing the units is active with one bill payee, or where the premise is otherwise located within the Mesa Solid Waste service area for bin service. Applicability of this rate shall be based on a standard volume range of 0.5 to 1.0 weekly cubic yards of service per unit.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit

HOMEOWNER LANDFILL FEES

Customers on a R1.26 or R1.27 rate are allowed to dispose of one load per calendar month, per customer of solid or vegetative waste for a $13.00 fee at one of the participating transfer stations or landfills. The load must not exceed 2,000 pounds, and be delivered in a vehicle that is no larger than one-ton manufacturer rated. If the load exceeds 2,000 pounds, or the vehicle is larger than one-ton, the customer must pay the landfill directly for the entire load at the current gate rate. Customer must present a Mesa original or electronic copy of the utility bill for the current or previous month, and a picture identification card showing that the individual resides at the address that is listed on the utility bill. A list of the participating sites can be found by visiting the City's website at: http://www.mesaaz.gov/residents/solid-waste-trash-recycling-/trash-recycling-for-single-family-homes/landfill-use-program.

RESIDENTIAL TRASH SERVICE - BINS

R3.3

Rates Applicable to Multi-Unit Dwellings for Trash (Greater than 20 Residential Units Per Structure) – R3.3

Rate R3.3: This rate is applicable to all multi-unit structures with greater than twenty (20) residential units, Manufactured Home and Recreational Vehicle developments as set forth in Table 1. An additional charge is assessed for customers requesting collection on non-zone days.

COMMERCIAL TRASH SERVICE

Commercial – R3.5, Interdepartmental – R6.1, Hospitals – R7.1, Federal – R7.2, State & Local Govts – R8.1, Schools – R9.1

The applicable rates for all structures or premises used for retail, wholesale, warehouse, store, factory, production, processing, manufacturing, restaurant, construction, service, hospitals, governmental entities, public authorities (schools), apartments (5 or more residential units for rent or lease that are subject to Title 33, Chapter 10 of Arizona Revised Statues), or offices as set forth in Table 1 . An additional charge is assessed for customers requesting collection on non-zone days.

TRASH CHARGES TABLES

Residential – R3.3,; Commercial – R3.5, Interdepartmental – R6.1, Hospitals – R7.1, Federal – R7.2,
State & Local Govts – R8.1, Schools – R9.1

Table 1

Zone Day Factors

First in-zone day = 1.0

Each additional in-zone day = 0.81

Base Rates		
Bin Size* (Cubic Yard)	**Front Load Bin**	**Front Load Compactor**
2	$75.00	$116.00
3	$82.00	$138.00
4	$89.00	$159.00
5	N/A	$168.00
6	$101.98	$178.00
8	$115.98	N/A

Non-Zone Day Factors

Each non-zone day = 1.0 plus $15.00

Sunday service = An additional $18.00 charge

Bin Factor Matrix			
Quantity of Bins	**2, 3, 4 Cubic Yard**	**6 Cubic Yard**	**8 Cubic Yard**
1	1.000	1.000	1.000
2	1.600	1.650	1.680
3	2.200	2.300	2.360
4	2.800	2.950	3.040
5	3.400	3.600	3.720
6	4.000	4.250	4.400
7	4.600	4.900	5.080
8	5.200	5.550	5.760
9	5.800	6.200	6.440
10	6.400	6.850	7.120
Each Additional	0.600	0.650	0.680

* For customers with 2-yard compactor(s), the 6 cubic yard multi-bin factors will apply. For all other size compactors, the 8 cubic yard multi-bin factors will apply.

The City does not provide front load compactors. However, the Solid Waste Division is capable of servicing front load compactors.

CALCULATION OF TRASH BIN MONTHLY CHARGES

To calculate the monthly collection rate, determine the quantity and size of the bin(s) in the bin factor matrix located in Table 1. Multiply the bin factor by the sum of the zone and non-zone day factors, times the applicable base rate.

The monthly rate is calculated based on a customer having the same size bin and pick-up days. If there are special circumstances, which require varying different sizes of bins and pick-up days, these rates will be calculated under the R3.9 rate type.

Trash bin rates are calculated based on an average weight of 75 pounds per bin yard for non-compacted material. If a customer is disposing of material that exceeds the average weight, the City reserves the right to assess a higher rate. See Table 2 to calculate additional weight charges.

Table 2
TRASH ADDITIONAL WEIGHT TABLE
Monthly Charge by Weight Range per Weekly Yard of Service

		Weight Ranges (Pounds Per Yard)						
Weight Class		A	B	C	D	E	F	G
		0-100	101-150	151-200	201-250	251-300	301-350	351-400
Number of Service Days Per Week	1	$0.00	$4.20	$8.40	$12.60	$16.80	$21.00	$25.20
	2	$0.00	$8.40	$16.80	$25.20	$33.60	$42.00	$50.40
	3	$0.00	$12.60	$25.20	$37.80	$50.40	$63.00	$75.60
	4	$0.00	$16.80	$33.60	$50.40	$67.20	$84.00	$100.80
	5	$0.00	$21.00	$42.00	$63.00	$84.00	$105.00	$126.00
	6	$0.00	$25.20	$50.40	$75.60	$100.80	$126.00	$151.20
	7	$0.00	$29.40	$58.80	$88.20	$117.60	$147.00	$176.40

1. Find the applicable weight charge per yard in Table 2 by cross-referencing the weight range and the number of service days per week.
2. Multiply the appropriate weight charge per yard by the number of yards per pickup to determine the monthly additional weight charge.

Other Fees and Charges:

1. Bins requiring special moving or handling service may be charged at a monthly rate of $3.15 per bin with once per week service. Additional bins and additional service days will be charged accordingly.
2. Customers requesting relocation of bins within the same service site will be assessed a service fee of $37.54 for transportation costs and $5.91 per bin relocated. Bin relocations must comply with all applicable City Codes.
3. Customers sharing a bin shall be charged a prorated share of the base rate in proportion to their respective solid waste volume.
4. Any customer desiring casters on 2, 3, and 4 yard bins will be charged $4.99 per month per bin. Customers desiring casters on 6 and 8 yard bins will be charged $5.99 per month per bin. Customers will also be subject to a one-time caster installation charge of $34.14 per bin.
5. An automatic locking device can be installed by the City on the bin(s) at the customer's request. Customers will be subject to a one-time installation fee of $64.99 per device. The customer will be responsible for providing the lock for the automatic locking device.
6. Customers requesting that a trash bin be exchanged or cleaned more than once every six months shall be charged $56.27 per bin each time a bin is exchanged or cleaned. Restaurant bins may be changed out or cleaned every three months at no charge. The City reserves the right to charge customers for the cleaning of bins due to unsanitary conditions as determined by the City in its sole discretion.

RECYCLING BIN CHARGES TABLES-CARDBOARD AND COMMINGLED

Residential – R 3.3, Commercial – R3.5, Interdepartmental – R6.1, Hospitals – R7.1, Federal – R7.2, State & Local Govts – R8.1, Schools – R9.1

Table 5

Day Factors
First day = 1.0
Each additional day = 1.0

Base Rates	
Bin Size (Cubic Yard)	**Front Load Bin**
2	$36.00
3	$39.36
4	$42.72
6	$53.03
8	$63.09

Bin Factor Matrix	
Quantity of Bins	
1	1.000
2	1.650
3	2.300
4	2.950
5	3.600
6	4.250
7	4.900
8	5.550
9	6.200
10	6.850
Each Additional	0.650

Other Fees and Charges:

1. Bins requiring special moving or handling service may be charged at a monthly rate of $3.15 per bin with once per week service. Additional bins and additional service days will be charged accordingly.
2. Customers requesting relocation of bins within the same service site will be assessed a service fee of $37.54 for transportation costs and $5.91 per bin relocated. Bin relocations must comply with all applicable City Codes.
3. Customers sharing a bin shall be charged a prorated share of the base rate in proportion to their respective recycling volume.
4. Any customer desiring casters on 2, 3, and 4 yard bins will be charged $4.99 per month per bin. Customers desiring casters on 6 and 8 yard bins will be charged $5.99 per month per bin. Customers will also be subject to a one-time caster installation charge of $34.14 per bin.
5. An automatic locking device can be installed by the City on the bin(s) at the customer's request. Customers will be subject to a one-time installation fee of $64.99 per device. The customer will be responsible for providing the lock for the automatic locking device.
6. Cardboard and commingle recycling bins shall be assessed a $25.00 special pick-up fee per bin for pick-up on a scheduled recycling day for that commodity. Recycling bins picked up on days other than scheduled recycling days shall be assessed the disposal fee for the size of bin according to Table 3.

ADDITIONAL/SPECIAL PICK-UP DISPOSAL FEES

APPLICATION

A special pick-up request that requires an additional stop at the location will be assessed the disposal fee.

Additional/special pick-up fees for permanent bins will be charged the disposal fees listed in Table 3.

Additional/special pick-up fees for front load compactors will be charged the disposal fees listed in Table 4.

If more than one customer is to use the same bin, one bill from the City to the main user is preferred.

Table 3
Permanent Bins Additional/Special Pick-Up

Bin Size (Cubic Yard)	**Disposal Fee***	
	Initial Disposal	Each Additional Disposal
2	$35.11	$17.56
3	$40.96	$20.48
4	$46.82	$23.41
6	$52.66	$26.33
8	$58.51	$29.26

Table 4
Front Load Compactor Additional/Special Pick-Up

Size (Cubic Yard)	**Disposal Fee**
2-4	$52.66
5-6	$105.33

* Initial disposal fee applies when servicing the first bin. If a customer requests more than one bin to be emptied and/or the same bin to be emptied multiple times while the service vehicle is still on site, the additional bin(s) serviced will be charged half the disposal fee for the applicable bin size. The initial disposal fee will be charged to the largest bin size if the location has various bin sizes, If the truck leaves the property and is requested to return to empty one or more bins, the initial and applicable additional disposal fees apply.

The City does not provide front load compactors. However, the Solid Waste Division is capable of servicing front load compactors.

TEMPORARY BIN RENTAL AND ADDITIONAL/SPECIAL PICK-UP FEES

Temporary bins can be rented upon request provided that the period of rental is less than six months. See Table 6 for pricing.

The bin must be serviced a minimum of once every 14 days. No construction or demolition debris shall be placed into bins, however, temporary roll-off boxes are suitable for this type of debris.

The following fee structure shall apply to temporary front load bins:

Table 6

Bin Size (Cubic Yard)	**Delivery Fee**		**Disposal Fee***	
	Bin 1 & 5	Bins 2-4, 6-8	Initial Disposal	Each Additional Disposal
2	$43.02	$21.51	$35.11	$17.56
3	$43.02	$21.51	$40.96	$20.48
4	$43.02	$21.51	$46.82	$23.41
6	$43.02	$21.51	$52.66	$26.33
8	$43.02	$21.51	$58.51	$29.26

* Initial disposal fee applies when servicing the first bin. If a customer requests more than one bin to be emptied and/or the same bin to be emptied multiple times while the service vehicle is still on site, the additional bin(s) serviced will be charged half the disposal fee for the applicable bin size. The initial disposal fee will be charged to the largest bin size if the location has various bin sizes. If the truck leaves the property and is requested to return to empty one or more bins, the Initial (and applicable additional) disposal fees apply.

Other Fees and Charges:

1. Any customer desiring casters on 2, 3, and 4 yard bins will be charged $4.99 per month per bin. Customers desiring casters on
2. 6 and 8 yard bins will be charged $5.99 per month per bin. Customers will also be subject to a one-time caster installation charge of $34.14 per bin.
2. An automatic locking device can be installed by the City on the bin(s) at the customer's request. Customers will be subject to a one-time installation fee of $64.99 per device. The customer will be responsible for providing the lock for the automatic locking device.

CONTRACTS

The City Manager or designee is authorized to offer and enter contracts for a discounted rate for those eligible customers operating business or commercial establishments (including as of July 1, 2016 apartments (5 or more units) for rent or lease that are subject to Title 33, Chapter 10 of the Arizona Revised Statutes) that enter into written service agreements of at least one year with the City. The discount to the rate may be up to two percent (2%) per year, with additional discounts of up to two percent (2%) for each year added to the term of the contract (maximum discount of six percent (6%). The discount shall be applicable during the term of the contract, and a subsequent like term renewal, and shall also be available to Customers entering a new contract on termination of existing discounted contracts. As an alternative to the discounted rate, the City Manager or designee is authorized to offer and enter firm price contracts, whereby the contract rate as set forth in this Schedule on the date of the contract shall remain fixed for a period of up to two years from such date notwithstanding any increase in the pricing adopted by the City and set forth and established in Schedules R3.5, R7.1, R7.2, R8.1, and R9.1. In addition, the contracted rate shall not increase in an amount greater than 5% for the third year (additional years remain subject to the then current applicable rate).

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

ROLL-OFF BOX AND COMPACTOR SERVICE – R3.6

APPLICATION

These rates, fees and charges are applicable to all residential properties, commercial businesses, multi–unit dwellings, Manufactured Home and Recreational Vehicle developments for monthly billing cycles commencing on and after the Effective Date.

TEMPORARY SETS

A temporary set is a roll-off box placed at the same location/premise for six months or less. A temporary roll-off box is required to be hauled at least once every 14 days (a maximum extension of three (3) days is available at $10.00 per day).

PERMANENT SETS

A permanent set is a roll-off box placed at the same location/premise for more than six months. Permanent roll-off boxes are required to be hauled a minimum of 6 times or an average of one time per month, whichever is greater.

Table 7

TRASH ROLL-OFF BOXES*

Size (Cubic Yard)	Haul Fee	Minimum Disposal Fee (3 Tons)	Additional Disposal Fee (Per Ton)	Standard Rate Limit	Fee for Weight Above the Limit (Per Ton)
15	$130.00	$99.90	$33.30	Nine (9) tons	$39.90
20	$130.00	$99.90	$33.30	Nine (9) tons	$39.90
30	$140.00	$99.90	$33.30	Nine (9) tons	$39.90
40	$155.00	$99.90	$33.30	Nine (9) tons	$39.90

TRASH COMPACTORS

Compactor Type	Haul Fee	Minimum Disposal Fee (3 Tons)	Additional Disposal Fee (Per Ton)	Standard Rate Limit	Fee for Weight Above the Limit (Per Ton)
Non-self-contained	$149.00	$99.90	$33.30	Nine (9) tons	$39.90
Self-contained	$149.00	$99.90	$33.30	Six (6) tons	$39.90

GREEN WASTE ROLL-OFF BOXES*
(Contaminated green waste roll-off boxes will be charged as a trash roll-off box)

Size (Cubic Yard)	Haul Fee	Minimum Disposal Fee (3 Tons)	Additional Disposal Fee (Per Ton)	Standard Rate Limit	Fee for Weight Above the Limit (Per Ton)
15	$130.00	$96.90	$32.30	Nine (9) tons	$38.90
20	$130.00	$96.90	$32.30	Nine (9) tons	$38.90
30	$140.00	$96.90	$32.30	Nine (9) tons	$38.90
40	$155.00	$96.90	$32.30	Nine (9) tons	$38.90

* Initial Set = $58.00
**The City does not provide or maintain roll-off compactors but is capable of hauling compactors.

Other Charges:

1. Customers requesting that roll-off boxes or compactors be cleaned more than once per year shall be charged a fee of $112.53 per roll-off box or compactor each time it is cleaned.
2. The City reserves the right to charge customers $112.53 for the cleaning of roll-off boxes or compactors due to unsanitary conditions for each cleaning, as determined by the City in its sole discretion.
3. A $65.00 fee will be charged:
    a. If the driver cannot haul the roll-off box due to the box having excessive weight, being overloaded and/or blocked, if the doors are unable to be securely closed, or if the box is otherwise unserviceable.
    b. If the driver has to return to the location to relocate the roll-off box per the customer's request.
    c. If a scheduled haul is not cancelled prior to the driver's arrival to the property (not applicable to minimum hauls).
    d. If a customer-owned compactor is transported to or from a vendor per the customer's request.
4. Customers who dispose of construction and demolition (C&D) debris will be charged the initial set and haul fees indicated in the trash roll-off boxes in Table 7. In addition, the customer will be charged the current disposal rate for C&D material plus a $27.00 fee per the current agreement with the disposal site in lieu of the three-ton minimum.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

MANUFACTURED HOME AND RECREATIONAL VEHICLE DEVELOPMENTS
TRASH AND RECYCLING SERVICE - BARRELS

R3.7, R3.7A, R3.7B, R3.7C, R3.71, R3.72, R3.73

APPLICATION

These rates are applicable to Manufactured Home and Recreational Vehicle developments and assessed for each occupied space receiving solid waste barrel service for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate R3.7*:	$20.50 for once per week 90 gallon trash barrel collection.
Rate R3.7A*:	$26.19 for once per week 90 gallon trash barrel collection and once per week recycling barrel collection.
Rate R3.7B*:	$20.50 for once per week 60 gallon trash barrel collection.
Rate R3.7C*:	$26.19 for once per week 60 gallon trash barrel collection and once per week recycling barrel collection.
Rate R3.71*:	$15.75 for once per week, single-sided 35 gallon trash barrel collection and every other week recycling barrel collection.
Rate R3.72*:	$18.08 for once per week, single-sided 60 gallon trash barrel collection and every other week recycling barrel collection.
Rate R3.73*:	$20.89 for once per week, single-sided 90 gallon trash barrel collection and every other week recycling barrel collection.

* An $0.84 per billing cycle Mesa Green and Clean fee will be assessed for each occupied space.

The City Manager or designee is authorized to develop and distribute the requirements for determining monthly occupancy.

BARREL SPECIAL PICK-UP FEES

All Barrel Sizes	$14.24 per single or first barrel on the scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $12.86 trip fee shall be assessed. $27.80 per single or first barrel on a non-scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $25.08 trip fee shall be assessed.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

COMMERCIAL TRASH AND RECYCLING SERVICE – BARRELS

Commercial - R3.8, R3.8A, R3.8l, R3.82, R3.83, R3.88
Interdepartmental - R6.2, R6.2A, R6.2l, R6.22, R6.23, R6.28

APPLICATION

These rates are applicable to retail, wholesale, warehouse, store, factory, production, processing, manufacturing, restaurant, construction, service, hospitals, governmental entities (including City of Mesa departments), public authorities (schools), apartments (5 or more units for rent or lease that are subject to Title 33, Chapter 10 of Arizona Revised Statues), and offices. This applies for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate R3.8, R6.2:	$29.34 for the first 90 gallon trash barrel and recycling barrel for once per week collection.
Rate R3.8A, R6.2A:	$26.19 for the first 60 gallon trash barrel and recycling barrel for once per week collection.
Rate R3.81, R6.21:	$13.85 per additional 90 gallon trash barrel for once per week collection on same geographic in-zone day as the first barrel. This rate is only eligible for R3.8 and R6.2 customers. Service will be billed for a minimum of six months.
Rate R3.83, R6.23:	$13.85 per additional 60 gallon trash barrel for once per week collection on same geographic in-zone day as the first barrel. Service will be billed for a minimum of six months.
Rate R3.82, R6.22:	$31.48 for the first 90 gallon trash barrel in addition to the above R3.8, R6.2 rate for twice per week collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R3.88, R6.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

BARREL PULLBACK FEES

If a customer is in violation of section 8-3-5(A) of the Mesa City Code (requiring the removal of barrels no less than six feet from the curb by 6:00 a.m. the day after collection), the City shall assess $10.00 per barrel, per occurrence, as a pullback fee.

BARREL SPECIAL EVENT FEES

The City of Mesa Solid Waste Division offers temporary barrels for Special Events any day of the week within the Mesa Solid Waste service area for the following fees per barrel:

60/90 Gallon Barrel	$9.52 Set fee
	$10.87 Service fee
	$6.81 Removal fee

BARREL SPECIAL PICK-UP FEES

All Barrel Sizes	$14.24 per single or first barrel on the scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $12.86 trip fee shall be assessed.
	$27.80 per single or first barrel on a non-scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $25.08 trip fee shall be assessed.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

COMMERCIAL AND MULTI-UNIT DWELLING TRASH AND RECYCLING SERVICE UNIQUE SITUATIONS – R3.9

APPLICATION

This rate is applicable to all accounts where there is a unique situation for which no other Solid Waste rate schedule is applicable for the monthly billing cycles commencing on and after the Effective Date.

ADDITIONAL INFORMATION

The City Manager or designee is authorized to administer blended rates for customers that receive two or more trash or cardboard services per week. This occurs when a customer has bins of different sizes or when all bins are not serviced on the same days. The service which has the highest weekly bin yards shall be the base service. Blending may reduce a customer's monthly bill by application of the multiple bin factor to any secondary service excluding commingled recycling bins. To qualify for blended rates, secondary service bins must be serviced at the primary service site on the same day(s) as the base service. If more than one customer is to use the same bin, one bill from the City to the main user is preferred.

MONTHLY BILLING CYCLE

The City Manager or designee is authorized to establish a rate.

BARREL PULLBACK FEES

If a customer is in violation of section 8-3-5(A) of the Mesa City Code (requiring the removal of barrels no less than six feet from the curb by 6:00 a.m. the day after collection), the City shall assess $10.00 per barrel, per occurrence, as a pullback fee.

BARREL SPECIAL PICK-UP FEES

All Barrel Sizes	$14.24 per single or first barrel on the scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $12.86 trip fee shall be assessed. $27.80 per single or first barrel on a non-scheduled service collection day and $13.44 for each additional barrel collected. Customers must cancel a special pick-up prior to arrival of the collection vehicle at the address or a $25.08 trip fee shall be assessed.

CONTRACTS

The City Manager or designee is authorized to offer and enter contracts for a discounted rate for those eligible customers operating business or commercial establishments (including as of July 1, 2016 apartments (5 or more units) for rent or lease that are subject to Title 33, Chapter 10 of the Arizona Revised Statutes) that enter into written service agreements of at least one year with the City. The discount to the rate may be up to two percent (2%) per year, with additional discounts of up to two percent (2%) for each year added to the term of the contract (maximum discount of six percent (6%). The discount shall be applicable during the term of the contract, and a subsequent like term renewal, and shall also be available to customers entering a new contract on termination of existing discounted contracts. As an alternative to the discounted rate, the City Manager or designee is authorized to offer and enter firm price contracts, whereby the contract rate as set forth in this Schedule on the date of the contract shall remain fixed for a period of up to two years from such date notwithstanding any increase in the pricing adopted by the City and set forth and established in this Schedule R3.9. In addition, the contracted rate shall not increase in an amount greater than 5% for the third year (additional years remain subject to the then current applicable rate).

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

APPLIANCE RECYCLING AND BULK ITEM COLLECTION – R3.91

APPLICATION

This rate is applicable to all customers using bulk item and appliance recycling services who also have a City of Mesa service for monthly billing cycles commencing on and after the effective date.

The City Manager or designee is authorized to establish and charge reasonable fees for the collection of bulk items (such as furniture and brush), appliances and environmental compliance fees (such as refrigerant recovery), and any other fee not falling under rate application.

APPLIANCE RECYCLING COLLECTION PROGRAM

The City offers an appliance recycling program for the collection of metal appliances such as, but not limited to, refrigerators, freezers, washers/dryers, and water heaters.

a. City Solid Waste customers will be assessed a $19.00 fee for each appliance collected.
b. For customers that do not utilize City of Mesa Solid Waste services, a $28.42 fee will be assessed for each appliance collected.
c. An additional refrigerant removal charge based on the current market removal rate may be assessed on all appliances requiring refrigerant extraction.
d. Customers must cancel a scheduled pick-up prior to the collection crew arriving at the address or an $11.79 fee will be assessed if there are no appliances located at the scheduled address when a crew arrives.

BULK ITEM COLLECTION PROGRAM

The City offers curbside collection for bulk items that do not fit into a trash bin or barrel. The maximum volume of one load is equivalent to 128 cubic feet at each individual pick-up address.

a. City Solid Waste customers will be assessed a $23.04 fee per load of bundled or properly prepared bulk items.
b. For customers that do not utilize City of Mesa Solid Waste services, a $37.59 fee will be assessed per load of bundled or properly prepared bulk items.
c. Customers must cancel a scheduled pick-up prior to the collection crew arriving at the address or an $11.79 fee will be assessed if there are no bulk items located at the scheduled address when a crew arrives.

ADJUSTMENTS

Taxes and Impositions. The applicable proportionate share of any taxes or governmental impositions, which are assessed on the basis of the gross revenues of the City and/or the price or revenue from the utility services, sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

ZONES

The City Manager or designee will establish the geographic zones and pick-up schedule.

This page intentionally left blank.

RESIDENTIAL WASTEWATER SERVICE - COMBINED

Inside City Limits – S1.1, Outside City Limits – S2.1

APPLICATION

These rates are applicable to all dwelling units receiving wastewater service inside and outside the City limits having an individual water meter measuring combined domestic and landscape use for monthly billing cycles commencing on and after the Effective Date. This rate also applies to customers with City of Mesa wastewater utility service but not City of Mesa water utility service.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$19.27
Usage Charge:**	$1.58 per 1,000 gallons of average winter water consumption
Plus:**	$2.86 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$28.36
Usage Charge:**	$1.58 per 1,000 gallons of average winter water consumption
Plus:**	$5.00 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.
**Average winter water consumption shall be based upon the water deliveries listed on the utility bills during the past December, January, February, and March billing cycles. The average will be computed at the end of March each year on the three lowest readings of this four-month period. Additionally, customers shall be billed based on the assumption that 90 percent of their average winter water deliveries are discharged to the wastewater system.

Customers who do not have an individual average winter water consumption established shall be assessed a flat monthly charge based on the most recent citywide residential class average winter water consumption.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

RESIDENTIAL WASTEWATER SERVICE - SEPARATE

Inside City Limits – S1.11, Outside City Limits – S2.11

APPLICATION

These rates are applicable to all dwelling units receiving wastewater services inside and outside the City limits having both a domestic use water meter and a separate landscape use water meter for billing cycles commencing on and after the Effective Date. Wastewater charges computed on domestic water meter usage only.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$19.27
Usage Charge:**	$1.58 per 1,000 gallons of actual water consumption
Plus:**	$2.86 per 1,000 gallons of actual water consumption in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$28.36
Usage Charge:**	$1.58 per 1,000 gallons of actual water consumption
Plus:**	$5.00 per 1,000 gallons of actual water consumption in excess of 5,000 gallons

* 2,000 gallons of water included as a minimum based on availability of service.
** Based on metered domestic water deliveries per billing cycle.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

GENERAL COMMERCIAL WASTEWATER SERVICE

Inside City Limits – S3.1, Outside City Limits – S4.1

GENERAL COMMERCIAL WASTEWATER SERVICE – Public Authorities

Hospitals – Inside City Limits – S7.1, Outside City Limits – S7.4
Federal – Inside City Limits – S7.2
State & Local Govts – Inside City Limits – S8.1
Schools – Inside City Limits – S9.1

APPLICATION

These rates are applicable to all commercial utility customers receiving wastewater service inside and outside the City limits for which no other specific schedule is provided for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$20.67
Usage Charge:	$1.65 per 1,000 gallons for water delivered
Plus:	$2.98 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$30.65
Usage Charge:	$1.65 per 1,000 gallons for water delivered
Plus:	$5.22 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

MULTI-UNIT DWELLING WASTEWATER SERVICE

Inside City Limits – S3.2, Outside City Limits – S4.2

APPLICATION

These rates are applicable to all multiple dwelling units receiving wastewater service inside and outside the City limits not having a water meter for each dwelling unit (includes trailers, or mobile homes) for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$20.67
Usage Charge:**	$1.65 per 1,000 gallons for water delivered
Plus:**	$2.98 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$30.65
Usage Charge: **	$1.65 per 1,000 gallons for water delivered
Plus: **	$5.22 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.
**Based on 95 percent of a customer's metered water deliveries per billing cycle.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

MULTI-UNIT DWELLING WASTEWATER SERVICE– ALTERNATE RATE

Inside City Limits – S3.2a, Outside City Limits – S4.2a

APPLICATION

These rates are applicable to all multiple dwelling units receiving wastewater service inside and outside the City limits not having a water meter for each dwelling unit (includes trailers, or mobile homes) and the water meter services both domestic and landscape use for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$20.67
Usage Charge:**	$1.65 per 1,000 gallons of average winter water consumption
Plus:**	$2.98 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$30.65
Usage Charge: **	$1.65 per 1,000 gallons of average winter water consumption
Plus: **	$5.22 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.
**Average winter water consumption shall be based upon the water usage listed on the utility bills received during the past December, January, February, and March billing cycles. The average will be computed at the end of the March each year on the three lowest reading of this four-month period. Additionally, customers shall be billed based on the assumption that 95 percent of their average winter water consumption is discharged to the wastewater system.

Customers who do not have an average winter water consumption established shall be assessed a charge per billing cycle based on the most recent citywide residential class average winter water consumption per unit.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

COMMERCIAL RESTAURANTS WASTEWATER SERVICE

Inside City Limits – S3.3, Outside City Limits – S4.3

APPLICATION

These rates are applicable to all commercial restaurant utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$36.63
Usage Charge:	$5.00 per 1,000 gallons for water delivered
Plus:	$4.94 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$57.92
Usage Charge:	$5.00 per 1,000 gallons for water delivered
Plus:	$9.73 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

GENERAL COMMERCIAL WITH FOOD PREPARATION FACILITIES WASTEWATER SERVICE

Inside City Limits – S3.4, Outside City Limits – S4.4

APPLICATION

These rates are applicable to all general commercial with food preparation facilities utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$29.65
Usage Charge:	$3.45 per 1,000 gallons for water delivered
Plus:	$4.11 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$45.86
Usage Charge:	$3.44 per 1,000 gallons for water delivered
Plus:	$7.78 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

LAUNDRY/DRY CLEANERS WASTEWATER SERVICE

Inside City Limits – S3.5, Outside City Limits – S4.5

APPLICATION

These rates are applicable to all laundry/dry cleaners utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:*	$22.52
Usage Charge:	$2.03 per 1,000 gallons for water delivered
Plus:	$3.15 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

Service Charge:*	$33.68
Usage Charge:	$2.03 per 1,000 gallons for water delivered
Plus:	$5.69 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

RECREATIONAL VEHICLE (R.V.) STORAGE FACILITIES – S4.6

APPLICATION

These rates are applicable to all recreational vehicle (R.V.) storage facilities receiving wastewater service located inside and outside the City limits that discharge into a wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Rate:	$138.82 Wastewater Service Charge
Plus:	All environmental waste program charges as applicable based on monitoring requirements to be determined by the City of Mesa.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

INDUSTRIAL WASTEWATER SERVICE

Inside City Limits – S5.1, Outside City Limits – S5.2

APPLICATION

These rates are applicable to all industrial customers with discharge receiving wastewater service that requires billing based on loading under the Mesa City Code located inside and outside the City limits that discharge into a sanitary wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Inside City Limits:

Rate:	Varies by quantity and strength of wastewater discharged. Rate components used to calculate individual wastewater charges are as follows:
Capital Component:	
Flow:	$2.907 per 1,000 gallons discharged in excess of 5,000 gallons
BOD:	$0.225 per pound discharged in excess of the pounds contributed in the first 5,000 gallons
SS:	$0.187 per pound discharged in excess of the pounds contributed in the first 5,000 gallons
User Charge Component:	
Flow:	$0.855 per 1,000 gallons discharged
BOD:	$0.417 per pound discharged
SS:	$0.249 per pound discharged
Minimum:	$15.96 (includes the use of 5,000 gallons; capital component) $$4.00 (user charge billing component)

Outside City Limits:

Rate:	Varies by quantity and strength of wastewater discharged. Rate components used to calculate individual wastewater charges are as follows:
Capital Component:	
Flow:	$4.774 per 1,000 gallons discharged in excess of 5,000 gallons
BOD:	$0.542 per pound discharged in excess of the pounds contributed in the first 5,000 gallons
SS:	$0.392 per pound discharged in excess of the pounds contributed in the first 5,000 gallons
User Charge Component:	
Flow:	$0.855 per 1,000 gallons discharged
BOD:	$0.417 per pound discharged
SS:	$0.249 per pound discharged
Minimum:	$$35.60 (includes the use of 5,000 gallons; capital component) $4.00 (user charge billing component)

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

INTERDEPARTMENTAL GENERAL COMMERCIAL WASTEWATER SERVICE – S6.1

APPLICATION

These rates are applicable to all interdepartmental utility customers receiving wastewater service within the City limits for which no other specific schedule is provided and where a usable wastewater main adjoins the premises for the billing of utilities commencing with the August 2016 billing cycle.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Service Charge:*	$14.80
Usage Charge:	$1.29 per 1,000 gallons for water delivered
Plus:	$2.34 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

INTERDEPARTMENTAL WASTEWATER METER SERVICE – SM6.1

APPLICATION

These rates are applicable to all eligible commercial, industrial, and public authority utility customers receiving wastewater service within the City limits for the billing of utilities commencing with the August 2016 billing cycle.

MONTHLY BILLING CYCLE (Based on wastewater flow)

The charge per billing cycle shall consist of the following components:

Service Charge:	$112.70
Usage Charge:	$1.34 per 1,000 gallons for wastewater discharged
Plus:	$2.43 per 1,000 gallons for wastewater discharged in excess of 5,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.
All water that is collected in the customer's sewer must be discharged through a single outfall. This schedule shall not apply where the customer's sewer system includes additional unmetered outfalls, which require wastewater billing based on water delivered.

The Customer shall be responsible for all costs associated with the purchase, installation and maintenance of City approved meters in an approved location. Construction plans must be approved by the applicable City Departments before any purchase of the meters and their installation can proceed.

CUSTOMER ELIGIBILITY

In addition to the requirements set forth above regarding Terms and Conditions, a Customer must satisfy the following conditions to be and remain eligible to receive service under this Schedule:

Customers must discharge a minimum of an average annual volume of wastewater discharged through the outfall of 3,000 kgal (or an anticipated volume in such amount if a new customer or a customer with less than twelve (12) months of billing history).

In addition, Customers must either: (i) be regulated as Industrial Users under Title 8, Chapter 4 of the Mesa City Code and receive water service from the City with an average annual billed water demand at the same location as the sewer outfall (in thousands of gallons or "kgal") of equal to or greater than 11,000 kgal (not including water delivered under Landscape, Fire or Large Turf services), or if a new customer or a customer an anticipated average annual billed usage of equal to or greater than such amount; or (ii) discharge water not delivered by the City (regardless of regulatory status).

GOVERNMENTAL AGENCIES WHOLESALE SERVICE – S8.2

APPLICATION

These rates are applicable to State & Local Governments receiving wastewater service outside the City limits that discharge into a sanitary wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Service Charge:*	$16.29
Usage Charge:	$1.27 per 1,000 gallons for water delivered
Plus:	$2.38 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

WASTEWATER METER SERVICE

Inside City Limits – SM3.1, Outside City Limits – SM4.1

WASTEWATER METER SERVICE – Public Authorities

Hospitals – Inside City Limits – SM7.1, Outside City Limits – SM7.4

Schools – Inside City Limits – SM9.1, Outside City Limits – SM9.2

APPLICATION

These rates are applicable to all eligible commercial, industrial, and public authority utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on wastewater flow)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

Service Charge:	$138.22
Usage Charge:	$1.65 per 1,000 gallons for wastewater discharged
Plus:	$2.98 per 1,000 gallons for wastewater discharged in excess of 5,000 gallons

Outside City Limits:

Service Charge:	$148.18
Usage Charge:	$1.65 per 1,000 gallons for wastewater discharged
Plus:	$5.22 per 1,000 gallons for wastewater discharged in excess of 5,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

All water that is collected in the customer's sewer must be discharged through a single outfall. This schedule shall not apply where the customer's sewer system includes additional unmetered outfalls, which require wastewater billing based on water delivered.

The Customer shall be responsible for all costs associated with the purchase, installation and maintenance of City approved meters in an approved location. Construction plans must be approved by the applicable City Departments before any purchase of the meters and their installation can proceed.

CUSTOMER ELIGIBILITY

In addition to the requirements set forth above regarding Terms and Conditions, a Customer must satisfy the following conditions to be and remain eligible to receive service under this Schedule SM3.1 or SM4.1:

Customers must discharge a minimum of an average annual volume of wastewater discharged through the outfall of 2400 kgal (or an anticipated volume in such amount if a new customer or a customer with less than twelve (12) months of billing history).

In addition, the Customer must either: (i) receive water service from the City with an average annual billed water demand at the same location as the sewer connection (in thousands of gallons or "kgal") of equal to or greater than 11,000 kgal (not including water delivered under Landscape, Fire or Large Turf services), or if a new customer, an anticipated average annual billed usage of equal to or greater than such amount; or (ii) discharge water not delivered by the City.

Notwithstanding the preceding, all customers subject to rates applicable under Multi-Unit Dwelling Wastewater Schedule Numbers S3.2, S3.2a, S4.2, S4.2a, and Industrial Wastewater Service Schedule Numbers S5.1 and S5.2 are not eligible for service under this Schedule SM3.1 and SM4.1.

This page intentionally left blank.

RESIDENTIAL WATER SERVICE

WESTERN ZONE - Inside W1.1, Outside W2.1
RWCD ZONE - Inside W1.2, Outside W2.2
EASTERN ZONE - Inside W1.3, Outside W2.3
DESERT SAGE PRESSURE ZONE - Inside W1.4, Outside W2.4
COUNTY LINE PRESSURE ZONE - Inside W1.5, Outside W2.5
APACHE JUNCTION PRESSURE ZONE - Inside W1.6, Outside W2.6
RANGE RIDER PRESSURE ZONE - Inside W1.7, Outside W2.7

APPLICATION

These rates are applicable to all residential water service inside and outside the City limits required for domestic purposes in individually metered dwelling units formonthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge and surcharges per billing cycle per 1,000 gallons in excess of 3,000 shall be as follows:

Usage Charge:
$3.19 per 1,000 gallons, 4,000 through 9,000 gallons and
$4.79 per 1,000 gallons, next 9,000 gallons and
$5.77 per 1,000 gallons, next 6,000 gallons and
$6.46 per 1,000 gallons, all additional 1,000 gallons

Service Charge:*		
	$28.10	¾” service
	$31.47	1” service
	$44.05	1 ½” service
	$57.78	2” service
	$114.44	3” service
	$181.25	4” service
	$347.11	6” service
	$514.03	8” service
	$696.38	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W1.4, W2.4):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W1.5, W2.5):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W1.6, W2.6):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W1.7, W2.7):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

RESIDENTIAL LANDSCAPE WATER SERVICE

WESTERN ZONE – Inside W1.11, Outside W2.11
RWCD ZONE - Inside W1.21, Outside W2.21
EASTERN ZONE - Inside W1.31, Outside W2.31
DESERT SAGE PRESSURE ZONE – Inside W1.41, Outside W2.41
COUNTY LINE PRESSURE ZONE - Inside W1.51, Outside W2.51
APACHE JUNCTION PRESSURE ZONE - Inside W1.61, Outside W2.61
RANGE RIDER PRESSURE ZONE - Inside W1.71, Outside W2.71

APPLICATION

These rates are applicable to all residential water service inside and outside the City limits required solely for landscape purposes in individually metered dwelling units for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $4.79 per 1,000 gallons in excess of 3,000, plus applicable surcharges.

Service Charge:*	$33.34	¾” service
	$36.73	1” service
	$49.30	1 ½” service
	$63.03	2” service
	$119.70	3” service

* Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W1.41, W2.41):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W1.51, W2.51):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W1.61, W2.61):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W1.71, W2.71):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

GENERAL COMMERCIAL WATER SERVICE

WESTERN ZONE - W3.1
RWCD ZONE - W3.2
EASTERN ZONE - W3.3 DESERT SAGE PRESSURE ZONE - W3.4
COUNTY LINE PRESSURE ZONE - W3.5
APACHE JUNCTION PRESSURE ZONE - W3.6
RANGE RIDER PRESSURE ZONE - W3.7

GENERAL COMMERCIAL WATER SERVICE – Public Authorities

WESTERN ZONE - Federal W5.1, Salt River Pima Indian Community W5.8, Hospitals W7.1, State & Local Govts W8.1, Schools W9.1
RWCD ZONE - Federal W5.2, Hospitals W7.2, State & Local Govts W8.3, Schools W9.2
EASTERN ZONE - Federal W5.3, Hospitals W7.3, State & Local Govts W8.4, Schools W9.3
DESERT SAGE PRESSURE ZONE - Federal W5.4, Hospitals W7.4, State, County & Other Local Governments W8.5, Schools W9.4
COUNTY LINE PRESSURE ZONE - Federal W5.5, Hospitals W7.5, State & Local Govts W8.6, Schools W9.5
APACHE JUNCTION PRESSURE ZONE - Federal W5.6, Hospitals W7.6, State & Local Govts W8.7, Schools W9.6
RANGE RIDER PRESSURE ZONE - Federal W5.7, Hospitals W7.7, State & Other Local Govts W8.8, Schools W9.7

APPLICATION

These rates are applicable to all commercial water service inside and outside the City limits which no other specific schedule is provided for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $3.38 per 1,000 gallons in excess of 3,000, plus a surcharge rate of $1.70 per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*	$28.10	¾” service
	$31.47	1” service
	$44.05	1 ½” service
	$57.78	2” service
	$114.44	3” service
	$181.25	4” service
	$347.11	6” service
	$514.03	8” service
	$696.38	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W3.4, W4.4, W7.4, W5.4, W8.5, W9.4):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W3.5, W4.5, W7.5, W5.5, W8.6, W9.5):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W3.6, W4.6, W7.6, W5.6, W8.7, W9.6):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W3.7, W4.7, W7.7, W5.7, W8.8, W9.7):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

COMMERCIAL LANDSCAPE WATER SERVICE

WESTERN ZONE - W3.11
RWCD ZONE - W3.21
EASTERN ZONE - W3.3 DESERT SAGE PRESSURE ZONE - W3.41
COUNTY LINE PRESSURE ZONE - W3.51
APACHE JUNCTION PRESSURE ZONE - W3.61
RANGE RIDER PRESSURE ZONE - W3.71

GENERAL COMMERCIAL WATER SERVICE – Public Authorities

WESTERN ZONE - Federal W5.11, Salt River Pima Indian Community W5.81, Hospitals W7.11, State & Local Govts W8.11, Schools W9.11
RWCD ZONE - Federal W5.21, Hospitals W7.21, State & Local Govts W8.31, Schools W9.21
EASTERN ZONE - Federal W5.31, Hospitals W7.31, State & Local Govts W8.41, Schools W9.31
DESERT SAGE PRESSURE ZONE - Federal W5.41, Hospitals W7.41, State, County & Other Local Governments W8.51, Schools W9.41
COUNTY LINE PRESSURE ZONE - Federal W5.51, Hospitals W7.51, State & Local Govts W8.61, Schools W9.51
APACHE JUNCTION PRESSURE ZONE - Federal W5.61, Hospitals W7.61, State & Local Govts W8.71, Schools W9.61
RANGE RIDER PRESSURE ZONE - Federal W5.71, Hospitals W7.71, State & Other Local Govts W8.81, Schools W9.71

APPLICATION

These rates are applicable to all individually metered commercial landscape water service inside and outside the City limits for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $3.38 per 1,000 gallons in excess of 3,000, plus applicable surcharges, plus a surcharge rate of $1.70 per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*	$28.10	¾” service
	$31.47	1” service
	$44.05	1 ½” service
	$57.78	2” service
	$114.44	3” service
	$181.25	4” service
	$347.11	6” service
	$514.03	8” service
	$696.38	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W5.41, W7.4, W8.51, W9.41):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W5.51, W7.51, W8.61, W9.51):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W5.61, W7.61, W8.71, W9.61):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W5.71, W7.71, W8.81, W9.71):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

DOWNTOWN SMALL BUSINESS ATTRACTION UTILITY RATE – W3.1D

APPLICATION

These rates are applicable to new Non-Residential service for monthly billing cycles commencing on and after the Effective Date and to Customers meeting the following Eligibility Criteria.

PURPOSE

The purpose of this schedule is to attract new non- residential City water customers to Downtown Mesa, which also generates increased economic activity in Downtown Mesa.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $2.53 per 1,000 gallons in excess of 3,000, plus a surcharge rate of $1.26 per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*	$21.07	¾” service
	$23.60	1” service
	$33.04	1 ½” service
	$43.34	2” service
	$85.83	3” service
	$135.95	4” service
	$260.33	6” service
	$385.52	8” service
	$522.29	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

Additional Terms and Conditions:

(i) Limited to three (3) consecutive years per eligible Customer
(ii) The Customer must sign a three-year agreement evidencing a commitment through the 3 year period to meeting the eligibility criteria.
(iii) Customers may apply for the small business utility rate only within their first year of operation.
(iv) Customers may only participate once.
(v) Customers that do not maintain or increase their total average annual utility usage from their first year receiving the rate may be required to repay the City for the difference between this Schedule W3.1D and the otherwise applicable City Water rate schedule.
(vi) The City may terminate, suspend or modify the rate for active and/or future participants should it serve the interests of the City.
(vii) Customers may be required to obtain a financial instrument satisfactory to the City that protects the City from a default under the agreement and from the accumulation of delinquent and deficient charges of a Customer served under this Rate Schedule.
(viii) Customers are required to provide employment verification each year beginning in year two (2) evidencing the employment of a minimum of two (2) full-time employees.
(ix) If the customer experiences employee vacancies that cause it to employ less than the minimum number of employees needed to meet eligibility criteria at any given time, the customer is allowed no more than six months cumulative within a 12 month period to fill such vacancies.

ELIGIBILITY

Commercial and industrial water Customers with premises located inside the Central Business District and Town Center Redevelopment Area (CBD/TRA) are eligible for this Schedule provided the Customer and premises: (i) is a new customer with less than twelve (12) months of billing history and an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than ten (10) kgal and less than or equal to two-hundred (200) kgal; (ii) has a single point of delivery within the CBD/TRA measured through one meter for the billing of each utility service; (iii) meets the definition of a small business as stated by the U.S. Small Business Administration; (iv) consists of a use consistent with Mesa's adopted form-based code or in a commercial or industrial zoned area where the form-based code does not apply; and (v) employs the equivalent of at least two (2) full-time employee (FTE) positions (subject to verification through unemployment tax and wage reporting or comparable records). Customers must also be current on all utility bills and any other amounts owed the City.

INELIGIBILITY OR LOSS OF ELIGIBILITY

Customers that become ineligible for service under this rate schedule will be served under the otherwise applicable City Water rate schedule. As set forth in the Eligibility requirements, Customer may be responsible for payment of back charges for service provided under this Schedule which becomes ineligible.

MULTI-UNIT DWELLING WATER SERVICE

WESTERN ZONE - W4.1
RWCD ZONE - W4.2
EASTERN ZONE - W4.3
DESERT SAGE PRESSURE ZONE - W4.4
COUNTY LINE PRESSURE ZONE - W4.5
APACHE JUNCTION PRESSURE ZONE - W4.6
RANGE RIDER PRESSURE ZONE - W4.7

APPLICATION

These rates are applicable to all water service for multiple dwelling units inside and outside the City limits not having a water meter for each dwelling unit (includes trailers or mobile homes) for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $3.38 per 1,000 gallons in excess of 3,000, plus a surcharge rate of $1.70 per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*	$28.10	¾” service
	$31.47	1” service
	$44.05	1 ½” service
	$57.78	2” service
	$114.44	3” service
	$181.25	4” service
	$347.11	6” service
	$514.03	8” service
	$696.38	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W3.4, W4.4, W7.4, W5.4, W8.5, W9.4):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W3.5, W4.5, W7.5, W5.5, W8.6, W9.5):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W3.6, W4.6, W7.6, W5.6, W8.7, W9.6):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W3.7, W4.7, W7.7, W5.7, W8.8, W9.7):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

MULTI-UNIT DWELLING LANDSCAPE WATER SERVICE

WESTERN ZONE - W4.11
RWCD ZONE - W4.21
EASTERN ZONE - W4.31
DESERT SAGE PRESSURE ZONE - W4.41
COUNTY LINE PRESSURE ZONE - W4.51
APACHE JUNCTION PRESSURE ZONE - W4.61
RANGE RIDER PRESSURE ZONE - W4.71

APPLICATION

These rates are applicable to all individually metered multi-unit dwelling landscape water service inside and outside the City limits for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $3.38 per 1,000 gallons in excess of 3,000, plus applicable surcharges, plus a surcharge rate of $1.70 per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*	$28.10	¾" service
	$31.47	1" service
	$44.05	1 ½" service
	$57.78	2" service
	$114.44	3" service
	$181.25	4" service
	$347.11	6" service
	$514.03	8" service
	$696.38	10" service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE:	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE:	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE:	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE:	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

WATER SERVICE FOR FIRE LINE DETECTION METERS

WESTERN ZONE – W30.1, Interdepartmental W60.1
RWCD ZONE - W30.2, Interdepartmental W60.2
EASTERN ZONE - W30.3, Interdepartmental W60.3
DESERT SAGE PRESSURE ZONE - W30.4, Interdepartmental W60.4
COUNTY LINE PRESSURE ZONE - W30.5, Interdepartmental W60.5
APACHE JUNCTION PRESSURE ZONE - W30.6, Interdepartmental W60.6
RANGE RIDER PRESSURE ZONE - W30.7, Interdepartmental W60.7

WATER SERVICE FOR FIRE LINE DETECTION METERS – Public Authorities

WESTERN ZONE – Multi-unit W40.1, Federal W50.1, Hospital W70.1, State & Local Govts W80.1, Schools W90.1
RWCD ZONE - Multi-unit W40.2, Federal W50.2, Hospital W70.2, State & Local Govts W80.2,Schools W90.2
EASTERN ZONE - Multi-unit W40.3, Federal W50.3, Hospital W70.3, State & Local Govts W80.3, Schools W90.3
DESERT SAGE PRESSURE ZONE - Multi-unit W40.4, Federal W50.4, Hospital W70.4, State & Local Govts W80.4, Schools W90.4
COUNTY LINE PRESSURE ZONE - Multi-unit W40.5, Federal W50.5, Hospital W70.5, State & Local Govts W80.5, Schools W90.5
APACHE JUNCTION PRESSURE ZONE - Multi-unit W40.6, Federal W50.6, Hospital W70.6, State & Local Govts W80.6, Schools W90.6
RANGE RIDER PRESSURE ZONE - Multi-unit W40.7, Federal W50.7, Hospital W70.7, State & Local Govts W80.7, Schools W90.7

APPLICATION

These rates are applicable to all fire line check valves with detection meters for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge shall be $4.71 per 1,000 gallons for all water delivered in excess of 3,000 gallons plus applicable surcharges.

Service Charge:*	$32.51	¾” service
	$35.87	1” service
	$48.45	1 ½” service
	$62.17	2” service
	$118.84	3” service

*Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W30.4, W40.4, W50.4, W60.4, W70.4, W80.4, W90.4):	$0.0928 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W30.5, W40.5, W50.5, W60.5, W70.5, W80.5, W90.5):	$0.1795 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W30.6, W40.6, W50.6, W60.6, W70.6, W80.6, W90.6):	$0.2710 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W30.7, W40.7, W50.7, W60.7, W70.7, W80.7, W90.7):	$0.3589 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

COMMERCIAL AND INDUSTRIAL LARGE WATER SERVICE - W31.1

APPLICATION

These rates are applicable to all commercial and industrial water service inside the City limits provided the customer's premises is: (i) an existing customer having an average monthly billed usage (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 6,000 kgal, or if a new customer or a customer with less than twelve (12) months of billing history an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 6,000 kgal; and (ii) is supplied at one point of delivery and measured through one meter for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the service charge, the rate per billing cycle for water used shall be $2.00 per 1,000 gallons for all water used, plus a surcharge rate of $0.89 per 1,000 gallons*.

Service Charge:*	$181.25	4" service
	$347.11	6" service
	$514.03	8" service
	$696.38	10" service

* Surcharge applies to all water used each billing cycle from January through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

CUSTOMER ELIGIBILITY

A Customer must satisfy all of the following conditions to be and remain eligible to receive service under this Schedule W31.3:

1. The Customer must have an average monthly billed demand (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 6,000 kgal, or if a new customer or a customer with less than twelve (12) months of billing history, an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 6,000 kgal;
2. The Customer must: (i) be regulated directly by the Arizona Department of Water Resources (DWR) as an individual user under the Groundwater Code and Management Plans adopted pursuant thereto, or (ii) voluntarily satisfy the conservation requirements applicable to Large Industrial Users under the Groundwater Code and Management Plans adopted pursuant thereto; and (iii) otherwise maintain compliance with applicable requirements of the Groundwater Code and Management Plans adopted pursuant thereto.
3. The Customer must provide a copy of all documentation required under Section 2 above, including conservation plans, and otherwise demonstrate compliance with all other applicable Management Plan and Groundwater Code requirements on an annual basis.

PHOENIX-MESA GATEWAY AIRPORT FIRE PROTECTION UTILITY NORTH GENERAL AVIATION AREA - FP1.1

APPLICATION

These rates are applicable to all facilities located in the North General Aviation Area of the Phoenix-Mesa Gateway Airport serviced by the Phoenix-Mesa Gateway Airport Fire Protection Utility for the billing of utilities commencing with the August 2016 billing cycle.

UTILITY RATES

The utility supplies the fire flow capacity to extinguish fire hazards. The cost to own and operate the utility is recovered using a one-time connection fee and billing cycle demand charges. Facility connection fees and demand charges are determined during the City's plan review process.

Peak Demand (gpm)	One-Time Connection Fee	Demand Charge
0 to 4,000	$135,000	$350.11
4,001 to 10,500	$225,000	$486.67
10,501 to 15,500	$375,000	$2,564.06

CONNECTION FEE

Capital improvement costs are recovered through the one-time lump sum payment of a connection fee. Connection fees are calculated for each facility located on a given parcel according to the facility's peak demand for fire flow capacity (gallons per minute). The peak demand for fire flow capacity is determined by the design standards of the City's Building Code and Fire Code. Connection fees are collected during the City's plan review process.

DEMAND CHARGE

Operating and maintenance costs are recovered through a billing cycle demand charge. The demand charge is calculated for each facility located on a given parcel according to the facility's peak demand for fire flow capacity (gpm). The peak demand for fire flow capacity is determined by the design standards of the City's Building Code and Fire Code. The demand charge is collected during the utility billing cycle.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

IRRIGATION WATER SERVICE

I1.1, I3.1

IRRIGATION WATER SERVICE – Public Authorities

Hospital - I7.1
Federal – I7.2
State & Local Govts - I8.1
Schools - I9.1

APPLICATION

These rates are applicable to all customers receiving irrigation water delivered through the city irrigation system for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate:	$55.90 per hour for all additional time.
Minimum:	$27.96 that includes one-half hour water delivery, except no charge will be made when no water is delivered.

DELIVERY RATE

The normal delivery rate shall be 75 miner's inches with a minimum rate of 50 miner's inches. Where desirable, a customer's run may be divided with another and the charges shall be divided proportionally. There will be no charge made during any billing cycle unless water is actually delivered to the customer being charged.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

INTERDEPARTMENTAL IRRIGATION WATER SERVICE – I6.1

APPLICATION

These rates are applicable to all customers receiving irrigation water delivered through the city irrigation system for the billing of utilities commencing with the August 2017 billing cycle.

MONTHLY BILLING CYCLE

Rate:	$52.95 per hour for all additional time.
Minimum:	$26.48 that includes one-half hour water delivery, except no charge will be made when no water is delivered.

DELIVERY RATE

The normal delivery rate shall be 75 miner's inches with a minimum rate of 50 miner's inches. Where desirable, a customer's run may be divided with another and the charges shall be divided proportionally. There will be no charge made during any billing cycle unless water is actually delivered to the customer being charged.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

CRISMON ROAD WATER HAULING STATION BULK WATER SALES – WHS

APPLICATION

The rate is applicable to all customers receiving bulk water at the Crismon Road Water Hauling Station. Water is delivered to customers on site using mobile customer-owned bulk water containers. Customers pay for bulk water in advance. These rates are applicable for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: The rate for water shall be $8.12 per 1,000 gallons for all water.

TERMS AND CONDITIONS

The following special terms and conditions shall apply to the provision of water to customers at the City of Mesa ("City") Crismon Road Water Station ("Water Station"):

1. Water Station Access:
   A. Access to the Water Station will be supplied pursuant to prepaid contractual accounts ("Access Accounts") with each customer in accordance with these special terms and conditions.
   B. No sale or transfer of Access Accounts from one person to another shall be permitted unless approved in advance by the City.
   C. Credit balances on any Access Account shall be redeemable only as water deliveries at the Water Station, not for cash.
   D. Availability of additional Access Accounts is within the sole discretion of the City.
2. Water Station Access Cards:
   A. Access Account holders shall be issued reusable magnetic strip access cards ("Access Cards") on which prepaid dollar balances shall be programmed by the City. Account holders shall use the Access Cards at the Water Station in order to obtain water dispensation.
   B. The maximum number of Access Cards issued per Access Account shall be two (2) for residential customers and two (2) per registered tanker truck or trailer for commercial customers. Issuance of additional Access Cards shall be at the sole discretion of the City.
   C. Prepaid amounts shall be programmed onto the Access Cards, which must be presented at a City of Mesa Utility Payment Center. The maximum prepaid balance on any Access Card shall be limited to two hundred dollars ($200.00) for residential customers and five hundred dollars ($500.00) for commercial customers.
   D. Access Cards shall be owned by the Access Account holder. The City shall not be responsible for lost or stolen Access Cards nor any unused balance thereon.
   E. Access Cards with unused balances on cancelled Access Accounts will still be redeemable at the Water Station until the balance reaches zero.
3. Continuity of Supply:
   The City will use reasonable diligence to provide a steady and continuous water supply and dispensation at the Water Station, but does not guarantee against fluctuations or interruptions. The City may, without incurring any liability therefore, suspend water availability for periods reasonably necessary to accomplish repairs to or changes in any of the City's facilities, including the Water Station. The City shall not be liable to Any Access Account holder for any damages occasioned by fluctuations or interruptions in water availability at the Water Station, regardless of cause. All maintenance of the Water Station shall be performed by the City.

4. Metering:
   A. The readings of the City's meter(s) at the Water Station will be conclusive as to the amount of water dispensed, unless the Customer reports any inaccuracy within twenty four (24) hours of the inaccurately metered transaction.
   B. In the event the City verifies based on a reported inaccuracy that the metering at the Water Station is inaccurate by an amount in excess of the manufacturer's tolerance, Mesa will correct such error by adjusting for the difference in the reporting Customer's prepaid account to the extent practicable, and only for the reported transaction. Any refunds to customer resulting from a reported inaccurate transaction shall be made via a credit to the customer's prepaid account.
   C. Any Customer that reports an inaccuracy at the Water Station which subsequently proves to be within the manufacturer specification shall be responsible for a service charge to cover the vehicle expense, driving time and labor expense for meter testing as follows: $250.00.
   D. Any Account holder may also request that the City conduct third party accuracy testing of the Water Station metering equipment, but shall be responsible for advance payment of third party costs of such testing in the amount of $500.00, which shall be refunded by City in the event that the metering is demonstrated to be outside of the manufacturers specification in a manner that is favorable to the Access Account holder. In no event shall any Access Account be adjusted for any transaction not reported to City within twenty four (24) hours.
   E. The City may compute or re-compute deliveries at the Water Station based on a reasonable usage estimate derived from Access Account history if any of the following conditions apply:
      1. The meter(s) at the Water Station fails to register accurately;
      2. Access is temporarily supplied without a meter; or
      3. A contrivance has been used to circumvent the accurate registration of metering devices.
5. Termination and Refusal of Water Station Access: The City may, in addition to any other applicable conditions or circumstances described herein, terminate Access Accounts and/or refuse Water Station Access if any of the following conditions exist:
   A. When necessary to comply with an order of any Governmental Agency having such jurisdiction.
   B. A condition exists which in the City's judgment is unsafe or hazardous.
   C. Applicant has failed to make payment of charges otherwise owed to the City.
   D. Applicant falsifies his or her identity for the purpose of obtaining access.
   E. Applicant is acting as an agent for a prior Customer of City who is deriving benefits of the Water Station and who owes a delinquent bill to City.
   F. The City is otherwise not accepting additional customers for Water Station Access Accounts.
   G. Reasonable cause otherwise exists which supports termination of Accounts and/or Access.

   Reactivation of any terminated Access Account shall be at the sole discretion of the City.
6. Administration Charges:
   A. An administrative fee of $15.00 shall be assessed to activate an Access Account, which activation shall be at the sole discretion of the City.
   B. Following the initial conversion to the Access Accounts, an Access Account transfer and activation charge shall be assessed for any requested transfer in the amount of $30.00, which transfer shall be at the sole discretion of the City. Access Account holders must provide the City with the Access Card in order to transfer an Access Account.
   C. City and State Transaction Privilege tax will be assessed on all charges as applicable.
7. Payment:

   The City reserves the right to suspend or terminate any Access Account for payment items (checks, credit cards, etc.) returned by a financial institution unpaid. Payment is effective upon receipt in hand of the full balance due at a City of Mesa Utility Payment Center.

8. Unauthorized Use of Water Station and Violations:
   A. Unauthorized use of the Water Station shall mean the taking of water by bypassing, modifying, disabling or otherwise willfully rendering inoperative or inaccurate any meter or other service apparatus at the Water Station so as to cause a loss or reduction of registration.
   B. If unauthorized use occurs, the City shall charge an estimated usage according to applicable rates in accordance with the Schedule of Fees and Charges, plus City and State Transaction Privilege tax as applicable.
   C. Unauthorized use of the Water Station is subject to criminal prosecution as well as liability for all damages.
9. Violation; Penalty

   Among other penalties that may apply, any person that violates any provision of this Ordinance shall be guilty of a misdemeanor. Upon conviction, individuals shall be punished by a fine not to exceed $2,500, or by imprisonment for a period not to exceed six (6) months, or by such fine and imprisonment. Upon conviction, businesses shall be punished by a fine not to exceed $20,000. Each instance of violation shall be a separate offense, punishable as described above.

WATER HYDRANT METER SERVICE – WH1

APPLICATION

These rates are applicable to all water hydrant meter service for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Service Charge:	$114.44 (3"service)
Usage Charge:	$8.12 per 1,000 gallons for all water delivered

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

LARGE TURF FACILITY UNTREATED WATER SERVICE – WR3.1

APPLICATION

These rates are applicable to all customers inside the corporate limits of the City of Mesa receiving for direct use at one point of delivery at a City Turnout Facility with the Central Arizona Project non-potable water supplied by City for landscape purposes which has and retains the characteristics of water collected for treatment as set forth in A.R.S. § 45-101(4) for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Service Charge:	$581.95
Rate:	In addition to the service charge, the rate per billing cycle for water delivered shall be $0.92 per 1,000 gallons.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See generally the Terms and Conditions for the Sale of Utilities

The City will use reasonable diligence to provide water pursuant to this Schedule WR 3.1, but does not guarantee against fluctuations or interruptions. All water is subject to availability of deliveries through the CAP Canal and compliance with Customer Eligibility requirements. The City may curtail service to Customer as necessary to assure continued residential, commercial and multi-unit dwelling, fire line, and hydrant service to City customers or to meet a system emergency. The City shall not be liable to Customer for any damages occasioned by fluctuations or interruptions in water availability under this Schedule WR 3.1 regardless of cause.

CUSTOMER ELIGIBILITY

A Customer must satisfy all of the following conditions to be and remain eligible to receive service under this Schedule WR 3.1:

1. the Customer must have an average monthly billed demand (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 8,500 kgal, or if a new customer or a customer with less than twelve (12) months of billing history, an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 8,500 kgal;
2. the Customer must receive water supplied by City at one point of delivery located at a City Turnout Facility with the Central Arizona Project;
3. the Customer must dedicate to, or provide the City with funding necessary for, a CAP Turnout Facility acceptable to the City;
4. the Customer must be regulated by the Arizona Department of Water Resources (DWR) as a turf facility and listed with the City of Mesa as an Individual User;
5. the Customer must provide a copy of all DWR conservation plans and demonstrate compliance with all Individual User requirements on an annual basis;
6. on or before September of each year, the Customer must submit a proposed monthly scheduling order for the following calendar year. The proposed schedule must be consistent with Customers regulation by DWR. Notwithstanding the schedule, all water delivered shall be subject to the discretion of the City.

Availability of service under this Schedule WR3.1 is within the sole discretion of the City, and may be denied for reasons including but not limited to the following: (1) turnouts or capacity are not available in the City or CAP system to provide the service, (2) reclaimed water as defined in A.R.S. 45-101(4) is not available to provide the service, (3) such service would adversely affect City's ability to supply residential, commercial and multi-unit dwelling, fire line, and hydrant customers (4) such service would otherwise pose a hazard to public safety.

INTERDEPARTMENTAL WATER SERVICE

WESTERN ZONE - W6.1
RWCD ZONE - W6.2
EASTERN ZONE - W6.3
DESERT SAGE PRESSURE ZONE - W6.4
COUNTY LINE PRESSURE ZONE - W6.5
APACHE JUNCTION PRESSURE ZONE - W6.6
RANGE RIDER PRESSURE ZONE - W6.7

APPLICATION

These rates are applicable to all interdepartmental water service inside and outside the City for the billing of utilities commencing with the August 2016 billing cycle.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $2.65 per 1,000 gallons in excess of 3,000, plus applicable pumping surcharges.

Service Charge:*	$21.14	¾"service
	$23.68	1"service
	$33.15	1½"service
	$43.47	2"service
	$86.11	3"service
	$136.37	4"service
	$261.16	6"service
	$386.76	8"service
	$523.96	10"service

*Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W6.4):	$0.0770 per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W6.5):	$0.1490 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W6.6):	$0.2250 per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W6.7):	$0.2980 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. Any taxes or governmental impositions applicable to the City shall be added proportionally to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

INTERDEPARTMENTAL LANDSCAPE WATER SERVICE

WESTERN ZONE - W6.11
RWCD ZONE - W6.21
EASTERN ZONE - W6.31
DESERT SAGE PRESSURE ZONE - W6.41
COUNTY LINE PRESSURE ZONE - W6.51
APACHE JUNCTION PRESSURE ZONE - W6.61
RANGE RIDER PRESSURE ZONE - W6.71

APPLICATION

These rates are applicable to all individually metered interdepartmental landscape water service inside and outside the City limits for monthly billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be $2.65 per 1,000 gallons in excess of 3,000, plus applicable surcharges, plus applicable pumping surcharges.

Service Charge:*	$21.14	¾” service
	$23.68	1” service
	$33.15	1 ½” service
	$43.47	2” service
	$86.11	3” service
	$136.37	4” service
	$261.16	6” service
	$386.76	8” service
	$523.96	10” service

* Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE:	$0.0770 per 1,000 gallons
COUNTY LINE PRESSURE ZONE:	$0.1490 per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE:	$0.2250 per 1,000 gallons
RANGE RIDER PRESSURE ZONE:	$0.2980 per 1,000 gallons

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities

INTERDEPARTMENTAL SUPPLEMENTAL RECLAIMED WATER SERVICE

Large Turf Facility - Interdepartmental WR6.1

APPLICATION

These rates are applicable to service meeting the eligibility requirements within the City limits for the billing of utilities commencing with the August 2016 billing cycles.

MONTHLY BILLING CYCLE

Rate:	In addition to the Service Charge, the Usage Charge for water delivered shall be $2.45 per 1,000 gallons for all water delivered.
Service Charge:	$500.00

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

CUSTOMER ELIGIBILITY

In addition to the requirements set forth above regarding Terms and Conditions, a Customer must satisfy the following conditions to be and remain eligible to receive service under this Schedule:

Customers must: (i) be regulated directly by the Arizona Department of Water Resources (DWR) as a Turf Facility/ Individual User under the Groundwater Code and Management Plans adopted pursuant thereto, and (ii) receive supplies of surface water through SRP, and (iii) use water which has and retains the characteristics of water collected for treatment as set forth in A.R.S. § 45-101(4) that is delivered from a City well as a supplement to such surface water. The Customer must maintain and provide the Water Resources Department a copy of all Turf Facility/Individual User documentation required, including conservation plans, and otherwise demonstrate compliance with all other applicable Management Plan and Groundwater Code requirements on an annual basis.

This page intentionally left blank.

TERMS AND CONDITIONS FOR THE SALE OF UTILITIES

The following terms and conditions ("Terms and Conditions") apply to the provision of utility services by the City and shall be considered a part of the City of Mesa's ("City") Rate Schedules.

1. Service Rendered Under Special Agreement:

   Utility services will be supplied in accordance with these Terms and Conditions and such applicable rates as may from time to time be adopted by Ordinance by the City Council. However, in the case of Customers whose service requirements are of unusual size or characteristics, special rate agreements may be required and authorized by the City Council. Any individual who receives City owned utility service and requires life support equipment at their residential premises may provide written notice of such need to the City ("Life Support Customers"). The City will manage associated accounts in accordance with its Life Support Customer Policy and these Terms and Conditions.

2. Continuity of Service:

   The City will use reasonable diligence to supply steady and continuous service, but does not guarantee the service against fluctuations or interruptions. The City will not be liable to the Customer for any damages occasioned by fluctuations or interruptions, or by failure to begin supplying service. The City may, without incurring any liability therefore, suspend service for periods reasonably necessary to accomplish repairs to or changes in any of the City's facilities.

3. Service and Main Connections and Charges:

   A. In order to receive water or wastewater service, each parcel of real property must be served from a separate service connection from a public main line designated to serve the appropriate water zone. Additionally, each parcel must meet one of the following requirements:

      1. Right of Way Frontage. The parcel must have frontage on dedicated public right- of-way, directly adjacent to the parcel.

      2. Dedicated Private Street. The parcel must have frontage on a directly adjacent dedicated private street that is a minimum of twenty-four (24) feet in width. Additionally, such private street must meet all requirements of the City, including but not limited to, a public utilities and facilities easement.

      3. Common Parcel. The parcel receiving service must be directly adjacent to a parcel which is at least twenty (20) feet wide and owned by a property owner's association. In addition, such common parcel must meet the requirements of 1 or 2 above. All water and wastewater lines to the parcel receiving service shall be located on the common parcel and privately owned and maintained. Water meters must not be located within the common parcel.

   B. In order to receive water or wastewater service, each parcel must have frontage meeting the minimum widths required by the applicable zoning classification.

   C. In order to receive residential solid waste and recycling service, each parcel of real property must have an individual location for at least two barrels on a public right of way, or a dedicated private street meeting the requirements set forth in Section 3(A)(2) herein, with a minimum of eighteen (18) inches of separation between barrels.

   D. In order to receive water or wastewater service, all real property must be in compliance with all applicable regulations, standards, and requirements established by the City, including but not limited to compliance with the Zoning Code, Building Codes, Fire Code, and the street, utility improvement and other requirements in 9-8-3 of the Mesa City Code (M.C.C.).

E. No group of structures may be served by one (1) meter unless situated on the same parcel of real property, under one (1) ownership.

F. The owner or developer of a parcel requesting utility service will be responsible for extending the public main line(s) to bring the utility adjacent to, and along all appropriate frontages of, the parcel.

G. No sale or transfer of service from one real property ownership to another shall be permitted. In the event that any real property with utility service is subdivided and any portion of that real property is subsequently sold to another party, a public main extension and/or meter relocation will be required as necessary to make service directly adjacent to each new lot so created.

H. All meters will be supplied by the City. Charges for installing new services and meters will be in accordance with the current Utility Service Fee Schedule.

I. The following criteria are required for water meter installations:

1. Water piping on Customer side must coincide with the requested meter size for a minimum distance of 48 inches, after which such piping may transition to alternative sizes and/or materials.

2. Installation of proper-sized water meter box.

3. Meter installation site is marked with the Identification for Water Meter Card.

4. Sites not properly prepared at the time of request are subject to Trip Charges. See Utility Service Fee Schedule.

J. All applicable development impact fees shall be paid in accordance with Chapter 17 of Title 5.

K. Buy-ins for the right to use certain utility main lines will be in accordance with the private line agreement on file with the City or as determined by the City for a specific utility main.

L. All monies must normally be paid at the time service is requested.

M. All real property located outside Mesa's corporate limits must be annexed into the City's corporate limits before connecting to and receiving water and/or wastewater service from the City, except those Customers that satisfy all the requirements of Section 23 may be provided such service subject to compliance with these Terms and Conditions.

4. Access To Customer Premises:

A. As a condition of service, authorized representatives of the City must be given access at all reasonable hours to the Customer's premises for the purpose of meter reading, connection and disconnection of service as well as operating and maintaining the City's facilities up to the point of delivery.

B. The Customer, at his or her expense, will provide at no cost to the City a license or an easement in a form acceptable to the City, as needed for the purpose of constructing and maintaining the City's service facilities required on the Customer's premises up to the point of delivery.

5. Authority To Connect or Disconnect Service:

A. The City will not install and maintain any lines and equipment on the Customer's side of the point of delivery.

B. For the mutual protection of the Customer and the City, only authorized employees of the City are permitted to connect or disconnect service.

C. Where new services are to be connected, a satisfactory final inspection by the City Development and

Sustainability Department or other authorized jurisdiction will normally be required prior to turning on the gas or electrical service. Development and Sustainability Department permits and/or inspections may be required for the resetting of a gas meter that had been previously removed from a property.

D. All connections of gas service require the presence of a responsible party 18 years of age or older at the property for completion of the safety inspection. Additional trip charges to property will be applicable.

E. All Life Support Customers will be contacted in person or via posting at the premises on the date of disconnect and provided an additional twenty-four (24) hours to make alternate arrangements or to pay the required amount owing prior to service termination.

6. Termination of Service:

A. In addition to applicable conditions and/or circumstances established in other sections of these Terms and Conditions, the City may disconnect service to any Customer when necessary for the Utility to comply with an order of any Governmental Agency having such jurisdiction.

B. Upon notice that a Customer-of-record is deceased, the City will disconnect all services. This notice of disconnection will be mailed to "all residents of" the subject service location. This notice will explain that in order to restore service, a new account must be opened in the name of another resident at the service location within thirty (30) calendar days. Except in the case where the new Customer of record is the surviving spouse, a new deposit shall be required.

7. Metering Provisions:

A. The Customer will provide, in accordance with the City's current service standards and free of expense to the City, a sufficient and proper space in an approved location for the installation of the meter.

B. The readings of the City's meter will be conclusive as to the amount of consumption used by the Customer, unless upon test, the City's meter is found to be in error by more than three percent (3%). If a meter is found in error by more than three percent (3%), the City will compute the consumption based on the error percentage and/or applicable history.

C. If the Customer requests an accuracy test and the meter proves to be not more than three percent (3%) in error, a service charge to cover the vehicle expense, driving time and labor expense for meter exchange and testing will be made by the City in accordance with the current Utility Service Fee Schedule.

8. Cooling Tower/Subtractive Metering:

For a commercial Customer with cooling towers, the City may allow the Customer to have influent and effluent meters installed to properly meter the amount of water discharged to the wastewater system. The Customer shall be responsible for all costs associated with the purchase and installation of City approved meters and must provide City approved ground level meter readout devices in an approved location.

Construction plans must be approved by the applicable City departments before any purchase of the meters and their installation can proceed.

9. Grounds for Termination or Refusal of Service:

The City may refuse to connect or reconnect or may terminate City utility services if any of the following conditions exist:

A. Applicant has an outstanding amount due with the City for utility services or any other delinquent City account and is unwilling to make acceptable arrangements with the City for payment.

B. A condition exists which in the City's judgment is unsafe or hazardous.

C. Applicant has failed to meet the security deposit requirements set forth by the City.

D. Applicant is receiving service in violation of the City's Rate Schedules.

E. Applicant fails to furnish such funds, service, equipment, licenses, easements and/or rights-of-way required to serve Applicant and which have been specified by the City as a condition for providing service.

F. Applicant falsifies his or her identity for the purpose of obtaining service.

G. Service is requested by an Applicant and a prior Customer living with the Applicant owes a delinquent utility bill.

H. Applicant is acting as an agent for a prior Customer who is deriving benefits of the service and who owes a delinquent utility bill.

I. Applicant has failed to obtain all required permits and/or inspections indicating that Applicant's facilities comply with local construction and safety codes.

J. Applicant or anyone residing at the premises has an outstanding debt with any City department.

K. Applicant otherwise is not in compliance with these Terms and Conditions.

10. Residential Establishment of Credit or Security Deposit:

A. Residential Customers are required to place a deposit.

B. The City may waive the security deposit from a new applicant for residential service if the applicant is able to meet any of the following requirements and has no other delinquent City accounts.

1. Applicant has had service of a comparable nature with the City within the past twenty- four (24) months and was not delinquent in payment more than twice during the last twelve (12) consecutive months or disconnected for non-payment.

2. Applicant authorizes the City to obtain a consumer credit report from a third-party consumer credit reporting agency chosen by the City and applicant's credit score provided by the credit reporting agency is satisfactory to the City. An applicant requesting the City obtain a credit history is required to pay a fee in accordance with the City's utility service fee schedule to offset the City's cost of obtaining the credit report.

11. Nonresidential Establishment of Security Deposit:

All nonresidential customers may be required to:

A. Place a cash deposit to secure payment of bills for City services as prescribed herein.

B. Provide a non-cash security deposit in the form of a Surety Bond in an amount equal to the required security deposit.

12. Re-establishment of Security Deposit:

A. Residential Service. The City may require a residential Customer to establish or re-establish a security deposit if Customer becomes delinquent in the payment of more than two (2) bills within a twelve (12) consecutive month period or has been disconnected for non-payment during the last twelve (12) months or when the Customer's financial condition may jeopardize the payment of their bill, as determined by a credit scoring service or other objective criteria.

B. Nonresidential Service. The City may require a nonresidential Customer to establish or re-establish a security deposit if the Customer becomes delinquent in the payment of more than two (2) bills within a

twelve (12) consecutive month period or if the Customer has been disconnected for non-payment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill, as determined by a credit scoring service or other objective criteria.

13. Security Deposits:

A. The City reserves the right to increase security deposit amounts applicable to the services being provided by the City if the Customer becomes delinquent in the payment of more than two (2) bills within a twelve (12) consecutive month period or has been disconnected for non-payment during the last twelve (12) months:

B. Separate security deposits are required for each service location.

C. Customer security deposits shall not preclude the City from terminating service or suspending service for any failure in the performance of Customer's obligation under the Terms and Conditions.

D. Deposits (cash and non-cash) are applied to the final bill when all services become inactive. Customers-of-record subject to the provisions of Mesa City Code Title 5, Chapter 10 shall next have the deposit balance applied to any City accounts receivable balances that arise from Mesa privilege, use, or transient occupancy tax liabilities. Deposits shall also not be refunded unless and until the Customer-of-record files all delinquent privilege, use, or transient occupancy tax returns. Any remainder shall next be applied to set-off other delinquent City accounts before the balance is refunded to the Customer-of-record. Any remaining amounts shall be refunded to the Customer.

If the previous months' payments were made by credit card or debit card, refunds will be provided to the same credit and debit card accounts in amounts up to such payments, when possible. A check will be issued for all other refunds. If a combination of payment types were used in the previous months' payments, the refund will be made up to the payment amount for each method in the same manner as previously described.

E. Subject to the provisions in Section 13(D), deposits on file with the City, upon request, will be reviewed after twenty-four (24) consecutive months of service for residential accounts and thirty-six (36) consecutive months of service for nonresidential accounts. Accounts will be credited the amount of the security deposit on file with the City provided the Customer has not been delinquent more than twice in such review periods.

F. Nonresidential security deposits shall be set at two and one-half (2-1/2) times the service address' maximum monthly billing within the preceding twelve (12) month period as estimated by the City for the service being provided by the City.

G. For residential dwelling units with individual service meters, the security deposits shall be in accordance with the current Utility Service Fee Schedule unless applicant's past service history warrants an additional amount. In which case the security deposit shall not exceed two and one- half (2 ½) times the maximum monthly billing based on the most recent historic usage for the service address.

H. The City has the right to suspend utility services to enforce payment of utility bills, collection charges, service charges, meter test charges, or security deposit amounts.

I. Security Deposits may be increased for those Customers whose services have been disconnected for non-payment.

14. Billing and Terms:

A. The City will read meters or calculate meter readings and bill Customers at regular intervals, normally every twenty-six (26) to thirty-four (34) calendar days. At its sole discretion, the City may change the frequency of meter reading.

B. Services billed for periods outside of the twenty-six (26) to thirty-four (34) calendar day range are subject to pro-ration of minimum charges based on a standard thirty (30) day billing cycle.

C. The City may compute, re-compute or adjust bills for Customer accounts based on a reasonable usage estimate made by the City if any of the following conditions apply:

1. The meter fails to accurately register;

2. The meter reader is unable to obtain a meter reading because of locked gates, safety concerns, inclement weather, or other deterrent;

3. Service is temporarily supplied without a meter; or

4. A contrivance has been used to circumvent the accurate registration of metering devices.

D. When an error is found to exist in the billing rendered to Customer, or if service is discovered in use at the property that had not previously been charged to the Customer, the City will correct such error to recover or, subject to the City account set-off provisions in Section 13(D), refund the difference between the original billing and the correct billing. Such adjusted billings will not be rendered for periods in excess of thirty-six (36) months from the date the error is discovered. Any refunds to Customer resulting from adjusted billings will be made promptly upon discovery by the City. Under billings by the City shall be billed to Customer who shall, upon Customer's request, be given an equal length of time, such as number of months under billed, to pay the back bill on a level installment basis without late fee penalties, unless there is evidence of meter tampering or theft. This payment arrangement will become null and void if payments are not received by each bill's stated due date; normal collection procedures and late fees will then apply.

E. The City is not responsible for any increased usage that results from problems on the Customer side of the point of delivery (metering device).

F. Customers must notify the City immediately of a lost, stolen or damaged solid waste barrel and the need for a repair or replacement. Adjustments shall not be given for barrels that are unusable, have not been at the service address, or have not been properly reported by the Customer.

G. When a Customer is responsible to report a unit count for billing purposes and fails to timely provide an accurate count, the unit count shall be estimated or the driver count shall be used to bill for the month. Thereafter, the City will only make account adjustments if the Customer provides an accurate report prior to the start of the next billing cycle.

H. Wastewater Fee Adjustment forms are available annually to residential Customers who use a large percentage of their domestic water usage for landscaping purposes or who experienced a leak during the months of December through March. Data provided by the Customer will be used to determine the eligibility for a reduction in monthly wastewater charges. Wastewater charges are re-evaluated each April based on the average water consumption used during the months of December, January, February and March. Forms must be submitted to the City annually.

I. Any failure of the City to render a complete monthly bill shall not be a waiver of the City's right to payment for services supplied by the City.

J. <u>Customer Select Due Date ("CSDD")</u>:
Subject to availability, eligible residential Customers may select the date in the month, within City guidelines, that their utility bill is due. The requesting account must have a zero balance at the time of CSDD activation. The Customer must pay the bill by the due date to remain on the program.

K. <u>SurePay (Automatic Payment Option):</u>
The Customer may authorize the City to electronically withdraw the amount of the monthly bill for City services directly from a specified checking or savings account. The City may discontinue the Customer's participation in this option upon the second occurrence of insufficient funds regarding the Customer's payments during the period of the current and immediately preceding eleven (11) Billing Periods. The requesting account must have a zero balance at the time of SurePay activation.

L. Budget Payment Plan ("BPP"):
Subject to availability, all eligible residential Customers may have the City equalize their monthly charges over a twelve (12) month period for utility services provided by the City. The requesting account must have a zero balance at the time of BPP activation. The account must stay current to remain in BPP.

1. The City will not offer a BPP to Direct Access Customers. Customers who have a managed payment billing plan at the time of their switch to Direct Access Service will be removed from such plan, and must pay any accumulated charges in full. The City will refund any accumulated credit to the Customer after generation of the final Standing Offer Service Bill.

M. Available Service Activation:

1. Where service is available, residential Solid Waste and Wastewater service charges will be assessed when the domestic water meter at the property is active and in use per the applicable City of Mesa Rate Schedule.

2. Residential solid waste and recycling service, where available, will be billed in association with water and wastewater services on all commercial and multi-use dwellings as outlined in the applicable City of Mesa Rate Schedule.

15. Utility Service, Collection, and/or Late Fee Charges:

A. All utility service, collection and late fee charges shall be in accordance with the current Utility Service Fee Schedule.

B. A utility administrative fee will be assessed to establish a utility account. In addition, all applicable service connection charges will be assessed for each metered service activated.

C. A late fee will be assessed to all accounts with an amount owing in arrears one (1) day after the due date. An amount more than one (1) billing cycle past due shall be subject to additional late fees.

D. If a non-payment disconnection notice must subsequently be produced and mailed, an additional charge will be billed to defray the cost of producing and mailing this notice.

E. In the event that a utility field representative must be dispatched to a service address, a trip charge will be assessed to defray the cost of each field trip.

F. Should it become necessary to reconnect utility service that has been disconnected due to non- payment, normal administrative and service connection charges will apply.

G. Should it become necessary to remove a meter or regulator, or to disconnect service to enforce payment, additional service charges will be made, including charges for damages to utility meters, meter locking devices or any other City owned property.

H. City and State Transaction Privilege tax will be assessed on all charges as applicable.

16. Change to Optional Rate Schedule:

A. Where optional Rate Schedules are available, only one change requested by the Customer-of-record will be allowed in any twelve (12) month period.

17. Payment of Utility Bills:

A. Utility bills shall be rendered monthly, are payable upon presentation and are past due after the due date.

B. The City reserves the right to suspend or terminate any or all of the Customer's services for non-payment of bills past due or for utility payment items (checks, credit cards, etc.) returned or rejected by a

financial institution unpaid. Payment is effective upon receipt in hand of the full balance due at a City of Mesa Utility Payment Center.

C. If a Customer has been notified of a pending disconnection, or has been disconnected, and the payment to maintain continuity of service, or to reinstate service following disconnection is returned or rejected by a financial institution, the City reserves the right to disconnect service without further notice.

D. A lien for unpaid utility account balances and the cost of preparing, processing and releasing a lien may be placed on the property, lot or tract of land to which service was rendered, or any other real property currently owned by the Customer, or any real property that may become owned by the Customer subsequent to termination of their account.

E. At the City's option, any person, other than the Customer-of-record, specifically including, but not limited to, the property owner, who benefited from the utility services provided by the City may be held responsible for payments.

F. Any overpayment made on a utility account that results in a credit to the utility account shall be available to set-off City account receivable balances in conformity with Section 13(D).

18. Collection of Accounts:

A. A Customer whose account has been terminated will be issued a final bill, which must be paid in full upon presentation. If a final bill becomes delinquent, the City may use any legal means available to collect the amount due. The Customer will be responsible for paying all costs and expenses incurred by the City to collect the amount due.

B. An unpaid utility account balance may be transferred to another City utility account with the same Customer or any other person(s) who benefited from the utility service.

C. The City may apply any Customer's privilege, use, or transient occupancy tax credit or refund or any other City account credit or refund to the utility account in order to satisfy any unpaid utility debt before the Customer receives such credit or refund.

19. Payment and Billing Disputes:

A. The Customer should notify Mesa Customer Information and Billing Operations of discrepancies in the City's billing for services provided by the City. The City will not consider the amount in dispute for collection action until the City has verified that the bill was correct, provided the Customer notifies the City of the claim before the amount becomes delinquent and pays all other undisputed amounts billed by the City.

B. A Customer dissatisfied with the City's determination may appeal the decision in writing to the City's Business Services Administrator.

C. If a Customer has a dispute with a City bill that has not been satisfactorily resolved by the Business Services Administrator, a written complaint may be submitted to the Business Services Director for further review. The Business Services Director shall respond to the Customer within twenty (20) days of the receipt of the Customer's complaint. The timeline for response may be extended by agreement of the Customer and the City.

D. If the complaint is not resolved by the Business Services Director's action, the Customer may submit the complaint within twenty (20) calendar days of the response to the City Manager. The City Manager or designee shall issue a written decision to the Customer within twenty (20) calendar days of receipt by the City Manager. The timeline for response may be extended by agreement of the Customer and the City Manager or designee.

E. Decisions of the City Manager or designee regarding a dispute with the City's electric charges may be appealed to the City Council or designated City Council Committee but if not appealed, the decision will serve as the City's ultimate determination of the dispute; however, if appealed, the City Council or

designated City Council Committee's decision will be the City's ultimate determination of the dispute.

20. Unauthorized Use of Utilities:

A. Unauthorized use of utilities shall mean:

1. The taking of a utility service, (1) by turning the service on without authority, (2) by bypassing a meter, connecting directly into the service or a hydrant without a meter, (3) willfully modifying the meter or service apparatus so as to cause loss or reduction of registration, (4) obtaining service via another City Customer's service, (5) unauthorized connection to wastewater services, or (6) without otherwise complying with these Terms and Conditions.

2. For an Interruptible Gas Service Customer, the taking of gas on any day in excess of the maximum daily contract quantity specified in the gas service contract between the City and the Customer.

3. For any gas Customer subjected to curtailment during a curtailment period, the taking of gas in excess of a daily variable entitlement specified by the City and based upon the Customer's priority class (see the City of Mesa's Curtailment Ordinance) and the curtailment imposed upon the City by its general gas transportation supplier, El Paso Natural Gas Company.

4. For any Customer with a maximum monthly quantity specified in the gas service contract between the City and the Customer, the taking of gas in any billing period in excess of the maximum monthly quantity.

B. If unauthorized use of a utility occurs, the City shall charge:

1. Residential Customers for an estimated usage according to the applicable Rate Schedule plus a service charge for each connection in accordance with the current Utility Service Fee Schedule.

2. Nonresidential, multi-family and construction Customer accounts for an estimated usage according to applicable rates plus a service charge in accordance with the current Utility Service Fee Schedule for each connection. Subsequent fees paid for the appropriate required meters may be subtracted from the service charge.

3. Customers found to have unauthorized connections are subject to criminal prosecution, paying all damages, and/or paying charges found in the current Utility Service Fee Schedule.

4. City and State Transaction Privilege Tax will be assessed on all charges as applicable.

21. High Pressure Gas Service:

Gas is normally supplied by the City from a main or service regulator normally operating at a pressure equivalent to seven inches of water column. Where, in the City's opinion, gas is available at high pressure, it will be supplied subject to the following provisions:

A. Such higher delivery pressure shall be agreed upon by the City and the Customer, and supplied within the range of accuracy provided by a standard service regulator.

B. For billing purposes, the volume of gas registered in cubic feet by the meter at a pressure in excess of seven inches of water column shall be corrected to a basis of four ounces (0.25 pounds) per square inch above an assumed atmospheric pressure of 14.12 pounds per square inch, or 14.37 pounds per square inch absolute pressure; the City reserves the right to correct gas deliveries to a temperature standard of 60° F., and to apply deviation factors for super-compressibility.

22. Landlord Agreements:

A landlord agreement is defined herein as an agreement between the City and a qualified landlord which allows for the automatic continuation of service in the landlord's name when a tenant requests disconnection

of service. A qualified landlord is a rental property owner that has established a satisfactory credit status of no more than two (2) delinquent utility payments per year or has a utility deposit on-hand with the City of Mesa Utility Customer Accounts Section.

A. The landlord agreement shall not apply when a tenant is disconnected for non-payment of utilities.

B. Disputes regarding effective dates of service shall be resolved between the tenant and the landlord.

C. The utility administrative fee may be waived for landlord agreement Customers in which the City is the retail supplier of the account's electric, gas or water service, whichever service is Applicable to the account being activated, when that service under the landlord agreement automatically reverts to the landlord's account, but shall apply when a new tenant requests service at that location.

D. The landlord agreement may be terminated by the landlord or the City at any time with thirty (30) days' written notice.

23. Parcels Outside the Municipal Limits, Annexation Exceptions.

A. Parcels of real property located outside Mesa's corporate limits requesting water or wastewater service may be provided such service if (i) the real property complies with all City ordinances, regulations, standards, and other requirements as if it were located within the City's corporate limits, including but not limited to compliance with the Zoning Code, Building Codes, Fire Code, and the street, utility improvement and other requirements in M.C.C. 9-8-3; and (ii) the owner of the property enters into a Utility Services Agreement wherein the owner agrees to comply with these Terms and Conditions and waives all rights under A.R.S. § 9-500.34, and further agrees that if such waiver is found to be unenforceable, the City will have no obligation (under the Agreement or otherwise) to provide water or wastewater service.

B. Where one parcel of real property located outside of Mesa's corporate limits requesting water or wastewater service is being developed or used for a detached single residence (as defined in the City of Mesa Zoning Ordinance 11-86-2, but with the exclusion of manufactured homes, manufactured home parks, and recreational vehicles), that parcel may be provided water or wastewater service if (i) the real property complies with all City ordinances, regulations, standards, and other requirements as if it were located within the City's corporate limits, including but not limited to compliance with the Zoning Code, Building Codes, Fire Code, and the street, utility improvement and other requirements in M.C.C. 9-8-3, except as such compliance may be deferred under subsections 1 through 4 below; and (ii) the owner of the property enters into a Utility Services Agreement wherein the owner agrees to comply with these Terms and Conditions and waives all rights under A.R.S. § 9-500.34, and further agrees that if such waiver is found to be unenforceable, the City will have no obligation (under the Agreement or otherwise) to provide water or wastewater service. Certain compliance requirements of 23(B)(i) above may be deferred as follows:

1. Those requirements in Mesa City Code Sections 9-8-3(E), (G), and (H) for public improvements for streets, alleys, sidewalks, wastewater lines, fire hydrants, irrigation lines and ditches, storm drainage, streetlights, traffic control devices, street name signs, and survey monuments may be deferred until the property owner seeks to have the property annexed into the City of Mesa; provided, however, the deferral of requirements in this sub-section 1 shall not apply to M.C.C. 9-8-3(H)(4) regarding water lines or to wastewater lines if the property owner seeks wastewater service. All City-owned lines shall be designed, installed, constructed, and inspected in compliance with the Mesa City Code and standards, and there is no deferral of any requirements for City-owned lines.

2. If the property does not comply with the requirements in the International Fire Code—as adopted and amended by the M.C.C. Title 7, Chapter 2—in Section 503 "Fire Apparatus Access Roads," Section 508 "Fire Protection Water Supplies," Appendix B "Fire-Flow Requirements for Buildings," and Appendix C "Fire Hydrant Locations and Distribution" (or equivalent code section and/or appendices if the code edition format has been modified), the property owner has the alternative to defer these requirements until the property owner seeks to have the property annexed into the City of Mesa so long as prior to receiving service the property owner installs a National Fire Protection Association (NFPA) fire sprinkler system. The fire sprinkler system must comply with the NFPA 13D standard in effect at the time the service is provided with installation in all areas

of the residence and no omissions permitted; provided, however, the City of Mesa Building Official may make reasonable modifications to allow omissions to the NFPA 13D standard.

3. The requirements described in sub-sections 1 and 2 above (the "Deferred Requirements") will only be deferred until the property owner seeks annexation. Prior to annexation, the property owner must construct, install, and complete the Deferred Requirements. Additionally, if the Water Resources Director determines that the deferral of all or a portion of the Deferred Requirements would adversely affect water quality or service, those Deferred Requirements that would have such an affect will not be deferred and are required prior to receiving service.

4. The property owner must further agree in the Utility Services Agreement to complete the Deferred Requirements prior to seeking annexation, as well as such other terms as are required by the City.

C. In addition to the requirements set forth above, the Utility Service Fee shall be paid for each parcel connecting. The owner shall also be responsible for payment of all applicable water and wastewater development impact fees and applicable connection and meter fees and charges under City Rate and Fee Schedules.

24. Modifications:

A. Where an individualized assessment reveals the existence of special conditions involving topography, land ownership, adjacent development, parcel configuration, or other factors relating to the impact the development will have on the need for public improvements associated with the proposed development, the City Manager or designee may reduce, defer, or approve alternatives to the requirements in Sections 3(D) and 3(F), of these Terms and Conditions for the Sale of Utilities, based upon a finding that such conditions or factors exist and that the requirements would substantially impair existing uses or the ability for development; provided, however, the requirement in Section 3(F) for the parcel requesting service to extend the public main line(s) adjacent to the parcel may not be modified or eliminated. The determination of the City Manager, or his designee, hereunder may be appealed to the City Council committee that is designated by the City to hear such appeals, and such committee's determination may be appealed to the City Council. All appeals must include a written notice of appeal that contains an explanation of why the appellant feels that the determination was in error. The written notice of appeal must be filed with the City Clerk within thirty (30) days after the determination for which the appeal is being filed. The determination of the City Council shall be final.

B. In order to promote the interests of the City, the City Council may modify, eliminate or approve alternatives from the requirements of Section 3 of the Terms and Conditions for the Sale of Utilities for an individual parcel of real property. Any such decision shall be at the discretion of the City Council and shall be made only upon a recommendation from the designated City Council Committee to allow such modifications, eliminations or alternatives. An approved modification may be contingent upon the applicant entering into a Utility Service Agreement.

C. Parcels of real property that are developed as new or converted commercial or residential condominiums, as defined in A.R.S. § 33-1202, may be excepted from some or all of the requirements of Sections 3(A), 3(C) or 3(E) by the City Engineer as follows:

1. A group of structures or parcels may be served by one (1) meter and service connection when the real property under ownership by multiple parties is governed by a Homeowner's Association or a Unit Owners Association; or

2. A group of structures or parcels may be served by more than one (1) meter when the main lines are located in public utility easements or public utility facility easements.

25. Violation; Penalty:

Among other penalties that may apply, any person that violates any provision of this Ordinance shall be guilty of a misdemeanor. Upon conviction, individuals shall be punished by a fine not to exceed $2,500, or by imprisonment for a period not to exceed six (6) months, or by such fine and imprisonment. Upon

conviction, businesses shall be punished by a fine not to exceed $20,000. Each instance of violation continued shall be a separate offense, punishable as described above.

26. Confidentiality:

Customer-specific information shall not be released without specific prior written Customer authorization unless the information is reasonably required for legitimate account collection activities or credit analysis activities or when such information aids in providing safe and reliable service to the Customer or unless otherwise provided by court order or law.

City of Mesa's Code of Conduct (Electric Utility)

Pursuant to A.R.S. § 30-803(F), Mesa shall adopt a code of conduct to prevent anticompetitive activities that may result from the public power entity providing both competitive and noncompetitive services to retail customers. The code of conduct shall address at least the following issues:

1. Policies for allocating costs between noncompetitive and competitive activities to avoid cross-subsidization.

2. Policies to prevent employees providing noncompetitive services from directing retail electric customers to the public power entity's competitive services.

3. Policies to prevent employees from transferring proprietary information gained in the performance of noncompetitive services to employees engaged in performing competitive services without the consent of the retail electric customer.

4. Policies to provide retail electric customers with complete and accurate disclosure of which services are competitive and which services are noncompetitive.

5. Policies to prohibit preferential treatment when providing noncompetitive services based on a retail electric customer's provider of competitive services.

Definitions

"ACC" means Arizona Corporation Commission.

"Competitive entity" means any entity through which Mesa provides competitive services.

"Competitive Services" means generation, generation-related billing and collection, metering services, and meter reading services.

"Confidential customer information" includes confidential customer information that is not to be released to Third Parties for commercial or law enforcement purposes unless specifically waived by the Customer in writing or unless otherwise provided by court order.

"ESP" means electric service provider, which is an entity supplying, marketing, or brokering at retail any competitive services pursuant to a certificate of convenience and necessity issued by the ACC.

"Mesa" means City of Mesa.

"Noncompetitive services" means including, but not limited to distribution service, standard offer service, transmission, and must-run generating units services.

"Third Party" means any ESP or any other market participant that may lawfully provide competitive services to retail customers that is not Mesa or Mesa's competitive entity as defined herein.

Mesa shall adhere to the following principles of its Code of Conduct in its provision of noncompetitive services and its competitive services provided through a noncompetitive entity:

1. Mesa shall ensure that its competitive services are not cross-subsidized by its competitive entity by allocating costs between competitive and noncompetitive services. Mesa shall utilize generally accepted methodologies when performing associated cost allocations.

2. Mesa customers will not obtain any preference and will be not be discriminated against when receiving any noncompetitive service from Mesa due to the customer's ESP or Third Party.

3. Mesa shall not express a preference to any customer for any competitive service provided by Mesa's competitive entity over those of any other ESP or Third Party.

4. Mesa shall not express a preference to any customer for any competitive service provided by one ESP or Third Party over any competitive service provided by any other ESP or Third Party.

5. Mesa employees engaged in providing noncompetitive services shall not direct retail electric customers to Mesa's competitive entity.

6. Mesa shall inform customers of their ability to obtain competitive services including generation, metering, meter reading, and/or billing services from other than Mesa.

7. For customers requesting information on competition, Mesa shall present retail electric customers with complete and accurate disclosure regarding which services are competitive and which are noncompetitive so that Mesa customers can make their own choices regarding competitive services that they want to purchase, if any, from any authorized ESP or other Third Parties by making available the following:

    a. Notification and informational materials to consumers about competition and consumer choice;

    b. A list of ESPs that have been issued a certificate of convenience and necessity by the ACC to offer competitive services within Mesa's service territory as set forth by the ACC. Mesa shall not guarantee the accuracy of the list.

8. Mesa shall not provide proprietary customer information to Mesa's competitive entity without the consent of the retail electric customer.

9. Mesa shall provide access to distribution-specific information, including but not limited to, available distribution capability, transmission access, and curtailments to Mesa's competitive entity, ESPs, and other Third Parties at the same time and under the same conditions.

10. Mesa shall inform customers who inquire about competitive services that a list of ESPs is available from the ACC on its web site or by telephone and upon request will provide the customers with the ACC web site address and telephone number.

11. Mesa employees will not express a preference toward products and services of any ESP or Third Party, including Mesa's competitive entity, or offer recommendations regarding a customer's selection of an ESP or Third Party.

12. Mesa shall not provide unsolicited information regarding its competitive entity.

13. If a customer requests a Mesa employee for information regarding a specific ESP or Third Party, including Mesa's competitive entity, the Mesa employee may provide the customer with the ACC website and telephone number.

14. Mesa will not engage in joint advertising, marketing or sales with its competitive entity.

15. Mesa shall apply its tariffs in the same manner to similarly situated entities.

16. Mesa shall process all requests for noncompetitive services and for competitive services, if applicable, in the same manner and within the same time period.

17. Mesa shall not state in any advertising, promotional materials, or sales efforts that a consumer who purchases services from Mesa's competitive entity will receive preferential treatment in the provision of noncompetitive services or that any other advantage regarding the provision of noncompetitive services will accrue to that consumer.

18. The name or logo of Mesa as a public power entity shall not be used in the promotional advertising material circulated by Mesa's competitive entity.

19. Mesa shall not require that a consumer purchase any competitive service from Mesa's competitive entity as a condition to providing noncompetitive services.

20. An annual independent audit shall be performed to ensure compliance with the Code of Conduct if and when Mesa begins to provide competitive services through a Mesa affiliated competitive entity.

21. Mesa shall provide a dispute resolution process including nonbinding third party arbitrators or mediators for customers and interested parties filing a complaint regarding activities that are governed by this Code of Conduct.

This page intentionally left blank.

SCHEDULE TC-DA (ELECTRIC UTILITY)

TERMS AND CONDITIONS FOR DIRECT ACCESS SERVICES

The following terms and conditions apply to the City of Mesa (Mesa), Electric Service Providers (ESP's) and their agents that participate in Direct Access under the Rules and Regulations adopted by Mesa and the Arizona Revised Statutes (A.R.S. § 30-801 *et seq*.) herein referred to as the "Rules". "Direct Access Customer" refers to any Mesa retail electric customer electing to procure its electricity and any other authorized Competitive Services directly from ESP's as defined in the Rules. ESP's who serve Direct Access Customer accounts shall possess a Certificate of Convenience and Necessity (CC&N), issued by the Arizona Corporation Commission (ACC) pursuant to A.A.C. R14-2-1604; enter into an ESP Service Acquisition Agreement with Mesa and an agreement with an Mesa-approved Scheduling Coordinator; be registered to do business in the State of Arizona; and meet any other applicable certification requirements established by State law and by the appropriate regulatory agencies.

The Terms and Conditions for Direct Access Services referenced herein supersedes the Terms and Conditions for the Sale of Utilities as applied specifically to the electric utility service. All other components of the Terms and Conditions for the Sale of Utilities remain in effect for the other utilities.

Customer Selections

All Mesa retail electric customers shall obtain electric generation and authorized energy services under one of two options:

1. Standard Offer Service (Bundled Service). With this election, retail electric customers will receive all services, including metering, meter reading, billing, collection and other consumer information services, on a bundled basis at rates adopted by Mesa. Any customer that has not chosen Direct Access, and who is eligible for Direct Access, shall remain on Standard Offer Service. Direct Access Customers may also choose to return to Standard Offer Service after having elected Direct Access.

2. Direct Access Services (Direct Access). This service election allows Customers eligible for Direct Access to purchase electric generation and other Competitive Services. Direct Access Customers with single premise demands greater than 20kW or 100,000 kWh per year, will be required to have in place Interval Metering, as defined below, at no expense to Mesa. Pursuant to the Rules, and any restrictions herein, the ESP serving these Customers will have options available for choosing to offer Meter Services and/or Meter Reading Services on their own behalf (or through a qualified third party) or to have Mesa provide those services, as specified within. Meter service options are described in the Sections on Metering Services and Meter Service Options and Obligations in this Schedule TC-DA.

1. General Terms

1.1. Definitions

1.1.1. The definitions of principal terms used in this Schedule shall have the same meaning as ascribed to them in the Rules, unless otherwise expressly stated in this Schedule.

1.1.2. Service Account - Unless otherwise stated, all references to "Service Account" in this agreement shall refer to an installed service, identified by a Universal Node Identifier (UNI).

1.1.3. First Meter Read Date - Unless otherwise stated, all references to "First Meter Read Date" shall refer to the first working day that meter reads can be obtained for a billing cycle. Mesa may publish the meter read schedule yearly, by month, subject to change.

1.1.4. Last Meter Read/First Bill Date - Unless otherwise stated, all references to "Last Meter Read Date/First Bill Date" shall refer to a pre-established working day defined each month for the purpose of producing Customer bills. The Last Meter Read/First Bill Date is the first day of the Mesa bill processing window. Mesa may publish the meter read schedule yearly, by month, subject to change.

1.1.5. Local Arizona time – All time references in this Schedule TC-DA are in local Arizona time, which is Mountain Standard Time. Arizona does not observe Daylight Savings Time.

2. General Obligations of Mesa

2.1. Non-Discrimination

2.1.1. Mesa shall discharge its responsibilities under the Rules in a non-discriminatory manner as to providers of all Competitive Services. Unless otherwise authorized by the Mesa's governing body, the Federal Energy Regulatory Commission ("FERC") or applicable affiliate transactions rules, Mesa shall not:

A. Represent that its affiliates or Customers of its affiliates will receive any different treatment with regard to the provision of Mesa services than other, unaffiliated services providers as a result of affiliation with Mesa; or

B. Provide its affiliates, or Customers of its affiliates, any preference based on the affiliation including but not limited to terms and conditions of service, information, pricing or timing over non-affiliated suppliers or their customers in the provision of Mesa' services.

2.2. Transmission and Distribution Service

2.2.1. Subject to State law and the terms of the Rules, this Schedule TC-DA, the ESP Service Acquisition Agreement, applicable schedules and applicable ARS and FERC rules, and provided the ESP and Customer likewise comply therewith, Mesa will offer transmission and distribution services under applicable rates, schedules and contracts for delivery of electric generation to Direct Access Customers.

2.3. System Benefit Charges (SBC)

2.3.1. System Benefits Charges are those charges adopted by Mesa for recovery of low-income, demand side management, environmental, renewable and other approved costs from customers that elect Direct Access. As a condition for receiving Direct Access, these customers will be responsible to pay all System Benefit Charges adopted by Mesa and as may be subsequently adopted by Mesa.

3. General Obligations of ESP's

3.1. Timeliness, Due Diligence and Security Requirements

3.1.1. ESP's shall exercise due diligence in meeting their obligations and deadlines under the Rules to facilitate customer choice. ESP's shall make all payments owed to Mesa in a timely manner (the Rules, the ESP Service Acquisition Agreement that the ESP enters into with Mesa, and Mesa's rates and schedules) and subject to applicable payment dispute provisions described below.

3.1.2. ESP's shall adhere to all credit, deposit and security requirements specified in the ESP Service Acquisition Agreement and Mesa's rates and schedules.

3.2. Arrangements with ESP Customers

3.2.1. ESP's shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, the Rules and this Schedule TC-DA. Mesa shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

3.3. Responsibility for Electric Purchases

3.3.1. ESP's will be responsible for the purchase of their Direct Access Customers' electric generation needs and the delivery of such purchases to designated receipt points as set forth on schedules given to the Scheduling Coordinators ("SC's").

3.4. Mesa Not Liable for ESP Services

3.4.1. To the extent the Customer elects to take other services from an ESP, Mesa has no obligations to the Customer with respect to the services provided by the ESP.

3.5. Load Aggregation for Procuring Electric Generation/Split Loads

3.5.1. ESP's may aggregate individually metered electric loads for procuring competitive electric generation only. Load aggregation shall not be used to compute Mesa charges or for tariff applicability.

3.5.2. Customers requesting Direct Access may not partition the electric loads of a Service Account among electric service options or providers. The entire load of a Service Account must be provided by only one (1) ESP. This provision shall not restrict the use of separate parties for metering services.

3.6. Interval Metering

3.6.1. "Interval Metering" refers to the purchase, installation and maintenance of electricity metering equipment capable of measuring and recording minimum data requirements, including hourly interval data required for Direct Access settlement processes. Interval Metering is required for all customers that elect Direct Access and have maximum single premise demands in excess of 20 kW or 100,000 kWh annually. Interval Metering is optional for those customers with demands of 20 kW or 100,000 kWh annually or less.

3.6.2. For new Customers without prior demand data, Mesa shall estimate the demand at the time the Customer establishes an account with Mesa. Mesa shall determine, based on its estimates of the Customer's demand, whether the Customer meets the requirements for Interval Metering. With the Customer's written consent, Mesa shall provide the Customer's ESP with the data upon which the demand estimate was made.

3.7. Metering Requirements

3.7.1. Minimum meter data requirements consist of data required to bill Mesa rates. Mesa shall have access to meter data necessary for regulatory purposes or rate setting purposes pursuant to mutually agreed upon terms with the ESP for such data access.

3.8. Statistical Load Profiles

3.8.1. Mesa will offer statistical load profiles in place of Interval Metering, for qualifying Customers to estimate hourly energy consumption for settlement and scheduling purposes. Statistical load profiles will be applied as authorized by FERC.

3.9. Fees and Other Charges

3.9.1. Direct Access Customers shall pay all applicable fees, surcharges, impositions, assessments and taxes on the sale of energy or the provisions of other services as authorized by law. The ESP and Mesa will each be respectively responsible for paying such fee to the taxing or regulatory agency to the extent it is their obligation to do so. The ESP will be responsible for providing Mesa the information necessary to bill these charges to the Customer.

3.10. Liability In Connection With ESP Services

3.10.1. In this Section, "damages" shall include all losses, harm, costs and detriment, both direct, indirect and consequential, suffered by the Customer or third parties.

3.10.2. Mesa shall not be liable for any damages caused by Mesa's conduct in compliance with, or as permitted by, Mesa's electric rates and schedules, the ESP Service Acquisition Agreement, the Rules, and associated legal and regulatory requirements related to Direct Access, or as otherwise set forth in Mesa's Schedule ETC-SO.

3.10.3. Mesa shall not be liable for any damages caused to the Customer by any ESP, including failure to comply with Mesa's rates and schedules, the ESP Service Acquisition Agreement, the Rules and associated legal and regulatory requirements related to Direct Access.

3.10.4. Mesa shall not be liable for any damages caused by the ESP's failure to perform any commitment to the Customer.

3.10.5. An ESP is not a Mesa agent for any purpose. Mesa shall not be liable for any damages resulting from acts, omissions, or representations made by an ESP in connection with soliciting Customers for Direct Access or rendering Competitive Services.

3.10.6. Under no circumstances shall Mesa be liable to the customer, ESP (including any entity retained by it to provide Competitive Services to the Customer) or third parties for lost revenues or profits, indirect or consequential damages or punitive or exemplary damages in connection with Direct Access. This provision shall not limit remedies otherwise available to Customers under Mesa's schedules and rates, applicable laws and the Rules.

4. Customer Inquiries and Data Accessibility

4.1. Customer Inquiries – For Customers requesting information on Direct Access, Mesa shall make available the following information:

4.1.1. Notification and informational materials to Customers about competition and Customer choices.

4.1.2. A list of ESP's that have been issued a Certificate of Convenience and Necessity to offer Competitive Services within Mesa's distribution service territory. Mesa will provide the list maintained by the ACC, but Mesa is under no obligation to assure the accuracy of this list. Reference to any particular ESP or group of ESP's on the list shall not be considered an endorsement or other form of recommendation by Mesa.

4.2. Access to Customer Usage Data. For Mesa Customers on Standard Offer Service, Mesa shall provide customer specific usage data to ESP's that have an ESP Service Acquisition Agreement in place with Mesa, or to the Customer, subject to the following provisions:

4.2.1. ESP's may request Customer usage data prior to submission of a Direct Access Service Request by obtaining and submitting to Mesa the Customer's written authorization on a Customer Information Service Request ("CISR") form. Mesa may charge for Customer usage data at rates adopted by Mesa.

4.2.2. Mesa will provide the most recent twelve (12) months of customer usage data or the amount of data available for that customer if there is less than twelve (12) months of usage.

4.3. Customer Inquires Concerning Billing Related Issues

4.3.1. Customer inquiries concerning Mesa charges or services shall be directed to Mesa. Customer inquiries concerning ESP charges or services shall be directed to the ESP.

4.4. Customer Inquiries Related to Emergency Situations and Outages

4.4.1. Mesa shall be responsible for responding to all Standard Offer Service or, in the case of Direct Access Customers, electric distribution service emergency system conditions, outages and safety situation inquiries related to Mesa's electric distribution system. Customers contacting an ESP with such inquiries are to be referred directly to Mesa for resolution.

4.4.2. Mesa may shed or curtail Customer load as provided by its adopted rates and schedules, or the Rules.

5. ESP Service Establishment

5.1. An ESP, providing competitive generation, shall satisfy the following requirements before the ESP can offer Direct Access in Mesa's distribution service territory:

5.1.1. Enter into an ESP Service Acquisition Agreement with Mesa.

5.1.2. Obtain a Certificate of Convenience and Necessity from the ACC, which authorizes the ESP to offer Competitive Services to Direct Access Customers within Mesa's distribution service territory.

5.1.3. Register to do business in the State of Arizona and obtain all other licenses and registrations needed as a legal predicate to the ESP's ability to offer Competitive Services to Direct Access Customers in Mesa's distribution service territory.

5.1.5. Satisfy any applicable Mesa electronic data exchange requirements including:

A. The ESP and/or its designated agents must successfully complete all necessary electronic interfaces between the ESP and Mesa to exchange DASR's and general communications.

B. The ESP or its agent must successfully complete all electronic interfaces between the ESP and Mesa to exchange meter reading and usage data. This will include communication to and from MRSP servers for sharing of meter reading and usage data.

C. The ESP must have the capability to exchange data with Mesa electronically. Alternative arrangements may be acceptable if mutual agreement is reached between Mesa and the ESP.

D. Mesa will require the ESP and its agents to exchange data with Mesa using Electronic Data Interchange (EDI), and enter into appropriate agreements as part of the ESP Service Acquisition Agreement, if the ESP or its agents will be offering Mesa UDC Consolidated Billing, or metering or meter reading services. Alternative arrangements may be allowed if mutual agreement is reached between Mesa and the ESP.

5.1.6 For Mesa UDC Consolidated Billing, compliance testing for EDI transactions will be required. The ESP must demonstrate the ability to perform the EDI data exchange functions required by Mesa and the ESP Service Acquisition Agreement. Provided the ESP is acting diligently and in good faith, its failure to complete such compliance testing shall not affect its ability to offer electric generation to Direct Access Customers.

5.1.7. Compliance testing will be required for Meter Reading Service Providers (MRSP) to ensure that billing can be completed successfully. Any change of the MRSP will require a revalidation of the compliance testing applicable. Mesa reserves the right to charge the ESP for obtaining or estimating reads until such time as the MRSP has completed successful compliance testing as outlined in Section 8.16.3 of this Schedule TC-DA.

6. Direct Access Service Request (DASR)

6.1. A Direct Access Service Request ("DASR") is submitted pursuant to the terms and conditions of the ESP Service Acquisition Agreement and this Section, and shall also be used to define the Competitive Services that the ESP will provide the customer.

6.2 ESP's shall have a CC&N from the ACC; have entered into an ESP Service Acquisition Agreement with Mesa if required; and have successfully completed EDI compliance testing before submitting DASR's.

6.3. The Customer's authorized ESP must submit a completed DASR to Mesa before the Customer can be switched from Standard Offer Service or Competitive Service provided by another ESP. The DASR process described herein shall be used for Customer Direct Access elections, updates, cancellations, customer-initiated returns to Mesa Standard Offer Service, or requests for physical disconnection of service and ESP- or customer-initiated termination of an ESP/Customer service agreement.

6.4. A separate DASR must be submitted for each service delivery point. Each of the five (5) DASR operation types [Request (RQ), Termination of Service Agreement (TS), Physical Disconnect (PD), Cancel (CL) and Update/Change (UC)] has specific field requirements that must be fully completed before the DASR is submitted to Mesa. A DASR that does not contain the required field information or is otherwise incomplete may be rejected. In accordance with the provisions of the applicable ESP Service Acquisition Agreement, Mesa may deny the ESP or Customer request for service if the information provided in the DASR is false, incomplete, or inaccurate in any material respect. ESP's filing RQ DASR's are thereby representing, and must document to Mesa, that they have their Customer's written authorization for such transaction. ESP's filing all other DASR's are thereby representing, and must document to Mesa, that they have their Customer's authorization for such transaction.

6.5. Mesa may require that DASR's be submitted electronically using Electronic Data Interchange (EDI) or Comma Separated Value (CSV) form through the Mesa web site (www.cityofmesa.org)
.

6.6. DASR's will be handled on a first-come, first-served basis. Each request shall be time and date stamped when received by Mesa.

6.7. Once the DASR is submitted, Mesa will provide an acknowledgment of its receipt to the ESP or Customer within the following time frames:

6.7.1. Mesa will respond to Request (RQ), Termination of Service Agreement (TS), Cancel (CL) and Update/Change (UC) DASR's within two (2) working days of the time and date stamp. Mesa will exercise best efforts, within three (3) working days thereafter (and no later than five (5) working days thereafter), to provide the ESP with a DASR status notification informing them whether the DASR has been accepted, rejected or placed in a pending status awaiting further information. If accepted, the effective switch date determined in accordance with Sections 6.8, 6.9, and 6.12 of this Schedule TC-DA, will be confirmed in the response to the ESP, the former ESP if applicable, and through written notification to the Customer. If a DASR is rejected, Mesa shall provide the reasons for the rejection. If a DASR is held pending further information, it shall be rejected if the DASR is not completed with the required information within thirty (30) working days, or as mutually agreed upon date, following the status notification.

6.7.2. When a Customer requests its electric services to be disconnected, the ESP is responsible for submitting a Physical Disconnect (PD) DASR to Mesa, regardless of who controls the meter, on behalf of the Customer.

A. When the control of the meter resides with Mesa, Mesa shall perform the physical disconnect of the electric service. The "PD" DASR must be received by Mesa at least fifteen (15) calendar days prior to the requested disconnect date. Mesa will acknowledge the "PD" DASR within the two (2) working days of the time and date stamp.

B. When the control of the meter resides with the ESP, the ESP is responsible for performing the physical disconnect. The ESP shall notify Mesa by DASR of the date of the physical disconnect. Disconnect reads must be posted to the MRSP or ESP server within three (3) working days following the disconnection.

6.8. DASR's for customers that do not require a meter change must be received by Mesa at least fifteen (15) calendar days prior to the next scheduled meter read date. The actual meter read date will be the effective switch date. DASR's received less than fifteen (15) calendar days prior to the next scheduled meter read date will be scheduled for switch to Direct Access on the following month's read date.

6.9. Accepted DASR's that require a meter exchange will have an effective change date to Direct Access with the meter exchange date. Notification of meter install dates shall be coordinated between the ESP's, MSP's and Mesa's electric meter shop.

6.10. If more than one (1) RQ DASR is received for a service delivery point within a billing cycle; only the first valid DASR received shall be processed in that period. All subsequent DASR's shall be rejected.

6.11. Upon acceptance of a RQ DASR, a maximum of twelve (12) months of customer usage data, or the available energy usage for that Customer switching from Standard Offer Service, shall be provided to the ESP. If there is an existing ESP currently serving that Customer, that ESP shall be responsible for submitting the Customer usage data to the new ESP. In both cases, the Customer energy usage data will be submitted to the appropriate ESP no later than five (5) working days before the scheduled switch date. ESP's filing DASR's will thereby be representing, and must document to Mesa, that they have written authorization from the Customer to receive the Customer energy usage information.

6.12. Customers returning to Mesa's Standard Offer Service shall follow the same process timing as is used to establish Direct Access.

6.13. ESP's requesting to return a Direct Access Customer to Mesa's Standard Offer Service shall submit a Termination of Service DASR and shall be responsible for the continued provision of the Customer's electric supply service, metering, and billing services until the effective change date.

6.14. Customers requesting to return to Mesa's Standard Offer Service must contact their ESP. The ESP shall be responsible for submitting the appropriate DASR on behalf of the Customer.

6.15. Mesa will assess such a fee, as shall be adopted by Mesa, for processing DASR's. All charges are payable to Mesa within fifteen (15) calendar days after the invoice date. All charges received after this date will be assessed applicable late fees pursuant to Schedule ETC-SO. If an ESP fails to pay these charges within thirty (30) days after the due date, Mesa may suspend accepting DASR's from the ESP unless a deposit sufficient to cover the charges due is currently available or until such time as the charges are paid. If an ESP is late in paying charges, a deposit or an additional deposit may be required from the ESP.

6.16. A Customer moving to new premises may retain or start Direct Access immediately. The Customer must first contact Mesa to establish a Service Account. The Customer will be provided the necessary information that will enable its ESP to submit a DASR. The same timing requirements apply as set forth in Sections 6.8 and 6.9 of Schedule TC-DA.

6.17. Billing option and metering option changes are requested through a "UC" DASR and cannot be changed more than one time per billing cycle.

6.18. Mesa shall not hold the ESP responsible for any Customer unpaid billing charges prior to the Customer's switch to Direct Access. Unpaid billing charges shall not delay the processing of DASR's and shall remain the Customer's responsibility to pay Mesa. Mesa Schedule ETC-SO applies in the event of Customer non-payment, which includes the possible disconnection of services. Mesa shall not accept any DASR's submitted for Customers who have been terminated for nonpayment and have not yet been reinstated. Disconnection by Mesa of a delinquent Customer shall not make Mesa liable to the ESP or third parties for the Customer's disconnection.

7. Billing Service and Obligations

7.1. MESA UDC CONSOLIDATED BILLING

7.1.1. The Customer's authorized ESP sends its bill-ready data to Mesa, or Mesa calculates ESP charges, and Mesa sends a consolidated bill containing both Mesa and ESP charges to the Customer. All charges by Mesa to the ESP for consolidated billing shall be at fees adopted by Mesa.

7.1.2. Mesa Obligations:

A. If the ESP elects to send bill ready data, Mesa shall include ESP charges and send the bill by mail to the Customer. Mesa is not responsible for computing or determining the accuracy of the ESP charges on the bill. Mesa is not required to estimate ESP charges if the expected bill ready data is not received nor is Mesa required to delay Mesa billing.

B. If the ESP elects to have Mesa calculate the ESP charges, Mesa shall update the Customer's records to reflect ESP charges to the customer based upon the predefined ESP tariff or charges agreed upon between the ESP and the Customer or the ESP's services. Mesa will calculate both Mesa and ESP charges, include all charges on the bill, and send the bill by mail to the Customer.

C. Mesa bills shall include a total of the ESP charges and applicable taxes, assessments and billed fees, the ESP's telephone number, and the Customer's rate schedule number or service offer. Any billing related details of ESP charges may be provided as specified in the applicable schedule. These items shall be printed with the Mesa bill or electronically transmitted to the Customer.

D. Mesa shall process Customer payments. The ESP shall receive payment for its charges as specified in this Schedule TC-DA at Section 7.4, Payment and Collection Terms.

7.1.3 ESP's Obligations

A. The ESP will offer Mesa UDC Consolidated Billing services to Direct Access Customers.

B. The ESP shall submit the necessary billing information to facilitate billing services under this billing option by service point, according to Mesa's meter reading schedule, and pursuant to the applicable rate. Timing of billing submittals is provided below.

7.1.4. Timing Requirements

A. Bills under this option will be rendered at regular intervals, normally every 26 to 34 calendar days**.** Nothing contained in this Section shall limit Mesa's ability to render bills more frequently consistent with Mesa's existing practices. However, if Mesa renders bills more frequently than once every 26 to 34 calendar days, ESP charges need only be calculated based on a single billing period~~s~~.

B. Except as provided in Section 7.1.4.A, Mesa shall require that all ESP and Mesa charges be based on the same billing period data.

C. ESP charges for normal monthly customer billing and any and adjustments for prior months' metering or billing errors must be received by Mesa in EDI "810" (bill-ready data) format no later than 3:00 p.m. on the last working day of Mesa's bill processing window. If billing charges have not been received from the ESP by this date, the last day of the Mesa bill processing window, Mesa will render the bill for Mesa charges only, without ESP charges. The ESP must wait until the next billing cycle, unless there is a mutual agreement for Mesa to send an interim bill. If Mesa renders the bill for Mesa charges only, Mesa will include a note on the bill stating that ESP charges will be forthcoming. An interim bill issued pursuant to this Article may also include a message that Mesa charges were previously billed.

D. ESP charges for a Physical Disconnect Final Bill must be received by 3:00 p.m. on the fifth working day following the actual disconnect date. If final billing charges have not been received from the ESP by this date, Mesa will render the Customer's final bill for Mesa charges only, without the ESP final charges. If Mesa renders the bill for Mesa charges only, Mesa will include a note on the bill stating that ESP charges will be forthcoming. The ESP must then produce a separate final bill for their charges, unless otherwise agreed upon by Mesa and the ESP.

7.2. Billing Information and Inserts

7.2.1. All Mesa Customers, including Direct Access Customers, shall receive mandated legal, safety and other notices equally. Mesa shall continue to mail these notices in the billing envelope and may use the billing envelope as it does in current practices for providing such information.

7.2.2. Under Mesa UDC Consolidated Billing, ESP bill inserts may be included pursuant to the applicable fee.

7.3. Billing Adjustments for Meter and Billing Error

7.3.1. Meter and Billing Error

A. The MSP or MRSP (including the ESP or Mesa if providing such services) whichever discovers it first, shall resolve any meter errors and must notify the ESP and Mesa, as applicable, so any billing adjustments can be made. Additionally, all other affected parties, including the appropriate Scheduling Coordinator, shall be notified.

B. A billing error is the incorrect billing of the Customer's electrical usage. If the MSP, MRSP, ESP or Mesa becomes aware of a potential billing error, the party discovering the billing error shall contact the ESP and Mesa, as applicable, to investigate the error. If it is determined that there is in fact a billing error, the ESP and Mesa will make any necessary adjustments and the ESP will notify all other affected parties in a timely manner.

C. Mesa UDC Consolidated Billing

a. Mesa shall be responsible for notifying the customer and adjusting the bill for Mesa charges to the extent those charges were affected by the meter or billing error.

b. The ESP shall be responsible for any recalculation of the ESP charges if the ESP is providing bill ready data. Following the receipt of the recalculated charges from the ESP, the charges or credits will be applied to the Customer's next normal monthly bill, unless there is mutual agreement to have Mesa send an interim bill to the Customer including the ESP's charges.

c. Mesa shall be responsible for any recalculation related to the ESP charges if Mesa is calculating the ESP charges.

7.4. Payment and Collection Terms

7.4.1. Mesa UDC Consolidated Billing

A. Mesa shall remit payments to the ESP for the total ESP charges collected from the Customer within three (3) working days after the Customer's payment is received. Mesa is not required to pay amounts owed to the ESP for ESP charges billed but not received by Mesa.

B. The Customer is obligated to pay Mesa for all undisputed Mesa and ESP charges consistent with existing rates and other contractual arrangements for service between the ESP and the Customer.

C. The ESP is responsible for all collections related to the ESP services on the customer's bill, including, but not limited to, security deposits and late charges unless otherwise agreed upon in the customized billing services agreement between ESP and Mesa.

D. Payment for any Mesa charges for Mesa UDC Consolidated Billing is due in full from the ESP within fifteen (15) calendar days of the date Mesa's charges are rendered to the ESP. All charges received after fifteen (15) calendar days will be assessed applicable late fees pursuant to Schedule ETC-SO. If an ESP is late in paying charges, a deposit or additional deposit as provided for in Section 7.8 of this Schedule TC-DA may be required.

7.5. Late or Partial Payments and Unpaid Bills

7.5.1. Mesa UDC Consolidated Billing

A. Mesa shall not be responsible for ESP's Customer collections, collecting the unpaid balance of ESP charges from Customers, sending notices informing Customers of unpaid ESP balances, or taking any action to recover the unpaid amounts owed the ESP. The ESP shall assume any collection obligations and/or late charge assessments for late or unpaid balances related to ESP charges under this billing option.

B. All Customer payments shall be applied first to unpaid balances identified as Mesa charges until such balances are paid in full, then applied to ESP charges. A Customer may dispute charges as provided by Schedule TC-DA, but a Customer will not otherwise have the right to direct partial payments between Mesa and the ESP.

C. Undisputed Mesa delinquent balances owed on a Customer account shall be considered late and subject to Mesa late payment procedures by Mesa.

7.6. Service Disconnects and Reconnects

7.6.1. Mesa will perform the disconnect for non-payment regardless of the ESP. Mesa has the right to disconnect electric service to the Customer for a variety of reasons, including, but not limited to, the non-payment of Mesa final bills or any past due charges by the Customer, or evidence of safety violations, energy theft, or fraud, by the Customer. The following provides for electric service disconnects and reconnects.

A. Mesa shall notify the Customer and the Customer's ESP of Mesa's intent to disconnect electric service for the non-payment of Mesa charges prior to disconnecting electric service to the Customer. Mesa shall further notify the ESP at the time the Customer has been disconnected. A service charge shall be imposed on the Customer if a field call is performed to disconnect electric service.

B. Mesa shall reconnect electric service for a fee when the criteria for reconnection have been met to Mesa's satisfaction. Mesa shall notify the ESP of a Customer's reconnection.

C. Mesa shall not disconnect electric service to the Customer for the non-payment of ESP charges by the Customer. In the event of non-payment of ESP charges by the Customer, the ESP may submit a DASR requesting termination of the service agreement and request return to Mesa Standard Offer Service. Mesa will then advise the Customer that they will be placed on Mesa Standard Offer Service unless a DASR is received from another ESP on their behalf.

7.7. Involuntary Service Changes

7.7.1. Service Changes

A. A Customer may have its service of electricity, meter reading, or metering from an ESP changed to another provider, including Mesa, involuntarily in the following circumstances:

a. The ACC has decertified the ESP or the ESP otherwise receives an ACC order that prohibits the ESP from serving the Customer.

b. The ESP, including its agents, has materially failed to meet its obligations under the terms of its ESP Service Acquisition Agreement with Mesa (including applicable rates and schedules) so as to constitute an Event of Default under the terms of the ESP Service Acquisition Agreement, and Mesa exercises its contractual right to terminate the ESP Service Acquisition Agreement.

c. The ESP has materially failed to meet its obligations under the terms of the ESP Service Acquisition Agreement (including applicable rates and schedules) so as to constitute an Event of Default and Mesa exercises a contractual right to change billing options.

d. The ESP ceases to perform by failing to provide schedules through a Scheduling Coordinator wherever such schedules are required, or the ESP fails to have an agreement in place with a Scheduling Coordinator.

e. The customer fails to meet its Direct Access requirements and obligations under Mesa's Rules, rates and schedules.

7.7.2. Change of Service Election in Exigent Circumstances

In the event Mesa finds that an ESP or the Customer has materially failed to meet its obligations under this Schedule TC-DA or the ESP Service Acquisition Agreement such that Mesa elects to invoke its remedies under this Section 7.7 (other than termination of ESP Consolidated Billing under Section 7.7.1.A.c) and the failure constitutes an emergency (defined as posing a substantial threat to the reliability of the electric distribution system or to public health and safety), or the failure relates to ESP's sale of unscheduled energy, Mesa may initiate a change in the Customer's service election, or terminate an ESP's ability to offer certain services under Direct Access. In such case,

Mesa shall initiate the change or termination by preparing a DASR, but the change or termination may be made immediately notwithstanding the applicable DASR processing times set forth in this Schedule TC-DA. Mesa shall provide such notice and opportunity to cure the problem as is reasonable under the circumstances, if any is reasonable. Additionally, Mesa shall notify the ACC of the circumstances that required the change or the termination and the resulting action taken by Mesa.

7.7.3. Change in Service Election Absent Exigent Circumstances

A. In the event Mesa finds that an ESP has materially failed to meet its obligations under this Schedule TC-DA or the ESP Service Acquisition Agreement such that Mesa seeks to invoke its remedies under this Section 7.7, and the failure does not constitute an emergency (as defined in Section 7.10.A.c) or involve an ESP's unauthorized energy use, Mesa shall notify the ESP and the ACC of such finding in writing stating the following:

a. The nature of the alleged failure;

b. The actions necessary to cure the failure;

c. The name, address and telephone number of a contact person at Mesa authorized to discuss resolution of the failure.

B. The ESP shall have thirty (30) calendar days from receipt of such notice to cure the alleged failure or reach an agreement with Mesa regarding the alleged failure. If the failure is not cured and no agreement is reached between Mesa and the ESP following this thirty (30) day period, Mesa may initiate the DASR process set forth in this Schedule TC-DA to accomplish its remedy and shall notify the Customers of such remedy. The provisions of this Section shall not disconnect electric service provided to the Customer other than as provided in Section 4.4.2 of this Schedule TC-DA.

7.7.4. Termination of Mesa UDC Consolidated Billing

A. Mesa may terminate Mesa UDC Consolidated Billing and revert to Standard Offer Service Billing upon providing thirty (30) calendar days notice to an ESP if the ESP fails to timely pay Mesa charges in connection with Mesa UDC Consolidated Billing.

B. Mesa may terminate Mesa UDC Consolidated Billing upon providing thirty (30) days notice to an ESP if Mesa cancels or changes the schedules governing Mesa UDC Consolidated Billing.

7.7.5. Upon termination of the ESP Direct Access Services pursuant to this Section 7.7, the provision of the affected service(s) shall be assumed by another eligible ESP from which the Customer elects to obtain the affected service(s). Absent an election by the Customer, Mesa shall provide such services; until such time that the Customer makes an election.

7.7.6. Mesa shall not use involuntary service changes in an anticompetitive or discriminatory manner.

7.8. ESP Security Deposits

7.8.1. Mesa may, in its discretion, require cash security deposits from any ESP that has on more than one occasion failed to timely pay any Mesa charges, such as DASR fees, meter or billing error or service fees, and other fees applicable to an ESP through this Schedule TC-DA and Mesa's other rates and schedules.

7.8.2. The amount of the security deposit required shall not exceed two and one-half times the estimated maximum monthly bill to the ESP for such charges, and a separate security deposit may be required for separate categories of ESP or Direct Access charges.

7.8.3. Security deposits required pursuant to this Section 7.8 shall be in the form of a cash deposit. Mesa shall issue the ESP a nonnegotiable receipt for the amount of the deposit.

7.8.4. Mesa may refuse to accept DASR's from, or provide other Mesa services to, an ESP that fails to comply within thirty (30) calendar days to a demand that the ESP establish a security deposit pursuant to this Section 7.8.

8. Meter Services

8.1. Under Direct Access, ESP's may offer certain metering services for Direct Access implementation, including meter ownership, Meter Service Provider (MSP) and Meter Reading Service Provider (MSRP) services.

8.2. Mesa has the right to offer the following meter services:

8.2.1. Metering and Meter Reading for all Mesa Customers.

8.2.2. All competitive Metering or Meter Reading services whenever there are no authorized providers available to supply services to a particular class of Customers or location.

8.2.3. Mesa reserves the right to perform meter disconnects, regardless of meter ownership, in cases of non-payment for Mesa charges.

8.3. An ESP may sub-contract Metering or Meter Reading Services to a qualified third party. If the ESP sub-contracts any of the components of these services to a third party, the ESP shall, for the purposes of this Schedule TC-DA, remain responsible for the services.

8.4. ESP's providing Metering or Meter Reading Services to Direct Access Customers either on their own or through a third party assume full responsibility for meeting the applicable meter and communication standards, as well as assuming responsibility for the safe installation and operation of the meter and any personal injuries and damage caused to Customer or Mesa property by the meter or its installation. This liability will lie with the ESP regardless of whether the ESP or its subcontractors perform the work.

8.5. Meter Specifications

8.5.1. The Director of the Utilities Division of the ACC has determined the following specifications and standards shall apply to competitive metering where applicable with Mesa in concurrence.

8.5.2. Metering standards (American National Standards Institute):

ANSI C12.1	Code for Electricity Metering
ANSI C12.6	Marketing & Arrangement of Terminals for Phase Shifting Devices used in Metering
ANSI C12.7	Watt-hour Meter Socket
ANSI C12.10	Electromechanical Watt-hour Meters
ANSI C12.13	Electronic TOU Registers for Electricity Meters
ANSI C12.18	Type 2 Optical Port
ANSI C12.20	0.2% & 0.5% Accuracy Class Meters
ANSI C37.90	Surge Withstand Test
ANSI 57.13	Instrument Transformers (All CT's & PT's)

8.5.3. EEI Electricity Metering Handbook

8.5.4. Electric Utilities Service Equipment Requirements Committee (EUSERC)

8.5.5. National Electric Code (NEC) & Local Requirements

8.5.6. Mesa Electric Service Requirements Handbook

8.5.7. National Electrical Safety Code

8.5.8. ESP's or their contractors providing competitive metering services shall also comply with such other specifications or standards determined to be applicable or appropriate by the ACC's Director of the Utilities Division.

8.6. Meter Conformity

8.6.1. All Direct Access meters shall have a visual kWh display and must have a physical interface to enable on-site interrogation of all stored meter data. All meters installed must support the Customer's Mesa rate.

8.6.2. If Mesa is providing MRSP functions for the ESP; meters must be compatible with Mesa's meter reading system.

8.6.3. No meter or associated metering equipment shall be set or allowed to remain in service if it is determined that the meter or its associated equipment did not meet Mesa's existing approved specifications, as set forth in Mesa's Electric Service Requirements Manual in effect at the time of installation.

8.7. Meter Testing

8.7.1. If a manufacturer's sealed meter has not previously been set and the meter was tested within the last twelve (12) months, the meter shall be deemed in compliance with Mesa standards without additional testing.

8.7.2. Any meter removed from service shall be processed according to the following table prior to its re-installation:

METER TYPE	REMOVAL REASON	ACTION REQUIRED
1 Ph kWh only	Routine	Meter Inspection & Calibration Test
1 Ph kWh only	Trouble	Meter Inspection & Calibration Test
1 Ph TOU or Solid	Routine	Reprogram and Meter Inspection & Calibration Test
State		
1 Ph TOU or Solid	Trouble	Reprogram and Meter Inspection & Calibration Test
State		
3 Ph Meters (all)	All	Reprogram and Meter Inspection & Calibration Test
1 Ph or 3 Ph		
IDR Meters	All	Reprogram and Meter Inspection & Calibration Test

8.7.3. Records on calibration shall be maintained by the MSP and provided to the requesting parties within three (3) working days of such a request for such records. The latest calibration record shall be kept as long as the meter is in service.

8.8. Meter Test Requests

Either party may request that the other party perform a meter test, in which instance the requesting party is entitled to witness the test if it so chooses. The requesting party shall be notified of the test date and provided written test results from the testing party. If the meter is found to be within Mesa approved standards, the requesting party shall reimburse the other party for all costs incurred in the process of testing the meter. The MSP shall take reasonable measures to detect meter error. The MSP shall notify Mesa as soon as it becomes aware of any meter that is not operating in compliance with Mesa performance specifications. The MSP shall make any repairs or changes required to correct the error. ESP's and Mesa shall use a Direct Access Meter Notification Form to initiate and respond to such action.

8.9. Meter Identification

8.9.1. The ESP or its agent shall install a Mesa provided unique meter number. Mesa will provide the unique meter numbers printed on stickers in blocks of up to 1,000 numbers. These stickers must be readily visible from the front of the meter.

8.9.2. When an ESP installs either its own meter or a Customer owned meter, the ring or lock ring must be secured with a blue seal that is imprinted with the name of the ESP's name or logo or their agent.

8.10. Installation of metering equipment

8.10.1. All metering equipment shall be installed according to all applicable Mesa requirements and the Electric Service Requirements Manual and inspected by Mesa's Building Inspection Office prior to turning on the electric service.

8.10.2. Under no circumstances shall an ESP or its agent remove Mesa metering or metering equipment. Notwithstanding the foregoing, ESP or its agent shall schedule a meter exchange so that the Direct Access Meter Notification Form is received by Mesa by the end of business six (6) working days before the scheduled read date.

8.10.3. The ESP or its agent shall inform Mesa of all meter activity, such as meter installations, exchanges, CT and PT exchanges via the Direct Access Meter Notification Form within the time frames specified above. Additionally, the ESP must provide Mesa with the most recent meter calibration test data. If final meter reads are not provided to Mesa, are inaccurate, or otherwise result in Mesa not being able to render accurate final bills to Customers pursuant to Mesa Rules, the ESP shall be responsible for any unbilled, disputed, or unrecoverable amounts and applicable late charges.

8.11. On-Site Inspections/Site Meets

8.11.1. Mesa may perform on-site inspections of meter installations. The ESP shall be notified if the inspections uncover any material non-compliance by the MSP with the approved specifications and standards.

8.11.2. For new construction, the party installing the meter shall ensure that the owner/builder has met the construction standards outlined in the Mesa Electric Service Requirements Manual, any local municipal agency requirements, any updates, supplements, amendments and other changes that may be made to these manuals and requirements. Mesa shall perform a pre-installation inspection on all new construction. Local city/county clearances may also be required prior to energizing any new construction.

8.11.3. Mesa may require a site meet to exchange or remove an IDR meter which requires an optical device to retrieve interval data; an existing totalized metering installation; a restricted access location for which Mesa forbids key access; co-generation, bi-directional or detented metering; or on request of an ESP or MSP. ESP and Mesa's electric meter shop shall coordinate the time of the site meet. If the ESP or MSP misses two (2) site meets, Mesa may cancel the applicable DASR. Mesa may charge for a site meet requested by ESP or MSP, or if the ESP or MSP fails to arrive within thirty (30) minutes of the appointment time, or if the ESP fails to cancel a site meet at least one (1) working day in advance of the appointment time.

8.12. Meter Service Options and Obligations

8.12.1. Meter ownership shall be limited to Mesa, an ESP, or the Customer. The Customer must obtain the meter through Mesa or an ESP. Although a Customer may own the electric meter, maintenance and servicing of the metering equipment shall be limited to Mesa, the ESP, or the ESP's qualified representative (MSP).

8.12.2. If the ESP or Customer owns the meter, the ESP must own the CT's, PT's and associated equipment, except as provided in Section 8.12.3. The ESP may purchase existing CT's and PT's and associated metering equipment from Mesa.

8.12.3. The following provisions apply to the ownership of CT's and PT's:

For distribution voltages up to 12kV, the ESP or Mesa shall own the CT's and PT's. For transmission primary voltages (over 12kV), the CT's and PT's shall be owned by Mesa. ESP owned CT's & PT's must meet Mesa specifications. No CT's and PT's or associated metering equipment shall be set or allowed to remain in service if it is determined that the CT's and PT's or its associated equipment do not meet Mesa's approved specifications, as set forth in Mesa's Electric Service Requirements Manual, in effect at the time of installation.

8.12.4. All CT-rated meter installations shall utilize safety test switches, and all self-contained metering shall utilize safety-test blocks as provided in the Mesa Electric Service Requirements Manual.

8.12.5. Direct Access premises with multiple service entrance sections will be considered separately for metering purposes. Existing totalizing installations will be discontinued upon a Customer's entrance into Direct Access.

8.13. Installation Options

8.13.1. The ESP may choose from the following list of options for meter installation:

A. ESP owned/ESP installed metering

B. ESP owned/Mesa installed metering

C. Customer owned/ESP installed metering

D. Customer owned/Mesa installed metering

E. Mesa owned/Mesa installed metering.

8.13.2. ESP's or their agents must be certified by the ACC in order to offer MSP services. The policies and procedures described in this Section assume that the MSP service provider and their meter installers have ACC certification. ESP's may elect to offer metering services by:

A. Becoming a certified Metering Service Provider.

B. Subcontracting with a third party that is a certified MSP.

C. Subcontracting with Mesa under the circumstances described in Section 8.2 of this Schedule TC-DA.

8.14. As part of providing metering services, ESP's shall:

8.14.1. Request site meets for meters originally installed by Mesa. Mesa will issue lock ring keys to certified MSP's upon receipt of a fee. The fee will not be refunded if a key is either lost or stolen, and a fee will be applied to replace lost or damaged keys. For more information about the cost of lock rings, standard rings, or lock ring keys, please consult the Mesa electric meter shop.

8.14.2. Meet Mesa requirements if lock rings are used. Lock rings may be purchased from Mesa.

8.14.3. Provide information to Mesa on the specifications and other specifics on meters not purchased from or installed by Mesa.

8.14.4. Either allow Mesa to remove the customer's meter, or schedule a joint meet to remove the meter for customers transferring from Direct Access to Standard Offer Service. If ESP allows Mesa to remove meters, ESP shall coordinate with Mesa's electric meter shop regarding the return of ESP's meters.

8.14.5. Be responsible for obtaining and providing reads from any meter that it install from the time it is installed to the time it is removed or until meter reading responsibilities are assumed by another ESP or the Customer returns to Standard Offer Service.

8.14.6. Ensure that ESP and MSP employees working in Mesa distribution service territory follow Mesa Rules, ARS, and other applicable safety standards.

8.14.7. In the event that unauthorized energy use is suspected and a safety hazard exists, notify Mesa immediately, or within twenty-four (24) hours for non-safety issues, and cooperate with Mesa in response thereto.

8.14.8. Shall take no action to impede Mesa's safe and unrestricted access to a customer's service entrance equipment.

8.14.9. Glass over and lock ring with seal off, any socket when a meter is removed and a new meter is not installed.

8.15. MRSP Services provided as a responsibility of an ESP

8.15.1. MRSP functions shall be performed by certified MRSP's on the ESP's behalf in accordance with Mesa regulations, and shall be the responsible party specified in the DASR. MRSP obligations and responsibilities are as stated in the Mesa's Rules and include:

A. Meter data for Direct Access Customers shall be read, validated, edited, and transferred pursuant to Mesa approved standards.

B. Both Mesa and ESP shall have 24-hour/7 days per week access to the MRSP server.

C. Meter read data including reads as well as the validated usage shall be posted to the MRSP server using EDI "867" format. Estimated reads, along with reasons for the estimate, shall be included with the reads on the MRSP server. The EDI format specification includes the estimated read reason codes to be used.

D. The MRSP shall provide Mesa with access to meter data at the MRSP server as required to allow the proper performance of billing and settlement.

E. MRSP's must have a CC&N from the ACC authorizing it to offer MSRP services.

F. MRSP's shall read the Customer's meter on the Mesa meter reading cycle. MRSP shall provide Mesa with meter reading data in a manner that conforms to Mesa's billing cycles.

G. The MRSP shall provide re-reads or read verifies within ten (10) working days of a request by Mesa or the Customer. The requesting party may be charged per the applicable Mesa rate if the original read was not in error.

8.16. Meter Reading Data Obligations

8.16.1. Accuracy for all meters.

A. Meter clocks shall be maintained according to Arizona time within +/- three (3) minutes of the National Time Standard.

B. Meter read date and time shall be accurate.

C. All meter reading data shall be validated with the applicable Mesa approved requirements.

8.16.2. Timeliness for Validated Meter Reading Data

One hundred percent (100%) of the validated meter reads shall be available by 3:00 p.m. local Arizona time on the third working day after the scheduled read date. If the meter reads are not posted or available or are posted clearly in error by 3:00 p.m. on the third working day after the scheduled read date, the read may be estimated or read by Mesa and the ESP shall be charged for this service. For newly installed IDR meters, IDR reads shall include the meter read, the interval data and enough information to calculate the read and total consumption to the exact cut-over date and time.

8.16.3. Proof of Operational Ability

Prior to performing MSRP services in Mesa's distribution service territory, or prior to making any significant change in MRSP service methodology, each MSRP will perform compliance testing to demonstrate its ability to read meters, validate data, edit data, estimate missing data and post validated data in Mesa compatible EDI format to the MRSP server. In addition, upon installation of the initial meter on Direct Access accounts in Mesa's distribution service territory, each MRSP shall prove its ability to read its meters and post validated data in Mesa compatible EDI format to the MRSP server. If the MRSP is unsuccessful in its attempts to meet these requirements, all subsequent requests for meter exchanges will be postponed until the MSRP successfully demonstrates its operational ability.

8.16.4. Retention and Format for Meter Reading Data

A. All meter reading data for a customer shall remain posted on the MRSP server for five (5) working days and will be recoverable for at least three (3) years.

B. Meter reading data posted to the MRSP server shall be stored in Mesa compatible EDI format.

8.17. Non-Conforming Meters, Meter Errors and Meter Reading Errors

8.17.1. Whenever Mesa, the ESP or its agents becomes aware of any non-conforming meters, erroneous meter services and/or meter reading services that impact billing, it shall promptly notify the other parties and the customer in question. Bills found to be in error due to non-conforming meters or errors in meter services or meter reading services will be corrected by the appropriate parties.

8.17.2. In cases of meter failure or non-compliance, the ESP or its agents shall have five (5) working days to correct the non-compliance. If the non-compliance is not remedied within five (5) working days, the following actions may apply:

A. A site meeting may be required when services are being performed. The noncompliant party will be charged a fee for the meeting.

B. Mesa may repair the defect, and the other party shall be responsible for all related expenses.

C. Upon a demonstrated pattern of non-compliance (with Mesa requirements and this schedule TC-DA) and failure to correct the problem in a timely manner, Mesa may give written notice to the non-compliant party. After five (5) working days, Mesa may suspend processing DASR's from an ESP that uses an MSP or MRSP that is non-compliant until such non-compliance is corrected to Mesa's satisfaction.

D. A pattern of non-compliance by an ESP is defined by the following conditions:

a. If more that one percent (1%) of the service accounts served by an ESP, or five (5) accounts, whichever is greater, are found to be non-conforming and are not corrected during the first six months of Direct Access participation by that ESP.

b. More than one-half of one percent (0.5%), or three (3) accounts, whichever is greater, are found to be non-conforming and are not corrected during any six consecutive months thereafter.

8.17.3 Mesa may refuse to enter into a new ESP Service Acquisition Agreement, or cancel an existing ESP Service Acquisition Agreement pursuant to Section 7.7.1.A.b, with any ESP that has a demonstrated pattern of uncorrected non-compliance as established above. This provision shall not apply if the alleged demonstrated pattern of non-compliance or correction thereof is disputed and is pending before any agency or entity with jurisdiction to resolve the dispute.

SCHEDULE ETC-SO (ELECTRIC UTILITY)

TERMS AND CONDITIONS FOR STANDARD OFFER AND DIRECT ACCESS SERVICES

The following terms and conditions (Terms) and any changes authorized by the City of Mesa (Mesa) will apply to Standard Offer and Direct Access Services, under the established rate or rates authorized by Mesa and currently applicable at time of sale.

The Terms and Conditions for Standard Offer and Direct Access Services referenced herein supersede the Terms and Conditions for the Sale of Utilities as applied specifically to the City of Mesa electric utility services. All other components of the Terms and Conditions for the Sale of Utilities remain in effect for the other utilities.

1. **General**

1.1 Services will be supplied in accordance with these Terms and any changes required by Mesa, and such applicable rate or rates as may from time to time be authorized by Mesa. However, in the case of a Customer whose electric service requirements are of unusual size or characteristics, Mesa's approval of additional or special contract arrangements may be required.

1.2 These Terms shall be considered a part of all Standard Offer and Direct Access Service rate schedules, except where specifically changed by a written agreement.

1.3 In case of a conflict between any provision of a rate schedule and these Terms, the provisions of the rate schedule shall apply.

1.4 Mesa will supply electric service at the standard voltages specified in the Electric Service Requirements Manual published by Mesa and is responsible for distribution services, emergency system conditions, outages and safety situations related to Mesa's electric distribution system.

1.5 Mesa will use reasonable diligence to supply steady and continuous electric service, but does not guarantee the electric service against fluctuations or interruptions. Mesa will not be liable to the Customer for any damages occasioned by fluctuations or interruptions, or by failure to begin supplying electric service from causes beyond Mesa's reasonable control. Mesa may, without incurring any liability therefore, suspend electric service for periods reasonably necessary to accomplish repairs to or changes in any of Mesa's electric facilities.

1.6 All monies must normally be paid at the time service is requested.

1.7 Charges for installing new electric services and/or meters will be in accordance with the current schedule of Charges for Utility Related Services and Schedule of Fees and Charges.

2. **Establishment of Service**

Each parcel of real property within Mesa's service territory will be served from a public main line and separate connection directly adjacent to the real property receiving electric service. Each such parcel shall have frontage on a dedicated public rights-of-way and easements meeting the requirements of the City of Mesa. The minimum width of such frontage shall be the minimum required by the applicable zoning classification. All real property authorized to receive service shall develop in compliance with all applicable City regulations, standards and requirements established by the City of Mesa. No group of structures may be served by one (1) meter unless situated on the same real property, under one (1) ownership, or unless approved by City.

No sale or transfer of service from one real property ownership to another shall be permitted. In the event that any real property with electric service is subdivided and any portion of that real property is subsequently sold to another party, a public main extension and/or meter relocation will be required as necessary to make service directly adjacent to each new lot so created.

2.1 Application for Service - Customers requesting service may be required to appear at Mesa's place of business to produce proof of identity before service is supplied by Mesa.

2.1.1 In the absence of a signed application or contract for service the supplying of Standard Offer and/or Direct Access Services by Mesa and acceptance thereof by Customer shall be deemed to constitute a service agreement by and between Mesa and Customer for delivery of, acceptance of, and payment for service, subject to Mesa's applicable rates and Rules and Regulations.

2.1.2 Where service is requested by two or more individuals, Mesa shall have the right to collect the full amount owed Mesa from any one of the Applicants.

RESERVED

2.3 Direct Access Service Request (DASR) - A direct access service request charge plus the appropriate tax adjustment will be assessed to the Electric Service Provider (ESP) submitting the DASR each time Mesa processes a Request (RQ) type DASR as specified in Mesa's Schedule TC-DA, Terms and Conditions for Direct Access Service.

2.4 Grounds for Refusal of Service - Mesa may refuse to connect or reconnect Standard Offer or Direct Access Service if any of the following conditions exist:

2.4.1 Applicant has an outstanding amount due with Mesa for utility services and is unwilling to make arrangements with Mesa for payment.

2.4.2 A condition exists which in Mesa's judgment is unsafe or hazardous.

2.4.3 Applicant has failed to meet the security deposit requirements set forth by Mesa as specified under Section 2.6.

2.4.4 Applicant is known to be in violation of Mesa's schedules.

2.4.5 Applicant fails to furnish such funds, service, equipment, and/or rights-of-way required to serve Applicant and which have been specified by Mesa as a condition for providing electric service.

2.4.6 Applicant falsifies his or her identity for the purpose of obtaining service.

2.4.7 Service is requested by an Applicant and a prior Customer living with the Applicant owes a delinquent bill.

2.4.8 Applicant is acting as an agent for a prior Customer who is deriving benefits of the service and who owes a delinquent bill.

2.4.9 Applicant has failed to obtain all required permits and/or inspections indicating that Applicant's facilities comply with local construction and safety codes.

2.5 Establishment of Credit or Security Deposit

2.5.1 Residential Establishment of Credit or Security Deposit:

Residential customers are normally required to place a deposit. Mesa may waive the security deposit from a new Applicant for residential service if Applicant is able to meet any of the following requirements:

A. Applicant has had service of a comparable nature with Mesa within the past two (2) years and was not delinquent in payment more than twice during the last twelve (12) consecutive months or disconnected for nonpayment.

B. Applicant can produce a letter regarding credit or verification from an electric utility where service of a comparable nature was last received within the last 12 months, which states Applicant had a timely payment history at time of service discontinuation.

C. In lieu of a security deposit, Mesa receives a low risk credit rating verification from a credit rating service deemed acceptable by Mesa.

2.5.3 Residential Establishment of Security Deposit - When credit cannot be established as provided for in Section 2.5.1 hereof or when it is determined that Applicant left an unpaid final bill owing to another utility company, Applicant will be required to:

Place a cash deposit to secure payment of bills for electric service as prescribed herein.

2.5.4 Nonresidential Establishment of Security Deposit - All nonresidential customers may be required to:

A. Place a cash deposit to secure payment of bills for electric service as prescribed herein.

B. In lieu of a security deposit, Mesa receives a pre-approved low risk credit rating verification from a credit rating service deemed acceptable by Mesa.

C. Provide a non-cash security deposit in the form of a Surety Bond in an amount equal to the required security deposit.

2.6 Re-establishment of Security Deposit

2.6.1 Residential service- Mesa may require a residential Customer to establish or re-establish a security deposit if Customer becomes delinquent in the payment of more than two (2) bills within a twelve (12) consecutive month period or has been disconnected for non-payment during the last twelve (12) months.

2.6.2 Nonresidential service- Mesa may require a nonresidential Customer to establish or re-establish a security deposit if the Customer becomes delinquent in the payment of more than two (2) bills within a twelve (12) consecutive month period or if the Customer has been disconnected for non-payment during the last twelve (12) months, or when the Customer's financial condition may jeopardize the payment of their bill, as determined by a credit scoring service.

2.7 Security Deposits

2.7.1 Mesa reserves the right to increase security deposit amounts applicable to the services being provided by Mesa:

A. If the Customer's average energy consumption increases by more than ten (10) percent for residential accounts within a twelve (12) consecutive month period and five (5) percent for nonresidential accounts within a twelve (12) consecutive month period or,

B. If the Customer chooses to change from Standard Offer to Direct Access Services, the deposit may be decreased by an amount which reflects that portion of the Customer's service being provided by an ESP or,

C. If the Customer chooses to change from Direct Access Services to Standard Offer Services, the requested deposit amount may be increased by an amount pursuant to Section 2.5, which reflects that Mesa is providing bundled electric service.

2.7.2 Separate security deposits may be required for each service location.

2.7.3 Customer security deposits shall not preclude Mesa from terminating agreement for service or suspending electric service for any failure in the performance of Customer's obligation under the agreement for service.

2.7.4 Deposits (cash and non-cash) are applied to the final bill when all services. Customers-of-record subject to the provisions of Mesa City Code Title 5, Chapter 10 shall next have the deposit balance applied to any Mesa accounts receivable balances that arise from Mesa privilege, use, or transient occupancy tax liabilities. Deposits shall also not be refunded unless and until the Customer-of-Record files all delinquent privilege, use, or transient occupancy tax returns. Any remainder is refunded to the Customer-of-record.

2.7.5 For refunds resulting from the customer changing from Standard Offer Services to Direct Access Services, the differences in the deposit amounts will be applied to the customer's account.

2.7.6 Residential accounts will be assessed a security deposit, to be adjusted as required, for the services being provided by Mesa.

Subject to the tax set-off provisions in Section 2.7.4, deposits will be eligible to be returned or credited to Customer's account after twelve (12) consecutive months of service, provided Customer has not been delinquent more than twice in the last 12 months.

2.7.7 Nonresidential security deposits shall be set at two and one-half (2-1/2) times Customer's maximum monthly billing as estimated by Mesa for the service being provided by Mesa.

Subject to the tax set-off provisions in Section 2.7.4, deposits and non-cash deposits on file with Mesa, upon request, will be reviewed after thirty-six (36) months of service and will be returned provided Customer has not been delinquent more than twice in each of the three (3) previous twelve (12) month periods, in the payment of bills or disconnected for non-payment during the previous twelve (12) consecutive months unless the Customer's financial

condition warrants extension of the security deposit. The refund is subject to the Privilege Tax Licensee provisions contained in Section 2.7.4.

3. **Rates**

3.1 Rate Information

Mesa shall provide a copy of any rate schedule applicable to that Customer for the requested type of electric schedule. Because of varying Customer usage patterns and other reasons beyond its reasonable knowledge or control, Mesa cannot guarantee that the most economic applicable rate will be applied. Mesa will not make any refunds in any instances where it is determined that Customer would have paid less for service had Customer been billed on an alternate applicable rate or provision of that rate.

3.2 Standard Offer Service Optional Rates

Certain optional Standard Offer Service rate schedules applicable to certain classes of service allow the Customer the option to select the rate schedule to be effective initially or after service has been established. Customer desiring service under an alternate rate schedule after service has been established must make such request in writing to Mesa. Billing under the alternate rate will become effective from or after the next meter reading, or when the appropriate metering equipment is in place. No further changes, however, may be made within the succeeding twelve-month period. Where the rate schedule or contract pursuant to which Customer is provided service specifies a term, Customer may not exercise its option to select an alternate rate schedule until expiration of that term.

3.4 Direct Access Service rate selection will be effective upon the next regular meter read date if the DASR is processed fifteen (15) calendar days prior to that date and the appropriate metering equipment is in place. If a DASR is made less than fifteen (15) days prior to the next regular read date, the effective date may be at the next meter read date thereafter. The above timeframes are applicable for Customers changing their selection of ESP or for Customers returning to Standard Offer Service in accordance with the Rules and Regulations.

3.5 Any Customer making a Direct Access Service rate selection may return to Standard Offer Service in accordance with the Rules and Regulations. However, such Customer will not be eligible for Direct Access Services for the succeeding twelve (12) month period. If a Customer returning to Standard Offer Service, in accordance with the Rules and Regulations, was not given the required notification by their ESP of its intent to cease providing competitive services, then the above provision will only apply if the Customer fails to select another ESP within sixty (60) days of returning to Standard Offer Service.

4. **Billing and Collection**

4.1 Customer Service Installation and Billing - Service billing periods normally consist of approximately 30 days unless designated otherwise under rate schedules, through contractual agreement, or at Mesa's option.

4.1.1 Mesa normally meters and bills each premise separately; however, adjacent and contiguous premises not separated by private or public property or right of way and operated as one integral unit under the same name and as a part of the same business, will be considered a single premise.

4.1.2 Customer service installation will normally be arranged to accept only one type of standard electric service at one Point of Delivery to enable service measurement through one meter. If Customer requires more than one type of electric service, or total service cannot be measured through one meter according to Mesa's regular practice, separate meters will be used and separate billing rendered for the type of service measured by each meter.

4.2 Collection Policy - The following collection policy shall apply to all Customer accounts:

4.2.1 All bills rendered by Mesa are due and payable upon presentation and are past due after the due date. Any payment not received within this time frame shall be considered delinquent. All delinquent bills for which payment has not been received shall be subject to the provisions of Mesa's termination procedure. Mesa reserves the right to suspend or terminate Customer's service for non-payment of any services provided by Mesa, including but not limited to i) delinquent service bills; ii) non-payment of service connection charges; iii) non-payment of security deposits; iv) non-payment of meter test charges; v) non-payment of any dishonored payment charges; vi) non-payment of late charges, vii) non-payment of collection charges. All delinquent charges will be subject to a late charge. When the Customer is subject to Mesa City Code Title 5, Chapter 10, Mesa may apply any privilege, use, or transient occupancy tax credit or refund to the utility account in order to satisfy any unpaid utilities debt before the Customer receives such tax credit or refund.

4.2.2 If a non-payment disconnection notice must subsequently be produced and mailed, an additional charge will be billed to defray the cost of producing and mailing this notice.

4.2.3 If Customer has two or more electric services with Mesa and one or more of such services is terminated for any reason leaving an outstanding bill and Customer is unwilling to make arrangements with Mesa for payment, Mesa shall be entitled to transfer the balance due on the terminated service to any other active account of Customer for the same class of service. The failure of Customer to pay the active account shall result in the suspension or termination of service there under.

4.2.4 Unpaid charges incurred prior to Customer selecting Direct Access Service will not delay the Customer's request for Direct Access Service. These charges remain the responsibility of the Customer to pay. Normal collection activity, including discontinuing service, will be followed for failure to pay.

4.3 Responsibility for Payment of Bills

4.3.1 Customer is responsible for the payment of bills until electric service is ordered discontinued and Mesa has had reasonable time and access to secure a final meter reading for those services involving energy usage, or if non-metered services are involved until Mesa has had reasonable time to process the disconnect request.

4.3.2. Subject to the tax set-off provisions in Section 2.7.4, when an error is found to exist in the billing rendered to Customer, Mesa will correct such an error to recover or refund the difference between the original billing and the correct billing. Such adjusted billings will not be rendered for periods in excess of three (3) years from the date the error is discovered. Any refunds to Customer resulting from adjusted billings will be made promptly upon discovery by Mesa, subject to the Privilege Tax Licensee provisions set forth in Section 2.7.4. Under billings by Mesa shall be billed to Customer who shall upon request, be given an equal length of time, such as number of months under billed, to

pay the back bill on a level installment basis without late payment penalties, unless there is evidence of meter tampering or energy theft. This payment arrangement will become null and void if payments are not received by the bills' due dates; normal collection procedures and late fees will then apply.

4.3.3. Any overpayment made on a Customer's account that results in a credit to the account shall be available to offset their Mesa Privilege Tax Licensee's account receivable balances in conformity with Section 2.7.4.

4.4 Dishonored Payments - If Mesa is notified by the Customer's financial institution that they will not honor a payment tendered by Customer for payment of any bill because: i) there are insufficient funds; ii) the account has been closed; (iii) Customer has sent a "stop payment" request; or (iv) any other reason the financial institution will not honor Customer's payment, Mesa may require the Customer to make payment in cash, by money order, certified check, or other means which guarantee the Customer's payment to Mesa.

4.4.1 Customer shall be charged a fee for each instance where Customer tenders payment of a bill with a payment that is not honored by Customer's financial institution.

4.4.2 The tender of a dishonored payment shall in no way (i) relieve Customer of the obligation to render payment to Mesa under the original terms of the bill, or (ii) defer Mesa's right to terminate electric service for nonpayment of bills.

4.4.3 Where the Customer has tendered two (2) or more dishonored payments in the past twelve (12) consecutive months, Mesa may require Customer to make payment in cash, money order or cashier's check for the next twelve (12) consecutive months.

4.5 Trip Charge - Mesa may require payment of a Trip Charge plus the applicable tax adjustment, when an authorized Mesa representative travels to Customer's premises to notify of service termination, make payment arrangements terminate the electric service, etc. Service after 5:00 P.M., Monday through Friday, plus weekend and holiday service, will be assessed a convenience fee.

4.5.1 If an electric service termination is required at the pole, a reconnection charge will be required; if an electric service termination is in underground equipment, a reconnection charge will be required to reestablish electric service.

4.5.2 To avoid discontinuance of electric service, Customer may make payment in full, including any necessary deposits in accordance with Section 2.5 or make payment arrangements satisfactory to Mesa.

4.5.3 Should it become necessary to remove a meter, or to disconnect service wires to enforce payment, additional charges will be made, including charges for damages to utility meters or meter locking devices.

5. **Service Responsibilities of Mesa and Customer**

5.1 Service Voltage – Mesa will deliver electric service at the standard voltages specified in Mesa's Electric Service Requirements Manual.

5.2 Responsibility: Use of Service or Apparatus

5.2.1 Customer and Mesa each shall save the other harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from the electric service being provided by Mesa or the use thereof on their respective sides of the Point of Delivery. Mesa shall, however, have the right to suspend or terminate electric service in the event Mesa should learn of electric service use by Customer under hazardous conditions.

5.2.2 Customer shall exercise all reasonable care to prevent loss or damage to Mesa property installed on Customer's premise for the purpose of supplying electric service to Customer.

5.2.3 Customer shall be responsible for payment for loss or damage to Mesa property on Customer's premise arising from neglect, carelessness or misuse and shall reimburse Mesa for the cost of necessary repairs or replacements.

5.2.4 Customer shall be responsible for payment for any equipment damage and/or estimated un-metered usage resulting from energy theft or charges for unauthorized breaking of seals, interfering, tampering or bypassing the meter.

5.2.5 Customer shall be responsible for notifying Mesa of any failure in Mesa's electric distribution equipment.

5.3 Service Interruptions: Limitations on Liability of Mesa

5.3.1 Mesa shall not be liable to Customer for any damages occasioned by Mesa's or the ESP's equipment or either one's failure to perform, fluctuations, interruptions or curtailment of electric service. Mesa may, without incurring any liability therefore, suspend Customer's electric service for periods reasonably required to permit Mesa to accomplish repairs to or changes in any of Mesa's facilities. Customers will be responsible to protect their own sensitive equipment from harm caused by variations or interruptions in power supply.

5.3.2 In the event of a national emergency or local disaster resulting in disruption of normal electric service, Mesa may, in the public interest and on behalf of ESP or Mesa, interrupt electric service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal electric service to these agencies can be restored.

5.4 Mesa Access to Customer Premises

Mesa's authorized agents shall have unassisted access to Customer's premises at all reasonable hours to install, inspect, read, repair or remove its meters or to install, operate or maintain other Mesa property, or to inspect and determine the connected electrical load. Neglect or refusal on the part of Customer to provide reasonable and unassisted access shall be sufficient cause for discontinuance of electric service by Mesa, or denial of any existing rate options where access is required. Verification of unassisted access may be required before electric service is restored. The Customer, at their expense, will give permission or an easement, when necessary, to Mesa for the purpose of constructing and maintaining Mesa's electric service facilities required on the Customer's premises up to the Point of Delivery.

5.5 Easements

All suitable easements or rights-of-way required by Mesa for the extension of any portion of the electric distribution system which is on premises owned, leased or otherwise controlled by Customer shall be furnished in Mesa's name by Customer without cost to Mesa and in reasonable time to meet proposed service requirements. All easements or rights-of-way obtained on behalf of Mesa shall contain such terms and conditions as are acceptable to Mesa.

5.6 Load Characteristics

Customer shall exercise reasonable care to assure that the electrical characteristics of its load, such as deviation from sine wave form (a minimum standard is IEEE 519) or unusual short interval fluctuations in demand, shall not impair service to other customers or interfere with operation of telephone, television, or other communication facilities. The deviation from phase balance shall not be greater than ten percent (10%) at any time. The power factor of the load shall not be less than ninety-five percent (95%) lagging, but in no event leading, unless agreed to by Mesa. In the event that Customer does not maintain such power factor, at the option of Mesa, kVA may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.

6. **Metering and Metering Equipment**

6.1 Customer Equipment

Customer shall install and maintain all wiring and equipment beyond the Point of Delivery. Except for Mesa's meters and special equipment, Customer's entire installation must conform to all applicable construction standards and safety codes, and if an inspection or permit is required by law or by Mesa, the same must be furnished by Customer.

6.1.1 Customer shall provide in accordance with Mesa's current electric service standards and/or Electric Service Requirements Manual, at no expense to Mesa, and close to the Point of Delivery, a sufficient and suitable space acceptable to Mesa's representative for the installation of Mesa's metering equipment.

6.1.2 If telephone lines or any other devices are required to read the meter, the Customer is responsible for their installation and maintenance, at no cost to Mesa.

6.1.3 Where a Customer requests, and Mesa approves, a special meter reading device to accommodate the Customer’s needs, the cost for such additional equipment shall be the responsibility of the Customer.

6.2 Mesa Equipment

6.2.1 All Meters will be supplied by Mesa. Mesa will remove and/or replace their metering equipment in the event the Customer elects to have this service, including the meter, provided by a MSP.

6.2.2 Mesa will lease lock ring keys to an ESP and/or their agents at a refundable charge of $70.00 per key. The charge will not be refunded if a key is lost, stolen, or damaged. If Mesa must replace ten (10)% of the issued keys within any twelve (12) month period due to loss by the MSP, Mesa may, rather than leasing additional lock ring keys, require the ESP to arrange for a joint meet for each meter change. All lock ring keys must be

returned to Mesa within five (5) working days if the ESP and/or their authorized agents are:

A. No longer authorized by the Arizona Corporation Commission to provide services or,

B. If the ESP Service Acquisition Agreement has been terminated.

6.2.3 If the ESP, Customer, and/or its agent request a joint site meeting for removal of Mesa metering and associated equipment and/or lock ring, a base charge will be assessed per site. Mesa may assess an additional charge per hour for joint site meetings that exceed thirty (30) minutes. In the event Mesa must temporarily replace ESP's meter and/or associated metering equipment as necessary during emergency situations or to restore power to a Customer, the above charges may apply.

6.3 Service Connections

Mesa is not required to install and maintain any lines and equipment on Customer's side of the Point of Delivery except its meter. For the mutual protection of the Customer and Mesa, only authorized employees or agents of Mesa or the ESP are permitted to make and energize the connection between Mesa's service wires and Customer's service entrance equipment conductors. Such employees must carry credentials, which they will show on request. Where new electric services are to be connected, a satisfactory final inspection by Mesa's Building Inspection Office will normally be required prior to turning on the electric service.

6.4 Measuring Customer Service

All the energy sold to Customer will be measured by acceptable measuring devices by Mesa or the ESP pursuant to the terms and conditions of Mesa's Schedule TC-DA. Except where it is impracticable to meter loads such as street lighting, security lighting, or special installations in which case the energy consumption may be calculated.

6.4.1 For Standard Offer Services Customers, or where Mesa is the Meter Reading Service Provider, the readings of the meter will be conclusive as to the amount of electric power supplied to Customer unless, there is evidence of meter tampering or energy theft, or unless a test reveals the meter is in error by more than plus or minus three percent (3%).

6.4.2 If there is evidence of meter tampering or energy theft, Customer will be billed for the estimated energy consumption that would have been registered had all energy usage been properly metered plus an applicable unauthorized use of utilities charge, per occurrence.

6.4.3 If any meter after testing is found to be more than three percent (3%) in error, either fast or slow, proper correction shall be made of previous readings and adjusted bills shall be rendered for a time period not to exceed three years. If applicable, the adjusted billing information will be provided to the Electric Service Provider.

6.4.4 Customer will be billed for the estimated energy consumption that would have been registered had the meter been operating properly. Where Mesa is the Meter Reading Service Provider, Mesa shall, at the request of Customer or the ESP, reread Customer's meter within ten (10) working days after such request by Customer. The cost of such rereads may be charged to Customer or ESP, provided that the original reading was not in error.

6.4.5 Where the ESP is the Meter Service Provider (MSP) or Meter Reading Service Provider (MRSP), and the ESP and/or its' agent fails to provide the meter read to Mesa pursuant to Mesa's Schedule TC-DA Section 8.16 Meter Reading Data Obligations, Mesa may obtain the read. The cost of such read may be charged to the ESP.

6.4.6 Should it become necessary to remove a meter, or to disconnect service wires to enforce payment, additional service charges will be made, including charges for damages.

6.5 Meter Testing - Mesa tests its meters regularly in accordance with a meter testing and maintenance program. Mesa will, however, individually test a Mesa owned/maintained meter upon Customer or ESP request. If the meter is found to be within the plus or minus three percent (3%) limit, Mesa may charge Customer or ESP a fee for the costs of the meter test.

6.6 Master Metering

6.6.1 Mobile Home Parks - Mesa shall refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the utility as stated in Mesa's Rules and Regulations.

7. **Termination of Service**

7.1 With Notice

Mesa may without liability for injury or damage disconnect electric service to any Customer for any of the reasons stated below, provided Mesa has met the established notice requirements:

7.1.1 A Customer's violation of any of Mesa's schedules.

7.1.2 Failure of Customer to pay a delinquent bill for services provided by Mesa.

7.1.3 Failure of Customer to comply with Mesa's deposit requirements.

7.1.4 Failure of Customer to provide Mesa with satisfactory and unassisted access to Mesa's equipment.

7.1.5 When necessary to comply with an order of any governmental agency having jurisdiction.

7.1.6 Failure of a prior Customer to pay a delinquent bill for utility services where the prior Customer continues to reside on the premises.

7.2 Without Notice

Mesa may without liability for injury or damage disconnect electric service to any Customer without advance notice under any of the following conditions:

7.2.1 The existence of an obvious hazard to the health or safety of persons or property.

7.2.2 Mesa has evidence of meter tampering, energy theft or fraud.

7.2.3 Mesa has evidence of unauthorized resale or use of electric service.

7.2.4 Failure of Customer to comply with the curtailment procedures imposed by Mesa during a supply shortage.

7.2.5 Accounts subject to disconnection that are paid with remittances (checks, credit cards, etc.) returned as unpaid from a financial institution.

7.3 Restoration of Service - Mesa shall not be required to restore electric service until the conditions, which resulted in the termination, have been corrected to the satisfaction of Mesa.

8. **Unauthorized Use of Utilities**

8.1 The taking of a utility service by:

8.1.1 Turning the electric service on without authority, or

8.1.2 Bypassing the meter, connecting directly into the electric service without a meter, or

8.1.3 Willfully modifying the meter or electric service apparatus so as to cause loss or reduction of registration.

8.2 If unauthorized use of the electric service occurs, Mesa shall charge:

8.2.1 Single-family residential customers for an estimated energy usage according to the applicable rate plus a service charge for each connection in accordance with the current Schedule of Fees and Charges.

8.2.2 Non-residential customers/accounts for an estimated energy and power usage according to applicable rates plus a service charge for each connection in accordance with the Schedule of Fees and Charges. Subsequent fees paid for the appropriate required meters may be subtracted from the service charge. Upon request, a protest of the assessed service charge may be scheduled with the Mesa Ombudsman Office.

9. **Landlord Agreements**

A landlord agreement is defined herein as an agreement between Mesa and a qualified landlord which allows for the automatic continuation of electric service in the landlord's name when a tenant requests disconnection of service. A qualified landlord is a rental property owner that has established a satisfactory credit status of no more than two (2) delinquent utility payments per year or has a utility deposit on-hand with Mesa.

9.1 The landlord agreement shall not apply when a tenant is disconnected for nonpayment of utilities.

9.2 Disputes regarding effective dates of service shall be resolved between the tenant and the landlord.

9.3 The Utility administrative service charge may be waived for landlord agreement customers in which Mesa is the retail supplier of the accounts, when that service under the landlord agreement reverts to the landlord's account, but shall apply when a new tenant requests service at that location.

9.4 The landlord or Mesa may terminate the landlord's agreement at any time with thirty (30) days notice.

10. **Violation; Penalty**

Among other penalties that may apply, any person that violates any provision of this Schedule shall be guilty of a misdemeanor. Upon conviction, individuals shall be punished by a fine not to exceed $2,500, or by imprisonment for a period not to exceed six (6) months, or by such fine and imprisonment. Upon conviction, businesses shall be punished by a fine not to exceed $20,000. Each instance of violation continued shall be a separate offense, punishable as described above.

11. **Removal of Facilities**

Upon the termination of service, Mesa may without liability for injury or damage, dismantle and remove its facilities installed for the purpose of supplying electric service to Customer, and Mesa shall be under no further obligation to serve Customer. If, however, Mesa has not removed its facilities within one (1) year after the termination of service, Mesa shall thereafter give Customer thirty (30) days written notice before removing its facilities, or else waive any reestablishment charge within the next year for the same electric service to the same Customer at the same location. For purposes of this Section notice to Customer shall be deemed given at the time such notice is deposited in the U.S. Postal Service, first class mail, postage prepaid, to Customer at his/her last known address.

12. **Successors and Assigns**

Agreements for service shall be binding upon and for the benefit of the successors and assigns of Customer and Mesa, but no assignments by Customer shall be effective until Customer's assignee agrees in writing to be bound and until such assignment is accepted in writing by Mesa.

13. **Warranty**

THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), NOT SPECIFIED HEREIN CONCERNING THE SALE AND DELIVERY OF SERVICES BY MESA TO CUSTOMER. THESE TERMS AND CONDITIONS STATE THE ENTIRE OBLIGATION OF MESA IN CONNECTION WITH SUCH SALES AND DELIVERIES.

This page intentionally left blank.

RULES & REGULATIONS (ELECTRIC UTILITY)

SECTION 1: DEFINITIONS

A.

Arizona Corporation Commission: The regulatory authority of the State of Arizona having jurisdiction over public service corporations operating in Arizona. Hereinafter referred to as the ACC.

Aggregation or Aggregators: An aggregator is a person, local government or organization that brings a group of consumers together to buy electricity.

Agreement For Electric Service: The terms and conditions, either standard or non-standard, to provide electric service and specify the Price Plan and other terms and conditions under which a Customer will pay for that service from Mesa.

A.R.S.: Arizona Revised Statutes.

B.

Billing / Collections Charge: A fixed monthly charge to recover costs related to maintaining Customer accounts including producing and mailing Customer bills and processing Customer payments.

Billing Period: The time interval between two consecutive meter readings.

Building: A structure which stands alone or is separated from adjoining structures by fire walls with all openings therein protected by fire doors. If this definition conflicts with local building codes, the local code definition will prevail.

Bundled Service: Electric service provided as a package to the Consumer including all generation, transmission, distribution and Other Services necessary to deliver and measure useful electricity used by consumers per A.R.S. § 30-801 *et seq*.

C.

Capacity: The continuous load-carrying ability of Generation, Transmission or other electrical equipment, expressed in megawatts (MW) or megavolt-amperes (MVA).

Certificate Of Convenience And Necessity (CC&N): For the purpose of these Rules and Regulations, a certificate issued to an Electric Service Provider by the ACC when required pursuant to A.R.S. § 40-281 *et seq.* and applicable ACC rules, regulations and orders.

Class Of Use: A classification of Customer usage type, defined by end use, voltage level, electricity use pattern, Price Plan, or other criteria (e.g., Residential, Non-Residential, Lighting).

Code Of Conduct: The code adopted by Mesa, to prevent anticompetitive activities that may result from Mesa providing both competitive and non-competitive services to retail electric Customers pursuant to A.R.S. § 30-803(F).

Cogeneration Entity: A entity that sequentially produces thermal energy and electrical or mechanical energy from the same fuel source.

Common Facilities: Facilities providing electric service to persons other than the owner, which use Energy registered through a single meter when the owner owns all distribution facilities beyond the Point of Delivery.

Competitive Services: Generation, generation-related billing and collection, metering services, and meter reading services.

Connected Load: The sum of the power ratings of the Customer's electrical apparatus connected to Mesa's electric distribution system.

Contingency: The unexpected failure or outage of an electric system component, such as a generator, transmission line, circuit breaker, switch, or other element. A contingency also may include multiple components, which are related by situations leading to simultaneous component outages.

Customer: The person(s) or entity(ies) in whose name service is rendered, as evidenced by the request for such service by the applicant(s), or by the receipt and/or payment of bills regularly issued in their name regardless of the identity of the actual user of the service.

Customer Charge: The amount the Customer must pay Mesa for the availability of electric service, excluding any electricity used, as specified in the schedules.

D.

DASR: See "Direct Access Service Request."

Dedicated Facilities: Facilities, which, by contractual arrangement, are utilized by only one Customer to receive electric service.

Delivery Charge: Charge imposed by the local electric utility for delivering electricity to a customer's home or business. The charge includes maintaining the system reliability and responding during emergencies and outages (also called Distribution).

Demand: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units.

Demand-Side Management: The use of processes and equipment to reduce the use of electricity or to shift use away from periods of high electrical demand.

Direct Access Service: Competitive Electric Generation Service or Other Services provided to eligible Customers pursuant to the Direct Access Program.

Direct Access Service Request (DASR): A form containing all necessary billing and metering information to allow Customers to switch Electric Service Providers. This form must be submitted to Mesa by the Customer's Electric Service Provider (ESP).

Distribution Lines: Mesa's lines operated at distribution voltage which are constructed along public roadways or other bona fide right-of-way, including easements on Customer's property.

Distribution Charge/Distribution Facilities Charge: A fixed monthly charge used to recover costs related to the electric distribution system.

E.

Electric Distribution Service: Distribution of electricity to retail electric Customers through the use of electric distribution lines.

Electric Generation: The provision of electricity for sale to retail electric Customers but does not include electric distribution or transmission service or generation that is necessary for the reliable operation of the electric distribution or transmission system.

Electric Service Provider (ESP): A company supplying, marketing or brokering at retail any competitive service's, as defined in the Rules, pursuant to a CC&N.

Electric Service Provider Service Acquisition Agreement: A contract between an ESP and Mesa to deliver power to retail end users in Mesa's distribution service territory.

Electronic Data Interchange (EDI): The computer-to-computer electronic exchange of business documents using standard formats, which are recognized nationally and internationally.

Energy: Electric energy, expressed in kilowatt-hours.

F.

Facilities Charge: An amount to be paid by the Customer as a lump sum or periodically, for transmission or distribution facilities provided by Mesa.

G.

Generator Meter: The time-of-use meter that measures the total Power and Energy produced by the Customer's on-site Generation unit capable of interconnection with Mesa's electric distribution system.

I.

Interconnection Service: Service available to a Customer owning, leasing, or operating a Qualifying Facility, or other generation facility, if approved by Mesa. Such service permits a Customer to interconnect with, and deliver Power and Energy to, Mesa.

Interval Metering: The purchase, installation and maintenance of electricity metering equipment capable of measuring and recording minimum data requirements, including hourly interval data required for Direct Access Service settlement processes.

K.

Kilovolt-Ampere (kVA): A unit of power equal to 1,000 volt-amperes.

Kilowatt (kW): A unit of power equal to 1,000-watts.

Kilowatt-Hour (kWh): The amount of electric energy delivered in one hour at a constant rate of one kilowatt. This is the standard measurement for the amount of electricity a Customer uses.

L.

Line: A system of poles, ducts, wires, cable or equipment used for the transmission and distribution of electricity.

Load: A device that can convert the energy of electric current to some useful form of energy.

Load Profile: Typical usage patterns for those Customer classes that do not have an hourly recording meter.

Load Factor: The ratio of average load to peak load for a specified period, usually expressed as a percentage.

M.

Master Meter: A meter for measuring or recording the flow of electricity at a single location before distribution to tenants or occupants for their individual usage.

Maintenance Energy: The Energy purchased by Customer during its scheduled maintenance periods, calculated by multiplying the hours in the scheduled maintenance period by the Reservation Capacity of the Cogeneration Facility.

Megawatt: A unit of energy equal to one million watts (1,000,000 watts). The amount of electricity energy required to light ten thousand 100-watt bulbs.

Mesa: The City of Mesa.

Meter: The instrument and any associated equipment used for measuring, indicating or recording the flow of electricity that has passed through it.

Meter Charge: A fixed monthly charge to recover costs related to owning and maintaining the electric meter.

Meter Reading Charge: A fixed monthly charge to recover costs relating to meter reading service provided by Mesa.

Meter Reading Service Provider (MRSP): An entity providing all functions relating to the collection and storage of consumption data and that reads meters, performs validation, editing and estimation on raw meter ready meter data; translates billing ready data to an approved format; posts this data to a server for retrieval by billing agents; manages the server; exchanges data with market participants; stores meter data for problem resolution and may be certificated by the ACC.

Meter Service Provider (MSP): An entity that performs all functions related to measuring electricity consumption.

Minimum Charge: The amount the Customer must pay for the availability of electric service as specified in Mesa's rates.

O.

Ombudsman Office: Person(s) with the responsibility, or designated, to investigate complaints regarding the subsidization of competitive services by any price or charge for non-competitive services

Other Service: Metering, meter reading, billing and payment processing.

P.

Parallel Generation: Electrical generation equipment which has been approved by Mesa to operate interconnected (in parallel) with Mesa's electric distribution system.

Point Of Delivery: In all cases, unless otherwise specified, "Point of Delivery" is the location on the Customer's building, structure, or premises where all wires, conductors, or other current-carrying devices of the Customer join or connect with wires, conductors, or other current-carrying devices of Mesa. Location of the Point of Delivery shall be determined by Mesa in conformity with its standards and specifications, rate schedules and construction standards, as they exist from

time to time. Location of metering facilities shall be determined by Mesa and may or may not be the same location as the Point of Delivery.

Power: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.

Power Factor: The ratio of real power (kW) to apparent power (KVA) for any given load and time and generally expressed as a percentage ratio.

Protocol: The operational and administrative policies established by Mesa to implement the provision of competitive Electric Generation Service and Other Services to retail Customers pursuant to these Rules and Regulations.

Provider Of Last Resort: A provider of Standard Offer Service to customers within the provider's service territory whose annual usage is 100,000 kWh or less and who are not buying competitive services.

Q.

Qualifying Facility: A Cogeneration Facility or Small Power Production Facility which is defined as a Qualifying Facility under the regulations issued by the Federal Energy Regulatory Commission.

R.

Rate Schedules: Mesa's electric rates as set forth in its adopted utility rate book.

Retail Customer: A Customer who purchases electricity directly from a supplier. This refers to all Customers (residential and commercial) who are not wholesale Customers.

Rules and Regulations: These Rules and Regulations, as adopted by Mesa pursuant to A.R.S. § 30-801 *et seq*. and any other applicable law.

S.

Schedules: The documents which list the services offered by Mesa, which set forth the terms and conditions and a schedule of the rates and charges for those services.

Scheduling Coordinator (SC): An entity that provides schedules for power transactions over transmission or distribution systems to the party responsible for the operation and control of the transmission grid, such as a Control Area Operator, or an Independent System Operator.

Secondary Service: Service supplied at secondary voltage levels from the load side of step-down transformers connected to Mesa's high voltage distribution lines.

Service Reconnect Charge: The charge as specified in Mesa's rates which must be paid by the Customer prior to re-establishment of electric service each time the electricity is disconnected for nonpayment or whenever service is otherwise discontinued for failure to comply with Mesa's rates.

Service Re-establishment Charge: A charge as specified in Mesa's rates for service at the same location where the same Customer had ordered a service disconnection within the preceding twelve-month period.

Small Power Production Facility: A facility that: (a) produces Energy solely by the use of a primary energy source such as biomass, waste, renewable resources, geothermal resources, or any

combination thereof; and (b) has a Power production capacity which together with any other facilities located at the same site, is not greater than 80 megawatts.

Standard Offer Service: Bundled Service offered by Mesa to all Customers in Mesa's service territory at rates set by Mesa, including metering, meter reading, billing and collection services, demand side management services including but not limited to time-of-use, and consumer information services. All components of Standard Offer Service will be deemed noncompetitive as long as those components are provided in a bundled transaction pursuant to A.R.S. §30-801 *et seq*.

Supplemental Service: Demand and Energy purchased by Customer to supplement Power and Energy generated by Customer's generator(s).

System Benefits Charge: A non-bypassable charge that funds low income, demand side management, environmental, renewables and similar programs and is included in Distribution rates.

T.

Terms And Conditions For Competitive Services: Mesa's terms and conditions for Customer selection, complaint resolution, consumer protection, stranded costs, distribution service rates and charges, system benefit charges, and other related matters as determined in the reasonable discretion of Mesa.

Third-Party Notification: A notice of pending discontinuance of service to a Customer of record sent to an individual or a public entity in order to make satisfactory arrangements with Mesa on behalf of said Customer.

Transmission Delivery Charge: A charge per kWh or per kW to recover costs related to the transmission system.

U.

Unbundled Service: Electric service elements provided and priced separately, including but not limited to such service elements as generation, transmission, distribution, metering, and meter reading services.

Up And Down Costs: All labor, material and other charges to install and/or remove Mesa's electrical facilities. The removal (down) costs, will be reduced by the salvage value, if any, of any removed material.

Universal Node Identifier (UNI): A unique, permanent identification number assigned to each service delivery point.

SECTION 2: GENERAL PROVISIONS

1. INTRODUCTION

These Rules and Regulations define the terms and conditions of Mesa's agreement with a Customer to supply electric and related services, and except as otherwise provided in a written agreement between Mesa and the Customer, supersede any other policies or procedures. Sections 1 through 6 of these Rules and Regulations shall apply to both Mesa Bundled Service Customers and Unbundled Service Customers, except for (i) provisions that by their nature (as determined by Mesa) apply solely to Mesa Bundled Service Customers, and (ii) certain definitions applicable only to Direct Access Service.

Terms and conditions that specifically address Direct Access Services are contained in Section 7 of these Rules and Regulations.

Implementation and administration of these Rules and Regulations is supplemented by the appropriate Electric Rate Schedule and the Electric Service Requirements Manual, all of which are available at Mesa's Utilities Department, 640 North Mesa Drive, Mesa, Arizona.

These Rules and Regulations and the Electric Rates will also be available through the Mesa Home Page at WWW.MESAAZ.GOV.

2. CHANGES TO MESA'S RULES AND REGULATIONS, STANDARD ELECTRIC PRICE PLANS, AND TERMS AND CONDITIONS FOR COMPETITION

When determining terms and conditions, Mesa may change these Rules and Regulations, any of its Terms and Conditions of Competition, or any other price, charge, minimum, demand charge, rate or other pricing term at any time, unless expressly agreed otherwise by a written contract, subject to A.R.S. § 30-801 *et seq*.

In order to conform with changes to the Electric Rates and the Terms and Conditions, Mesa's Utilities Management is authorized to make changes to these Rules and Regulations as needed.

3. RULES AND PROCEDURES FOR CONSUMER PROTECTION

A. Confidentiality:

Notwithstanding any other law, Customer information, account information and related proprietary information are confidential and Mesa shall not release such information to third parties or law enforcement purposes unless specifically waived by the Customer in writing or unless otherwise provided by court order.

B. Deceptive, Unfair, and Abusive Business Practices

Mesa shall not use deceptive, unfair, and abusive business practices.

C. Marketing and Advertising Practices

Mesa shall not use intrusive and abusive marketing practices or deceptive or untrue advertising practices.

D. Complaint Resolution

1. If a Customer has an inquiry regarding electric services provided by Mesa, the Customer may call 480-644-2221

2. If the Customer's question or problem concerns electric services provided by an Electric Service Provider other than Mesa, the Mesa representative contacted by the Customer will direct the Customer to the responsible Electric Service Provider, or the Customer may contact the Arizona Corporation Commission at 602-542-4251 about the matter;

3. If a Customer has a dispute with a City of Mesa bill that has not been satisfactorily resolved by Mesa's Billing and Account Maintenance, a written complaint may be submitted to the BUSINESS SERVICES Director who shall serve as the City of Mesa Ombudsman Office, for further review. The Business Services Director shall respond to the customer within twenty (20) calendar days of the receipt of the customer's complaint. This timeline may be extended with the concurrence of the customer.

4. If the complaint is not resolved by the BUSINESS SERVICES Director's action, the customer may submit the complaint within twenty (20) calendar days of the response to the City Manager or designee. This timeline may be extended with the concurrence of the City Manager or designee. The City Manager shall issue a written decision to the customer within twenty (20) calendar days of receipt by the City Manager. This timeline may be extended with the concurrence of the customer.

5. Pursuant to A.R.S. § 30-801 *et seq*., final decisions of the City Manager or designee regarding a dispute with Mesa may be appealable to the City of Mesa City Council or Mesa City Council Committee.

E. Consumer Choice

Unless mandated by law, or pursuant to A.R.S. § 30-809, Mesa shall not engage in any practice that interferes with the opportunity to have electric and natural gas facilities installed in and to an existing residential structure in a manner that provides the retail energy customer ultimately residing in the structure and all subsequent retail energy customers residing in the structure with the capability to choose between electricity and natural gas as an energy source for each appliance application.

SECTION 3: PROVISION OF SERVICE

APPLICATION FOR SERVICE

1. General:

Except where special contract provisions prevail, Mesa provides service to a Customer under and in accordance with these Rules and Regulations. In applying for service, a Customer agrees to be bound by the terms and conditions of these Rules and Regulations, the Standard Electric Price Plans, the Electric Service Specifications, Interconnection Guidelines for Generators, Guidelines for Customer Ownership of Substation Equipment, and the Agreement for Electric Service, if applicable.

A. Mesa will assess a Customer service fee each time Mesa is requested to establish or re-establish distribution service to that Customer. As necessary, Mesa will re-determine the service fee from time to time to reasonably compensate Mesa for associated costs.

B. In the case of a new service or a connection to an established service, a Customer, if requested by Mesa, will give information as to the following:

1. Purpose for which service is to be used including a description of major appliances, motors and other electric use equipment.

2. Location (service address).

3. Address to which bills are to be mailed.

4. Whether the Customer is an owner, agent or a tenant of the premises. Application to establish an active account will be accepted only from the person accepting responsibility for billing payment, or an authorized agent thereof.

5. Date Customer will be ready for service.

6. Whether premises have been previously supplied with electrical service.

7. When requested, sufficient financial information about the Customer to enable Mesa to evaluate a requested waiver of deposit, guarantee, extension of payment, or special Agreements for Electric Service.

8. Any other related information Mesa deems necessary to provide service under the terms and conditions of these Rules and Regulations, Electric Rates and the Electric Service Requirements Manual.

C. Mesa will not provide service or install a meter until the Customer has satisfactorily complied with all of the following requirements:

1. Unless otherwise provided herein, settlement of all outstanding indebtedness of the Customer due Mesa, including deposits and guarantees.

2. Installation of service entrance and wiring in compliance with the Electric Service Requirements Manual.

3. Conformance to applicable requirements of governmental agencies having jurisdiction.

4. Provision of adequate access to the premises for Mesa to install, read, maintain and remove Mesa's facilities.

D. The Customer's service characteristics and service requirements help determine the applicable Electric Rate. Mesa can help determine the most advantageous rate for the Customer. However, because of varying Customer usage patterns, Mesa cannot guarantee that the selected rate is the most economical. Mesa will not make any refunds if the Customer would have paid less for service had the Customer been billed on an alternate rate.

E. If Mesa approves more than one Point of Delivery for a Building, in accordance with the provisions of Section 5.1.B., a separate application will be made for each Point of Delivery.

F. Mesa will provide service under these Rules and Regulations without regard to race, creed, color, sex, marital status or national origin.

2. Non-Residential:

Mesa may require applicants for service in classifications other than residential to sign an Agreement for Electric Service which will state the particular Electric Rate under which the Customer will receive service and the terms thereof.

A. To be binding on Mesa, all promises, agreements, or representations made by an employee or agent of Mesa must be set forth in a written agreement, signed by a duly authorized employee or agent of Mesa.

B. Unless otherwise required by law, service may be discontinued upon expiration of the term stated in the Agreement for Electric Service under which service is rendered. Should Mesa, at its option, continue service beyond the term of the Agreement for Electric Service, such service will be under the terms and conditions provided in the Electric Rate determined by Mesa to apply from time to time. Continuance of service beyond the term of such Agreement for Electric Service will not constitute a waiver of Mesa's right to discontinue service for lack of an Agreement for Electric Service.

C. A request for service may be made by contacting a Mesa Customer Services business office or by telephone.

3. Residential

A request for service may be made by contacting a Mesa Customer Services business office, by telephone, or via the Mesa Home Page at www.cityofmesa.org.

CONDITIONS OF SERVICE

4. General:

Each type of electric service may not be available at a given location. Before making any installation or purchasing equipment the Customer should inquire from Mesa as to the exact character of service which will be available at the Customer's service location. For very large installations or special applications, Mesa may supply service under terms and conditions other than those generally available.

A. For all Cogeneration or Small Power Production Facilities, the Customer must allow metering and monitoring equipment at the site of the generator in order to verify the reliability and quality of the electric Power connected to Mesa's electric distribution system. The type of metering and units to be metered shall be at Mesa's option. Meters and the location of metering will conform to the specifications, terms, and conditions as outlined.

C. Mesa may require that any Load for which the use of electricity is intermittent or that causes excessive fluctuations or distortions of Mesa's voltage be supplied through a service separate from all other Loads, or that the Customer provide, at the Customer's expense, suitable equipment to reasonably limit the voltage fluctuations or distortion. Examples include hoists, welders, X-ray machines, furnaces, motors, and other equipment of a character whose operation may impair service to other Customers. Reasonable limits for voltage distortion, measured at the point of common coupling (PCC) include, but are not limited to, harmonics as specified in the Institute of Electrical and Electronic Engineers

(IEEE) Standard 519, latest edition, "IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems."

5. Frequency, Voltage and Phase:

Service supplied will be alternating current at a regulated frequency of approximately 60 hertz. Single-phase and three-phase service with accompanying voltages are set forth in the Electric Service Requirements Manual.

6. Motor Loads, Alternating Current:

Motor Loads are subject to limitations set forth in the Electric Service Requirements Manual.

CLASSIFICATION OF SERVICE - OTHER

7. Interconnection Service:

This service is available to any Customer owning or operating a Qualifying Facility who wishes to interconnect with Mesa and who meets Mesa requirements for interconnection. Interconnection Service for non-Qualifying Facilities is at the sole option of Mesa.

A. The Customer must enter into an Agreement for Interconnection Service. This agreement supplements the applicable Electric Rate and these Rules and Regulations, and details the rights and obligations of Mesa and the Customer pertaining to Interconnection Service. All costs of interconnection and metering are the responsibility of the Customer.

B. Purchases by Mesa of electric Power and Energy from Customers with Qualifying Facilities will be made based upon the Agreement for Interconnection Service.

8. Requirements for Submitting Self-Generation Proposals:

Customer shall provide Mesa a written statement of its intent to seek and ability to operate a self-generation project or equipment and attach a copy of the engineering and economic feasibility studies supporting the proposed self-generation project. Specific requirements can be obtained by contacting Mesa.

SECTION 4: MONETARY PROVISIONS

GUARANTEES, DEPOSITS AND ADVANCES

1. Form of Security:

Generally, Mesa will require a cash deposit or other form of security to secure payment of an account or accounts for electricity and related services provided by Mesa to a Customer whenever, in Mesa's sole determination, there is risk of non-payment of indebtedness. In its determination, Mesa may consider the financial condition of the Customer, the Customer's payment history with Mesa, the Customer's payment history with other creditors, and the level of services provided by Mesa, among other factors.

2. Refunds of Deposits:

   A. Deposits (cash and non-cash) are applied to the final bill when all services become inactive. Customers-of-record subject to the provisions of Mesa City Code Title 5, Chapter 10 shall next have the deposit balance applied to any Mesa accounts receivable balances that arise from Mesa privilege, use, or transient occupancy tax liabilities. Deposits shall also not be refunded unless and until the Customer-of-record files all delinquent privilege, use, or transient occupancy tax returns. Any remainder is refunded to the Customer-of-record.

   B. Mesa will refund cash deposits on residential accounts upon request after the Customer has established a credit history satisfactory to Mesa. Subject to the provisions of Section 4.2A, refunds will be made by check, by application to the account, or by other appropriate mechanism as determined by Mesa.

3. Waiver of Deposit:

   A. Mesa, at its discretion, may waive or reduce a security deposit when, for example:

      1. the risk of loss is not significant, or

      2. the maximum credit exposure under Mesa's standard payment terms is nominal, or

      3. the Customer and Mesa agree to accelerated payment terms and a shorter notification timeline for disconnection than otherwise provided by these Rules and Regulations.

   B. Mesa may revoke the waiver and require a deposit and/or additional deposit or reinstate the deposit requirements based upon the Customer's creditworthiness, as determined by Mesa, or when the Customer's billings exceed limits determined by Mesa, or when any other situation could adversely impact Mesa.

4. Advances Toward Construction:

   A. General:

      1. Mesa does not pay interest on Advances Toward Construction Funds.

      2. If Mesa must add to or enlarge its facilities due to the increased Load of an existing Customer or the projected Load of a new Customer, Mesa may require the Customer to pay an Advance Toward Construction.

      3. Mesa may require a Customer who requests relocation, modification or other alteration of Mesa's facilities to make a non-refundable Advance Toward Construction to the extent that the facility changes are for the benefit of the Customer.

      4. Mesa may require an Advance Toward Construction for any design and construction performed at the Customer's request and which is not specifically covered by the Rules and Regulations. Work will begin

only after Mesa determines the proper Advance Toward Construction and any necessary additional terms and conditions.

5. Mesa will require a Customer who requests temporary service facilities to make a non-refundable Advance Toward Construction in the amount of the estimated Up and Down Costs prior to Mesa doing any work.

6. Mesa may require a non-refundable Advance Toward Construction for the facilities required to serve any Load which, based on Mesa estimates, will not provide Mesa an adequate return on investment.

7. For Distribution systems in master planned areas and commercial/industrial subdivisions, Mesa may require both a nonrefundable and a refundable Advance Toward Construction.

8. For Service Laterals, Mesa may require the Customer or developer to provide all trenching, backfill, boring and conduit when facilities are requested or required to be placed underground.

9. Mesa may require a non-refundable Advance Toward Construction for any facilities that will be installed within the Customer's property to provide service to the Customer, other than Service Laterals.

10. Mesa may, at its option, compute its costs on the basis of standard unit costs as determined from periodic studies made by Mesa of similar construction or removal.

5. Refunds of Advances Toward Construction:

A. Mesa will refund any Advance Toward Construction designated as refundable, according to the terms of the refund agreement.

B. To be eligible for refund, the Customer must make a refund request and present satisfactory supporting documentation within the time frame provided in the refund agreement. Mesa will make a reasonable effort to pay refunds due within ninety (90) days of a timely request by the Customer.

C. Mesa will not make cash refunds of Advances Toward Construction unless the Customer’s bills have been paid in full. Mesa may apply such refunds to any amounts owed to Mesa by the Customer.

BILLING AND PAYMENT

6. Meter Readings:

A. Mesa will read meters or calculate meter readings and bill customers at regular intervals, normally every 26 to 34 calendar days. At its sole discretion, Mesa may change the frequency of meter reading. Services billed for periods outside the 26 to 34 calendar day range are subject to pro-ration based on a 30-day bill cycle.

B. Mesa may compute bills under any Price Plan based on a reasonable usage estimate made by Mesa if any of the following conditions apply:

1. The meter fails to register accurately;

2. The meter reader is unable to obtain a meter reading because of locked gates, safety concerns, inclement weather, or other deterrent;

3. Service is temporarily supplied without a meter;

4. A contrivance has been used to circumvent the accurate registration of metering devices; or

5. The meter reading schedule has been officially changed so that readings are taken at other than monthly intervals and estimation is necessary to compute the monthly bill.

C. Any failure of Mesa to render a complete monthly bill shall not be a waiver of Mesa's right to payment for services supplied by Mesa.

D. When an error is found to exist in the billing rendered to customer, Mesa will correct such error to recover or refund the difference between the original billing and the correct billing. Such adjusted billings will not be rendered for periods in excess of thirty-six (36) months from the date the error is discovered. Any refunds to customer resulting from adjusted billings will be made promptly upon discovery by Mesa. Under billings by Mesa shall be billed to customer who shall, upon request, be given an equal length of time, such as number of months under billed, to pay the back bill on a level installment basis without late fee penalties, unless there is evidence of meter tampering or theft. This payment arrangement will become null and void if payments are not received by the bills' due dates; normal collection procedures and late fees will then apply. Any refund is subject to the tax set-off provisions in Section 4.2.A.

E. When the Customer's service entrance equipment is energized for the Customer's convenience, but unmetered, the Customer will pay Mesa a daily charge determined by Mesa.

7. Billing and Terms:

A. Mesa will send the Customer a bill for electric services provided by Mesa and other Mesa charges. Except as provided herein or agreed to in writing by Mesa, the Customer must pay the bill before it becomes delinquent. At Mesa's option, any person, other than the Customer-of-record, who benefited from electric services provided by Mesa may be held responsible for payment.

Note: These provisions are applicable to Mesa charges only. For questions concerning charges from other Electric Service Providers, see the Direct Access Program portion of these Rules and Regulations.

1. If one or more of the applicable charges of the Price Plans change during a Billing Period, Mesa may prorate the charges accordingly.

2. Unless otherwise provided in these Rules and Regulations, a charge may be imposed for connection or reconnection of service. A service fee may also be charged for other Mesa actions related to a Customer's account.

3. Mesa increases or decreases bills in proportion to any taxes, fees, or charges (excluding federal or state income taxes) levied or imposed by any governmental authority and payable by Mesa for any services, Power, or Energy provided by Mesa.

B. A late fee will be assessed to all accounts with an amount owing in arrears one day after the due date. An amount more than one billing cycle past due shall be subject to additional late fees.

C. At the option of Mesa, kW Demand for billing purposes will be determined on a connected kilovolt-Ampere load basis for spot welder and arc welding machines, X-ray apparatus, or any other intermittent or fluctuating Loads. A Customer should consult Mesa before installation of any such equipment.

D. When a person causes Mesa to incur unusual administrative, labor, material, or other costs, Mesa may assess a fee to recover such costs.

E. Any overpayment made on a utility account that results in a credit to the utility account shall be available to offset a Mesa Privilege Tax Licensee's account receivable balances in conformity with Section 4.2.A.

8. Payment Disputes:

A. The Customer should notify Mesa BILLING AND ACCOUNT MAINTENANCE of discrepancies in Mesa's billing for services provided by Mesa. Mesa will not consider the amount in dispute for collection action until Mesa has verified that the bill was correct, provided the Customer notifies Mesa of the claim before the amount becomes delinquent and pays all other amounts billed by Mesa.

B. If a Customer has a dispute with a City of Mesa bill that has not been satisfactorily resolved by Mesa's BILLING AND ACCOUNT MAINTENANCE, a written complaint may be submitted to the BUSINESS SERVICES Director who shall serve as the City of Mesa Ombudsman Office for further review. The BUSINESS SERVICES Director shall respond to the customer within twenty (20) calendar days of the receipt of the customer's complaint. This timeline may be extended with the concurrence of the customer.

C. If the complaint is not resolved by the BUSINESS SERVICES Director's action, the customer may submit the complaint within twenty (20) calendar days of the response to the City Manager or designee. The City Manager shall issue a written decision to the customer within twenty (20) calendar days of receipt by the City Manager. This timeline may be extended with the concurrence of the customer.

D. Pursuant to A.R.S. § 30-801 *et seq*., final decisions of the City Manager or designee regarding a dispute with Mesa may be appealable to the City of Mesa City Council or Mesa City Council Committee.

9. Collection of Terminated Accounts:

A. Customer whose account has been terminated will be issued a final bill, which must be paid in full upon presentation. If a final bill becomes delinquent, Mesa may use any legal means available to collect the amount due. The Customer will reimburse Mesa for all costs and expenses incurred by Mesa to collect the amount due.

B. If Mesa disconnects an account for non-payment and the Customer does not pay the account in full, Mesa may use any legal means available to collect the amount due. The Customer shall reimburse Mesa for all costs and expenses incurred by Mesa to collect the amount due.

C. Mesa may apply any Customer's privilege, use, or transient occupancy tax credit or refund to the Customer's account in order to satisfy any unpaid utilities debt before the Customer receives such tax credit or refund.

DISCONTINUANCE AND RECONNECTION

10. General:

Failure of Mesa at any time to suspend the delivery of service, to terminate an Agreement for Electric Service, or to seek any other legal remedy upon default or breach by the Customer will not affect Mesa's right to seek any such remedies for the same or any future default or breach by the Customer. If a Customer fails to perform as required by these Rules and Regulations, the Price Plans, the Electric Service Requirements Manual. or the Customer's Agreement for Electric Service, if any, Mesa may disconnect service. Mesa also may disconnect service to the Customer when necessary to comply with any law or regulation applicable to Mesa or Customer, or order of a governmental entity having jurisdiction.

11. Reconnect After Disconnect for Non-Payment:

A. Seven (7) calendar days prior to disconnecting service for a delinquent Mesa billing, Mesa will mail or personally deliver to the Customer a written notice stating the delinquent amount and that Mesa intends to disconnect service unless the delinquent amount is promptly paid. This notification requirement does not apply to delinquent extensions for payment of prior billings when a 7-day notice was previously given, or to delinquent extensions for payment of deposits or other up-front charges which were billed as a courtesy to the Customer, or to insufficient funds regarding the Customer's payment.

B. Once Mesa disconnects service, Mesa will not reconnect service until the Customer (a) re-applies for service; (b) pays all amounts the Customer owes Mesa, including but not limited to a charge for the cost of disconnecting and reconnecting service; and (c) corrects the condition that resulted in the disconnection. Mesa may require an additional security deposit based on its evaluation of the Customer's creditworthiness.

12. Fraud:

A. A Customer may not connect a wire or contrivance to any apparatus used by Mesa to supply electricity to a Customer, nor can the Customer provide power to any device by induction from Mesa's lines, in such manner that the Customer takes electricity which is not properly metered or accounted for. No meter or other instrument installed for measuring the quantity of electricity consumed may be wrongfully obstructed, altered, injured or prevented from functioning. When a meter seal has been broken by someone other than Mesa's personnel, Mesa may assess a reconnection fee to the Customer's billing. Bills for unmetered electricity may include the full cost or expense incurred by Mesa to investigate and confirm diversion of electricity. Mesa also reserves the right to

impose additional charges, as it deems appropriate, when a provision of this Section 4.12.A has been violated. Bills for all such charges are due and payable immediately upon presentation unless otherwise agreed by to Mesa.

B. If Mesa has evidence that any of the conditions of Section 4.12.A exist, Mesa may, at any time, without notice, discontinue the supply of electricity to the Customer and remove the meter or meters, apparatus and wires, and any evidence of the condition.

C. Mesa will charge the Customer for periods of unmetered service, using estimated data from available records and information. In the event of damage to meters or service equipment, the current Customer of record shall pay Mesa based on estimated Energy usage not previously billed as well as any Mesa costs associated with restoring proper metering or service.

D. If Mesa disconnects service to the Customer because of a violation of these Rules and Regulations, Mesa will not restore service to the Customer until all amounts due Mesa have been paid. Mesa will include the full cost or expense incurred by Mesa for the removal and reinstallation of the meter or meters, apparatus and Service Lateral. The Customer's service entrance must comply with Mesa's then current Electric Service Requirements Manual before it can be re-energized.

13. Other Reasons for Discontinuance:

A. Mesa may terminate its Agreement for Electric Service and suspend the delivery of service for any other default or breach of the agreement by the Customer, but Mesa will not terminate or suspend service without first giving written notice to the Customer, stating in what particular way the agreement has been violated. Such notice need not be given in the event of a short circuit on the Customer's side of the Point of Delivery, nor in the event that utilization of the service by the Customer is a safety hazard or may cause damage to Persons or property.

B. Upon prior written notice, Mesa may terminate or suspend the delivery of service if (a) the Customer refuses to grant or is unable to procure rights-of-way necessary for Mesa's facilities, Mesa is not permitted proper access to Mesa Lines or equipment necessary to provide service to the Customer or to read the meters on the Customer's premise.

RESALE OF ENERGY PURCHASED UNDER MESA STANDARD ELECTRIC PRICE PLANS

14. General:

A. Without written notice to and consent from Mesa, a Customer may not resell, redistribute, or re-deliver electric Power and Energy supplied by Mesa except as stated in the following Sections.

B. Written notice is not required if the owner or legal tenant of the premises being served elects to accept delivery of Power and Energy to all facilities through one Point of Delivery which is measured through one meter for distribution only to lessees.

C. The owner or legal tenant who elects to accept delivery of Power and Energy to all facilities through one Point of Delivery, which is measured through one meter for distribution to lessees, will be responsible for the expense, installation and maintenance of submeters or other devices installed in the Customer's electric distribution system to determine the lessees' electrical usage.

D. Revenues collected by the owner or legal tenant from a lessee for lessee's electrical usage must be in accordance with the rules and regulations established by the authorized governmental agencies having jurisdiction thereof.

E. If a Customer violates any provision herein, Mesa may disconnect the supply of electric Power and Energy, may refuse to supply electricity and will have the right to use any other available legal remedy to enforce compliance with such provision.

BILLING OPTIONS

15. Customer Select Due Date (CSDD):

A. Subject to availability, eligible residential Customers may select the date in the month, within Mesa guidelines, that their electric bills will be due.

16. SurePay (Automatic Payment Option):

The Customer may authorize Mesa to electronically withdraw the amount of the monthly bill for Mesa services directly from a specified checking or savings account. The Customer must provide Mesa a signed form authorizing Mesa to withdraw the funds. Mesa may discontinue the Customer's participation in this option upon the second occurrence of insufficient funds regarding the Customer's payments during the period of the current and immediately preceding eleven (11) Billing Periods.

17. Budget Payment Plan (BPP):

A. Subject to availability, all eligible residential Customers may have Mesa equalize their monthly charges over a 12-month period for electric services provided by Mesa.

B. Mesa will not offer a budget payment plan to Direct Access Customers. Customers who have a managed payment billing plan at the time of their switch to Direct Access Service will be removed from such plan, and must pay any accumulated charges in full. Mesa will refund any accumulated credit to the customer after generation of the final Standard Offer Service bill.

SECTION 5. CONSTRUCTION

LINES

1. General:

Lines and electric connections necessary to supply service to the Customer will be provided by Mesa in accordance with accepted utility engineering practice and subject to the applicable conditions and provisions of these Rules and Regulations. All connections to Mesa's Lines will be made by Mesa unless otherwise agreed to in writing by Mesa.

A. Only one Service Lateral per Building will be constructed and service will be supplied only under a single set of conditions, such as voltage and number of phases, except that, where two or more Classes of Use are required or if, in Mesa's opinion, the Building is exceptionally large or has extraordinary electric capacity requirements, Mesa may approve more than one Point of Delivery to the Building. Separate applications for service must be made for each delivery and each must be metered separately.

B. Mesa reserves the right, at any time, to designate the location of its Lines on a Customer's premises and the location of the Point of Delivery and/or Customer's Service Entrance Equipment. Customer's Service Entrance Equipment must be installed in accordance with Mesa's Electric Service Requirements Manual.

C. Upon Mesa's request, the Customer must provide Mesa rights-of-way satisfactory to Mesa for Lines and other equipment necessary or incidental to the provision of service by Mesa. The Customer shall be deemed to have granted an easement to Mesa for all Service Laterals located upon the premises of the Customer. Upon Mesa's request, the Customer must allow installation and maintenance of equipment of other utilities on Mesa's rights-of-way located upon property owned or controlled by the Customer. Mesa is not obligated to commence construction on electric system for service to the Customer until each Customer to be served has obtained and delivered to Mesa permanent easements or rights-of-way satisfactory to Mesa. If Mesa agrees, Mesa may obtain such easements or rights-of-way and Customer shall reimburse Mesa for all costs Mesa incurs.

D. If the Customer requests relocation or removal of Mesa's facilities upon or from the premises of the Customer, such relocation or removal may be made at the expense of the Customer.

E. If electrical service to a location is terminated, Mesa may, in its sole discretion, either remove its Service Lateral or leave all or any portion of such Service Lateral in place. If any portion of the Service Lateral is not removed by Mesa and any person, including the owner of the premises, later requests relocation or removal of such Service Lateral, the relocation or removal may be made at the expense of the requesting person.

F. Any overhead or underground construction work not specifically addressed by these Rules and Regulations will be constructed only after a special study by Mesa to determine the non-refundable Advance Toward Construction and/or additional terms and conditions.

2. Service Laterals:

A. Mesa will install an overhead or underground Service Lateral from existing overhead or underground Lines provided the point of attachment is within the distance limits established by Mesa's construction standards, and provided that adequate clearance can be maintained from any obstructions or hazards. If extra facilities are necessary because of excessive distance, an Advance Toward Construction may be required.

B. Where only underground Lines are available, overhead Service Laterals will not be constructed to serve Customers.

OTHER CONSTRUCTION STANDARDS

3. Building and Service Entrance:

A. Customers will provide all wiring within Buildings on their premises and between the Buildings and the service entrance equipment. The location of the service entrance equipment must be approved in advance by Mesa.

B. The Customer must install, operate and maintain electrical installations to be safe and adequate at all times. The Mesa Electric Service Requirements Manual shall be used as a guide. Sections of these specifications relevant to the Customer's installation will be furnished upon request. The manual adheres to the "National Electric Code" and the "Electric Utilities Service Equipment Requirements" and is generally compatible with local municipal codes. The Electric Service Requirements Manual is subject to such additions and revisions required to remain current with code changes and Mesa policy.

C. Mesa is not obligated to inspect the Customer's wiring or electrical installation. Mesa may refuse or discontinue service to a Customer if, in Mesa's opinion, any portion of the Customer's installation is unsafe or creates a safety or health hazard.

4. High-Rise Buildings:

A. The Customer will provide and own all the distribution facilities within a High-Rise Building, except when a study by Mesa indicates a concentration of electrical usage to justify the additional investment and ownership of such facilities by Mesa.

B. When Mesa will provide and own the distribution facilities, the Customer or Building owner must provide rights-of-way within the High-Rise Building that are satisfactory to Mesa. In all cases, the raceways dedicated for use of Mesa's facilities will be separated from all other raceways, shafts, etc. within the Building.

5. Meters and Equipment:

A. Except as otherwise agreed by Mesa, (a) only Customers who are eligible to select, and have selected, a competitive Electric Generation Service Provider may choose a competitive Meter Service Provider, and (b) unless Customer is eligible to choose and has chosen a competitive Meter Service Provider, Mesa will furnish and install the meter or meters to measure the electricity used by the Customer. The Mesa meter or meters may be installed on the Customer's side of the Point of Delivery and will remain the property of Mesa. The Customer must furnish sufficient space and proper devices for the installation of meters. Regardless of who is the Meter Service Provider, the meter location must be approved by Mesa and must offer adequate protection of metering equipment. The location must also provide sufficient space and reasonable access for service and meter reading functions. Any Customer contemplating a change in installation or location of meters or equipment must file the proper application

for such change with Mesa. After an application has been filed, Mesa may grant to the Customer or Customer's agent permission to access the service entrance equipment meter area.

B. The Customer must protect all property of Mesa, including but not limited to Lines, meters, structures, and other equipment located on the Customer's premises, from theft, damage or interference.

1. The Customer shall be responsible for loss of or damage to Mesa property located on the Customer's premise arising from the Customer's neglect, carelessness or misuse and shall reimburse Mesa for the cost of necessary repairs or replacements.
2. The Customer must notify Mesa of any failure of Mesa equipment.

C. Mesa will install one meter or set of measuring devices for each Service Lateral, except where individual metering is necessary to bill multiple Customers or different Classes of Use.

D. A Customer desiring the advantages of having the total electrical usage at a given premise or enterprise billed as a unit must bring wiring to a central point so that the entire Load for a given type of service may be supplied through a single Service Lateral and one meter.

E. When two or more Classes of Use exist within a Building, a separate application must be made for each Class of Use. Mesa may require that each Class of Use be metered separately. Different Classes of Use may be supplied through a separate Service Lateral at the sole discretion of Mesa.

F. When two or more meters are to be installed on the same Building to service different Customers, they must be grouped at a common point. The meter loops for each Customer must be clearly designated. Arrangements of meter loops and meter boards must be made by the Customer or owner of the Building at a location or locations to be designated by Mesa, and must be installed in accordance with the Electric Service Requirements Manual or as required by authorized governmental agencies having jurisdiction.

G. When electric meters are to be installed on a switchboard, the Customer is responsible for all drilling necessary for Mesa to mount and connect its meters before installation of the meters. A template for such drilling can be obtained from Mesa.

H. Metering transformers, if required, will be furnished and installed by Mesa. An Advance Toward Construction may be required for them.

I. Except as may be provided in the Customer's Agreement for Electric Service, any device or equipment installed by Mesa on the Customer's premises will be owned and maintained solely by Mesa regardless of any Advance Toward Construction or deposit which may have been provided.

J. If a Customer, such as the operator of a mobile home park, desires that the master meter being used to bill the Customer be replaced with multiple meters billed individually to individual tenants, the Customer shall contact Mesa regarding the matter. Mesa will then inspect the Customer's premises and

determine the physical changes required to convert from master metering to individual metering. The Customer may be required to pay an Advance Toward Construction for any new or upgraded facilities which Mesa determines are necessary. The Customer will also be responsible for removal of all Customer-owned electrical facilities no longer required to provide electric service.

6. Point of Delivery:

A. In all cases, Mesa will determine the Point of Delivery.

B. The Customer is responsible for construction, operation and maintenance of the Customer's facilities. Mesa is responsible for construction, maintenance and operation of Mesa's facilities. Mesa will at all reasonable times, as a condition of service and in accordance with these Rules and Regulations, have the right of access to Mesa's facilities, including termination connections.

7. Voltage:

A. Mesa will furnish and install the necessary transformation equipment to furnish the Customer with service at one of the nominal voltages specified in the applicable Mesa Price Plan. Mesa reserves the right to install the transformer and related facilities in a manner which promotes the overall efficiency and reliability of Mesa's electric distribution system and which provides service consistent with recognized utility practices to the Customer's Point of Delivery in accordance with these Rules and Regulations.

B. Mesa will provide service to large non-residential Customers from Mesa's facilities built based on Mesa standards applicable to the type and character of service to be furnished.

SECTION 6. LIABILITY AND RESPONSIBILITY

CUSTOMER'S EQUIPMENT AND ITS OPERATION

1. General:

Mesa may refuse or disconnect service when the Customer's wiring or equipment is so designed or operated as to disturb service to other Customers or constitutes a physical or electrical hazard, as determined by Mesa. All motors connected to Mesa Lines must be of a type that will not require starting current deemed unreasonable by Mesa, or will be equipped with protective devices to restrict the starting current to limits acceptable to Mesa. Mesa may require that motor loads of less than 5 horsepower be single phase.

2. Generation on Customer's Premises including Backup Generators:

A. Energizing equipment connected to the Mesa electric distribution system could act as a source of electrical backfeed, causing injury or death to electric utility personnel working on the overhead or underground power lines in the vicinity. No electrical generation device may be connected to any portion of a Customer's electric system that is connected to the Mesa electric distribution system unless Mesa has been notified of and approved such connection. Such notification and approval must each be in writing. If a Customer desires its or a third party's generation device to be directly or indirectly connected to Mesa's

electric distribution system through the Customer's electric system, the Customer must first enter into an Interconnection Service Agreement with Mesa. Customer may refer to "Mesa Interconnection Guidelines for Generators" for technical information about connecting generators to the Mesa electric distribution system.

B. For Customer Load normally served from the Mesa electric distribution system, which can also be switched to a Customer's generator if the Mesa electric distribution system is de-energized, an open type transfer switch shall be installed between Mesa's and Customer's electric systems. This switch shall electrically and mechanically prevent connection of the Customer's generator to Mesa's electric distribution system. The Customer should contact Mesa if the Customer has any questions regarding these requirements.

3. Customer-Owned Substations:

Customers who own substations connected directly to the Mesa 69kV transmission system shall conform to the "Mesa Guidelines for Customer Ownership of Substation Equipment."

4. Power Factor:

Mesa may include adjustments to bills for Loads for which the Power Factor falls below 95 percent lagging at any metering point during any Billing Period. If a Customer's Load operates at less than 95% Power Factor, Mesa may require the Customer to provide, at Customer's expense, corrective equipment to increase the Power Factor to at least 95%.

5. Single Phasing and Phase Reversal Protection:

A. Mesa shall not be responsible to the Customer, and the Customer shall release Mesa for damage to motors, other current-consuming equipment, and/or devices mechanically or electrically connected to such equipment, resulting from any phase reversals, single-phasing of three-phase service, or other similar conditions except when such damage is the direct result of Mesa's gross negligence.

B. For three-phase motors driving elevators, hoists, tramways, cranes, conveyors, or other equipment which could create hazard to life in the event of uncontrolled reversal of motor rotation, the Customer must provide reverse-phase and open-phase protection, at the Customer's expense, to completely disconnect the motors from their electrical energy source in the event of phase reversal or loss of one or more phases.

6. Changes in Installation:

Each of Mesa's service wires, transformers, meters and other devices used to supply electricity to the Customer's installation has a maximum capacity. Customer must obtain prior written consent of Mesa to increase the Connected Load. Failure to obtain such consent may result in damage to Mesa's equipment, extended interruption of the Customer's service, and damage to equipment of other Customers. When such damage is due to failure of the Customer to obtain consent, Mesa may require the Customer to pay any and all damages including the cost to repair or replace the damaged equipment.

LIABILITY

7. Liability

A. Mesa, Mesa officials, agents and employees shall not be liable for any and all damages, losses, liabilities, claims, and/or costs for damages or loss to property or injury to persons due to the delivery of electricity, use of electricity, and/or delivery of service at or on the Customer's side of the Point of Delivery or due to the Customer's delivery of electricity to Mesa.

B. Mesa shall not be liable for damage or loss to property or injury to persons due to the delivery of electricity, use of electricity, delivery of service and/or due to the location of Mesa's facilities and equipment near or on a Customer's premises.

C. Section 7 (A) & (B) referenced above shall not limit remedies otherwise available to Customers under Mesa's Schedules and Rates applicable laws and Mesa's Electric Rules and Regulations.

8. Liability In Connection With ESP Services

A. In this section, "damages" shall include all losses, harm, costs and detriment, both direct, indirect and consequential, suffered by the Customer or third parties.

B. Mesa shall not be liable for any damages caused by Mesa's conduct in compliance with, or as permitted by, Mesa's electric Rules and Regulations, Rates and Schedules, the ESP Service Acquisition Agreement, A.R.S. § 30-801 *et seq*. other applicable statutes and associated legal and regulatory requirements related to Direct Access Service, or as otherwise set forth in Mesa's Schedule TC-SO and its Rules and Regulations.

C. Mesa shall not be liable for any damages caused to the Customer by any ESP, including failure to comply with Mesa's electric Rules and Regulations, Rates and Schedules, the ESP Service Acquisition Agreement, A.R.S. § 30-801 *et seq.,* other applicable statutes, and associated legal and regulatory requirements related to Direct Access Service.

D. Mesa shall not be liable for any damages caused by the ESP's failure to perform any commitment to the Customer.

E. An ESP is not a Mesa agent for any purpose. Mesa shall not be liable for any damages resulting from acts, omissions, or representations made by an ESP in connection with soliciting Customers for Direct Access Service or rendering Competitive Services.

F. Under no circumstances shall Mesa be liable to the Customer, ESP (including any entity retained by it to provide Competitive Services to the Customer) or third parties for lost revenues or profits, indirect or consequential damages or punitive or exemplary damages in connection with Direct Access Service. This provision shall not limit remedies otherwise available to Customers under Mesa's schedules and rates and applicable laws and Mesa's electric Rules and Regulations.

9. Continuity of Service / Service Interruptions

A. Mesa shall make reasonable efforts to supply a satisfactory and regular level of service and/or delivery of electricity, but does not assure a continuous and uninterrupted service level and/or delivery of electricity to Customers.

B. Mesa shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service, including delivery of electricity, resulting from:

1. Any cause which Mesa could not have reasonably foreseen or made provision for (i.e., force majeure as set forth below);

2. Intentional service interruptions to make repairs or perform routine maintenance or make changes or improvements to Mesa's electric distribution equipment and system;

3. Public safety reasons;

4. Elimination of the possibility of damage to Mesa's property or to the person or property of others;

5. A limitation of electricity or reduction in voltage;

6. Failure of equipment owned and/or installed by the ESP, its agents, or the Customer;
7. Curtailment, including blackouts or brownouts.

C. Mesa shall not be liable for any damage or claim of damage attributable, but not limited to, any temporary, partial, or complete interruption or discontinuance of service or delivery of electricity under this Section or attributable to a force majeure. A force majeure is defined as, but not limited to, flood, rain, wind, storm, earthquake, landslide, fire, washout, lightning, or other acts of the elements, or explosion or accident or war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy, or acts of God, or interference of civil and/or military authorities, or strikes, lockouts or other labor difficulties, or vandalism, sabotage or malicious mischief, or usurpation of power, or the laws, rules, regulations, or orders made or adopted by any regulatory or other governmental agency or body (federal, state, or local) having jurisdiction of any of the business affairs of Mesa or the Customer, direct or indirect, or breakage or accidents to equipment or facilities, or lack, limitation or loss of electrical or fuel supply, or any other casualty or cause beyond Mesa's reasonable control, whether or not specifically provided herein and without limitation to the types enumerated, and which by the exercise of due diligence such party is unable to prevent or overcome; provided, however, that nothing contained herein shall excuse the Customer from the obligation of paying for electricity delivered or services rendered.

D. Mesa's failure to settle or prevent any strike, labor dispute, or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within Mesa's control.

ACCESS

10. Access to Premises:

    A. In accepting service, the Customer grants to Mesa's employees and agents an unconditional right of access to the premises of the Customer at all reasonable times for purposes such as installing, connecting, reading, testing, repairing, adjusting, disconnecting, removing, inspecting or maintaining any of Mesa's meters, wires, poles or other apparatus.

    B. All employees authorized to do work for Mesa on the premises of the Customer shall carry badges or other suitable identification, which they are instructed to show to the Customer upon request.

ENCROACHMENTS

11. Vegetation Encroachments and Hazards:

    A. When vegetation (trees, shrubs, vines, etc.) on a Customer's premises encroaches upon any of Mesa's Lines or other equipment and interferes with Mesa's ability to safely operate, maintain and protect the Mesa electric distribution system, Mesa has the right to prune or remove the vegetation and may charge the Customer for Mesa's costs to do so. Mesa shall not be liable to Customer for any damages associated with the pruning or removal of such vegetation, including, but not limited to, the value of or replacement cost of such vegetation.

12. Structural Encroachments and Hazards:

    A. A Customer shall not construct or install any structure (including walls, fences, mailboxes and other permanent objects) or excavate or place fill near any Mesa electric facilities (whether overhead or underground) in such a manner that such structure, excavation or fill interferes with Mesa's ability to safely operate, maintain and protect the Mesa electric distribution system. Customer must at all times maintain all clearances from Mesa facilities as specified in the National Electric Safety Code, in Arizona Revised Statutes § 40-360.21 et seq. (regarding activities near underground facilities) and § 40-360.41 et seq. (regarding activities near overhead power lines), in any applicable Mesa easement or other right-of-way document, or otherwise required by law, rule or regulation. Customer is responsible for properly locating and protecting underground Mesa facilities by obtaining an appropriate Blue Stake clearance before any excavation is made. The Blue Stake telephone number is (602) 263-1100, or 1-800-STAKE-IT.

    B. Mesa reserves the right to remove or modify any structure, fill any excavation, or remove any fill that encroaches upon Mesa's electric facilities and interferes with Mesa's ability to safely operate, maintain and protect the Mesa electric distribution system and may charge the Customer for Mesa's costs to do so. Mesa shall not be liable to Customer for any loss of or damage to Customer's property resulting from such action.

SECTION 7: DIRECT ACCESS PROGRAM

INTRODUCTION:

The following Rules and Regulations apply to Electric Service Providers (ESP's), their agents and Mesa distribution Customers who elect to participate in Mesa's Direct Access Program.

1. Retail Electric Service Competition:

   A. Mesa's distribution service territory is open to competition for Electric Generation Service and Other Services (metering, meter reading, billing and payment processing (collecting) services) in accordance with the A.R.S. § 30-801 *et seq*.

   B Mesa will discharge its responsibilities to all qualified providers of such services under the Direct Access Program in a non-discriminatory manner in accordance with its Code of Conduct, and other applicable laws, rules and regulations.

CUSTOMER PARTICIPATION

2. Participation:

   All Mesa distribution Customers will be eligible for (a) competitive Electric Generation Service on January 2, 2002, and (b) Other Services on January 2, 2002 if Customer has competitive Electric Generation Service.

3. Customer Selections:

   All Mesa distribution Customers eligible for competitive Direct Access Service may obtain such service under one of the following two options:

   A. Standard Offer Service Price Plans:

      Under this option, Mesa will provide all standard electric energy services, including metering, meter reading, and billing and payment processing (collection), on a bundled basis at standard prices established by Mesa. Any eligible Customer that has not chosen Direct Access Service will remain at the appropriate rate. Direct Access Service Customers may, with certain exceptions, also request to return to Mesa under the appropriate rate schedule.

   B. Direct Access Service:

      Under this option, Customers eligible for Direct Access Service may purchase Electric Generation Service and, if eligible, Other Services from competitive providers.

4. Responsibility for Direct Access Services:

   A. Mesa Not Liable for ESP Services:

      To the extent a Customer takes service from an ESP (or its agents), Mesa has no obligation to the Customer with respect to service provided by the ESP. The Customer must look to the ESP to carry out the responsibilities associated with such ESP service.

B. ESP Not Liable for Mesa Services:

To the extent a Customer takes service from Mesa, an ESP has no obligation to the Customer with respect to service provided by Mesa. The Customer must look to Mesa to carry out the responsibilities associated with such Mesa service.

5. Transmission and Distribution Service for Direct Access Customers:

Subject to the provisions of the Direct Access Program (including but not limited to the applicable Price Plans), applicable rules of the Federal Energy Regulatory Commission and compliance therewith by ESP and Customer, Mesa will provide transmission and distribution service for delivery of electric Power and electrical Energy to Direct Access Service Customers under applicable electric rates, tariffs, contracts and these Rules and Regulations. For any transmission service that Mesa provides to allow an ESP to serve a Direct Access Service Customer, the Customer is deemed to have authorized its ESP (and any Scheduling Coordinator providing scheduling coordination services to ESP) to act as the Customer's agent to obtain such transmission service. The Customer is obligated to pay Mesa for any transmission services.

6. Customers Considered as Participants:

Customers who elected to participate, whether they choose to continue Electric Generation Service from Mesa or select an ESP, may choose or change their Electric Generation Service supplier in accordance with the provisions of the Direct Access Program.

7. Right to Participate, Change of Premises:

A. Right to Participate in the Direct Access Program:

The right to participate in the Direct Access Program belongs to the eligible Customer who chooses to participate and is not associated with the premise occupied by that Customer.

B. Changing premises within Mesa's distribution service territory:

A Customer who elected to participate in the Direct Access Program and who then moves from one premise to another, both of which are within Mesa's distribution service territory, may continue to participate.

C. Changing Premises outside of Mesa's Distribution Service Territory:

A Customer who elected to participate in the Direct Access Program and who then moves to a premise located outside of Mesa's distribution service territory, becomes ineligible to participate in the Direct Access Program, until such time that the Customer subsequently returns to Mesa's distribution service territory.

8. Master-Metered Customers:

For Customers with master meters, each eligible individual master-metered account (including those for which the Customer provides sub-metered tenant billings) may participate in the Direct Access Program as a single account. A master-metered Customer may not partition the electric Load of a single master-metered account among more than

one ESP. The entire Load of a single master-metered account must receive Electric Generation Service from only one ESP.

9. Split Load:

A Customer requesting Direct Access Service may not partition the competitively served portion of the electric Load of a service account among more than one ESP. The entire connected load of a service account must be allocated to only one ESP.

UNBUNDLED SERVICES AND OBLIGATION TO SERVE

10. Distribution Services:

A. Within the Mesa distribution service territory Mesa is the sole provider of distribution services. The Customer must always contact Mesa for the following Distribution services:

1. Application for Distribution service

2. Termination of Distribution service

Distribution services will be provided by Mesa to distribution Customers subject to and in accordance with Sections 1 through 7 of these Rules and Regulations.

B. The Customer must contact its Electric Service Provider to initiate and terminate service provided by that ESP, including Electric Generation Service.

C. Service to all Mesa Customers, including Direct Access Service Customers, shall be subject to service interruptions, variations and curtailments as provided in Section 6.9 of these Rules and Regulations. Mesa's liability in connection with service to Direct Access Service Customers shall be determined in accordance with Sections 6.7 and 6.8 of these Rules and Regulations.

11. Distribution Service Customer Responsibilities:

A. The distribution service Customer must resolve any Mesa credit-related matters directly with Mesa. Such matters include but are not limited to payment arrangements, credit extensions, deposits, refunds, and disconnections for non-payment.

B. The Customer should call Mesa if the Customer desires to report an interruption of electric service.

12. Meter Installation and Maintenance; Meter Reading; Billing and Payment Processing:

A. For all Customers who choose competitive Electric Generation Service, the following functions are competitive:

1. Metering, including installation and maintenance.

2. Meter reading.

When competitive meter reading service is elected, Mesa must be provided meter reads in accordance with its then current meter reading schedule for the Customer's premise.

3. Billing and payment processing for competitive Electric Generation Service.

13. Meters and Metering Options for Direct Access Service Customers:

A. Customers with Loads in excess of 20 kW or 100,000 kWh per year who choose an ESP must have a meter capable of measuring Load in 15-minute intervals. The cost of meters, including installation costs and any associated monthly charges shall be paid by the Customer.

B. Residential Customers or non-residential Customers with Loads of 100,000 kWh per year or less who choose interval metering, or whose ESP requires interval metering, must use interval metering provided and installed by Mesa. The party requesting the interval metering is responsible for the cost of the meter, including installation cost.

C. All meters provided by ESP's or Customer must meet applicable American National Standards Institute (ANSI) standards for safety, reliability and accuracy.

D. The ESP initiating the removal of an existing meter by Mesa must pay the removal cost. If an existing Mesa meter is made surplus as a result of competitive metering service, the ESP must pay the unrecovered cost of the existing meter. Mesa will then retire the meter from service. The ESP may acquire the retired meter by notifying Mesa of such ESP intent prior to removal of the meter.

E. While metering service remains non-competitive, Mesa will offer optional meter technologies which Mesa has approved and which are capable of providing data to bill the rates offered by ESPs. Optional meter technology will be offered under the following terms:

1. The incremental cost (including cost of purchase, installation, maintenance, and meter reading), if any, of a meter upgrade beyond the Mesa standard is the responsibility of the requesting ESP or Customer.

2. If an existing meter is made surplus by a meter upgrade, the ESP requesting the upgrade will pay the unrecovered cost for the existing meter.

3. If feasible, Mesa will install the related equipment (switches, communications, etc.) necessary to enable ESPs to offer options such as interruptible service, but the ESP must pay the incremental cost of the equipment, including installation cost.

14. Customer Billing and Payment Options:

A. Direct Access Customer Billing

Pursuant to terms in the ESP Service Acquisition Agreement and this Section, and applicable schedules and the restrictions herein, ESPs will participate in the Mesa Consolidated Billing program. Mesa will provide consolidated billing for all Customers.

Mesa Consolidated Billing:

Mesa's consolidated bill consists of charges to the Customer for services provided by the ESP and Mesa.

B. Billing and Payment Options:

Mesa will offer the following billing options while billing remains noncompetitive when these options become available:

1. Summary Bill:

This option allows non-residential Customers to receive a single combined monthly billing statement for their multiple service accounts. This option is not available to residential Customers.

2. Spanish Bills:

Upon request, Mesa will provide residential Customer bills in Spanish.

3. Large Print Bills:

Upon request, Mesa will provide residential Customer bills using a larger size of print.

4. Select Due Date:

Upon the concurrence of the Customer's ESP, an eligible residential or non-residential Customer may select the date in the month, within Mesa guidelines, when its electric bill will be due. The selected due date must be acceptable to Mesa and the ESP.

5. SurePay (Automatic Payment Option):

For monthly Mesa consolidated billing, any Customer may authorize Mesa to withdraw electronically the amount of the bill from a specified checking or savings account. The Customer must provide Mesa a signed form authorizing Mesa to withdraw the funds. Any discount provided by Mesa under this option only applies to charges for Mesa provided services.

6. Recurring Credit Card Payments:

For monthly Mesa consolidated billing, any Customer may authorize Mesa to withdraw electronically the amount of the bill from a specified credit card.

15. Identity of Supplier:

Mesa will include the name and telephone number of the Customer's ESP on all Mesa consolidated billings.

16. Credit, Collections, and Partial Payments:

A. Mesa will apply its usual and customary credit policy and remittance procedures to all Customer accounts regardless of whether a Customer has elected Direct Access Service. However, Mesa will not provide collection services for any ESP.

B. When Mesa provides billing and payment processing services on behalf of an ESP, Mesa will apply partial payments made by a Customer first to Mesa billings, and then to billings of the current ESP. Mesa will apply payments made by Customers in excess of amounts due against future billings for services provided by Mesa.

C. Mesa will not disconnect electric service for amounts owed to an ESP.

17. Default Service for Current and New Customers:

Mesa will continue to provide Bundled Service to each existing and new Customer who does not choose competitive Electric Generation Service, in accordance with the applicable Price Plan.

18. Provider of Last Resort:

A. Mesa will be the Provider of Last Resort for Electric Generation Service for every retail electric service Customer within Mesa's distribution service territory, whose annual usage is 100,000 kWh or less if other electricity suppliers are unwilling or are unable to supply Electric Generation Service and whose Electric Generation Service has been discontinued through no fault of the retail electric service Customer.

B. For such Provider of Last Resort Customers:

1. Mesa will provide Electric Generation Service in accordance with its applicable Price Plans.

2. Mesa may require an appropriate deposit as a condition of service.

3. Mesa may require the Customer to be in good credit standing with Mesa.

4. Mesa may waive its standard notification requirements in the event of extenuating circumstances affecting an ESPs operations and ability to comply with such requirements.

5. Mesa will notify the Customer of the date that it began Provider of Last Resort Electric Generation Service to the Customer. No switching fee applies to commencement of Provider of Last Resort service. The Customer may select a new ESP in accordance with the Direct Access Program.

6. The Customer must pay Mesa for Provider of Last Resort and any Other Services provided by Mesa.

19. Distribution Customers Returning to Mesa for Electric Generation Service:

A. Mesa may, at its option, provide Electric Generation Service to retail electric Customers who wish to return to Mesa. Except for Customers entitled to Provider of Last Resort service, Mesa is not legally obligated to provide Electric Generation Service to other returning retail electric Customers. Mesa will review each request on an individual basis.

B. If an ESP defaults, Mesa may, in its sole discretion, provide temporary service to a returning customer either under Mesa's existing Price Plans or under applicable market rates, whichever are greater, during the time in which Mesa determines its willingness and ability to provide Electric Generation Service to that Customer on an ongoing basis. The Customer must pay Mesa for any such temporary service.

20. Processing of Switching Applications:

Mesa may assess a switching charge, subject to periodic review by Mesa on a regular basis, to the ESP gaining the Customer, for all switching applications submitted on behalf of the Customer.

21. Frequency and Timing of Switching:

A. A Customer may request to switch ESP's no more than one time each Billing Period. Mesa will process the first valid switching request received within a Billing Period.

B. Mesa must receive electronic notification from the ESP acquiring a Customer of the Customer's intent to switch ESP's not later than 15 days prior to the scheduled meter read date, with the switch to be effective on such read date. However, if Mesa has to provide upgraded meter equipment, or if the Customer has elected competitive metering service, the switch may be delayed until a later meter-read cycle.

22. Energy-Related Services:

Mesa may provide various energy-related services. These may include, but are not limited to:

A. Energy efficiency audits,

B. Heating, ventilation, air conditioning and miscellaneous appliance management,

C. Sales and installation of emergency backup power equipment, and

D. Home automation.

TAXES AND OTHER CHARGES

23. Customers must pay all taxes, fees and similar charges applicable to Direct Access Service. The ESP and Mesa are each responsible for calculating the taxes, fees and charges for their respective services and remitting them to the appropriate jurisdiction.

CONSUMER PROTECTION

24. Cooling-Off Period:

Residential Customers have a three day cooling off period during which they may cancel a contract/service agreement with a new ESP and provide written notice to that ESP of the cancellation.

25. Customer Authorization for Change of ESP Service:

A. Before submitting a DASR to Mesa on behalf of an Mesa distribution Customer who desires to change its Electric Generation Service supplier, the ESP acquiring such Customer must obtain a written and dated authorization form from the Customer confirming the change of supplier. The ESP is responsible for retaining such authorization forms, and upon request shall provide copies to Mesa, the distribution Customer and other appropriate parties.

B. A separate written and dated authorization from the retail electric customer is required for a change in a retail electricity supplier subject to the following:

1. The authorization shall not contain any inducements;

2. The authorization shall be in legible print with clear and plain language confirming the rates, terms, conditions and nature of the service to be provided;

3. The authorization shall not state or suggest that the Customer take action to retain the Customer's current electricity supplier;

4. The authorization shall be in the same language as any promotional or inducement materials provided to the retail electric Customer.

No box or container may be used to collect entries for sweepstakes or a contest that, at the same time, is used to collect authorization by a retail electric Customer to change the Customer's electricity supplier or to subscribe to Other Services.

C. Advertising, service agreements and bills must use plain language and uniform words and phrases to allow the Customer to accurately compare offers and services.

D. An ESP that submits or executes a change in the retail electric Customer's supplier of Electric Generation Service in violation of the requirements stated above may be liable to refund the entire amount of the Customer's electricity

charges attributable to Electric Generation Service from such ESP for three months, or the period of unauthorized service, whichever is less, in accordance with A.R.S. § 30-806(C).

26. Access to the Mesa Distribution System:

Mesa will allow access to its electric distribution system only to ESPs authorized under A.R.S. § 30-801, et seq., that have been certificated by the ACC acquired CC&N and that have appropriate ESP Service Acquisition Agreement(s) in effect with Mesa.

ELECTRIC SERVICE PROVIDERS

27. General Obligations of ESPs:

A. Authorization to Provide Direct Access Services or Act as Agent of Customer:

The ESP must obtain any written authorization necessary to provide Direct Access Service to the Customer or for the ESP (or its Scheduling Coordinator, if applicable) to act as Customer's agent to acquire Direct Access Service.

B. Timeliness and Due Diligence:

ESP's must exercise due diligence to meet their obligations and deadlines pursuant to the Direct Access Program.

C Arrangements with ESP Customers:

ESP's must assure that appropriate contractual or other arrangements necessary to implement Direct Access Service, including any necessary arrangements with MSP's or MRSP's, are in place with their Customers. Such contracts or arrangements must be consistent with all applicable laws, ACC requirements and the Direct Access Program. Mesa is not responsible to monitor, review or enforce contracts or arrangements on behalf of ESP or any other party.

D. Transfer of Cost Obligations Between ESP's and Customers:

Nothing in these Rules and Regulations is intended to prevent ESP's and their Customers from agreeing to reallocate between them any costs for Direct Access Services which are designated in the Direct Access Program to be paid by a particular party, to the extent such reallocation is permitted by law. Such reallocation will not affect either party's payment responsibility to Mesa.

28. List of Participants:

ESP's meeting Mesa's contracting requirements may obtain from Mesa the list of Direct Access Program Customers who authorized Mesa to release their account information.

29. Governing Documents:

A. At any time the ESP is providing service to Direct Access Customers, the ESP must retain in effect its CC&N and must abide by the provisions of any required ESP Service Acquisition Agreement and all applicable provisions of the Direct Access Program.

B. Documents applicable to the Direct Access Program are available for review at Mesa's Utilities Department office located at 640 North Mesa Drive, Mesa, Arizona, 85211-1466. Many of the documents, including Protocols applicable to ESP's, will be available on the Mesa web site at www.cityofmesa.org in the future.

ELECTRIC GENERATION SERVICE PROVIDERS

30. Competitive Services and Certification:

Mesa's distribution service territory is open to competition for the sale of Electric Generation Service by ESP's certificated by the ACC, and who have an appropriate ESP Service Acquisition Agreement in force with Mesa. Providers of Other Services shall also be certificated by the ACC, if required, and must have an agreement acceptable to Mesa in force with either an ESP which is a provider of Electric Generation Service or Mesa.

31. Responsibility for Purchases of Electric Power:

ESP's who are providers of Electric Generation Services are responsible for the purchase of the electric generation needs of their Direct Access Service Customers. Such ESP's shall ensure delivery of such purchases in accordance with the schedules provided by the ESP's Scheduling Coordinators to the Mesa Control Area Operator.

32. Scheduling Coordination:

ESP's providing Electric Generation Service must have one or more Scheduling Coordinators, with no more than one Scheduling Coordinator per service account. ESP's must disclose the identity of these Scheduling Coordinators to Mesa, including when the ESP is performing Scheduling Coordinator services on its own behalf. Mesa will not enforce requirements between an ESP and its Scheduling Coordinators. Scheduling Coordinators must enter into a Scheduling Coordinator agreement with Mesa and must comply with the Mesa Protocols and other applicable provisions of the Mesa Direct Access Program.

33. Contracting with Mesa:

To conduct business within the Mesa distribution service territory, a provider of Electric Generation Service must enter into an appropriate ESP Service Acquisition Agreement with Mesa. Among other requirements, the ESP must:

A. Provide Mesa a copy of their approved Certificate of Convenience and Necessity (CC&N).

B. Provide Mesa a copy of the signed agreement between the ESP and a qualified Scheduling Coordinator, or provide a statement that the ESP intends to perform Scheduling Coordinator services on its own behalf.

C. Interact with Mesa via established EDI transaction sets and satisfactorily complete data transfer testing.

METER SERVICE PROVIDERS AND METER READING SERVICE PROVIDERS

34. Provision of Competitive Metering or Meter Reading Services:

A party providing competitive metering or meter reading services to a Direct Access Service Customer must obtain and maintain in effect any certification required by the ACC, if required comply with all applicable Protocols for Meter Service Providers (MSP's) or Meter Reading Service Providers (MRSP's), comply with other applicable provisions of the Direct Access Program and with all other applicable laws, rules and regulations. MSP or MRSP services provided by the ESP, whether directly or by contract between the ESP and an independent MSP or MRSP, must be performed in accordance with the applicable ESP Service Acquisition Agreement. MSP's or MRSP's planning to offer services directly to Direct Access Service Customers must enter into an appropriate ESP Service Acquisition Agreement with Mesa.

SCHEDULING COORDINATORS

35. Application Request:

A Scheduling Coordinator (SC) applicant may request an application and other necessary information from Mesa by mail, fax, e-mail, or in person. Alternatively, the applicant may obtain the application and necessary information from the Mesa web site at www.cityofmesa.org as it becomes available.

36. Governing Documents:

A. Scheduling Coordinators must abide by the provisions of the Scheduling Coordinator agreement with Mesa and all applicable provisions of the Direct Access Program.

B. Documents applicable to the Direct Access Program are available for review at Mesa's Utilities Department office located at 640 North Mesa Drive, Mesa, Arizona, 85211-1466. Many of the documents, including Protocols applicable to SC's, will be available on the Mesa web site at www.cityofmesa.org in the future.

This page intentionally left blank.

UTILITY SERVICE FEE SCHEDULE

Utility service fees work in conjunction with utility rates and charges to offset the cost of delivering public services. The utility service fee schedule is organized into two sections. First, fees in the customer relationship management section recover the costs of using existing facilities. Second, fees in the land management section recover the cost of adding new or modified facilities to the utility system, including upgraded services and meter size and meter relocations. Utility service fees are listed for new connection and metering facilities. Other fees to recover the cost of growth are listed by cross reference to system development agreements and impact fees. Fees are aggregated and may include those in one or more of the categories below as applicable.

I. CUSTOMER RELATIONSHIP MANAGEMENT

1. Security Deposit
    1. Residential
        a. Electric $265
        b. Natural Gas $125
        c. Solid Waste $60
        d. Wastewater $50
        e. Water $100
    2. Commercial 2.5 x highest monthly usage in previous two years
    3. Hydrant Meter $1,500
    4. Credit Check fee. The fee will be to verify a customer's credit when a utility deposit waiver is requested by a customer. $3

2. Basic Charges, Account Establishment and Reconnection Fees. The total fee will be the sum of the administrative charge, standard next day charge for one or more metered utility services (e.g., electric, natural gas, water, and hydrant meter), and same day or after hours surcharge if applicable. Administrative, Standard and Same Day or After Hours charges and surcharges may otherwise be applicable as set forth in this Schedule. Additional rates, fees, charges not included in this Schedule (permitting, system extension, etc.) may also apply.

    1. Administrative Charge $11
    2. Standard Next Day Charge
        a. Turn On and Turn Off
            1. Electric $16
            2. Natural Gas $32
            3. Water $16
            4. Hydrant Meter Installation $150
            5. Hydrant Meter Relocation $150
    3. Same Day or After Hours Surcharge (subject to availability) $45

3. Unauthorized Use (per occurrence)
    a. Single Family Residential $100
    b. Commercial, Multifamily, and Construction $1,000

4. Late Fee
    a. The late fee will be applied to an account with an unpaid balance of $20.00 or more.
    b. The late fee amount will be the greater of either five dollars or two percent of the unpaid balance.

5. Returned Payment (e.g., check, credit card) $25

6. Account History Research (per hour). Historical information is available for the latest 36 months. $26

7. Disconnection Letter $3

8. Pre-Disconnect Multi-Unit Notice Fee, $2 per unit, with a $50 minimum and $200 maximum fee per complex $50/min $200/max

9. Commercial Hanger fee to notify business of scheduled disconnect date $50

10. Trip Charge. The fee will recover the cost of unscheduled trips and is in addition to applicable charges and surcharges. $17

11. Termination of Service Disconnection Fee (Reconnection subject to applicable fees, charges and surcharges)$17

12. Unauthorized Use Investigation. The fee will recover the cost of gathering evidence of unauthorized use. $58

13. Secure Damaged Service

    1. Electric Locking Ring Replacement $36
    2. Natural Gas Locking Device Replacement $30
    3. Natural Gas Valve Replacement $170
    4. Water Angle Valve Replacement $300
    5. Water Locking Device Replacement $32
    6. Water Reseter (Riser) Replacement $84
    7. Portable Locking Device Replacement (e.g., padlock). $36

14. Damaged Meter and Service Repair and Replacement*

    1. Electric Time and Materials; Standard, Same Day or After Hours charges; and Surcharges apply.
    2. Natural Gas Time and Materials; Standard, Same Day or After Hours charges; and Surcharges apply.
    3. Water Time and Materials; Standard, Same Day or After Hours charges; and Surcharges apply.
    4. Wastewater Time and Material; Standard, Same Day or After Hours charges; and Surcharges apply.

* Meter replacement based on availability of replacement metering equipment. Meter size may also be adjusted at City's sole discretion based on customer connected and/or projected load.

15. Disconnection and Reconnection of Service at Main. All charges below in addition to Standard, Same Day or After Hours charges; and Surcharges.
    1. Electric
        a. Standard Next Day Charge
            1. Single Phase $116
            2. Three Phase $203
        b. Same Day or After Hours Charge
            1. Single Phase $164
            2. Three Phase $287
    2. Natural Gas $5,378
    3. Wastewater
        a. Local Roadway $5,434
        b. Collector Roadway $7,296
        c. Arterial Roadway $9,333
    4. Water $2,072

16. Meter Accuracy Test (per customer request subject to Terms and Conditions for the Sale of Utilities SD01)

1. Electric	
a. 200 AMP	$89
b. 400 AMP	$224
2. Natural Gas	
a.Diaphragm style meter (800 class and below)	$126
b.Rotary meter (8C – 2M size)	$190
c.Rotary meter (3M and larger)	$267
d. Other	Time and Material
3. Water	
a. 0.75 Inch	$185
b. 1.00 Inch	$185
c. 1.50 Inch	$249
d. 2.00 Inch	$249
e. 3.00 Inch	$527
f. 4.00 Inch	$527
g. 6.00 Inch	$527
h. 8.00 Inch	$527
i. 10.00 Inch	$893

17. Backflow Compliance Late fee $100

18. Single family residential service lateral from public sewer main blockage removal $150

19. Industrial Pretreatment. The fees will be applied in accordance with the Sanitary Sewer Regulations to all categorical and non-categorical industries, institutions, and business establishments located inside and outside the incorporated area of the city limits. See Title 8, Chapter 4 of the Mesa City Code.

1. Commercial and Industrial	
a. Administrative Charge (quarterly)	
1. 1 to 5,000 gpd	$358
2. 5,001 to 50,000 gpd	$358
3. 50,001 to 100,000 gpd	$501
4. > 100,000 gpd	$572
b. Compliance Monitoring Charge (quarterly)	
1. 1 to 5,000 gpd	$580
2. 5,001 to 50,000 gpd	$893
3. 50,001 to 100,000 gpd	$1,200
4. > 100,000 gpd	$1,506
2. Hospitals	
a. Administrative Charge (quarterly)	
1. 1 to 5,000 gpd	$358
2. 5,001 to 50,000 gpd	$358
3. 50,001 to 100,000 gpd	$501
4. > 100,000 gpd	$572
3. Non-Compliance (per occurrence)	
a. Re-Inspection	$116
b. Main Blockage	$1,548

20. Temporary Turn Off/On of Master Water Meter. The fee will recover the cost to turn on and turn off service to master water meters.

1. Street Valve (per valve)	
a. Normal Next Day Charge	$154
b. Same Day or After Hours	$209
2. Vault (per vault)	
a. Normal Next Day Charge	$215
b. Same Day or After Hours	$298

21. Temporary Turn Off/On of Water Service. The fee will recover the cost to turn off and turn on service to all water meters except master meters.

1. Small Service (0.75 to 2.00 Inch Service)	
a. Normal Next Day Charge	$49
b. Same Day or After Hours	$94
2. Large Service (3.00 Inch or Larger)	
a. Normal Next Day Charge	$208
b. Same Day or After Hours	$253

22. Temporary Electric Power

1. Installation and Removal	
a. Overhead Single Phase. Single phase service, self-contained meter, 100 Amp or less switch size, wire span 100 feet or less, existing transformer in place.	$205
b. Overhead Three Phase	Time and Material
c. Underground Single or Three Phase	Time and Material

II. LAND MANAGEMENT

1. Electric
    1. Connection and Metering Facilities and upgrades — Quote
    2. Other Fees. System development agreements will recover the cost of facilities supporting utility system growth. Agreements will be administered by the Energy Resources Department.

2. Irrigation — Quote

3. Natural Gas
    1. Connection and Metering Facilities
        a. Residential — Quote
        b. Commercial — Quote
        c. Relocation of Meters or Services — Quote
        d. Change of Meter Size — Quote

    2. Other Fees. System development agreements will recover the cost of facilities supporting utility system growth (e.g., main extension). Agreements will be administered by the Energy Resources Department.

4. Wastewater
    1. Connection Facilities
        a. Service Line and Main Extension. Customer will be responsible for all costs of extending public mains as necessary to be directly adjacent to the real property receiving service. Service lines will be installed by customer.

    2. Other Fees. Impact fees will recover the cost of facilities supporting utility system growth (e.g., wastewater reclamation plant). Impact fees will be collected in addition to utility service fees. For more information on impact fees, go to the website www.mesaaz.gov/budget/ and look under the schedule of fees and charges section.

5. Water

1. Main Extension and Metering Facilities
   a. Customer will be responsible for all costs of extending public mains as necessary to be directly adjacent to the real property receiving service. Service lines will be installed by customer.

   b. Meter Installation

1. 0.75 Inch		$374
2. 1.00 Inch		$374
3. 1.50 Inch		$632
4. 2.00 Inch		$728
5. 3.00 Inch		Quote
6. 4.00 Inch and larger	Meter will be installed by customer	N/A

   c. Meter Sale

1. 4.00 Inch	Reference Mesa Standard Details M-27.1 Fire System and M-28.1 Non-Fire System rated meters	$4,340
2. 6.00 Inch	Reference Mesa Standard Details M-27.1 Fire System and M-28.1 Non-Fire System rated meters	$5,300
3. 8.00 Inch	Reference Mesa Standard Details M-27.1 Fire System and M-28.1 Non-Fire System rated meters	$7,050

   d. Landscape Meter — Same price as domestic water meters (Items 5.1.a.-5.1.c.)

   e. Relocation or Adaptation of Water Services — $534

2. Other Fees. Impact fees will recover the cost of facilities supporting utility system growth (e.g., wastewater reclamation plant). Impact fees will be collected in addition to utility service fees. For more information on impact fees, go to the website www.mesaaz.gov/budget/ and look under the schedule of fees and charges section.

6. Pavement Repair and Replacement

1. Connection and Metering Facilities

a. Local Roadway	$1,339
b. Collector Roadway	$1,621
c. Arterial Roadway	$2,024

III. GENERAL

1. Meters. All meters installed shall be units supplied by the City of Mesa, and such installation shall be subject to payment of the applicable fees. Meters shall be owned by the City of Mesa.
2. Permanent Facilities. All utility service fees identified in the Utility Service Fee Schedule pertain to permanent facilities unless otherwise specifically provided herein.
3. Meter Accuracy Test Fees. Meter accuracy test fees shall be waived by the City in the event the meter for which testing has been requested fails the applicable meter test or is deemed in the City's sole discretion to be appropriate for lifecycle replacement.
4. Transaction Processing Charge. All fees listed in the Land Management Section II include a $50.00 transaction processing charge.
5. State and Local Taxes. Transaction privilege tax shall be added to all utility service fees where applicable.
6. Time and Material. The City reserves the right to charge for all services provided by City and not specifically covered in Utility Service Fee Schedule on a time and material basis.
7. Rates, Terms and Conditions. In addition to the fees set forth in Utility Service Fee Schedule, all City utilities are subject to the applicable and current rate schedules and Terms and Conditions of Service.