

RULE NO. 17

METER TESTS AND ADJUSTMENT OF BILLS

(Continued)

B. ADJUSTMENT OF BILLS

1. General

Estimated Usage: When regular, accurate meter readings are not available or gas usage has not been accurately measured, the Company may estimate the customer's energy usage for billing purposes on the basis of information including but not limited to the physical condition of the metering equipment, available meter readings, records of historical use, and the general characteristics of the customer's load and operation.

2. Adjustment of Bills for Meter Error

A meter error is an error in gas registration resulting from a malfunctioning or defective meter or pressure correction device. A meter error does not include a billing error, unauthorized use, nor any error in registration caused by meter tampering by an unauthorized person. It also does not include conditions such as incorrect meter readings, meter dial overs, or switched meters.

Where, as the result of a meter test, except for "Other Than Displacement Gas Meters," as described in Section B.2.d., a meter is found to be nonregistering or incorrectly registering, the Company may render an adjusted bill to the customer for the amount of the undercharge, and shall issue a refund or credit to the customer for the amount of the overcharge, computed back to the date that the Company determines the meter error commenced, except that the period of adjustment shall not exceed three years. Such adjusted bill shall be computed in accordance with the following:

- a. Fast Meter. If a meter is found to be registering more than two percent fast, the Company will refund to the customer the amount of the overcharge based on the corrected meter readings or the Company's estimate of the energy usage either for the known period of meter error or, if the period of error is not known, for the period during which the meter was in use, not to exceed six months.

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(Continued)

2. Adjustment of Bills for Meter Error (Continued)

- b. Slow Meter. If a meter for domestic service is found to be registering more than 25 percent slow, or meter for other class of service is found to be registering more than two percent slow, the Company may bill the customer for the amount of the undercharge based on corrected meter readings or the Company's estimate of the energy usage either for the known period of meter error or, if the period of meter error is not known for the period the meter was in use, not exceeding three months in the case of residential service and three years for nonresidential service.
- c. Nonregistering Meter. If a meter is found to be nonregistering, the Company may bill the customer for the Company's estimate of the gas service used but not registered, not exceeding three months in the case of residential service and three years for nonresidential service.
- d. Other Than Displacement Gas Meter. For other than displacement gas meters, if the customer or the Company shall at any time have reason to doubt the accuracy of any gauge, measuring device, other appliance, data, or method used in measuring or computing the amount of gas delivered through other than displacement meters, notification shall be given to the other party and, within a reasonable time, the accuracy of such gauge, measuring device, appliance, data, or method shall be determined (upon request, jointly in the presence of both parties) and if any of them shall be found inaccurate, the proper correction in billing shall be made as follows:

In the case of computation errors or inaccurate data, where the date can be fixed or agreed upon, such correction in billing shall begin starting with the date of initial error.

In the case of a gauge, measuring device, or appliance found to be out of tolerance sufficient to cause a volume error greater than \pm two percent, such correction in billing shall begin on a mutually acceptable date. In the absence of such mutual acceptance, the correction shall begin on a date equivalent to 50 percent of the elapsed period since the last valid calibration or test.

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2. Adjustment of Bills for Meter Error (Continued)

In all cases where corrections are to be made, the amount of gas delivered during the established period of inaccuracy shall be recalculated and corrected. Thereafter, measurements shall be made in accordance with correct data and any inaccurate devices shall be recalibrated within published manufacturer's tolerances.

3. Adjustment of Bills for Billing Error

A billing error is an error by the Company which results in incorrect billing charges to the customer. Billing errors may include incorrect meter reads or clerical errors by a Company representative such as applying the wrong rate, wrong billing factor, or an incorrect calculation. A billing error does not include a meter error or unauthorized use, nor any error in billing resulting from meter dial over; switched or mismarked meters by other than the Company; inaccessible meter; failure of the customer to notify the Company of a change in the customer's operation; or failure of the customer to take advantage of a rate or condition of service for which the customer is eligible.

Where the Company overcharges or undercharges a customer as the result of a billing error, the Company may render an adjusted bill for the amount of the undercharge, and shall issue a refund or credit to the customer for the amount of the overcharge for the period of the billing error, but not exceeding three years in the case of an overcharge, and, in the case of an undercharge, not exceeding three months for residential service and three years for nonresidential service.

4. Adjustment of Bills for Unauthorized Use

Unauthorized use is the use of energy in noncompliance with the Company's tariffs or applicable law. It includes, but is not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, or intentional or unintentional use of energy whereby the Company is denied full compensation for service provided.

Where the Company determines that there has been unauthorized use of Company gas service, the Company may bill the customer for the Company's estimate of up to three years of such unauthorized use. However, nothing in this rule shall be interpreted as limiting the Company's rights in any provisions of any applicable law.

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5. Adjustments for Under- or Over-delivery of Customer-secured Gas.

Average adjustments of billing for imbalances in delivery of natural gas will be made in accordance with Rule No. 22, Section D.