

8.02 BILLING PROCEDURES

SERVICE PERIOD

The billing of gas service will be made at regular intervals of approximately 30 days at the rates in effect for the service period. If more than one rate is in effect during the service period, bills will be prorated accordingly. Due to weekends, holidays, service terminations and initiations, it is not always possible to read meters on the same date each month resulting in a variance in the number of actual days in the service period. A standard billing period is made up of between 20 and 40 days. If the billing period contains more or less days than the standard billing period, the block break points ~~and the fixed charges~~ will be prorated proportionately to match the number of days in the billing period. The customer's actual Dth usage is billed using the appropriate block rates, the adjusted block break points, and the adjusted fixed charges amounts as shown below.

Block Break Points (Dth)	X	Actual Billing Days	/	30	=	Adjusted Block Break Points (Dth)
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Billing Periods 0 – 19 Days

Fixed Charges (\$)	X	Actual Billing Days	/	30	=	Adjusted Fixed Charge Amounts (\$)
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Billing Periods 20 – 45 Days

<u>Fixed Charges (\$)</u>	<u>X</u>	<u>1</u>	<u>=</u>	<u>Fixed Charge Amounts (\$)</u>
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Billing Periods 46 – 75 Days

<u>Fixed Charges (\$)</u>	<u>X</u>	<u>2</u>	<u>=</u>	<u>Fixed Charge Amounts (\$)</u>
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Billing Periods 76 – 105 Days

<u>Fixed Charges (\$)</u>	<u>X</u>	<u>3</u>	<u>=</u>	<u>Fixed Charge Amounts (\$)</u>
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PRORATION PROCEDURE

For any billing period during which two or more approved rates are in effect, ~~bills-block break points~~ for those affected customers will be prorated. The block break ~~and the fixed charges~~ will be prorated proportionately to match the number of days for each effective rate in the billing period as follows:

Block Break Points (Dth)	X	Billing Days For Effective Rate	/	Actual Billing Days	=	Adjusted Block Break Points (Dth)
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Fixed Charges (\$)	X	Billing Days For Effective Rate	/	Actual Billing Days	=	Adjusted Fixed Charge Amounts (\$)
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The volumes for each billing period will then be prorated proportionately to match the number of days for each effective rate in the billing period as follows:

Billed Dth Usage	X	Billing Days For Previous Rate	/	Actual Billing Days	=	Dth Attributed To Previous Rate
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Billed Dth Usage	X	Billing Days For Current Rate	/	Actual Billing Days	=	Dth Attributed To Current Rate
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The customer's Dth usage attributed to each effective rate is then billed using the appropriate block rates, and the adjusted block break points, ~~and the adjusted fixed charge amounts~~. A similar calculation will yield the prorated result if there are more than two approved rates in effect during the customer's billing period. The above procedure also applies to proration between winter and summer rates, where applicable.

Basic Service Fees will not be prorated. These fees will be charged based on the fee in effect at the time of billing.

BILLING ADJUSTMENTS

The Company will make every effort to ensure accuracy at the time new meter sets are completed.

When incorrect billings occur, the Company will have the right to make billing corrections regardless of the cause of error. Corrections will be limited to the periods described in the following table. The periods relate to the time immediately preceding the date of discovery of the error. The limitations described in this section do not apply to instances of customer fraud, theft of gas (see § 7.02), where access to meter has been denied (see § 8.01), or to sales taxes which are separately itemized when billed. A customer will be allowed to pay the amount due on a billing adjustment in equal payments without interest over a period equal to the time period over which the account has been adjusted.

Cause of Error	Adjustment Limitation
Non-registering meters	3 months
Slow registering meters	One-half the period since the last meter test, or 6 months, whichever is less
Fast registering meters	Same as slow registering meters or back to the date of the cause of the error, if date can be determined
Crossed Meters	24 months
All other errors (e.g., incorrect billing factors, incorrect service or rate class classification, incorrect meter reading or recording)	24 months

Transponder-related billing errors	6 months Back-billed amount may be paid over twelve months without interest
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LOCAL CHARGES

Many municipalities have imposed a Municipal Energy Sales and Use Tax (MET), or a contractual franchise fee, or a combination of both on natural gas service. These local charges cannot exceed 6%, either separately or combined. Monthly bills for customers within the corporate limits of a municipality imposing any local charges will show a separately itemized line for each applicable local charge. The franchise fee is calculated by applying the franchise fee percentage to the total customer charges for gas service. The MET is calculated by applying the MET percentage to the total customer charges for gas service, including any franchise fee. In municipalities with both a franchise fee and an MET, the franchise fee percentage is allowed as a credit against the MET percentage. To reflect the credit of the franchise fee against the MET, the customer’s bill will show a “net MET” percentage, i.e. if the franchise fee is 2% and the MET is 6%, the net MET will be 4%. Local charges collected from customers are remitted to each municipality monthly along with a revenue report.

Some customers may qualify for an exemption from paying these taxes.

The Company is not responsible for collecting the MET from transportation service customers.

STATE CHARGES

Utah state sales tax is calculated by applying the sales tax percentage to the total customer charges for gas service, including any franchise fee. The amount collected from customers is remitted to the Utah State Tax Commission monthly along with a revenue report.

Some customers may qualify for an exemption from paying these taxes.

The Company is not responsible for collecting the sales taxes from transportation service customers.

Issued by R. W. Jibson, President	Advice No.	Section Revision No.	Effective Date