



Service Rules
of the
Municipal Gas Utility

SERVICE RULES OF THE MUNICIPAL GAS UTILITY

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SERVICE RULES OF THE MUNICIPAL GAS UTILITY

DIVISION ONE PURPOSE AND CONSTRUCTION

SECTION 1.1 PURPOSE

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

SECTION 1.2 APPLICABILITY

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

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

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

SECTION 1.3 DEFINITIONS

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

- a. "Complaint" means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility obligation. The utility may require that complaints be in writing.
- b. "Customer" means any person, firm, association, or corporation, any agency of the federal, state, or local government, or legal entity directly benefiting from gas service, or heat, from the utility. In the case of a residence, customer also means other adult persons occupying the residence.

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- c. "Delinquent or delinquency" means an account for which a service bill or service payment has not been paid in full on or before the last date for timely payment.
- d. "Gas" means manufactured gas, natural gas, other hydrocarbon gases, or any mixture of gases produced, transmitted, distributed or furnished by the utility.
- e. "Governing body" means the board of trustees established under Chapter 388, Code of Iowa, or, if a utility board has not been established by election, the city council.
- f. "Main" means a gas pipe, owned, operated, or maintained by the utility, which is used for the purpose of transmission or distribution of gas, but does not include the "service line".
- g. "Meter," without other qualification, shall mean any device or instrument which is used by a utility in measuring a quantity of gas.
- h. "Pressure," unless otherwise stated, is expressed in pounds per square inch above atmospheric pressure, i.e., gauge pressure (abbreviation-psig).
- i. "Service Line" means a distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer's piping, whichever is farther downstream, or the connection to a customer's piping if there is not a meter. A customer meter is the meter that measures the transfer of gas from the utility to a customer.
- j. "Timely Payment" is a payment on a customer's account made on or before the date shown on a current bill for service or on a form which records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as the date which determines application of a late payment charge to the current bill or future collection efforts.
- k. "Utility" means the municipal gas utility.

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DIVISION TWO SERVICE CHARACTERISTICS

SECTION 2.1 SERVICE CHARACTERISTICS (General Statements)

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

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

SECTION 2.2 ENGINEERING PRACTICE

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

2.2(1) Standards of Accepted Good Practice

The utility shall use and shall require compliance with applicable provisions of the publications adopted by the Utilities Division of the Iowa Department of Commerce as standards of accepted good practice (199 IAC 19.5[2]), including:

- a. Code of Federal Regulations, Title 49, Part 191, "Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports.
- b. Code of Federal Regulations, Title 49, Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards."
- c. Code of Federal Regulations, Title 49, Part 199, "Drug and Alcohol Testing".

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- d. ASME B31.8, "Gas Transmission and Distribution Piping Systems."
- e. NFPA No. 49 "Liquefied Petroleum Gases at Utility Gas Plants."
- f. At railroad crossing, 199 IAC 42.7(476), "Engineering standards for pipelines."
- g. ANSI Z223.1/NFPA 54, "National Fuel Gas Code".
- h. NFPA 501A, "Standards for Fire Safety Criteria for Manufactured Home Installations, Sites, and Communities".

References to these publications shall be deemed to be to the latest edition or revision accepted by the Utilities Division of the Iowa Department of Commerce. (See 199 IAC 19.5)

2.2(2) Other Standards

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

SECTION 2.3 SPECIAL CONDITIONS OF SERVICE

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

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

2.3(1) Gas Appliances

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

2.3(2) Interconnection Prohibited

Separately metered gas piping shall not be interconnected.

2.3(3) Energy Conservation Standards

As a condition of gas service for space heating or cooling, the owner or builder of any structure, completed after April 1, 1984, and intended primarily for human

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occupancy, must certify to the utility that the building conforms to the energy conservation requirements of the State Building Code (661 IAC 16.800(3) as amended by 16.800[4]). If compliance is being certified to another state or local agency, a copy of the certification form may be provided to the utility. If no other certification is being made, the utility will provide a form.

SECTION 2.4 CLASS OF SERVICE FOR APPLICATION OF RATES

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

SECTION 2.5 METER INSTALLATION

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

2.5(1) Individual Metering

Individual metering shall be required on multi-occupancy premises in which units are separately rented or owned, except that the utility may provide single meters for gas used: in central heating, cooling, water heating or ventilation systems; where individual metering is impractical; where a facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual tenants; or where sub-metering or resale of service was permitted prior to 1966.

2.5(2) Special Metering Installations

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

2.5(3) Meter Register

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

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2.5(4) Meter Inspection and Testing Program

The utility has adopted a written program for the inspections and testing of its meters to determine the necessity for adjustment, replacement or repair. The program, which is available from the utility, is not included in these operating rules. The program conforms to the requirements in 199 IAC 19.6(2).

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DIVISION THREE CUSTOMER RELATIONS

SECTION 3.1 APPLICATION FOR SERVICE

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

SECTION 3.2 CUSTOMER DEPOSITS

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

3.2(1) Credit Criteria for Initial Deposits

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

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

3.2(2) Credit Criteria for New or Additional Deposits

See Harlan Municipal Utilities Resolution No. 42

3.2(3) Deposit Calculation Criteria

See Harlan Municipal Utilities Resolution No. 42

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3.2(4) Interest on Deposits

No interest shall be paid on customer deposits.

3.2(5) Record of Deposits/Unclaimed Deposits

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

3.2(6) Refund of Deposit

A deposit shall be refunded after twelve consecutive months of prompt payment (which may be eleven timely payments and one automatic forgiveness of late payment). For refund purposes, the account shall be reviewed for prompt payment after the twelve months of service following the making of the deposit and for each twelve-month interval terminating on the anniversary of the deposit. Upon termination of service, the deposit less any unpaid utility bill of the customer, shall be reimbursed to the person who made the deposit.

SECTION 3.3 BILLING INFORMATION

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

3.3(1) Billing Form

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

- a. The actual or estimated meter readings at the beginning and end of the billing period.
- b. The date of the meter readings.
- c. The number and kind of units metered.
- d. Reference to the applicable rate schedule.
- e. The account balance brought forward and amount of each net charge, and total amount currently due. In the case of prepayment meters, the amount of money collected shall be shown.

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- f. The last date for timely payment shall be clearly shown and shall be not less than twenty days after the bill is rendered.
- g. A distinct marking to identify an estimated bill or meter reading.
- h. A distinct marking to identify a minimum bill.
- i. Any conversions from meter reading units to billing units or any other calculations to determine billing units from recording or other devices or any other factors such as sliding scale or automatic adjustments used in determining the bill.
- j. Any voluntary contribution to a low-income heating assistance fund or the option to contribute to such a fund at the time of bill payment.
- k. At least once per year the bill insert shall include the following statement: "If your complaint is related to service disconnection, safety, or renewable energy, and Harlan Municipal Utilities does not resolve your complaint, you may request assistance from the Iowa Utilities Board by calling 515-725-7321 or toll-free 1-877-565-4450, by writing to 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, or by E-mail to customer@iub.iowa.gov".

3.3(2) When Payable -- Late Payment Penalty

A bill shall be due and payable when rendered and shall be considered delinquent after twenty days from the time it is rendered. A bill shall be considered rendered by the utility when deposited in the U.S. Mail with postage prepaid or when delivered by the utility to the last known address of the party responsible for payment. Bill payments received by the utility on or after the delinquent date shall be for the gross amount stated on the bill which shall include a late payment penalty of 1.5% per month of the past due amount. Failure to receive a properly rendered bill shall not entitle the customer to relief from penalties for late payment.

Each account shall be granted one complete forgiveness of a late payment penalty in each calendar year.

3.3(3) Partial Payments

When a partial payment is made prior to the delinquent date and without designation as to the service being paid, the payment shall be credited pro rata between the bill for municipal utility services. Payments for municipal services made during the winter disconnection moratorium may be credited to services, other than gas, at the customer's request.

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3.3(4) Where Payable

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

3.3(5) Level Payment Plan (Budget Billing)

All residential customers may select a level payment plan. The plan shall:

- a. be offered when the customer inquires about the plan and has been at the residence for twelve consecutive months and has no past due amounts.
- b. have a date of delinquency changeable for cause in writing; such as, but not limited to, twelve days from approximate date each month upon which income is received by the person responsible for payment.
- c. provide for entry into the level payment plan at any time during the calendar year.
- d. have level payments equal to the sum of estimated usage provided by the number of standard billing intervals.
- e. carry forward account credit or debit on the anniversary of the plan which shall be added to the estimated charges in determining the level payment amount for the next year. Unpaid level payments shall not be carried forward.
- f. have the level payment amount computed at the time of entry into the plan. It may be recomputed on each anniversary, when requested by the customer, or whenever price or consumption may be anticipated to change. When a customer's payment level is recomputed, the customer shall be notified of the revised payment amount and the reason for the change. The notice shall accompany the bill prior to the bill affected by the revised payment amount.
- g. provide that the account be balanced upon termination of service or withdrawal from the plan.
- h. regardless of account balance, customers on the level payment plan are subject to all procedures for collection and termination of service.

3.3(6) Reasonable Agreement to Pay

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

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3.3(7) Minimum Bill (Service Charges)

The minimum bill provided for the rate schedule for each class of service will apply to any billing period which the service remains connected.

3.3(8) Temporary Disconnections

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

3.3(9) Service Calls

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

3.3(10) Customer Requested Meter Tests

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

3.3(11) Adjustment of Bill for Meter Error

Bills which are incorrect due to billing errors or faulty metering installation are to be adjusted as follows:

Refer to Harlan Municipal Utilities General Policy No. 18

3.3(12) Returned Checks

A service charge in an amount established by the governing body shall be assessed to any customer whose check is returned unpaid by the bank on which it was drawn (Refer to Harlan Municipal Utilities General Policy No. 7). The service charge shall be in addition to the late payment penalty if the check is not made good and the service fee not paid prior to the delinquent date of the bill. If two or more checks are

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dishonored within a six month period, the utility may require future payments to be by cash, cashier's check, or money order.

SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE

The utility reserves the right to disconnect or deny service in accordance with applicable rules of the Iowa Utilities Board.

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

SECTION 3.5 CUSTOMER OBLIGATIONS

Acceptance of service shall obligate a customer to the conditions imposed by these rules and applicable rules of the Iowa Utilities Board. Customers should note that other sections of these service rules prescribe standards of engineering practice and establish special conditions for the installation of piping and appliances.

3.5(1) Damage to Utility Facilities

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

3.5(2) Customer Premises

The customer and owner shall grant the utility, without charge, right of way over and on the premises on which equipment and structures of the utility are located. Access to the equipment and structures shall be granted to the utility at reasonable times for installation, inspection, testing, repair, and other functions necessary for the maintenance of satisfactory service. Customers shall make the meter accessible without interference from pets and/or physical barriers. If, after notice is given, the customer fails to provide for safe access to the meter, remote metering will be installed at the customer's expense.

3.5(3) Notice by Customer to Terminate Service

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

SECTION 3.6 CUSTOMER COMPLAINTS

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

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

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LIST OF ATTACHMENTS

- A. Resolution Adopting Service Rules
- B. Rate Schedule
- C. Gas Division – Program for Inspection and Testing of Gas Meters
- D. Cost of Service Installations (From General Policy No. 5)
- E. HMU General Policy No. 7
Bad Check Policy
- F. HMU General Policy No. 18
Handling of Errors in Customer Billing
- G. HMU Resolution No. 42
Deposit Policy for Gas, Electric, and Water Customers of the City of Harlan Municipal Utilities

SERVICE RULES OF THE MUNICIPAL GAS UTILITY

Resolution No. 60

**HARLAN MUNICIPAL UTILITIES
BOARD OF TRUSTEES
RESOLUTION APPROVING SERVICE RULES OF THE
MUNICIPAL GAS UTILITY**

WHEREAS, the service rules of the Municipal Gas Utility for Harlan Municipal Utilities was last approved on May 16, 1985; and

WHEREAS, Harlan Municipal Utilities has endeavored to conduct a complete review of the Service Rules of the Municipal Gas Utility and update those rules to reflect the current Service Rules provided by the Municipal Gas Utility; and

WHEREAS, under previous Iowa law, the Gas Service Rules and Gas Tariff had to be filed with the Iowa Utility Board. The law has changed. Harlan Municipal Utilities as a municipally owned utility furnishing gas is no longer required to file the Tariff and Service Rules with the Iowa Utility Board; and

WHEREAS, the Board of Trustees desires to approve the revised Service Rules of the Municipal Gas Utility to bring said Service Rules up to date and in conformity with the present service being provided the Municipal Gas Utility.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF HARLAN MUNICIPAL UTILITIES:

RESOLVED, That the Service Rules of the Municipal Gas Utility or Harlan Municipal Utilities as presented at this meeting are hereby approved and adopted by the Board of Trustees and the Chief Executive Officer shall cause the revised Service Rules of the Municipal Gas Utility to be placed in the permanent records for Harlan Municipal Utilities.

Passed and approved this 10th day of May, 2012.

CHAIRMAN, Michael P. Jones; SECRETARY, Herbert T. Gaffigan, Jr.

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GAS RATES

(Effective on Billings Beginning September 1, 2001)

Residential:	
Service Charge:	\$8.50 (\$.2833/Day)
ALL CCF	0.7606
(TRANSPORTATION RATE -\$15/Mo S.C. +\$0.078/CCF)	
Interruptible:	
Service Charge:	\$121.43 (\$4.0477/Day)
ALL CCF	0.6596
(TRANSPORTATION RATE -\$300/Mo S.C. +\$0.0263/CCF)	

Commercial, Small:	
Service Charge:	\$17.00 (\$.5667/Day)
ALL CCF	0.7295
(TRANSPORTATION RATE -\$30/Mo S.C. +\$0.0651/CCF)	
Commercial, Large: *	
Service Charge:	\$60.72 (\$2.024/Day)
ALL CCF	0.7073
(TRANSPORTATION RATE -\$100/Mo S.C. +\$0.0487/CCF)	

* Yearly usage over 6000 CCF, at least 1 month of 1000 CCF

FIRM SUPPLY STANDBY SERVICE - Reservation Charge \$0.025/CCF + \$0.75/CCF Used



GAS DIVISION
PROGRAM FOR INSPECTION AND TESTING OF GAS METERS

Periodic Test Schedule: In the test intervals specified below, the word “years” means calendar years. The basic periodic test interval shall not be longer than provided for in the following schedule.

- A. Gas meters with the capacity of 1500 cubic feet per hour or more will be tested on a 7 year cycle or less.
- B. Gas meters with the capacity of 250 through 650 cubic feet per hour will be tested on a 20 year cycle or less.
- C. All gas meters will be tested for acceptable accuracy before being placed in service, and any meters removed from service for any reason will be tested.
- D. Periodic calibration or testing of devices or instruments used by the utility to test meters will be completed.
- E. Test procedures and accuracies. Meters and associated devices separately and in combination shall be tested at the loads indicated and, when found to exceed the tolerances prescribed below, shall be adjusted as close as practicable within tolerances listed below. The test of any unit or metering equipment shall consist of comparison of its accuracy to the standard.

TEST FLOW AND TOLERANCES

Open Flow: +/- 1.0%

Check Flow: +/- 1/%

- F. Gas meter records are computerized with all information to be in compliance with board rules.
- G. Harlan Municipal Utilities will be in compliance with any/all rules dealing with gas meters as the parameters of Chapter 19 of the Iowa Administrative Code require municipals to follow.

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General Policy No. 5

Cost of Service Installations

Electric:

Residential and Small Commercial

4/0 4/0 2/0.....56' Free plus \$6.65/ft plus \$100.00 Connection Fee
2/0 2/0 1/0.....50' Free plus \$6.55/ft plus \$100.00 Connection Fee

Large Commercial and Industrial.....Time and Material

Gas:

Residential and Small Commercial

1" and below.....40' Free plus \$7.09/ft plus \$200.00 Tapping Fee
2"80' Free plus \$9.68/ft plus \$400.00 Tapping Fee

Large Commercial and Industrial.....Time and Material

Water:

Residential and Small Commercial

3/4" and 1".....30' Free plus \$7.00/ft plus \$200.00 Tapping Fee
Over 1"Time and Material

Customer pays from the Main to the house no matter where the main is located, even if it is across the street.

BAD CHECK POLICY

It is the policy of the Harlan Municipal Utilities that if a check that has been received for payment of a utility account and upon deposit is subsequently returned for non-payment to HMU for any reason, the Utility reserves the right to disconnect service.

HMU will then charge the customer a \$15.00 Handling Fee.

CHAIRMAN, Craig Kroger; TRUSTEES, Chuck Hoffnagle, Kathleen Kohorst, Terry Bails, Dr. Thomas Ludwig, SECRETARY, Gerald D. Quick.

Revised October 23, 1997.

HANDLING OF ERRORS IN CUSTOMER BILLING

It is the policy of the Harlan Municipal Utilities that in case of errors resulting from the reading of a meter(s), a meter malfunction or error in the computer, which results in overpayment by customers, that the customer will be notified and given a choice between a refund by check or a credit to the next months bill.

Also, it shall be the policy that in case of an under-billing due to these errors the customer will be notified and the adjusted amount will be added to the following months statement.

CHAIRMAN, Craig Kroger; TRUSTEES, Chuck Hoffnagle, Kathleen Kohorst, Terry Bails, Dr. Thomas Ludwig, SECRETARY, Gerald D. Quick.

Adopted October 11, 1973. Revised October 23, 1997.

A RESOLUTION TO CHANGE THE DEPOSIT POLICY FOR GAS, ELECTRIC, AND WATER CUSTOMERS OF HARLAN MUNICIPAL UTILITIES

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF
HARLAN MUNICIPAL UTILITIES

SECTION 1. The Deposit Policy for gas, electric, and water customers of Harlan Municipal Utilities are hereby revised to reflect the following changes:

DEPOSIT POLICY – GAS, ELECTRIC AND WATER CUSTOMERS

Residential Customers:

It shall be the policy of the Harlan Municipal Utilities to require a deposit prior to providing Residential Electric, Gas and/or Water services in the following amounts subject to the limitation on deposit for gas and electric service as hereinafter provided:

<u>Utility</u>	<u>Deposit</u>
Electric	\$60.00
Gas	\$60.00
Water	\$30.00

Limitation: The total deposit for any residential electric or gas customer for a place which has previously received service shall not be greater than the highest billing of service for one month for the place in the previous 12-month period. The deposit for any residential customer for a place which has not previously received service shall be the customer's projected one-month usage for the place to be served as determined by the utility, or as may be reasonably required by the utility in cases involving service for short periods or special occasions.

Waiver of Deposit: The utility deposit may be waived if the customer can provide a good credit reference covering at least six (6) months of residential service, from their most recent utility provider(s) within two (2) weeks after making application. If said credit reference is not received within two (2) weeks, a shut off notice will be delivered allowing the customer two (2) working days to either provide the credit reference or make the required deposit. Failure to do either will result in disconnection of the utility services.

Commercial and Industrial Customers:

It shall be the policy of the Harlan Municipal Utilities to require a deposit prior to providing Electric, Gas and/or Water services for a Commercial or Industrial customer. The deposit shall be equal to one-month's average bill for the location at which service is requested. The total deposit for any commercial or industrial customer for a place which has previously received service shall not be greater than the highest billing of

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service for one month for the place in the previous 12-month period. The deposit for any commercial or industrial customer for a place which has not previously received service shall be the customer's projected one-month usage for the place to be served as determined by the utility, or as may be reasonable required by the utility in cases involving service for short periods or special occasions.

Waiver of Deposit: The utility deposit may be waived if the customer can provide a good credit reference covering at least six (6) months of commercial service, from their most recent utility provider(s) within two (2) weeks after making application. If said credit reference is not received within two (2) weeks, a shut off notice will be delivered allowing the customer two (2) working days to either provide the credit reference or make the required deposit. Failure to do either will result in disconnection of the utility services.

Provisions for Residential, Commercial and Industrial Customers

Deposit may be made by a third party on behalf of the customer.

Deposits will be held for one year. After one year, the customer's payment history will be reviewed. If utility payments have been made in a timely manner, based on the customer's due date, the deposit will be refunded. If the customer's payment history is inadequate, the deposit will be held at HMU's discretion until such time as their payment history is adequate.

If a deposit remains on a customer's account at the time the customer leaves HMU's service area, the deposit shall be used to make payment on their final bill, and the remainder, if any, shall be refunded to the customer.

No interest shall be paid on any deposit held by Harlan Municipal Utilities.

Sewer Connection Fee:

All residential and commercial/industrial customers who require Sewer service shall pay a non-refundable "New Customer Account Hook-up Charge," in accordance with the current City of Harlan Code of Ordinances, regardless of whether or not a utility deposit is required.

SECTION 2. Repealer Clause. All resolutions, parts of resolutions, or services rules conflicted herewith are hereby repealed.

SECTION 3. Severability Clause. If any section, provision, or part of this resolution shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the resolution as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional.

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SECTION 4. Effective Date. This resolution shall be effective from and after final passage, approval and publication as provided by law, with billing effective date of September, 2005.

Passed and approved this date: August 25, 2005.

CHAIRPERSON, Kathleen Kohorst; SECRETARY, Herbert T. Gaffigan, Jr.