A. BILLING UNITS

All metered billing units used for billing purposes will be determined to the nearest whole unit. Such units may include, kW, kWh, kVA, kVar, hp, Therms, and/or ccf.

B. BILLING PERIOD

The average billing period for CPAU Water, Gas, and Electric Meters ranges from 27-33 days for each Billing Period. Billing periods may occasionally fall outside this range due to specific circumstances, such as the length of the month, or holiday impacts on bill processing.

C. PAYMENT OF BILLS

City of Palo Alto Utilities (CPAU) issues bills to Customers on a regular Billing Period interval.

For the convenience of Customers there are a number of ways to make on-time and late payments for CPAU bills:

1. By mailing the bill stub (required) and a check to: CPAU, P.O. Box 10250, Palo Alto, CA 94303.

2. By enrolling in auto-pay bank draft or automated clearing house (ACH) payments. Payments will be electronically drafted from a Customer's designated bank account and be automatically applied to the Customer's Utility Account for the current Billing Period. Customers can enroll by calling Utilities Customer Service at 650-329-2161 or by signing up through the "MyCPAU" on-line portal at https://mycpau.cityofpaloalto.org/portal/.

3. By paying in person at the Revenue Collections ("Customer Service") or the Utilities counters, located in the Ground Floor lobby of the Civic Center at 250 Hamilton Avenue, Palo Alto between the hours of 8:00 a.m. and 4:30 p.m. Monday through Thursday and Friday by appointment only. These counters accept payments by credit card and check. Only the Revenue Collections counter accepts cash or check. Customers may call Utilities Customer Service at 650-329-2161 for a current list of acceptable credit cards.

4. By depositing the payment in the walk-up Night Depository Box in the front of the City Hall building on the Civic Center Plaza, or at the drive-up Night Depository Box in the Civic Center Garage, on "A" Level.

5. By paying online through the "MyCPAU" on-line portal, accessible from the Utilities' website at https://www.cityofpaloalto.org/Departments/Utilities. Payment through the "MyCPAU" on-line portal may be made by credit card or by bank draft.

6. By making an electronic payment to CPAU using the services of a financial institution or service company that makes third party payments on behalf of the Customer. Note that such payments are considered to have been made on the date they are received by CPAU. CPAU cannot guarantee that such a payment will be received by CPAU on the same day that the customer requests that the third-party make the payment.

7. By making a credit card payment over the telephone by calling the Utilities Customer Service Center (650-329-2161) during business hours.

8. By completing a "Revert to Owner (RTO) Agreement" in order to maintain Utilities Service to units during the interim period between tenants. This option is available only to property managers and landlords.

9. By agreeing to an amortization ("payment plan") that has been offered by CPAU and timely making all payments required under the plan. A customer may request a payment plan by calling Utilities Customer Service at 650-329-2161. Payment plans will be offered at the sole discretion of CPAU.

D. BUDGET BILLING PAYMENT PROGRAM (BBPP)

The Budget Billing Payment Program (BBPP) permits a Customer to make monthly payments of a fixed amount that will be credited against their actual upcoming Bills for a twelve-month period. A Customer who makes payments in the BBPP will not be treated as delinquent during the applicable twelve-month period; however, the Customer is not excused from paying, at the end of the twelve-month period, any amount billed that exceeds the actual payments made. The BBPP is available to all Residential Customers who qualify as set forth below:

1. Customers may join the BBPP at any time providing the Customer Account balance is zero and the Customer has not been previously removed from the BBPP for non-payment.

2. A Customer electing to utilize the program must agree to make billing payments based on CPAU's forward estimate of the Customers' Charges for the upcoming twelve-month period.

CPAU does not guarantee that the total actual Charges will not exceed, or be less than, CPAU's original estimate. Customers should review their Account on an ongoing basis and request changes to the budget billing amount in response to changes in their household occupancy or usage. CPAU may require that Customers pay a revised monthly amount as a condition to continuing participation in the BBPP if CPAU determines that substantial changes in Customer usage patterns or consumption occurs.

CPAU will perform an annual true-up on Customer Budget Billing Accounts every twelve months. This will result in either a Customer credit for CPAU over-collection, or an outstanding balance due from the Customer for under-collection by CPAU during the prior twelve months.

a. The Customer's Budget Billing Payment Program will remain in effect, subject to review of the monthly payment amount, and will terminate when:

b. The Customer notifies CPAU, in writing, to terminate their participation in the BBPP;

c. CPAU notifies the Customer, in writing, of their termination in its BBPP:

d. The Customer no longer takes Service at the Premises (Account closed); or

e. The Customer is in arrears for two or more billing payments. However, if the Customer eliminates the delinquency, the Account returns to the BBPP in good standing.

f. If the Customer has multiple instances of delinquent payments within the twelve-month BBPP period, CPAU, at its sole discretion, may terminate the Customer's participation in the BBPP.

Upon termination of either Utilities Service or participation in the BBPP, any amount owed by the Customer for actual Charges will immediately become due and payable, or any amount due to the Customer will be refunded or credited.

E. INSUFFICIENT FUNDS FOR PAYMENT

1. A Returned Payment Charge will be made and collected by the City of Palo Alto for each check returned by a bank to CPAU for the reason of insufficient funds in accordance with the Municipal Fee Schedule.

2. Unsuccessful bank drafts (or other electronic payments initiated using CPAU systems) due to insufficient funds will be subject to late payment fees in accordance with the Municipal Fee Schedule.

3. Each instance of insufficient funds will be deemed to be a delinquent payment to CPAU.

F. PRORATION OF BILLS

Metered volumetric consumption of services on utility bills will be prorated if the days of service differ from the days in the applicable Billing Period. Non-volumetric Charges such as Electric Demand (kW) and Electric Power Factor (PF) will not be prorated.

If Rate Schedules should change during the Billing Period, Charges will be prorated on the basis of the number of days covered by the previous Rate Schedule and the number of days covered by the new Rate Schedule.

G. DELINQUENT BILLS AND LATE PAYMENT CHARGES

1. Utilities Charges incurred in the applicable Billing Period are due and payable by the "Due Date" indicated on the front of the bill statement. Bills unpaid by the due date are delinquent and a late payment Charge will be added to the outstanding balance as specified in Rate Schedule C-1.

2. Bills for CPAU Services are due and payable within 20 calendar days following issuance of the bill statement. Bills unpaid after the 20-day period are considered delinquent ("Past Due").

3. Residential and commercial Accounts having unpaid balances older than 180 days may result in notifications to credit reporting agencies.

4. Late payment Charges may be suspended by CPAU if the Customer is withholding full or partial payment pending final resolution of disputed bill. The late payment Charge may be waived by CPAU based upon the ultimate resolution of a disputed Charge.

5. If the amount of a payment is less than the total amount owed to CPAU as of the date of the payment, the payment will be first applied to the oldest outstanding Charges. Failure to pay all outstanding balances can result in further accumulation of late fees and in the termination of Service for non-payment.

6. In the event that a Customer who is donating to the ProjectPLEDGE Program has a delinquent bill, the late Charge percentage will not be applied to the amount of the Customer's pledge. The Customer's participation in ProjectPLEDGE will be discontinued after three consecutive billing periods in which the Customer has not included their pledge amount in their payment.

7. Customers whose CPAU bills include payments of principal and/or interest on loans from CPAU which are secured by deeds of trust on real property will be charged a late payment Charge when any current CPAU bill includes an unpaid installment on such loan from a prior bill. Nothing in this Rule and Regulation should be construed to alter in any way the duty of the Customer to pay all installments on a CPAU loan when due, or to alter the rights of CPAU to enforce the Customer's obligation to pay such installments.

H. DISPUTED BILLS

If the accuracy of a Charge is questioned or disputed by the Customer, the Customers must request an explanation from CPAU within the current Billing Period or as soon as reasonably possible. After reviewing the disputed Charge, CPAU will do one of the following:

1. Issue a corrected bill to the Customer, or reflect the correction on the bill in a subsequent Billing Period.

2. Advise the Customer that the bill is correct as presented.

I. BILLING ERRORS AND ADJUSTMENTS

1. Where a Customer has been undercharged or overcharged for metered Service, the date and cause of which can be reliably established by CPAU, the retroactive billing adjustment (back bill or refund) will not exceed three years.

2. When, as a result of either a CPAU-initiated or a Customer-requested accuracy test, an Electric or Gas Meter is found to register more than two percent (2%) fast or a Water Meter is found to register more than one and a half percent (1.5%) fast, CPAU will refund the Customer the overcharge based upon the corrected Meter readings for the period the Meter was in use, or three years, whichever is less. Any applicable late payment will be waived.

3. When, as a result of a test, a Customer's Electric or Gas Meter is found not to register or to register more than two percent (2%) slow, or a Water Meter is found not to register or to register more than one and half percent (1.5%) slow, CPAU may bill the Customer for the undercharge based on an average bill. The bill will be computed based on an estimate of the Customer's consumption during a prior month in the same season or on the consumption in the same period of the prior three years.

4. When a Customer billing or consumption problem has been investigated and verified, CPAU will attempt to notify the Customer within the same Billing Period or in a reasonable amount of time depending on the complexity of the problem.

5. When CPAU is the cause of an error that results in an overcharge, CPAU will refund the full amount of the overcharge, subject to the three-year retroactive billing adjustment period described above.

6. When CPAU is the cause of an undercharge, CPAU will bill the full amount of the undercharge, subject to the three-year retroactive billing adjustment period described above. The Director of Utilities, or delegate, may allow the undercharge to be repaid on an extended schedule basis.

J. UNMETERED SERVICE

Where a Customer has been undercharged or overcharged for an unmetered Service, and the start date and/or cause can be reliably established, the retroactive billing adjustment (overcharge or undercharge) for that Service will not exceed three years.

K. BILLING AND PAYMENT ERRORS

Should CPAU discover other billing discrepancies, such as charging the wrong Customer account for Services rendered, CPAU reserves the right to retroactively reassign the Charges to the correct Customer account at its discretion. This may include retroactively reallocating charges, issuing refunds, or making other billing adjustments as deemed appropriate. The retroactive billing adjustment (overcharge or undercharge) will not exceed three years.

L. THEFT OF SERVICE

Notwithstanding any other provision of this Rule & Regulation 11, where there is evidence that Meter tampering or theft of Utility Service has occurred, CPAU will retroactively bill, and collect any underpayment or nonpayment of Charges, as well as any labor or material costs related to investigating the theft and making any required corrections. The applicable period to assess Charges will commence from the date it can be reasonably established the theft began to the date in which the underpayment was discovered. The three-year retroactive billing adjustment period will not apply. The labor and material costs related to investigating the theft will be calculated in accordance with Municipal Fee Schedule and/or any other applicable Utility Rate schedules. All underpayments or non- payments will become immediately due and payable. Customers committing theft of Utility Service may also be subject to legal action pursuant to Rule 1, California Penal Code sections 487,496, 498, 591, 592, 593 and California Civil Code sections 1882 through 1882.6.

Customers billed for theft of service can dispute the charges by following the process described in Rule and Regulation 11.H. If that process does not resolve the matter, Customers billed for theft of service may, within thirty (30) calendar days, request (by telephone, in writing, or in person) an administrative hearing. If a hearing is requested, the City Manager, or their designee, will schedule a date and time for said hearing as soon as possible after the request is filed, but no later than ten (10) business days after the filing of such request for hearing.
At the hearing, the Customer billed for theft of Service may offer evidence in person or in the form of a written statement, setting forth the reasons why the Customer believes the determination of theft is incorrect. CPAU personnel will also be allowed to offer whatever evidence they may have as to why they have established the customer engaged in utilities theft. The City Manager or their designee will make a determination as to whether the customer is liable for the charges for theft of Service.

M. WATER LEAK BILL ADJUSTMENTS

The Director of Utilities, or delegate, may approve Water leak adjustments for Customer's Water and Wastewater Accounts (when Wastewater charges are based on Water consumption) under the following conditions:

1. Customers served with AMI water meters are not eligible for adjustments because such Customers can receive email notifications based on City-set thresholds to alert them of unusually high water flows and/or potential leaks.

2. Applications for Water and Wastewater leak bill adjustments must be submitted to the

Utilities Department within 60 days from the bill's due date, for the bill covering the period in which the higher-than-average Water consumption occurred.

3. Non-AMI Customers are restricted to one leak billing adjustment request (which may cover Water, Wastewater, or both Water and Wastewater) in each 36-month period.

4. Higher-than-average Water consumption is defined as the volume of water greater than 100% of the Customer's normal consumption compared to the Customer's historical consumption over the prior three years, calculated by CPAU using prior averages for the relevant Billing Period(s).

5. Leaking systems must be repaired before the non-AMI Customer receives a Water or Wastewater leak bill adjustment, to ensure future bills are not impacted by the same leak. Shutting off the source of the leak is not considered a repair. Undetermined or general high water consumption is not eligible for adjustment.

6. Water leak bill adjustments will be applied to non-AMI Customer bills based on the higher-than- average water volumes calculated by CPAU. Water leak bill adjustments will be applied to 50% of the calculated higher-than-average water volume, to a limit of $2,500, using the Tier 1 Commodity Rate cost of the appropriate residential or commercial Water Rate Schedule. Wastewater bill adjustments related to Water leaks will be made based upon the adjusted Water volume, and are not included in the $2,500 Water leak bill adjustment limit. Utility User Tax (UUT) billing adjustments related to Water leaks will be made based upon the adjusted Water volume and are not included in the $2,500 Water leak bill adjustment limit.

7. Administrative decisions regarding Water and Wastewater leak bill adjustments, including eligibility, volume calculations, and adjustment costs will be made by the Director of Utilities, or their designee, and are final.

N. REFUSE BILLING ERRORS, DISPUTES AND ADJUSTMENTS

1. Requests for adjustments to the Refuse bill will be forwarded to the City's Collector. Customers with adjustment requests unresolved by the City's Collector, may file a claim with the City's Public Works Department/Refuse. Billing adjustments will be resolved by following the City's Rules and Regulations, Chapter 5.20 of the Palo Alto Municipal Code.

2. When an error in Refuse billing has occurred, the date and cause of which can be reliably established, the retroactive billing adjustment period will not exceed three years.

3. Refuse billing adjustments may only be approved by the Director of Public Works, or their designee.

(END)