



## **AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF COGENERATION OR SMALL POWER PRODUCTION INSTALLATION 20KW OR LESS**

CUSTOMER: \_\_\_\_\_

PRODUCER'S GENERATING INSTALLATION: The generating installation to which this agreement applies is described as follows:

Type of Distributed Generation System: \_\_\_\_\_ Solar PV \_\_\_\_\_

Make: \_\_\_\_\_

Model: \_\_\_\_\_

Serial Number: \_\_\_\_\_

Fuel or Energy Source: \_\_\_\_\_

Operating Voltage: \_\_\_\_\_

Rated kW or Wattage: \_\_\_\_\_

Connection: \_\_\_\_\_

Installation Address: \_\_\_\_\_  
\_\_\_\_\_

Requested Date of Interconnection: \_\_\_\_\_

### **RECITALS**

THIS AGREEMENT is entered into by and between the City of Castroville, ("City") and the above named customer ("Customer").

City owns and operates a municipal electric utility engaged in the generation, transmission and distribution of electricity serving the City of Castroville, Texas and portions of Medina County, Texas; and

Customer intends to construct, own, operate, maintain and connect to City's electric distribution system, an on-site distributed generation facility with a maximum capacity of 20 kW (the "DG System").

The parties hereto wish to contract for the purchase and sale of the net electrical output from the distributed generation facility, and the terms of its interconnection with the City electric distribution system.

### **AGREEMENT**

THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby contract and agree with each other as follows:

1. This Agreement shall be effective as of the latter date of execution of the two parties (the "Effective Date") and, subject to the other terms of this Agreement, shall continue in effect for a period of one (1) year, and if not earlier terminated this Agreement will be extended automatically for periods of one (1) year. Either party may terminate the contract with a sixty (60) day written notice of termination to the other party. City also may terminate this Agreement by written notice immediately upon (a) the failure or breach of any covenant, warranty or representation given by Customer in this Agreement, or (b) a material change, as determined by City in its sole discretion, in a rule or statute applicable to this Agreement.

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2. Customer shall disconnect all Customer owned facilities which tie to City equipment upon the termination of this Agreement. After such termination and disconnection, Customer shall not reconnect any Customer facilities to City equipment unless Customer and City jointly have executed a separate Agreement for the Interconnection and Parallel Operation of Cogeneration or Small Power Production Installation.

3. The DG System will be installed at Customer's premises at the address specified above. The DG System shall not have a generation capacity greater than 20kW. Customer shall install, operate and maintain the DG System. The DG System shall be in full and faithful compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to, the National Electrical Safety Code. Customer shall promptly notify City upon receipt of any citation or other official notice of alleged violation of law concerning the DG System.

4. Customer warrants and represents that:

- The nameplate rating, generation capacity, voltage and output current of the DG System are as specified above;
- When a DG System Power Conditioning Unit (also referred to as an "inverter") is installed as part of the system, photovoltaic modules and other electrical components and devices meet National Electric Code standards;
- The DG System must pass inspection by the building inspector of the City of Castroville, and is compliant with all applicable building codes. The Customer is responsible for obtaining these inspections;
- All equipment used in the DG System and the interconnection with City's system has been pre-certified in accordance with PUC Substantive Rules §§ 25.211 and 25.212; and
- All permits, approvals, and/or licenses necessary for the installation or operation of the DG System will be obtained prior to its connection to City's electric system.

Customer shall provide to City, prior to Customer's connecting its facilities to City's electric system and from time to time during this Agreement as requested by City, manufacturer's data or other written proof acceptable to City, and any other information requested by City, to verify the accuracy of the foregoing warranties and representations. If any of foregoing warranties and representations should prove to be untrue, or if Customer fails to provide the information requested by City, City may, in addition to any other available right or remedy, immediately disconnect the DG System from City's electric system and terminate this Agreement.

5. City will purchase from Customer, and Customer will sell exclusively to City the Net Electrical Output made available to City at the point of delivery from the DG System. "Net Electrical Output" shall mean the total amount of electricity delivered into the City electric system by the DG System less the amount of electricity consumed by Customer as measured at the point of delivery. The point of delivery to City for electric power generated by the DG System shall be at the City meter. During the term of this Agreement, Customer shall exclusively purchase from City its requirements of electricity above the amounts generated by the DG System.

6. City shall measure the electricity flow between the DG System and City's electric system using City installed and owned metering equipment which measures both electricity delivered by the DG System into City's electric system and the electricity consumed by Customer from City's electric system. The metering equipment will therefore measure the Net Electrical Output of the DG System delivered to City, or if Customer's requirements of electricity exceed the amount generated by the DG System, the net amount of electricity being delivered by City to Customer. City shall read the metering equipment in accordance with its normal meter reading schedule and procedures.

7. City shall pay Customer for the Net Electrical Output at City's applicable rate to the meter i.e.... the cost per kilowatt hour at the given base rate as determined by the load and rate class. At City's option, City will credit the value of all electricity purchased from the Customer's qualifying facility against the bill for service rendered following receipt of the Customer's meter reading for the billing period. If in any billing period, Customer's electric load exceeds the output of the DG System such that Customer is a net purchaser of electricity from City, Customer shall pay for such electricity at the applicable rates and in accordance with the terms set forth in the Electric Service Agreement, Rate Schedules, and Rules and Regulations then in effect for electric service Customers in like circumstances. If, upon termination of this Agreement,

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a credit balance exists on Customer's electric utility account, City shall pay Customer the amount of such credit balance within sixty (60) days after termination.

8. Customer shall be solely responsible for the design, installation, operation, maintenance, and repair of the DG System and Customer's interconnection facilities. The interconnection of the DG System to City's electrical distribution system shall comply with **City of Castroville Utility Service Policies, Section D entitled: "Service Rules and Regulations, Subsection 9 "Interconnection and Net Metering"**, attached here to as Exhibit A.; and other applicable ordinances, rules and regulations of the City of Castroville. In the event of a conflict between this Agreement and the Service Rules and Regulations or other applicable ordinances, rules and regulations, this Agreement shall prevail, save and except should the Service Rules and Regulations or other applicable ordinances, rules or regulations be amended after the effective date of this Agreement and, as amended, specifically state that such Service Rules and Regulations or other applicable ordinance, rule or regulations shall prevail, then in the event of such conflict the amended Service Rules and Regulations or other applicable ordinance, rule or regulation shall prevail over this Agreement. Customer shall supply City with the technical data and operating scheme of the DG System, preferably prior to Customer's purchase of the DG System, but in any event at a minimum of sixty (60) days prior to installation. City may inspect the DG System and the interconnection equipment after the requested date of interconnection. Prior to setting the meter, City will phase-in the service at the meter. City shall not be required to take or pay for any electricity generated by the DG System until the DG System successfully passes City's field inspection and Customer shall have reimbursed City for all its interconnection costs.

9. **Customer shall be responsible for the costs of the interconnection facility and shall pay all interconnection costs of City. These costs shall include without limitation the cost to install all necessary facilities at the time of interconnection or at some future time, and for any system protection facilities which, in City's sole opinion, may be required or prudent in order to interconnect with the DG System and protect the City electric system due to electricity flow from Customer's equipment into the City system.** City shall provide to Customer a completed Cost Sheet that estimates the costs involved in providing the interconnection after Customer provides City with all service plans, a list of DG System equipment, and the proposed operating scheme. The City shall have no obligation under this agreement until the costs are paid by Customer in full.

10. City shall not be obligated to accept, and shall have the right to require Customer to temporarily curtail, interrupt, or reduce customer generation and deliveries of electricity in order to construct, install, maintain, repair, replace, remove, investigate, inspect, or test any part of City's interconnection facilities, equipment, or any other part of City's electric system. City may disconnect, without notice, the DG System from the electric distribution system, if, in City's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, City's facilities or other customers' facilities from damage or interference caused by Customer's DG System or lack of properly operating protective devices.

11. Customer hereby grants City access on and across its property to inspect the DG System and the interconnection equipment, to read or test meters and metering equipment, to operate, maintain and repair City's facilities and to disconnect the DG system from City's electric system, as outlined in paragraph 10 above. No inspection by City of the DG System or the interconnection facilities shall impose on City any liability or responsibility for the operation, safety or maintenance of the DG System or Customer's interconnection facilities.

12. Any renewable energy credits associated with the DG System granted pursuant to the PUC program contained in PUC Substantive Rule § 25.173 or any similar or successor program ("RECs") shall be and are the sole property of City, and Customer hereby grants all of its right, title and interest to any current or future RECs associated with the DG System to City. City shall install and own the metering equipment necessary to measure the amount of electricity generated by the DG System. City shall read the metering equipment in accordance with its normal meter reading schedule and procedures.

13. **CUSTOMER SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS CITY, ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES (INCLUDING COSTS AND ATTORNEY'S FEES, BOTH AT TRIAL AND ON APPEAL) ARISING OUT OF, RESULTING FROM, OR IN ANY MANNER CONNECTED WITH THE BREACH OF ANY COVENANT, WARRANTY OR REPRESENTATION MADE BY CUSTOMER IN THIS AGREEMENT, OR IN ANY MANNER CONNECTED WITH THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE OR REPAIR OF ANY PART OF CUSTOMER'S DG SYSTEM OR INTERCONNECTION FACILITIES, INCLUDING, WITHOUT LIMITATION LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES FOR OR ON ACCOUNT OF PERSONAL INJURY TO, OR DEATH OF, ANY PERSON, OR DAMAGE TO, OR DESTRUCTION OR LOSS OF, PROPERTY BELONGING TO CUSTOMER, CITY OR ANY THIRD PERSON.**

14. A material failure of either party to fully, faithfully and timely perform its obligations under this Agreement shall be a breach of this Agreement. In the event of a breach which is not cured within thirty (30) days after receipt of written notice by the party in default, the party not in default immediately may terminate this Agreement. If Customer fails to make any payment due hereunder, or is otherwise in breach of this Agreement, and such breach continues for thirty (30) days after receipt of written demand from City, City immediately may disconnect the DG System or otherwise suspend taking electricity from Customer. If the service is disconnected for any reason, prior to reconnection Customer is responsible for

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all changes necessary to bring the equipment service up to standards set forth and/or referred to in this DG Agreement, including without limitation the requirement that Customer obtain any necessary permits or inspections for Customer equipment. All rights granted under this section are in addition to all other rights or remedies available at law or under this Agreement or the applicable City Electric Service Agreement, Rate Schedules and Rules and Regulations in effect.

15. Customer shall carry satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures Customer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Customer's generating equipment. The Customer shall continue to maintain insurance as required by the City, throughout the term of this agreement, for the interconnection and shall provide proof of such insurance to the City at its request.

16. This Agreement shall inure to the benefit of and be binding upon the heirs, successors, or permitted assigns of each of the parties hereto. Customer may not assign this Agreement without the prior written consent of City, which consent may be withheld in City's sole discretion. Any assignment without such consent shall be null and void. This contract is non-transferable to subsequent owners or tenants of the property and/or facility covered by this Agreement.

17. This Agreement constitutes the entire agreement and understanding between the parties hereto and can be amended only by agreement between the parties in writing. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, such unenforceable provision shall have no effect on the remaining provisions of this Agreement and shall be enforced to the maximum extent allowed by law.

18. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder.

19. This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Texas. Venue for all such disputes shall be proper and lie exclusively in Medina County, Texas.

IN WITNESS WHEREOF, the parties hereto have caused their names to appear below, signed by their authorized representatives.

**CITY**

**CUSTOMER**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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iii). The City shall charge impact fees for all newly platted or upgraded water and wastewater services per the most recent Impact Fee Study and the City of Castroville Comprehensive Plan.

**B. Performance of Work:**

After approval is granted by proper authorities, installation specified by the City shall be completed by the Public Services Department or designated representative. New services shall be installed within fifteen (15) business days after approval and payment of fees and notification from the Building Inspector to proceed.

**C. Inspection of Customer Service Facilities:**

The property of the Applicant shall be inspected to insure compliance with State Required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency.

**D. Re-Service:**

On property where service previously existed, the City shall re-service the property upon receipt of the required deposit. When re-service is requested by a property owner owing any delinquent charges on a previous account for service to the property being re-serviced or any other account within the service territory of the City, all delinquent charges must be paid before re-servicing procedures can begin.

**5. Master Meter:**

Any connection serving two or more residential units confined to one building is designated a master meter. Tenants receiving water under a Master Metered Account are not considered customers of the City. Any interruption or impairment of water service to the tenants on the customer side of the meter is the responsibility of the Master Metered Account Customer.

**6. Commercial/Industrial/Agricultural Accounts:**

An account will be classified as a commercial/industrial/agricultural account if 51% of any utility usage is for non-residential purposes or property and/or building(s) are intended for commercial/industrial/agricultural purposes.

**7. Activation of Non-Standard Service:**

Activation of non-standard service shall be conducted as prescribed by terms of this Statement of Policy.

**8. Changes in Service Classification:**

If at any time the City determines that the Customer's service needs or structure use has changed from those originally applied for to a different service classification and the City determines that additional or different facilities are necessary to provide adequate service, the City shall require the Applicant/Customer to re-apply for service under the terms and conditions of this Policy. Applicant/Customer failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Statement of Policy.

**9. Interconnection and Net Metering:**

A. This section applies to the interconnection and parallel operation of all qualifying power generating installations having a design capacity of 20 kilowatts or less as well as to electric utility service to such generating installations.

B. The following are conditions precedent to any obligation of the City to interconnect or provide any form of electric utility service. Any person owning or operating a qualifying power generating installation (hereafter "Customer") and desiring to interconnect with the City's system shall:

i) Comply with policy – Apply for interconnection, provide an easement satisfactory to the City, and otherwise comply with the policy of the City.

ii) Provide information – At least 60 days in advance of interconnection, customer shall submit plan showing the electrical design of the generating installation including equipment for interconnection with the City's system. Customer shall also provide such additional information as may be required by the City. In the event Customer's plan involves the use of

nonstandard equipment or design techniques, the City may require such plan to be approved by a registered professional engineer. Any review or acceptance of such plan by the City does not guarantee the adequacy of Customer's equipment to perform its intended function. The City disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost effectiveness, safety, durability, or reliability of generating installations.

iii) Pay for Extension of City's Facilities - Comply with conditions for extension of the City's distribution system as may be determined by the City in accordance with the following extension policy:

If an extension of City's distribution system is required for delivery or receipt of electric energy to or from a generating installation, whether or not in conjunction with another use, the City shall exercise prudent judgment in determining the conditions under which such extension will be made. Each case shall be viewed individually considering (1) cost to provide service, (2) longevity of the load, (3) annual load factor, (4) possibility of other loads developing along the proposed line extension, (5) longevity, capacity, and dependability of the installation, and (6) compatibility with planned system improvements. The City may require customer to pay a contribution in aid-of construction, advance for construction, or increased annual or monthly minimums, and may require a contract term of up to five years.

iv) Provide Liability Insurance - Customer shall carry satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures Customer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Customer's generating equipment. The Customer shall continue to maintain insurance as required by the City for the interconnection and shall provide proof of such insurance to the City at its request.

v) Sign Contract - Sign and deliver to the City an Agreement for Interconnection and Parallel Operation of Cogeneration or Small Power Production Installation: 20 kW or less.

vi) Complete Construction - Construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the City to protect its personnel, facilities, and operations.

vii) Comply with Laws - Comply with applicable Federal, State, and Local laws, ordinances, and regulations applicable to power generating installations.

viii) Notify City - Notify the City in writing at least thirty (30) days in advance of energizing the small power generating installation and permit the City to inspect and test protective equipment.

ix) Eliminate Conditions Preventing Interconnection - In the event that it comes to the attention of the City that there are conditions preventing safe interconnection and proper parallel operation, it shall notify Customer and Customer shall not interconnect and/or initiate parallel operation until such conditions are corrected and Customer has provided at least ten (10) days written notice to the City. In the event, following interconnection, that conditions arise that would preclude operation, the City shall request disconnection or disconnect the Customer until the conditions preventing interconnection are corrected.

#### C. Parallel Operation

i) Installation - With the exception of only the City's meter(s), the Customer shall own and be solely responsible for all expense, installation, maintenance, and operation of the power generating installation at and beyond the point where Customer's conductors contact City's conductors. The Customer's generating installation shall be designed and installed in accordance with applicable codes, regulations, and prudent engineering practices.

ii) Self Protected Generating Installation -The Customer will furnish, install, operate, and maintain in good order and repair all equipment necessary for the safe operation of the power generating installation in parallel with the City's electric distribution system. The equipment will have the capability to both establish and maintain synchronism with the City's system and to automatically disconnect and isolate the generating installation from the City's system due to either a malfunction of the power generating installation or loss of power on the City's system. The Customer's power generating installation will also be designed, installed, and maintained to be self-protected from normal and abnormal conditions in the City's electric distribution system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, overvoltage, under voltage, overcurrent, frequency deviation, and faults. The self protection will be compatible with the City's

system protection arrangements and operating policies. Specialized protective functions may be required by the City when, in the sole judgment of the City, the particular generating installation characteristics and/or distribution system characteristics so warrant.

iii) Quality of Service - Customer's generating installation will generate power at the nominal voltage of the City's electric distribution system at the Customer's delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz or minus one half (1/2) Hz. Customer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety percent (90%) lagging or leading, the Customer will provide proper power factor correction (within ten percent (10%) of unity) or reimburse the City for the cost of any necessary correction.

The overall quality of the power provided by Customer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges, and power factor, will be such that the City's electric distribution system is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Customer's power generating installation, the Customer will correct the cause of such effects or reimburse the City for the cost of any required correction.

iv) Safety Disconnect - The Customer shall provide and install, at the Customer's expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to City personnel in a location acceptable to both the Customer and the City. It shall be the type of switch which can be secured in an open position by a City padlock. The City shall have the right to lock the switch open whenever, in the judgment of the City (1) it is necessary to maintain safe electrical operating or maintenance conditions, (2) the Customer's power generating installation adversely affects the City's electric distribution system, or (3) there is a system emergency or other abnormal operating condition which warrants disconnection. The City reserves the right to operate the disconnect for the protection of the City's system even if it affects Customer's power generating installation. In the event the City opens and closes the disconnect switch, it shall not be responsible for energization or restoration of parallel operation of the generating installation. The City will make reasonable efforts to notify the Customer in the event the disconnect switch has been opened. The Customer will not bypass the disconnect switch at any time for any reason.

v) Access - Persons authorized by the City will have the right to enter the Customer's property for the purpose of operating or inspecting the automatic disconnect switch, the manual disconnect switch, or the metering. Such entry onto the Customer's property may be without notice. If the Customer erects or maintains locked gates or other barriers, the Customer will furnish the City with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

vi) Modifications of City System - In the event that it is necessary at the time of initial interconnection or at some future time for the City to modify its electric distribution system in order to accommodate the Customer's output, the Customer will reimburse the City for all just and reasonable costs of modifications which are allocable to the Customer's small power generating installation. The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices, or upgrading of distribution system components.

vii) Liability for Injury and Damages -Customer assumes full responsibility for electric energy furnished to him or her at and past the point of interconnection and will indemnify the City against and hold the City harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Customer arising from electric power and energy delivered by City or in any way arising directly or indirectly from Customer's generating installation except (i) when the negligence of City or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Customer or to employees of Customer or in the case of a residential Customer, to all members of the household; and (ii) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (a) any negligence of City or its agent(s) independent of and unrelated to the maintenance of City's facilities or any condition on Customer's premises or (b) the breach by City of any provision of any contract regarding purchase and/or sale of electrical energy or service between City and Customer. The City shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the City, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the City or its agent(s), the City shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the

negligent acts of the City or its agent(s). The City shall not be liable in any event for consequential damages.

viii) Metering - One standard service meter will be installed, maintained and operated by the City. A connection will be provided for the meter in a location that is acceptable to both the City and the Customer. The City may, at its own expense, supply, install, and maintain load research metering for the purpose of monitoring and evaluating the Customer's generating installation. The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Customer or the City may reasonably request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Customer and the City will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the City and the Customer.

ix) Notice of Change in Installation - Customer will notify the City in writing sixteen (16) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If it comes to the City's attention that the modification will create or had created conditions which may be unsafe or adversely affect the City's system, then it shall notify Customer and Customer shall immediately correct such conditions.

x) Sales to Customer - Sales to Customer shall be in accordance with the City's Service Policy at the current City billable rate.

xi) Purchases of Electricity from Customer -Production in excess of consumption by Customer during a monthly billing cycle will be credited by the City to the Customer's account at the current City billable rate creating a net metering effect.

10. *Deposit:* The City charges a deposit to all accounts upon completion of application for service connection regardless if they are residential or commercial. Deposits are held in a restricted account as long as the account is considered active. Deposits shall be refunded to the account holder upon termination of service and payment of final bill for service.

11. *Owners and Renters:*

Any Customer, renting, leasing, or allowing the use of real estate property designed to receive service according to the terms of this Policy to other parties, is responsible for all charges due the City. The City may carry the consumer on the books as a third party, but the Customer is fully responsible for any and all unpaid bills incurred by the renter/lessee/user. The Customer of Record shall take responsibility for any necessary deposits from the renter/lessee/user to ensure payment of a past due bill. The City will notify the Customer of Record of the renter's past due payment status only after the meter has been locked for non-payment. The City recommends owners manage monthly payments on rental property.

12. *Denial of Service:*

The City may deny service for the following reasons.

- A. Failure of the Applicant to complete all required forms and pay all required fees and charges;
- B. Failure of the Applicant to comply with rules, regulations, policies, of the City;
- C. Existence of a hazardous condition at the Applicant's property, which would jeopardize the welfare of the Customer/Consumer of the City upon connection;
- D. Failure of Applicant to provide representatives or employees of the City reasonable access to property for which service has been requested;