

HORTON HIGHWAY UTILITY DISTRICT

BUDGET BILLING PROGRAM

APPLICATION AND AGREEMENT

Budget Payment of \$ _____

Customer's Name: _____

Service Address: _____

HHUD ACCOUNT NUMBER: _____

I, the undersigned customer, hereby request and make application to pay for my Natural Gas Service by the BUDGET BILLING PROGRAM. Further, I understand and agree that the monthly payment indicated above will be reviewed at least annually and necessary adjustments made as required due to change in MCF consumption, rate schedules, fuel cost adjustments, etc.

CONDITIONS OF THIS AGREEMENT

This agreement is subject to cancellation at any time due to:

1. Termination of Natural Gas service by the undersigned at the Service location identified herein.
2. Failure to make any Budget Payment prior to cut-off Date; that is, disconnection of service for non-payment.
3. Thirty days written notice by customer wanting to end Budget Billing Program. Any outstanding balance on account must be paid in full.

DATE

CUSTOMER'S SIGNATURE

APPROVED FOR HHUD _____

for office use only

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BUDGET BILLING PROGRAM

The following should answer most of the questions you may receive about the budget billing program that HORTON HIGHWAY UTILITY DISTRICT is offering. "BUDGET BILLING", will allow the utility customer to make even payments throughout the year. The account will be reconciled once each year or as cost of fuel dictates and a new monthly payment amount will be calculated.

CUSTOMER REQUIREMENTS

- Budget billing is available to HHUD customers.
- The customer must have a minimum of twelve months billing history at the billing address.
- The account must be current before the customer is placed on budget billing.
- The account must be paid before the next bill is issued or the account will automatically be dropped from budget billing.
- Budget billing cannot be transferred from one account to another.
- A final settlement will be made only when either the account is terminated or the customer discontinues budget billing. If a customer discontinues budget billing, they must wait a minimum of twelve months before reapplying.

BILLING PROCEDURE

1. The customer's monthly budget bill will be based on the prior twelve months history.
2. Budget billing is available for natural gas.
3. The reconciliation month will be May of each year.
4. After reconciliation, a new budget amount will be calculated based on the past twelve month "actual bill" and any overpayment on the account will be applied over the next twelve months (perpetual system). Any underpayment will be due and payable before the next Budget Billing Program will begin.
5. The actual consumption for the month and budget amount due will be printed on the bill.

Customer initial: _____