

TERMS ON CUSTOMER BILL:

- 1. Customer Charge The amount paid for the availability of gas service, excluding any gas used.
- 2. Delivery Charge The amount paid for the availability of gas service, excluding any gas used.
- 3. Establishment Fee Charge to cover costs associated with the establishment of service by the company.
- 4. <u>Reconnect Fee</u> Charge to cover costs associated with reconnection of service due to non-payment of past due amounts. Reconnections after hours, holidays or weekends are subject to applicable overtime fees.
- 5. <u>Billing Factor</u> A combination of the therm conversion factor and the meter correction factor. The therm conversion factor is derived from the heat content value of natural gas being delivered by elevation. The meter correction factor is used to obtain the corrected volume for a meter receiving a delivery pressure in excess of the standard 4 ounces delivery pressure.
- 6. <u>Billed Usage</u> Reflects the actual energy content of the gas consumed by the customer during the billing period. The customer is billed in therms instead of cubic feet of gas because the amount of energy (heat content) in natural gas varies.
- 7. Cost of Natural Gas Charge to cover the cost of natural gas purchased by UES on behalf of its customers.
- 8. Cost of Natural Gas Credit Additional charge or credit approved by the Arizona Corporation Commission to collect (under) or return (over) balance for the cost of natural gas (Previously on the bill as PGA Credit).
- 9. <u>Pricing Plan (Rate Schedule)</u> Full details of charges used to calculate each bill is available upon request or at uesaz.com.
- 10. <u>Late Payment Fee</u> A 1.5% late payment charge applied to accounts on the unpaid balance, including any estimated portion, if payment is not received within twenty-five (25) days of the statement date.
- 11. <u>DSM Surcharge</u> Per therm surcharge approved by the Arizona Corporation Commission (ACC) for energy efficiency programs.

TAXES AND ASSESSMENTS:

- ACC Assessment Fee charged to fund the activities of the Arizona Corporation Commission.
- 2. <u>RUCO Assessment</u> Fee charged to fund the activities of the Residential Utility Consumers Office.
- 3. <u>City Franchise Fee</u> Fee charged by the cities in the UNS Gas service territory, as applicable.
- 4. State Sales Tax Tax charged by the State of Arizona.
- 5. County Sales Tax Tax charged by the counties in the UNS Gas service territory, as applicable.
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TO FIND THE COST PER THERM:

- 1. To determine the cost of gas, reduce the "Total Current Balance" by all of the "Taxes, Assessments, and DSM surcharge".
- 2. The cost of gas divided by the therm usage represents the total cost per therm for the month.