

AVAILABILITY

This optional rate schedule is available to all residential consumers, and to schools, churches, and community halls requiring single-phase service in individual locations, and individually metered apartments. This rate schedule may be selected at the consumer’s request. This rate does not require a security deposit, and payments may be made at any time and with any frequency as long as minimum prepaid credit balance is maintained.

Services under Prepaid Rate require a meter with remote connection and disconnection capability.

EXCLUSIONS

This rate is not available for consumers specified under Arizona Administrative Code R14-2-211.A.5. These consumers include, but are not limited to, those where termination of service would be especially dangerous to the health of the consumer, as determined by a licensed medical physician; those consumers where life supporting equipment used in the home is dependent on utility service; and those consumers where weather would be especially dangerous to health.

This rate is not available for:

- Consumers participating in Winter Time of Use, Year Round Time of Use, Net Metering, or Distributed Generation
- Resale, breakdown, standby or auxiliary service

APPLICABILITY

Consumers receiving service under the Prepaid Rate must be willing and able to receive, recognize and respond to low balance warnings issued by NEC via email, text message or other methods as made available through technological upgrades.

DESCRIPTION

This rate has two parts: a Daily Service Availability Charge and an Energy Charge. Energy Charges are based on how much energy (kWh) is used during the month. This rate does not vary by time of use, season, or demand (how much energy is used at one time).

CHARGES

Daily Service Availability Charge	\$1.00	
Energy Charge First 400 kWh	\$0.07350	per kWh
Energy Charge Over 400 kWh	\$0.11400	per kWh

** Unbundled Components of the Charges are set forth on Schedule 1-C.*

OTHER CHARGES AND SERVICE DETAILS

This rate is subject to all billing adjustments and adders outlined in the Schedule of Billing Adjustments, Adders and Service Details.

ENROLLMENT

The consumer must submit a Prepaid Electric Service Application. Enrollment in the Prepaid Rate requires the following:

- The consumer must pay all applicable fees prior to commencement of service.
- An agreed upon credit balance of not less than \$50.00 must be established to activate the account.

Additional terms apply to an existing consumer converting to a prepaid account:

- Outstanding balances and unbilled charges must be paid or an agreed upon payment plan must be established.
- A security deposit balance, if any, will be applied in the following order: outstanding balances, unbilled charges and then to the prepaid account.

A consumer may elect to return to a postpaid electric account. NEC may require a security deposit to be paid at that time.

PREPAID BALANCES AND ESTIMATION

Payments made increase the prepaid credit balance. The prepaid credit balance is reduced by the Daily Service Availability Charge, Energy Charges, and billing adjustments and adders.

NEC will estimate the average daily usage at the consumer's location to determine the number of days that the prepaid credit balance should provide electric service for the consumer. The actual usage by the consumer will determine the number of days the prepayment will last; therefore, the consumer is responsible for ensuring that a credit balance is maintained on the account.

CONSUMER NOTICE

The Consumer is solely responsible for managing and updating the notification settings on their prepaid account and maintaining current contact information. The consumer can check their prepaid balance online or through NEC's automated phone system; they may also elect to receive electronic balance alert notifications.

TERMINATION

Electric service may be subject to immediate termination at the time the account does not have a credit balance. Service will not be disconnected where weather will be especially dangerous to health as defined in NEC's Policy Manual or as determined by the Commission.

A service that has been disconnected because the account does not have a credit balance is subject to the following to re-start the service:

- The consumer must pay for energy consumed from the time the account balance reached zero (\$0.00) to the actual disconnection.
- The consumer must pay the Daily Service Availability Charge for each day a credit balance was not available up to the date the service is re-started.
- The consumer must pay all applicable billing adjustments and adders.
- The consumer must also establish a credit balance.

CLOSING THE ACCOUNT

If an account is terminated and a credit balance is not established after ten (10) days, the account will be closed. NEC will mail a final bill to the last known address of the consumer on file for all unpaid charges and all existing debt recovery procedures will apply.

If an account with a credit balance is disconnected, a refund of any remaining credit on the account after all final bill amounts have been calculated will be returned to the Member.

If a consumer wishes to re-establish the service after the account has been closed, the consumer must re-enroll.

POLICIES NOT APPLICABLE TO OPTIONAL PREPAID RATE

The following sections of the NEC Policy Manual are not applicable to the Optional Prepaid Rate:

- Policy 2.40: Credit Policy
- Policy 2.41: General Service and Other Schedules
- Policy 2.42: Security Deposits for Residential Customers
- Policy 2.44: Deposit Procedures
- Policy 2.45: Interest on Deposits
- Policy 2.60: Billing Policy
- Policy 2.61: Frequency
- Policy 2.63: Extended Billing Periods
- Policy 2.65: Contract Billing
- Policy 2.66: Terms of Payment
- Policy 2.67: Billing Information
- Policy 2.68: Levelized Billing
- Policy 2.71: Residential and General Service Customers
- Policy 2.80: Reasons for Denying, Discontinuing or Limiting Service (to the extent it requires 10 days written notice for discontinuing service for non-payment)