

**Rate Schedule "80"**

**FIRM TRANSPORTATION GAS SERVICE**

**DEFINITIONS**

"Contract Amount" means the maximum amount of Transport Gas a Customer may transport through the gas distribution system facilities of Gibson County Utility District on any Day as established by a Transportation Service Agreement.

"Customer" means a person or entity contracting with or otherwise receiving services from Gibson County Utility District for firm transportation service under Rate Schedule "80".

"Daily Amount" means the amount of Transport Gas approved by Gibson County Utility District from time to time to be Delivered by a Customer and Redelivered by Gibson County Utility District on a daily basis.

"Day" means a period of twenty-four ("24") consecutive hours, beginning and ending as outlined in the tariffs approved by the Federal Energy Regulatory Authority (FERC) for the interstate transporters of Gibson County Utility District.

"Delivery" means the delivery of Transport Gas to Gibson County Utility District. "Deliver" shall mean the act of Delivery.

"Determination Period" means the twelve-month period beginning April 1 and ending March 31.

"Notice of Interruption" means the notice given by Gibson County Utility District to a Customer that a Period of Interruption has commenced or will commence.

"Period of Interruption" means any period of time during which Gibson County Utility District shall interrupt or curtail the transportation of Transport Gas.

"Redelivery" means the delivery of Transport Gas to a Customer by Gibson County Utility District. "Redeliver" shall mean the act of Redelivery.

"Transport Gas" means the gas purchased by Gibson County Utility District that Customer has arranged to have delivered via any connected interstate natural gas pipeline to one or more delivery points of Gibson County Utility District for Redelivery to the Customer.

"Transportation Service Agreement" means the contract between Gibson County Utility District and Customer whereby Gibson County Utility District agrees to provide firm transportation service, on its system only, to the Customer.

"Unauthorized Gas" means the quantity of gas (a) taken by Customer exceeding the Contract Amount, or (b) taken by Customer exceeding that permitted during a Period of Interruption.

"Winter Period" means the five-month period from November 1 to and including March 31 included in the Determination Period.

**AVAILABILITY**

Service under Rate Schedule "80" is available to any commercial or industrial customer provided:

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- (a) The Customer is located within the service area of Gibson County Utility District; and
- (b) The Customer used more than 15,000 Therms in any one month of the previous Determination Period; and
- (c) The Customer's annual gas usage, on an actual or projected basis, is not less than 180,000 Therms; and
- (d) The Customer meets the following definition of a commercial or industrial customer:  

Commercial customers are businesses primarily engaged in the sale of goods or services, including institutions and governmental agencies. Industrial customers are engaged primarily in a process that creates or changes raw or unfinished materials into another form or product including the generation of electric power; and
- (e) The Customer must execute a Transportation Service Agreement.

In the event Customer shall fail to continue to meet the conditions (a) through (e) during the previous Determination Period, service under Rate Schedule "80" shall no longer be available. Customer shall be reclassified to the appropriate rate schedule effective May 1 of each year.

**CHARACTER OF SERVICE**

Pursuant to a Transportation Service Agreement and Rate Schedule 80, Gibson County Utility District shall deliver up to the Contract Amount of Transport Gas received from one or more connected pipelines for Customer's account.

Gas transported under Rate Schedule "80" shall be used only by the Customer at its facilities and shall be redelivered to no more than two meters at each facility located within the service area of Gibson County Utility District and shall not be resold by the Customer.

All service under Rate Schedule "80" and all associated Transportation Service Agreements shall be for firm service. In the event of a Period of Interruption affecting gas transportation service, or if the Transport Gas cannot be Delivered to Gibson County Utility District by a supplier for any reason, Customer shall be permitted to purchase gas in accordance with Rate Schedule "40" if capacity on the distribution system of Gibson County Utility District and the transporting pipeline is available and Rate Schedule "40" is not otherwise curtailed.

**NET RATE**

The net rate for service under Rate Schedule "80" for each monthly billing period shall be the sum of the Customer Charge, the Demand Charge, the Transportation Charge, and the Other Charges, each calculated as follows:

Customer Charge:	\$300.00
Demand Charge:	\$0.2100 per Therm of demand
Transportation Charge:	\$0.3858 per Therm for the first 15,000 Therms; plus \$0.3363per Therm from 15,001 Therms to and including 30,000 Therms; plus \$0.2769 per Therm from 30,001 Therms to and

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Supply Charge:	including 50,000 Therms; plus \$0.2188 per Therm for the excess over 50,000 Therms. Purchased gas supply charge as exclusively set forth by Gibson County Utility District for natural gas supply purchased by Gibson County Utility District on Customer's behalf and re-delivered to customer via any connected interstate natural gas pipeline to one or more delivery points of Gibson County Utility District.
Other Charges:	The sum of Scheduling Penalties, Imbalance Charges, and Unauthorized Overrun Penalties, as herein defined; and any pipeline scheduling, balancing, transportation, unauthorized overrun penalties, or other similar charges incurred by Gibson County Utility District in connection with the transportation of gas on behalf of the Customer, as applicable.

**PURCHASED GAS ADJUSTMENT**

Rate Schedule "80" shall not be subject to the Purchased Gas Adjustment of Gibson County Utility District.

**MINIMUM BILL**

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge. The minimum bill will be billed for each monthly billing period beginning with the date of initial service and ending with the date service is terminated at the request of Customer, inclusive.

**PAYMENT TERMS**

Bills for service under Rate Schedule "80" are rendered monthly. Each bill rendered for service is due and payable on the date stated on the bill. The rates and charges under Rate Schedule "80" are net, the gross rate being fifteen percent (15%) higher. In the event the current monthly bill is not paid on or before the last date for payment as specified on the bill, the gross rate shall apply to any unpaid amount of the bill.

**UNAUTHORIZED OVERRUN PENALTY**

No Customer shall take Unauthorized Gas. A Customer must immediately notify Gibson County Utility District if it has taken, or anticipates taking, Unauthorized Gas. If the Unauthorized Gas is the result of the Customer exceeding the Contract Amount, the Customer shall be charged the Commodity Charge, adjusted for the current Purchased Gas Adjustment, under Rate Schedule "40". If the Unauthorized Gas is the result of the Customer exceeding the amount permitted during a Period of Curtailment, the Customer shall be charged, in addition to the applicable Commodity Charge as described in the previous sentence, a penalty of \$2.00 per Therm for all such Unauthorized Gas taken. In addition, the Customer shall be charged for all penalties and charges assessed to Gibson County Utility District on behalf of Customer by the transporting pipeline(s).

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In addition to the charges discussed in the previous paragraph, Gibson County Utility District may pursue any other remedy available to it under applicable law, including, but not limited to, suspension or termination of service and/or cancellation of the Customer's Transportation Service Agreement. The existence of a penalty shall not be construed to give any Customer the right to take Unauthorized Gas.

**DETERMINATION OF DEMAND**

For the purpose of Rate Schedule "80", the billing demand shall be the higher of (a) or (b) determined as follows:

- (a) The Contract Amount requested by Customer, or
- (b) The Contract Amount determined as follows:
  - (1) Customer billing demand determinate shall be the highest daily usage during the previous Winter Period as metered and reported to Gibson County Utility District by the telemetering equipment installed by Gibson County Utility District. Changes to the billing demand determinate of Customer will become effective on May 1 of each year.
  - (2) If Customer commences initial gas service under this Rate Schedule "80" and does not have a consumption history from other services provided by Gibson County Utility District, the billing demand determinate shall be computed by multiplying the month of highest consumption for the period to date by six percent. Gibson County Utility District will continue to make this calculation each month until Customer has a consumption history for a Winter Period. At that time, the billing demand determinate will be determined as described in (b)(1).
  - (3) If Customer has received gas service from Gibson County Utility District prior to receiving service under this Rate Schedule "80" but does not have daily telemetered records to determine peak day usage as described above, Gibson County Utility District shall use six percent of the Customer's highest monthly consumption for the previous Winter Period for the billing demand determinate.

**SCHEDULING OF SERVICE**

Refer to the Transportation Service Agreement

**BALANCING OF DELIVERIES**

Refer to the Transportation Service Agreement

**RESOLUTION OF MONTHLY IMBALANCES**

Refer to the Transportation Service Agreement

**NOTICES**

To the extent possible, Gibson County Utility District shall give Customer at least a one-hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be written or oral and shall be sufficient if given by Gibson County Utility District via telephone or in person to the person or persons designated from time to time by the Customer as authorized to receive such notices, or by facsimile transmission to the telephone number designated from time to time by the Customer, or if mailed or hand-delivered in writing to the Customer's premises. If a Period of Interruption involves only a reduction in the amount of gas being transported, the Notice of Interruption shall state the daily and/or hourly quantity of gas that Customer may transport. A Period of Interruption shall continue in effect until Gibson County Utility District notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

**SERVICE AVAILABILITY**

All requests for new or additional service or the transfer of existing service to higher priority end use will be supplied based on the judgment of Gibson County Utility District as to the available gas supply, the load factor or use pattern of the Customer, end use priority as may be specified by the FERC, impact on the local economy, and laws of the State of Tennessee.

**CONTRACT FOR SERVICE**

Each Customer receiving service under Rate Schedule "80" shall execute a contract with Gibson County Utility District for at least one year.. If Customer refuses to execute a contract with Gibson County Utility District, the net rate for service under Rate Schedule "80" shall be two cents per Therm higher with the exception of the Customer Charge which shall remain at \$275.

**RULES AND REGULATIONS**

All service provided hereunder is subject to the Rules and Regulations of Gibson County Utility District that may from time to time be in effect.

**SERVICE INTERRUPTION AND CURTAILMENT**

Refer to the Transportation Service Agreement