

**Rate Schedule "55"**

**MODIFIED INTERRUPTIBLE LARGE COMMERCIAL AND INDUSTRIAL GAS SERVICE**

**DEFINITIONS**

"Contract Amount" means the maximum amount of Firm Gas and Interruptible Gas a Customer may purchase from Gibson County Utility District on any Day as established by a written contract between Gibson County Utility District and the Customer.

"Customer" means a person or entity contracting with or otherwise receiving services from Gibson County Utility District for interruptible gas service under Rate Schedule "55".

"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 for the interstate transporters of Gibson County Utility District.

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

"Firm Gas" means that gas not subject to interruption or curtailment except for emergency or other causes as provided in the Rules and Regulations of Gibson County Utility District.

"Interruptible Gas" means that gas that is subject to interruption or curtailment by Gibson County Utility District at any time and to the extent that Gibson County Utility District, in its sole discretion, deems desirable.

"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 delivery of gas to the Customer.

"Quantities of Gas Delivered". For the purpose of determining the quantity of Interruptible Gas delivered, all gas delivered in any one Day, up to the daily quantity contracted for as Firm Gas, shall be considered as Firm Gas and all additional gas delivered shall be considered Interruptible Gas. In case interruption or curtailment of Interruptible Gas is ordered for a period of time containing a part of a Day, the Customer's entitlement to Firm Gas for such part of the Day shall be the amount obtained by multiplying the daily quantity of Firm Gas contracted for, by the ratio between the number of hours of curtailment or interruption in such part of a Day and 24 hours.

"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 Curtailment.

"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 "55" is available to any commercial or industrial customer provided:

- (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 shall be permitted to purchase only one Therm of Firm Gas under Rate Schedule "55" for each two Therm of Interruptible Gas that are purchased; and
- (d) As a Customer adhering to the rate schedule '55', the Customer does not have readily available alternate fuel facilities of sufficient capacity capable for providing 100 percent of the Customer's Interruptible Gas service requirements during periods of gas interruption or curtailment. Therefore, interruption or curtailment shall be considered only in situations deemed absolutely necessary by Gibson County Utility District, and Customer shall refrain from increasing or using gas until permitted to do so by Gibson County Utility District. It is understood and agreed that Gibson County Utility District shall give as much advance notice as possible before interruption or curtailment shall occur. See Section 'Notices' for notice terms. Gibson County Utility District shall have the right to cut off gas service without further notice to the Customer in the event Customer fails to curtail the use of gas in accordance with the verbal notice of interruption or curtailment given by Gibson County Utility District; and
- (e) Gibson County Utility District must determine that its existing distribution system facilities are adequate and available for the requested service; and
- (f) 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.

In the event Customer shall fail to continue to meet the conditions (a) through (d) and (f) during the previous Determination Period, service under Rate Schedule "55" shall no longer be available. Customer shall be reclassified to the appropriate rate schedule effective May 1 of each year.

A Customer may have multiple meters at each location. Each meter must meet the conditions imposed by (a) through (f) to qualify for Rate Schedule "55".

For a Customer with no more than two meters at each location, if one meter meets the conditions imposed by (a) through (f) and qualifies for Rate Schedule "55", then both meters may be presumed to qualify for Rate Schedule "55". However, each meter will be billed separately under Rate Schedule "55".

#### **CHARACTER OF SERVICE**

Service under Rate Schedule "55" shall be considered Modified Interruptible Service. Modified Interruptible Service shall be available only to the extent that Gibson County Utility District has gas available that is not required by firm customers. If a Customer is served by gas purchased on an interruptible rate from a supplier of Gibson County Utility District, all conditions imposed by a supplier of Gibson County Utility District on the use of such Interruptible Gas shall likewise apply to such Customer as if Gibson County Utility District imposed the condition on the Customer.

Gas purchased under Rate Schedule "55" shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery or multiple points of delivery located within the service area of Gibson County Utility District and shall not be resold by the Customer.

#### **NET RATE**

The net rate for service under Rate Schedule "55" for each monthly billing period shall be the sum of the Customer Charge, Demand Charge, Commodity Charge, and Unauthorized Overrun Charge, each calculated as follows:

Rate	\$ 300.00
Demand Charge:	\$0.2100 per Therm of demand
Commodity Charge:	
For Firm Gas:	\$0.4858 per Therm plus the cost per Therm of gas sold to Customer; plus
For Interruptible Gas:	\$0.3858 per Therm for the first 15,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.4363 per Therm from 15,001 Therms to and including 30,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.3769 per Therm from 30,001 Therms to and including 50,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.3188 per Therm for the excess over 50,000 Therms plus the cost per Therm of gas sold to Customer.
Unauthorized Overrun Charge:	\$2.00 per Therm of Unauthorized Gas (which is in addition to the Interruptible Gas Commodity Charge).

In determining the appropriate rate block to bill Interruptible Gas, both Firm Gas volumes and Interruptible Gas volumes shall be combined.

#### **PURCHASED GAS ADJUSTMENT**

The cost per Therm of gas sold to Customer that is included in the Commodity Charge may 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 "55" are rendered monthly. Each bill rendered for service is due and payable on the date it is issued. The rates and charges under Rate Schedule "55" 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.

#### **DETERMINATION OF DEMAND**

For the purpose of Rate Schedule "55", demand shall be the daily quantity of gas contracted for as Firm Gas by Customer. On April 1 of each year, Customer may change the specified quantity

of Firm Gas by written notice to Gibson County Utility District. Such requested change shall become effective on May 1 on the same year.

#### **UNAUTHORIZED OVERRUN PENALTY**

No Customer shall take Unauthorized Gas. A Customer must immediately notify Gibson County Utility District if Customer has taken, or anticipates taking, Unauthorized Gas. In the event a Customer takes Unauthorized Gas during a Period of Curtailment, the Customer shall be charged, in addition to the applicable Interruptible Gas Commodity Charge, a penalty of \$2.00 per Therm for all such Unauthorized Gas taken. In addition to the penalty, 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. The existence of a penalty shall not be construed to give any Customer the right to take Unauthorized Gas.

#### **NOTICES**

Gibson County Utility District shall give Customer at least a one-hour Notice of Interruption before a Period of Interruption begins. Gibson County Utility District shall reach an understanding with the Customer, in order to prevent or reduce any loss of production for the Customer. As a Modified Interruptible Service Customer, both Gibson County Utility District and the Customer understand the importance of open communication in order to meet the needs and requirements of both parties. 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 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 that may be purchased, the Notice of Interruption shall state the daily and/or hourly quantity of gas that Customer may purchase. 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.

#### **RULES AND REGULATIONS**

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

#### **SERVICE INTERRUPTION AND CURTAILMENT**

Gas service under Rate Schedule "55" is subject to the curtailment provisions contained within the Rules and Regulations of Gibson County Utility District which may from time to time be in effect.

#### **TERMS OF RATE SCHEDULE**

The terms of this rate schedule shall be annual. Gibson County Utility District will review this rate schedule May 1 of each year. Either party has the right at any time, to discontinue this rate

schedule and be reclassified under another appropriate rate schedule with a 60 day notice of change.