

**Rate Schedule "70"**

**FIRM TRANSPORTATION GAS SERVICE**

**DEFINITIONS**

"Customer" means a person or entity contracting with or otherwise receiving service from Greater Dickson Gas Authority for firm transportation service under Rate Schedule "70".

"Daily Amount" means the amount of Transport Gas approved by Greater Dickson Gas Authority from time to time to be Delivered by a Customer and Redelivered by Greater Dickson Gas Authority on a daily basis.

"Day" means a period of twenty-four ("24") consecutive hours, beginning and ending at 9:00 a.m. prevailing Dickson time.

"Delivery" means the delivery of Transport Gas to Greater Dickson Gas Authority. "Deliver" shall mean the act of Delivery.

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

"Load Factor" means the quotient obtained by dividing the average daily Redelivery of Transport Gas to Customer for the Determination Period by the maximum daily Redelivery of Transport Gas to Customer for the Winter Period.

"Notice of Interruption" means the notice given by Greater Dickson Gas Authority to a Customer that a Period of Interruption has commenced or will commence.

"Period of Interruption" means any period of time during which Greater Dickson Gas Authority shall interrupt or curtail the transportation of Transport Gas.

"Redelivery" means the delivery of Transport Gas to a Customer by Greater Dickson Gas Authority. "Redeliver" shall mean the act of Redelivery.

"Transport Gas" means the gas purchased from a supplier other than Greater Dickson Gas Authority that Customer has arranged to have delivered via any connected interstate natural gas pipeline to one or more of the delivery points of Greater Dickson Gas Authority for Redelivery to the Customer.

"Transportation Service Agreement" means the agreement between Greater Dickson Gas Authority and Customer whereby Greater Dickson Gas Authority 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 previously set 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 "70" is available to any commercial or industrial customer provided:

- (a) The Customer is located within the service area of Greater Dickson Gas Authority; and
- (b) The Customer used more than 15,000 therms in any one month of the previous twelve-month 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's Load Factor is less than .50 during the previous Determination Period; and
- (e) 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, which creates or changes raw or unfinished materials into another form or product including the generation of electric power; and
- (f) The Customer must execute a Transportation Service Agreement.

In the event Customer shall fail to continue to meet the conditions (a) through (f) during the previous Determination Period, service under Rate Schedule "70" 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 "70", Greater Dickson Gas Authority shall deliver up to the previously set amount of Transport Gas received from one or more connected pipelines for Customer's account.

Gas transported under Rate Schedule "70" 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 Greater Dickson Gas Authority and shall not be resold by the Customer.

All service under Rate Schedule "70" 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 Greater Dickson Gas by a supplier of the Customer for any reason, Customer shall be permitted to purchase gas in accordance with Rate Schedule "60" or Rate Schedule "61", as applicable, if capacity on the distribution system of Greater Dickson Gas Authority and the transporting pipeline is available and Rate Schedule "60" or Rate Schedule "61" is not otherwise curtailed.

**NET RATE**

The net rate for service under Rate Schedule "70" for each billing period shall be the sum of the Customer Charge, Demand charge, Transportation Charge, and the Other Charges, each calculated as follows:

Customer Charge:	\$200.00
Demand Charge:	\$0.3980 per therm of demand
Transportation Charge:	\$0.1455 per therm for the first 15,000 therms; plus \$0.1117 per therm from 15,001 therms to and including 40,000 therms; plus \$0.0847 per therm from 40,001 therms to and including 90,000 therms; plus \$0.0583 per therm from 90,001 therms to and including 195,000 therms; plus \$0.0387 per therm from 195,001 therms to and including 350,000 therms; plus \$0.0255 per therm from 350,001 therms to and including 750,000 therms; plus \$0.0190 per therm for the excess over 750,000 therms.
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 Greater Dickson Gas Authority in connection with the transportation of gas on behalf of the Customer, as applicable.

### **PURCHASED GAS ADJUSTMENT**

Rate Schedule "70" shall not be subject to the Purchased Gas Adjustment of Greater Dickson Gas Authority.

### **MINIMUM BILL**

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

### **PAYMENT TERMS**

Bills for service under Rate Schedule "70" will be rendered per the Rules and Regulations of Greater Dickson Gas Authority. Each bill rendered for service is due and payable on the date it is issued. The rates and charges under Rate Schedule "70" are net, the gross rate being ten percent (10%) higher. In the event the current 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 Greater Dickson Gas Authority if it has taken, or anticipates taking, Unauthorized Gas. If the Unauthorized Gas is the result of the Customer exceeding the previously set amount, the Customer shall be charged the Commodity Charge, adjusted for the current Purchased Gas Adjustment, under Rate Schedule "60" or Rate Schedule "61", as applicable. 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 \$1.50 per therm for all such Unauthorized Gas taken. In addition, the Customer shall be charged for all penalties and charges assessed to Greater Dickson Gas Authority on behalf of Customer by the transporting pipeline(s).

In addition to the charges discussed in the previous paragraph, Greater Dickson Gas Authority 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 "70", the billing demand shall be the higher of (a) or (b) determined as follows:

- (a) the Amount requested by Customer, or
- (b) the 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 Greater Dickson Gas Authority by the telemetering equipment installed by Greater Dickson Gas Authority. 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 "70" and does not have a consumption history from other services provided by Greater Dickson Gas Authority, the billing demand determinate shall be computed by multiplying the month of highest consumption for the period to date by 6 percent. Greater Dickson Gas Authority 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 Greater Dickson Gas Authority prior to receiving service under this Rate Schedule "70" but does not have daily telemetered records to determine peak day usage as described above, Greater Dickson Gas Authority shall use 6 percent of the Customer's highest monthly consumption for the previous Winter Period for the billing demand determinate.

### **SCHEDULING OF SERVICE**

By noon central time on the 20th day of each month, Customer shall inform Greater Dickson Gas Authority of its:

- (a) nomination of the daily quantity of gas to be transported for such month, and
- (b) choice of pipeline for transportation for such month.

If Customer does not provide a timely nomination to transport gas provided by a party other than Greater Dickson Gas Authority, Customer will have nominated Rate Schedule "60" or Rate Schedule "61", as applicable, by default. By noon central time four business days prior to the beginning of each month, Customer must inform Greater Dickson Gas Authority of the nominating supplier for gas to be transported in order that Greater Dickson Gas Authority can confirm such nominations. Once Customer makes the monthly election and nominations set forth above, any further changes during a month will require prior permission of Greater Dickson Gas Authority.

As soon as practicable during the succeeding month, Customer shall provide Greater Dickson Gas Authority a copy of its supplier's written verification of actual quantities delivered during the preceding month.

### **BALANCING OF DELIVERIES**

Deliveries and Redeliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalance. Any imbalances shall be corrected by Customer, insofar as practicable, during the month in which they occur. Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of Greater Dickson Gas Authority. Greater Dickson Gas Authority reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of any pipeline transporting gas hereunder. Customer will be responsible for any imbalance charges assessed by the pipeline in connection with any gas transported by Greater Dickson Gas Authority under this Rate Schedule "70". Greater Dickson Gas Authority reserves the right to reduce nominations when, in the judgment of Greater Dickson Gas Authority, such action is necessary to reduce or eliminate operational problems. Greater Dickson Gas Authority will use its best efforts to notify Customer before proceeding with a unilateral reduction and will notify Customer of any reduction to Customer's nomination that has been instituted by Greater Dickson Gas Authority.

It shall be the responsibility of Customer to maintain a daily and monthly balance with its transporting pipelines to avoid any assessment of cost or penalties against Greater Dickson Gas Authority. If Greater Dickson Gas Authority is assessed cost or penalty by a Customer's transporting pipeline, Greater Dickson Gas Authority shall have the right to pass-through all such cost or penalties to Customer to the extent Customer is responsible for causing Greater Dickson Gas Authority to be assessed such cost or penalties.

### **RESOLUTION OF MONTHLY IMBALANCES**

Any difference between the quantities delivered to the city gate station of Greater Dickson Gas Authority for the account of Customer for the month, and the quantities consumed by Customer as metered for the month, shall be the "Monthly Imbalance". Unless Greater Dickson Gas Authority and Customer agree to correct the Monthly Imbalance in kind, the Monthly Imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time. If customer consumes more gas than it has delivered to Greater Dickson Gas Authority, the customer will be called "short". A carryover will be allowed as long as the percentage of imbalance does not exceed 5% of nominations. If imbalance exceeds 5%, a cash out amount equal to the average "high price" using the imbalance tiers specified in Tennessee Gas Pipeline Company Gas Tariff, Rate Schedule LMS-MA, Sections 7(c)(vii)(A) and (D), as amended. The rate of sales tax will be applied to this amount as required. If Customer consumes less gas than it has delivered to Greater Dickson Gas Authority, Customer will be called "long". A carryover will be allowed as long as the percentage of imbalance does not exceed 5% of nominations. If imbalance exceeds 5%, a cash out will be

figured and Greater Dickson Gas Authority will buy the amount of the surplus of gas by paying Customer a price equal to the average "low price" using the imbalance tiers specified in Tennessee Gas Pipeline Company Gas Tariff, Rate Schedule LMS-MA, Sections 7(c)(vii)(A) and (D), as amended plus an average of the current Zone 0 and Zone 1 commodity transportation rate of the primary pipeline transporter of Greater Dickson Gas Authority inclusive of all surcharges and fuel, times the discount percentage corresponding to the percentage of the surplus listed in the table below.

<u>Percentage Imbalance</u>	<u>Short (Premium)</u>	<u>Long (Discount)</u>
Equal to or less than 5 percent	100%	100%
Over 5 percent and less than or equal to 10 percent	115%	85%
Over 10 percent and less than or equal to 15 percent	130%	70%
Over 15 percent and less than or equal to 20 percent	140%	60%
Over 20 percent	150%	50%

A Monthly Imbalance for any month that becomes apparent after the close of the month shall be treated as a Monthly Imbalance for the month in which the Monthly Imbalance is discovered.

#### **NOTICES**

To the extent possible, Greater Dickson Gas Authority 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 Greater Dickson Gas Authority 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 which Customer may transport. A Period of Interruption shall continue in effect until Greater Dickson Gas Authority 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 Greater Dickson Gas Authority as to the available gas supply, the load factor or use pattern of the Customer, end use priority as may be specified by the Federal Energy Regulatory Commission ("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 Greater Dickson Gas Authority which may from time to time be in effect.

**SERVICE INTERRUPTION AND CURTAILMENT**

Gas service under Rate Schedule "70" is subject to the curtailment provisions contained within Rate Schedule "90", Schedule for Interrupting and Curtailing Gas Service.