

Rate Schedule "57"

**INTERRUPTIBLE LARGE COMMERCIAL
AND INDUSTRIAL INDEX-BASED GAS SERVICE**

DEFINITIONS

"Cost of Gas per Therm" means the *Inside FERC* First of the Month Index for Tennessee Gas Pipeline Zone 1, 500 Leg plus pipeline commodity transportation, pipeline fuel retainage, and a two percent (2%) fuel retainage for Greater Dickson Gas Authority.

"Customer" means a person or entity contracting with or otherwise receiving services from Greater Dickson Gas Authority for interruptible gas service under Rate Schedule "57".

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

"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 Greater Dickson Gas Authority.

"Interruptible Gas" means that gas that is subject to interruption or curtailment by Greater Dickson Gas Authority at any time and to the extent that Greater Dickson Gas Authority, in its sole discretion, deems desirable.

"Load Factor" means the quotient obtained by dividing the average daily sales to Customer for the Determination Period by the maximum daily sales 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 delivery of gas to the Customer.

"Quantities of Gas Delivered" means: For the purpose of determining the quantity of Interruptible Gas delivered, all gas delivered in any one Day, up to the daily quantity previously set 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 previously set as Firm Gas, 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 previously set 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 "57" is available to any commercial or industrial customer provided:

- (a) Any Customer receiving gas under this Rate Schedule "57" must remain on this rate schedule until each May 1. Customer cannot convert service under this rate schedule to service under other rate schedules except as follows: With 60 days advance notice from Customer requesting a change, Greater Dickson Gas Authority may convert service under this rate schedule to service under other applicable interruptible sales or transportation schedules on May 1 of each year; and
- (b) The Customer is located within the service area of Greater Dickson Gas Authority; and
- (c) The Customer used more than 15,000 therms in any one month of the previous Determination Period; and
- (d) The Customer's Load Factor .50 or greater during the previous Determination Period; and
- (e) On written request by Customer to Greater Dickson Gas Authority detailing Customer's daily firm requirement, Customer shall be permitted to purchase only one therm of Firm Gas under Rate Schedule "57" for each two therms of Interruptible Gas that are purchased. Service shall begin on the May 1 following the request for service and will continue for twelve consecutive months and renew each May 1 unless Customer changes or cancels the daily firm requirement by written request; and
- (f) The Customer must have alternate fuel facilities of sufficient capacity capable of providing 100 percent of the Customer's Interruptible Gas service requirements during periods of gas interruption or curtailment. Customer shall maintain such facilities ready for operation at any time. Interruption or curtailment shall be immediately effective on verbal notification by Greater Dickson Gas Authority, and Customer shall refrain from increasing or using gas until permitted to do so by Greater Dickson Gas Authority. It is understood and agreed that Greater Dickson Gas Authority will 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 Greater Dickson Gas Authority; and
- (g) Greater Dickson Gas Authority must determine that its existing distribution system facilities are adequate and available for the requested service; and

- (h) 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.

In the event Customer shall fail to continue to meet the conditions (a) through (f) and (h) during the previous Determination Period, service under Rate Schedule "57" 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 (h) to qualify for Rate Schedule "57".

For a Customer with no more than two meters at each location, if one meter meets the conditions imposed by (a) through (h), and qualifies for Rate Schedule "57" then both meters may be presumed to qualify for Rate Schedule "57". However, each meter will be billed separately under Rate Schedule "57".

CHARACTER OF SERVICE

Service under Rate Schedule "57" shall be considered Interruptible Service. Interruptible Service shall be available only to the extent that Greater Dickson Gas Authority 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 Greater Dickson Gas Authority, all conditions imposed by a supplier of Greater Dickson Gas Authority on the use of such Interruptible Gas shall likewise apply to such Customer as if Greater Dickson Gas Authority imposed the condition on Customer.

Gas purchased under Rate Schedule "57" 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 Greater Dickson Gas Authority and shall not be resold by the Customer.

NET RATE

The net rate for service under Rate Schedule "57" for each billing period shall be the sum of the Customer Charge, Demand Charge, Commodity Charge, Storage Charge, Asset Management Charge, and Unauthorized Overrun Charge, each calculated as follows:

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| Customer Charge: | \$200.00 |
| Demand Charge: | \$0.2162 per therm of demand |
| Commodity Charge: For Firm Gas: | \$0.1679 per therm plus the cost per therm of gas sold to Customer; plus |
| For Interruptible Gas: | \$0.1679 per therm for the first 15,000 therms plus the cost per therm of gas sold to Customer; plus \$0.1286 per therm from 15,001 therms to and including 40,000 therms plus the cost per therm of gas sold to Customer; plus \$0.0957 per therm from 40,001 therms to and including 90,000 therms plus the cost per therm of gas sold to Customer; plus \$0.0693 per therm from 90,001 therms to and including 195,000 therms plus the cost per therm of gas sold to Customer; plus \$0.0498 per therm from 195,001 therms to and including 350,000 therms plus the cost per therm of gas sold to Customer; plus \$0.0365 per therm from 350,001 therms to and including 750,000 therms plus the cost per therm of gas sold to Customer; plus \$0.0300 per therm for the excess over 750,000 therms plus the cost per therm of gas sold to Customer. |
| Storage Charge: | Fifty percent (50%) of the actual monthly weighted average cost of storage per therm for Greater Dickson Gas Authority multiplied by the monthly therms sold to Customer. |
| Asset Management Charge: | Currently applicable charge per therm from TEAC multiplied by the monthly therms sold to Customer. |
| Unauthorized Overrun Charge: | \$1.7325 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 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 "57" 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 "57" 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.

DETERMINATION OF DEMAND

For the purpose of Rate Schedule "57", demand shall be the daily quantity of gas previously set as Firm Gas by the Customer. On April 1 of each year, Customer may change the specified quantity of Firm Gas by written notice to Greater Dickson Gas Authority. Such requested change shall become effective on May 1 of each year.

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. 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 \$1.50 per therm for all such Unauthorized Gas taken. In addition to the penalty, 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. The existence of a penalty shall not be construed to give any Customer the right to take Unauthorized Gas.

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 that may be purchased, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may purchase. 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 "57" is subject to the curtailment provisions contained within Rate Schedule "90", Schedule for Interrupting and Curtailing Gas Service.