



## **City of Rocky Mount Administrative Policy**

### **Policy: Natural Gas Rate Schedule: Seasonal Firm Delivery Service**

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<b>Section:</b>	<b>Fees and Charges</b>	<b>Policy No. X.7.37</b>
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<b>Approved By:</b>	<b>City Council</b>	
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<b>Supersedes:</b>	<b>None</b>	

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### **SEASONAL FIRM DELIVERY SERVICE SCHEDULE SFDS**

#### **AVAILABILITY**

This schedule is applicable for seasonal commercial and industrial customers who consume eighty percent or more of annual volumes during the months of April through October and meet the minimum annual volume requirements. It is available to the extent that the City and the customer have adequate facilities, equipment, and pipeline capacity in place for transportation and delivery of such supply.

Natural gas delivery under this rate schedule shall be at a single or multiple points of delivery through a standard gas meter or meters provided by the City to record use for monthly billing.

#### **CHARACTER OF SERVICE**

The character of service provided by City to the customer under this Rate Schedule consists of firm natural gas delivery service during the months of April through October and sales service during the months of November through March. The City will deliver supply it receives from the customer, or supply provided by City, through upstream pipeline(s) for the customer's account on a firm basis under this Rate Schedule in accordance with the customer's scheduled and confirmed nominations and subject to the City's operating conditions.

Service is available to commercial and industrial customers in areas served by the City with a minimum annual volume of 12,000 therms of natural gas. The customer is expected to nominate and deliver the gas supply for its account each month based on the parameters of this schedule. To ensure system integrity, if possible, the City will make use of system supply to meet the customer's requirements. The customer will be responsible for the gas supply cost and related charges.

The customer is required to deliver volumes equal to 102% of their metered consumption in order to provide for fuel retention.

### **RATES AND CHARGES**

*April – October:*

Facilities Charge per Meter:	\$46.00 per billing month
Delivery Charges:	
First 20,000 therms sold or delivered to Customer's meter(s) each month:	\$0.23180 per therm
Over 20,000 therms sold or delivered to Customer's meter(s) each month:	\$0.13999 per therm
Capacity Charges (all therms):	\$0.20820 per therm

The customer will be responsible for all gas supply charges and rates necessary to deliver the customer's supply to the system city gate.

*November – March:*

Facilities Charge per Meter:	\$46.00 per billing month
Commodity Charges:	
First 100 therms metered each month:	\$1.28089 per therm
Over 100 therms metered each month:	\$0.98365 per therm

Plus the Purchased Gas Adjustment if any for all therms metered each month.

### **PURCHASED GAS ADJUSTMENT**

The Purchased Gas Adjustment is a monthly adjustment to the per therm charge to all firm nonnegotiable gas rate schedules. The adjustment is made each month by the Director of Energy Resources based on the difference between the estimated and actual cost of natural gas and includes a factor to adjust for abnormally cold or warm winters.

### **CUSTOMER NOMINATIONS (April – October)**

The customer shall submit First of Month (FOM) Nominations in writing to the City or its designated Asset Manager prior to the beginning of the calendar month under terms mutually agreed upon by the customer and the City. If the customer fails to provide FOM Nominations on a timely basis or in sufficient quantity that comports to reasonably expected values, the City shall compute FOM Nominations on the customer's behalf or, at the City's sole discretion, shall deem such nominations to be a value of zero for purposes of determining monthly imbalances.

### **MONTHLY BALANCING (April – October)**

Volumes of natural gas taken by the customer in excess of the customer's FOM Nominations shall be sold to the customer by the City at the Inside FERC first of month index for Transco Zone 3, plus the charges for gas delivered under Rates and Charges, plus \$0.02 per therm. Any customer use below the customer's FOM nomination shall be purchased by the City at the NYMEX Henry Hub last day of the month settlement less \$0.02 per therm. All imbalances are net of curtailment volumes.

### **CURTAILMENT**

Whenever curtailment of natural gas to a customer served under this rate schedule is required, the City shall issue a curtailment order to the customer specifying the time at which such curtailment is to be made. When restoration of service is permissible, the City shall similarly issue a restoration order specifying the time at which such restoration is to occur. The City will make every effort to provide a minimum of one (1) hour notice of curtailment. At the specified time of curtailment, the City shall shut off and lock out the gas meter to prevent any natural gas usage by the customer. At the end of the curtailment period the City shall contact the customer and restore the customer's gas service.

### **MINIMUM TERM**

Service will be provided for a term as mutually agreed upon by the customer and the City subject to an initial term that shall be for a minimum of one year.

A customer that switches from firm service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based

upon, but not limited to; their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

## **GENERAL**

Service rendered under this Schedule is subject to the provisions of the service regulations of the City.

## **PAYMENTS**

Bills are due when rendered and are payable within 21 days from the date of the bill. If any bill is not so paid, the City will impose a charge of 1½% per month, and if the bill has not been paid within 7 days of the due date, the City has the right to suspend service in accordance with its service regulations.

The customer shall also pay all applicable taxes, fees and assessments levied by governmental authorities having jurisdiction.

## **LIABILITY**

Gas shall be delivered to the customers if and when the City has the commodity available for delivery. The City shall not be liable for any interruption in the supply of such gas to customers resulting from non-availability, acts of God, strikes, power failures, line breaks, system repairs, system additions or improvements, accidents or catastrophes, tampering, or any cause beyond the reasonable control of the City.