



City of Rocky Mount Administrative Policy

Policy: Natural Gas Rate Schedule: Interruptible Delivery Service

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| Section: | Fees and Charges | Policy No. X.7.36 |
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| Approved By: | City Council | |
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| Supersedes: | None | |

INTERRUPTIBLE DELIVERY SERVICE SCHEDULE IDS

AVAILABILITY

This schedule is applicable for the delivery of natural gas to commercial, industrial and seasonal customers who 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 interruptible natural gas delivery service. 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 an interruptible 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 throughout the year, subject to periodic interruptions, to commercial and industrial customers in areas served by the City with a minimum annual volume of 200,000 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

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|--------------------------------|----------------------------|
| Facilities Charge per Meter: | \$250.00 per billing month |
| First 20,000 therms delivered: | \$0.2318 per therm |
| Over 20,000 therms delivered: | \$0.0518 per therm |
| Capacity Charge: | \$0.2082 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.

CUSTOMER NOMINATIONS

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

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 plus the charges for gas delivered under Rates and Charges, less \$0.02 per therm. All imbalances are net of curtailment volumes.

CURTAILMENT OR INTERRUPTION

Whenever curtailment or interruption 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.

PENALTY FOR UNAUTHORIZED USAGE DURING PERIODS OF INTERRUPTION

In addition to charges assessed pursuant to Rates and Charges and Monthly Balancing, the customer shall be subject to a minimum penalty of \$25 per therm for all volumes consumed during periods of service interruption plus any continuing costs incurred by City.

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 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.