

**MIDDLE TENNESSEE NATURAL GAS UTILITY DISTRICT  
TERMS AND CONDITIONS  
SALE OF NATURAL GAS**

**GENERAL OFFICE  
P. O. BOX 670  
SMITHVILLE, TN 37166**

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**RATE 80: INTERRUPTIBLE POOL PROGRAM**

**AVAILABILITY:**

- (1) Customer's purchase requirements must have a minimum actual or projected usage when not on curtailment in excess of 500 therms per day or 15,000 therms per month.
- (2) Customer facilities must be located in an area of Middle Tennessee Natural Gas Utility District (the District) where the customer's daily volumes can be served. Each application for service under this class will be reviewed individually. Each service, at a specific address will be considered a separate customer.
- (3) Customer must execute an Interruptible Pool Program Contract for an initial term of thirty-six (36) months which provides for the recovery of the cost of facilities provided by the District. The contract will be renewable on a rolling 12-month basis.
- (4) Service under this rate schedule cannot be converted to service under other rate schedules except as follows: With 60 days advance notice from buyer of requested change, service under this rate schedule may be converted to service under other applicable interruptible sales or transportation schedules on the anniversary date of initial service under this schedule only.
- (5) **Customer must have and maintain an alternative fuel system meeting their full requirements for use during natural gas curtailments.**
- (6) The District will purchase natural gas at the best available rates and pay pipeline transportation charges to move gas to the District's receipt points, or the customer may elect other pricing options that are provided herein.
- (7) No customer shall take Unauthorized Overrun Volumes. The existence of an Unauthorized Overrun Penalty shall not be construed and does not give customer the right to take Unauthorized Gas. In the event a customer does not curtail service when directed, the District may immediately suspend or terminate service and/or pursue any other remedy available to it under applicable law.

**RATE:**

The sum of the District's monthly commodity weighted average unit cost of gas including pipeline commodity transportation and pipeline fuel retainage plus:

Customer Charge	\$150.00	Month
First 60,000 therms	0.085	per therm
Next 100,000 therms	0.055	per therm
Over 160,000 therms	0.015	per therm

Unauthorized Overrun Penalty = All daily volumes taken by customer in excess of the District's curtailment directives (either complete or partial curtailment) are considered "Unauthorized Overrun Volumes". Unauthorized Overrun Volumes will be billed at \$2.50 per therm, plus applicable rate schedule charges plus the daily cost of gas as quoted in "Gas Daily", plus applicable pipeline commodity and fuel charges assuming delivery from the higher of High Common Price between Transco zone 5 del. South and Tennessee Gas Pipeline Zone 1, 500 leg in Gas Daily's "Daily Price Survey" for the day the violation occurred.

Payment Date = 15<sup>th</sup> of Month following month of delivery

Payment Means = All payments under this rate schedule shall be made by ACH or Bank Draft

Delayed Payment Charge = 5% if payment is made after Payment Date

Effective Date = October 1, 2022

Turn On and/or Reconnect Charge = \$500.00

**MEASUREMENT AND BILLING:**

- (1) The unit of volume for the purpose of measurement shall be by cubic foot.
- (2) The unit of volume for the purpose of billing shall be by therm.
- (3) The number of therms delivered by the District during any month at the point of service shall be determined by multiplying the number of measured cubic feet of natural gas delivered to the customer during said month by the "Unit Total Heating Value" of each cubic foot and then dividing the total by 100,000.

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**RATE 80: INTERRUPTIBLE POOL PROGRAM PRICING OPTIONS**

**AVAILABILITY:**

- (1) Customer may choose to elect alternative pricing options if they meet all requirements of the Rate 80 Interruptible Pool Program; provided, that the customer's contract with the District extends past the utilization date of the gas purchases using an alternative pricing option, or that the customer waives in writing the termination rights in the contract while pricing options are in effect.

**ALTERNATIVE PRICING OPTIONS**

**MONTHLY NYMEX SETTLEMENT PRICING:**

- (1) Customer may elect gas prices based on the monthly NYMEX settlement price instead of the District's monthly Weighted Average Cost Of Gas (WACOG).
- (2) Customer choosing this option will have all their gas usage for the month billed based on the monthly NYMEX settlement price.
- (3) Customer choosing this pricing option are still subject to any and all curtailments required by the District.
- (4) Requests for NYMEX settlement-based pricing can be requested for one to twelve months into the future.
- (5) NYMEX settle volumes will be billed by replacing the District's "monthly commodity weighted average unit cost of gas" with the price of the NYMEX settle price; plus 1/2¢/Dth, plus the cost of pipeline commodity charges, less fuel volumes retained by the pipelines.

**FIXED PRICE LOCK:**

- (1) Customer must have a minimum usage of 135,000 therms per month to utilize the fixed price lock option instead of the District's monthly commodity Weighted Average Cost Of Gas (WACOG).
- (2) Customer may elect to lock in fixed pricing for volumes up to 75% of their average monthly usage over the past 12 months.
- (3) All fixed-price locks must be in quantities of 100,000 therms per month per contract.
- (4) Requests for fixed-price locks that meet all requirements can be requested for one to twelve months into the future.
- (5) All volumes taken by the customer during the month over and above price locked quantities will be billed at the normal pool program rates.
- (6) Customer's choice of purchasing gas at a fixed price will have no impact on curtailments and customer must adhere to any and all curtailments required by the District.
- (7) Customer will pay any penalties imposed on the District by pipelines and suppliers from customers' price lock-related actions (such as not taking price-locked volumes).
- (8) The option of fixed-price locks is subject to availability based on the District's existing supply commitments.
- (9) Requests for fixed-price locks must be electronically mailed (with a confirming telephone call to 833-438-6864) to the District at least 10 days prior to the month of gas flow.
- (10) Locked-in volumes will be billed by replacing the District's monthly commodity Weighted Average Cost Of Gas (WACOG) with the price of the fixed-price lock; plus 3¢/Dth, plus the applicable pipeline commodity charges, less fuel volumes retained by the pipelines.
- (11) Customer will pay the full cost of all price-locked volumes, including any additional fees or charges that the District pays in association with executing the lock.

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**RATE 80: INTERRUPTIBLE POOL PROGRAM PRICING OPTIONS**

(12) Gas quantities price locked but not used by customer during the month will be purchased by the District from customer as follows:

<u>Purchase Percentages*</u>	<u>Price (Lower Of)</u>
0 to 2%	Locked Price or 100% of Low Daily Price
2% to 10%	Locked Price or 85% of Low Daily Price
10% to 20%	Locked Price or 70% of Low Daily Price
Over 20%	Locked Price or 50% of Low Daily Price

\*Percent of total locked volumes for the month

Daily Price = Price published each day of the month in "Gas Daily" for Tennessee Gas Pipeline Zone 1, 500 leg.

"Low Daily Price" = The lowest daily price published during the month.  
In the event that "Gas Daily" ceases to be published, the District and Customer shall mutually agree on a substitute pricing mechanism for the cash-out volumes.