

# **ROCKWOOD NATURAL GAS SYSTEM**

110 N. CHAMBERLAIN AVE.  
ROCKWOOD, TENNESSEE 37854

**Rate Schedule: IT-06, Date: April 28, 2006**

## **TERMS AND CONDITIONS FOR THE INTERRUPTIBLE TRANSPORTATION OF NATURAL GAS**

### **INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT:**

The Transportation Rate Service provided hereunder shall be for the purpose of providing natural gas transportation service to those Industrial Customers who purchase their natural gas supplies from third parties other than from Rockwood Natural Gas System (Rockwood) and have executed a "Natural Gas Interruptible Transportation Agreement".

### **AVAILABILITY:**

Transportation Services will be available on a Best Efforts basis to eligible large Industrial Customer's (Customer). Rockwood's facilities will be utilized to transport natural gas not owned by Rockwood to the Customer's interconnect point.

1. Customer's transportation requirements must meet a minimum usage, when not on curtailment, in excess of 1,000 Therms per day or 30,000 Therms per month.
2. Customer's use under this rate schedule shall not work a hardship on any other rate payer of Rockwood, nor adversely affect any other class of Rockwood's customers and further provide the Customer's use under this rate schedule shall not adversely affect Rockwood's natural gas purchase plans and/or effective utilization of the daily demands under Rockwood's natural gas purchase contracts with its suppliers.
3. Customer's interconnect facilities must be adjacent to Rockwood's existing mains and such main, in Rockwood's judgment, be adequate to serve the Customer's requirements without impairing service to other customers.
4. The natural gas shall be delivered through a single port of delivery and shall not be resold directly or indirectly, without the approval of Rockwood.
5. Customer understands that this is an Interruptible Transportation Service and that natural gas transportation may be interrupted or curtailed by Rockwood in accord with the Section 5 and 6 of the Natural Gas Interruptible Transportation Agreement.
6. Customer must have and maintain a standby or auxiliary fuel system suitable and adequate to supply Customer's total requirements in the event of curtailment of gas deliveries by Rockwood.

7. Customer must execute a standard Natural Gas Interruptible Transportation Agreement with Rockwood for a minimum term of twelve (12) months.
8. Service under this rate schedule cannot be converted to service under other rates schedules without a ninety-day (90) advance notice.

**MONTHLY RATES**

10 Therms equals 1 Dekatherm (Dkt)

The Customer agrees to pay a minimum monthly bill to Rockwood not to be less than \$2,500 per month regardless of the Customer nominations or consumption. The minimum monthly bill will be in full effect according to the expiration date as outlined in the Natural Gas Interruptible Transportation Agreement.

**Customer Base Rate**

(based on per month basis)

Customer usage is 60,000 Therms or less	\$600.00 per month
Customer usage is 60,001 to 100,000 Therms	\$400.00 per month
Customer usage is 100,001 or greater	\$200.00 per month

**Transportation Rate Schedule**

First 20,000 Therms per month	\$.095 per Therm
Next 40,000 Therms per month	\$.052 per Therm
Next 100,000 Therms per month	\$.031 per Therm
Over 160,000 Therms per month	\$.025 per Therm

Other adjustments, charges, and/or credits as determined by Rockwood along with applicable taxes shall be added to the above rates.

**All administrative fees charged to the Utility by Third Parties for the transportation of natural gas for the Customer shall be passed on to the Customer including a monthly administrative fee to be paid Rockwood of \$125.00.**

**UNAUTHORIZED OVERRUNS PENALTY:**

If during any month Rockwood delivers to the Customer a greater quantity of natural gas than what was nominated by the Customer, then the Customer acknowledges that such difference represents gas purchased from Rockwood and is subject to the Unauthorized Overrun Penalty of \$1.50 per Therm plus actual gas cost and any and all other costs associated levied against Rockwood by Upstream Pipelines and/or any other entity plus any taxation that is incurred by Rockwood.

**MONTHLY IMBALANCES:**

Monthly Imbalances shall be the net cumulative total of Daily Variances for the month. Each month the Customer and Rockwood shall “Cash Out” the actual monthly imbalance. If the monthly imbalance is due to an excess of scheduled quantities relative to actual deliveries to Customer, then the monthly imbalance shall be considered a “Positive Imbalance”. This will require Rockwood to purchase the excess natural gas at rates established in Section 11 of the Natural Gas Interruptible Transportation Agreement.

If the monthly imbalance is due to an excess of actual deliveries to Customer relative to scheduled quantities, then the monthly imbalance shall be considered a “negative” imbalance and Rockwood shall sell to the Customer, and the Customer shall buy from Rockwood, gas at rates established in Section 11 of the Natural Gas Interruptible Transportation Agreement.

**PAYMENT TERMS:**

All bills are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date specified on the bill. Payments received after that date shall be for an amount which shall be greater by ten percent (10%) than the net billing.

**BILLING ADJUSTMENTS:**

Bills for Transportation Services hereunder are subject to adjustments, charges, and/or credits as determined to be applicable and approved.

**METRETEK DATA COLLECTION EQUIPMENT:**

New Customer’s added to this rate schedule after September 1, 2002 shall be required to pay the Utility \$3,500.00 (applicable taxes not included) for the cost and installation of Metretek Data Collection Equipment. All new Customers’ shall also be required to pay the initial cost for the installation of any power and/or telephone lines. All new Customers’ will be responsible for all cost associated with the daily rate schedules necessary to maintain the power and/or telephone connection and daily operations.

**MEASUREMENT:**

1. The unit of volume for the purpose of measurement shall be based on one (1) cubic foot.
2. The unit of volume for the purpose of billing shall be by Therm.