

Rate Schedule "40"

FIRM LARGE COMMERCIAL AND INDUSTRIAL GAS SERVICE

DEFINITIONS

"Contract Amount" means the maximum amount of Firm Gas a Customer may purchase from Gibson County Utility District on any Day as established by a written contract between Gibson County Utility District and the Customer.

"Customer" means a person or entity contracting with or otherwise receiving services from Gibson County Utility District for firm gas service under Rate Schedule "40".

"Day" means a period of twenty-four ("24") consecutive hours, beginning and ending as outlined in the tariffs approved by the Federal Energy Regulatory Authority for the interstate transporters of Gibson County Utility District.

"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 Gibson County Utility District.

"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 "40" is available to any commercial or industrial customer provided:

- (a) The Customer is located within the service area of Gibson County Utility District; and
- (b) The Customer used more than 15,000 Therms in any one month of the previous Determination Period; and
- (c) 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 that 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 (c) during the previous Determination Period, service under Rate Schedule "40" 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 (c) to qualify for Rate Schedule "40".

For a Customer with no more than two meters at each location, if one meter meets the conditions imposed by (a) through (c) and qualifies for Rate Schedule "40", then both meters may be presumed to qualify for Rate Schedule "40". However, each meter will be billed separately under Rate Schedule "40".

CHARACTER OF SERVICE

Service under Rate Schedule "40" shall be considered Firm Service.

Unless otherwise approved by Gibson County Utility District, a Customer receiving service under Rate Schedule "40", after previously receiving service under Rate Schedules "35" or "38", shall not be allowed to return to service under Rate Schedules "35" or "38" until at least twelve months have elapsed since service was last received under Rate Schedules "35" or "38".

Gas purchased under Rate Schedule "40" 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 Gibson County Utility District and shall not be resold by the Customer.

NET RATE

The net rate for service under Rate Schedule "40" for each monthly billing period shall be the sum of the Customer Charge, the Demand Charge, and the Commodity Charge, each calculated as follows:

Customer Charge:	\$275.00
Demand Charge:	\$0.1100 per Therm of demand
Commodity Charge:	\$0.2598 per Therm for the first 15,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.2148 per Therm from 15,001 Therms to and including 30,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.1608 per Therm from 30,001 Therms to and including 50,000 Therms plus the cost per Therm of gas sold to Customer; plus \$0.1080 per Therm for the excess over 50,000 Therms plus the cost per Therm of gas sold to Customer.

PURCHASED GAS ADJUSTMENT

The cost per Therm of gas sold to Customer that is included in the Commodity Charge may be subject to the Purchased Gas Adjustment of Gibson County Utility District.

MINIMUM BILL

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge. The minimum bill will be billed for each monthly billing period beginning with the date of initial service and ending with the date service is terminated at the request of Customer, inclusive.

PAYMENT TERMS

Bills for service under Rate Schedule "40" are rendered monthly. Each bill rendered for service is due and payable on the date it is issued. The rates and charges under Rate Schedule "40" are net, the gross rate being ten percent ("10%") higher. In the event the current monthly 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 "40", the billing demand shall be the higher of (a) or (b) determined as follows:

- (a) The Contract Amount requested by Customer, or
- (b) The Contract Amount determined as follows:
 - (1) Customer billing demand determinate shall be the highest daily usage during the previous Winter Period as metered and reported to Gibson County Utility District by the telemetering equipment installed by Gibson County Utility District. Changes to the billing demand determinate of Customer will become effective on May 1 of each year.
 - (2) If Customer commences initial gas service under this Rate Schedule "40" and does not have a consumption history from other services provided by Gibson County Utility District, the billing demand determinate shall be computed by multiplying the month of highest consumption for the period to date by six percent. Gibson County Utility District will continue to make this calculation each month until Customer has a consumption history for a Winter Period. At that time, the billing demand determinate will be determined as described in (b)(1).
 - (3) If Customer has received gas service from Gibson County Utility District prior to receiving service under this Rate Schedule "40" but does not have daily telemetered records to determine peak day usage as described above, Gibson County Utility District shall use six percent of the Customer's highest monthly consumption for the previous Winter Period for the billing demand determinate.

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 Gibson County Utility District as to the available gas supply, the load factor or use pattern of the Customer, end use priority as may be specified by the 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 Gibson County Utility District that may from time to time be in effect.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under Rate Schedule "40" is subject to the curtailment provisions contained within the Rules and Regulations of Gibson County Utility District that may from time to time be in effect.