

TOWN OF BYHALIA
INDUSTRIAL and COMMERCIAL POLICY
FOR NATURAL GAS SERVICE

Phillip Malone, Mayor

Byhalia Mississippi

AUGUST 28, 2017

SERVICE

1.1 Scope

This Policy of Rules and Regulations is incorporated into the gas service contracts between The Town of Byhalia and its Industrial and Commercial customers and applies to all services receive from the Town of Byhalia, whether the service is based upon written, implies contract, signed applications, rate schedule, or otherwise. A copy of this Service Policy has been approved by the Mississippi Public Service Commission for all Industrial and Commercial Customers served by the Town of Byhalia. The Policy is open for inspection in the Office of the Town Clerk, at P.O. Box 412, 225 Mississippi Highway 309 South, Byhalia, Mississippi 38611. A copy of the Service Policy and Contract is available on the Town of Byhalia's website. The Town of Byhalia, Mississippi, a municipality in the State of Mississippi (hereafter referred to as Byhalia)

1.2 Intent

The intent of this Policy is to inform Industrial and Commercial Customers of the rates and procedure for obtaining natural gas service from the Town of Byhalia. The Town of Byhalia is a small (LDC) Local Distribution System located in the Northwest part of Marshall County, Mississippi and its distribution area encompass the Chickasaw Trail Industrial Park and parts of the Chickasaw Economic Development Area as approved by the Mississippi Public Service Commission.

This Policy may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, will have the same force as the present Policy as approved by the Mississippi Public Service Commission.

LARGE INDUSTRIAL CUSTOMERS

All Industrial Customers purchasing gas from Byhalia shall not be resold. All Industrial Customers will be required to have an Industrial Contract with the Town of Byhalia.

All gas supplied by the Town of Byhalia (hereafter referred as Seller) shall be sold by the (PGA) Purchased Gas Adjustment methodology. All gas sold will be firm service unless noted between the Industrial Customer (hereafter referred as Buyer) and the Seller. If the Buyers load is greater than 10 (MCF) thousand cubic feet per hour or total volume per month 5000 MCF, the Buyer shall make nominations to the Seller before the 25th of each month for the volume of gas requested the following month. The Seller shall delivery such gas to outlet side of the Sellers meter. The Buyers shall pay the Seller the cost of gas (under the PGA methodology) plus \$2.50 per MCF (Seller margin/transportation cost) per MCF for volumes up to 10,000 MCF per month, All volumes greater than 10.000 MCF per month shall be the cost of gas plus \$2.00 per MCF (margin/transportation cost).

All Industrial Customer having a demand greater than 10 MCF/hour (thousand cubic feet) or MDQ (Maximum Daily Quantity) greater than 240 MCF/day shall be billed by the Owner the applicable Demand Rate of \$ 2.50 per MCF for the MDD. Such maximum daily consumption volume for each month shall be determined by Seller in its sole discretion according to one of the following methods:

- 1) 1/20th of Customer's consumption during the current month:
- 2) By actual test: or
- 3) By demand meter,

Once 12 months of experience has been achieved, the MDD shall be the largest volume, determined as set forth above, during the most recent 12-month period.

Any Industrial Customer with a volume greater than 21,000 MCF per month and Load Factor greater than 85%, the margin/transportation rate shall be determined by the Mayor and Board of Aldermen and filed with the Mississippi Public Service Commission.

All Industrial Customers requesting a change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

Gas meter and any apparatus required for natural gas service shall be paid for by the Buyer. If the site requires cell or land line for telephone service for the meter, the Buyer shall furnish all such equipment. The Buy shall furnish to the Seller all necessary and proper utility easement and right-of-way must be granted to the Seller before any gas will flow.

When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility. Byhalia shall furnish firm and interruptible natural gas service as available to all Industrial Customers.

All Industrial/Commercial Customers shall make application for service at a new location or change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

All necessary and proper utility easement rights must be granted to Byhalia before any gas will flow.

When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility.

DEPOSITS:

Deposit shall be required on all Industrial/Commercial Customers. The deposit shall be calculated on the daily demand times the natural gas rates times 60 days. The deposit can be of the following:

- 1) Cash deposit
- 2) Surety bonds
- 3) Letter of Credit
- 4) Certificate of deposit to the Town of Byhalia and owner

SMALL INDUSTRIAL CUSTOMERS

Small Industrial Customers purchasing gas from Byhalia shall not be resold. All Industrial Customers will be required to have an Industrial Contract with the Town of Byhalia.

All gas supplied by the Town of Byhalia (hereafter referred as Seller) shall be sold by the (PGA) Purchased Gas Adjustment methodology. All gas sold will be firm service. If the Small Industrial Customer load is less than 5 (MCF) thousand cubic feet per hour or total volume per month of 2,500 MCF. The Industrial Rate as set by the Mayor and Board of Aldermen will apply. The Buyer shall pay the gas cost plus \$5.25 per MCF, plus customer charge of \$10.00 per month. The Seller shall delivery such gas to outlet side of the Sellers meter.

All Industrial Customers requesting a change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has

furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

Gas meter and any apparatus required for natural gas service shall be paid for by the Buyer. If the site requires cell or land line for telephone service for the meter, the Buyer shall furnish all such equipment. The Buy shall furnish to the Seller all necessary and proper utility easement and right-of-way must be granted to the Seller before any gas will flow.

When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility. Byhalia shall furnish firm natural gas service as available to Industrial Customers.

All Industrial Customers shall make application for service at a new location or change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

All necessary and proper utility easement rights must be granted to Byhalia before any gas will flow.

When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility.

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Cash deposit

Surety bonds

Letter of Credit

Certificate of deposit to the Town of Byhalia and owner

LARGE COMMERCIAL

Large Commercial shall be defined as having system facilities greater than 5 MCF per hour demand. All commercial Customers purchasing gas from Byhalia shall not be resold. All Commercial Customers shall have a Commercial Warehouse Contract with the Town of Byhalia. All gas supplied by the Town of Byhalia (hereafter referred as Seller) shall be sold by the (PGA) Purchased Gas Adjustment methodology. All gas sold will be firm service. The Commercial Customer (hereafter referred as Buyer) shall pay the Town of Byhalia (hereafter referred as Seller) the cost of gas based on the PGA methodology plus \$5.25 per MCF plus a demand charge of \$2.50 per MCF based on the equipment demand of the facilities. The Seller shall delivery such gas to outlet side of the Sellers meter.

All Commercial Customers requesting a change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

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When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility. Byhalia shall furnish firm and interruptible natural gas service as available to all Industrial Customers.

All Commercial Customers shall make application for service at a new location or change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

All necessary and proper utility easement rights must be granted to Byhalia before any gas will flow. All Warehouses shall (2) gas meters, one for the office complex (no demand) the other large meter for the warehouse.

When a new or expansion of a facility is planned the customer, or his representative, must consult Byhalia for the availability of natural gas to the facility.

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Surety bonds

Letter of Credit

Certificate of deposit to the Town of Byhalia and owner

SMALL COMMERCIAL

Small Commercial with less than 5 MCF per hour demand based on operating facilities shall not pay a demand. The rate for natural gas service shall be gas cost plus \$5.25 per MCF plus a customer charge of \$8.00 per month.

All Commercial Customers requesting a change existing service, may be made in the Office of the Town Clerk. "Making application for service" means the customer or representative has furnished the appropriate information, with all the necessary load and data to determine the rates and deposit. General discussion related to the building or project with an employee of Byhalia does not mean the customer made application for natural gas service.

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