

PART B

TERMS & CONDITIONS OF GAS SERVICE

Table of Contents

| | <u>Effective Date</u> | <u>Page</u> |
|--|-----------------------|-------------|
| 1.0 Definitions | 7-01-02 | B-2 |
| 2.0 Application for Service | 7-01-85 | B-2 - 3 |
| 3.0 Deposits Guaranteeing Credit | 11-19-97 | B-3 |
| 4.0 Payments | 7-01-97 | B-3 |
| 5.0 Choice of Rates | 7-01-85 | B-3 - 4 |
| 6.0 Metering | 7-01-89 | B-4 - 5 |
| 7.0 Accuracy & Testing of Gas Meters | 7-01-85 | B-5 - 6 |
| 8.0 Replacement of Meters And/Or Gas Service | 7-01-85 | B-6 |
| 9.0 Piping & Appliances | 7-01-89 | B-7 |
| 10.0 Force Majeure | 7-01-85 | B-7 - 8 |
| 11.0 Discontinuance of Service | 12-17-97 | B-8 |
| 12.0 Gas Leaks | 7-01-85 | B-8 |
| 13.0 Temporary Discontinuance of Supply | 7-01-85 | B-8 |
| 14.0 Installation of Service Pipes & Connections | 10-01-00 | B-8 - 9 |
| 15.0 Extension of Mains | 8-01-91 | B-10 |
| 16.0 Emergency or Stand-By Service | 7-01-85 | B-10 |
| 17.0 Easements | 7-01-85 | B-10 |
| 18.0 Point of Delivery | 7-01-85 | B-11 |

LAST REVIEWED: May 2003

PART B

TERMS & CONDITIONS OF GAS SERVICES

1.0 DEFINITIONS

1.1 Certain words as used in this filing shall be understood to have the following meanings:

- | | | |
|------------------------------|---|--|
| 1.1.1 "Customer" | - | Any person, groups of persons association, partnership, firm or corporation purchasing gas from the Commission. |
| 1.1.2 "Commission" | - | Greenville Utilities of the City of Greenville, North Carolina. |
| 1.1.3 "British Thermal Unit" | - | The amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at or near 39.2 Fahrenheit. |
| 1.1.4 "Ccf" | - | 100 cubic feet of gas. |
| 1.1.5 "Mcf" | | 1000 cubic feet of gas. |
| 1.1.6 "Extra Footage" | | Any additional footage, over one hundred (100) feet from the property line, required for natural gas service line installation. |
| 1.1.7 "Service Relocation" | | Relocation of natural gas service from the original installation point. |

2.0 APPLICATION FOR SERVICE

- 2.1 The Commission shall furnish service to applicants under the current rate schedules and in accordance with these "Terms & Conditions of Service". The Commission may require the signing of an application and/or

contract. Whether or not a written application or agreement is executed, the Applicant, by accepting the natural gas, agrees to be bound by the applicable schedule of rates and these terms and conditions as from time to time in effect.

3.0 DEPOSITS GUARANTEEING CREDIT

- 3.1 Before receiving gas service a Customer shall establish his credit to the satisfaction of the Commission in accordance with Part D, Customer Service Policy, of these Utilities Regulations.
- 3.2 The collection, retention, interest payment, and refund of all such deposits shall be in accordance with the Commission's Customer Service Policy as it may be amended by the Commission from time to time, for various utility services and class of users.

4.0 PAYMENTS

- 4.1 The Commission shall endeavor to have each Customer's meter or meters read at approximately monthly intervals to determine the consumption of gas. Bills are due when rendered, and subject to a 1% penalty if not paid by the due date. For additional information, refer to Utility Regulations, Part D, Customer Service Policy.
- 4.2 Bills are payable to any authorized office of the Commission or to any collector or collection agency duly authorized by the Commission, except that, when discontinuance of service for non-payment has been made, payment must be made at a Commission office. Payments shall be paid without regard for any counter-claim whatever.
- 4.3 The Commission reserves the right to apply any payment or payments made by the Customer in whole or in part to any account due the Commission by the Customer.

5.0 CHOICE OF RATES

- 5.1 If, at any time, more than one schedule is applicable to the Customer's service the Commission shall, at the Customer's request, assist in determining the rate believed to be most favorable to him. Another rate, if applicable to the service, may at any time be substituted, at the Customer's option, for the rate under which service is rendered; provided, that not more than one substitution of a rate may be made within a year and that such change shall not be retroactive.

- 5.2 The Commission, upon request, will provide any Applicant or Customer with a copy of the rate schedules and terms under which natural gas is supplied.

6.0 METERING

- 6.1 The Customer shall provide a suitable location satisfactory to the Commission for its metering equipment. This location shall be convenient and accessible at all times to the Commission's meter readers and other agents. This location shall conform with all local, State or Federal requirements which are applicable, and with the National Fuel Code (NFPA 54). Examples of acceptable locations include, but are not limited to, areas no less than three (3) feet from any ignition source, operational windows, and/or vents.
- 6.2 The representatives of the Commission shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for shutting off the flow of gas for reasons herein prescribed, for inspection of piping and appliances, and for inspecting, removing, repairing, or protecting from abuse or fraud any of the property of the Commission installed on the premises. Access shall be granted at all times for emergency purposes. Any metering equipment that is enclosed by building alterations, fencing or other structures, that restricts the Commission's representatives from reasonable and ready access to the meter for reading, testing and servicing shall be relocated by the Commission to a space on the premises at the Customer's expense. Should the Customer restrict the Commission's reasonable and ready access to its metering facilities, including restrictions created by animals, the Commission, following thirty (30) days written notice, shall discontinue service until such time that the restriction has been removed.
- 6.3 The Customer shall be liable to the Commission for damages to or loss of meters, connections, or other Commission property on the Customer's premises due to negligence or want of care on the part of the Customer, members of Customer's household, agents, or employees. The Commission may refuse gas service or suspend it, on refusal of legitimate access to the property or until any such damage or loss shall have been settled to the Commission's satisfaction.
- 6.4 Customer shall provide to the Commission the correct pressure required for their system's operation at the time of meter location or prior to meter installation. In the event incorrect pressure and/or size are provided by the Customer, the Commission reserves the right to charge a fee to the Customer for changing the meter size.

- 6.5 Natural gas is supplied by the Commission and purchased by the Customer upon the express condition that after it passes the delivery point it becomes the property of the Customer to be used only as herein provided; and the Commission shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said natural gas after it passes the delivery point; or for any loss or damage resulting from the presence, character, or condition of the piping or equipment of the Customer or for the inspection or repair thereof.
- 6.6 The gas supplied to any Customer, under any of the Gas Rate Schedules, shall not be remetered for sale either directly or indirectly, except upon written approval of the Commission.

7.0 ACCURACY AND TESTING OF GAS METERS

7.1 All meters shall be tested periodically by the Commission.

7.1.1 Upon written request by a Customer, the Commission will test meter without charge provided that such test will not be made more frequently than once in six (6) months. If test of meters are required by the Customer to be made more frequently than once in six (6) months, the Commission will require an advance payment, refundable if the meter registration is found to exceed 4%, as follows:

- (a) For residential meters rated up to 425 cubic feet per hour, \$10.00.
- (b) For commercial and industrial meters rated at more than 425 cubic feet per hour, \$25.00.

7.1.2 The Customer, or their representative, may be present when Customer's meter is tested.

7.1.3 A written report of the results of the test will be made to the Customer within 10 days after the completion of the test.

7.2 Meters in service may be tested by the Commission, or any other lawfully constituted authority having jurisdiction. When, as the result of such a test, a meter is found to be no more than 4 percent fast or slow, no adjustment will be made in the Customer's bills. If the meter is found to be more than 4 percent fast or slow because of incorrect calibration, the Commission will rebill the Customer for the correct amount as calculated for a period of not more than one hundred fifty (150) days for residential and twelve (12) months for Commercial or Industrial Customers.

7.3 Whenever it is found that for any reason other than incorrect calibration, the metering apparatus has not registered the true amount of gas which has been used by the Customer, or any incorrect bills have been rendered, billing adjustment will be made in accordance with North Carolina Utilities Commission Rule R8-44, basically as follows:

7.3.1 Overcharge

- (a) Entire interval if it can be determined; statutes of limitations applicable.
- (b) If interval cannot be determined, 12 months prior.
- (c) Estimate usage if exact usage cannot be determined.

7.3.2 Undercharge

- (a) If interval can be determined, Commission can collect deficient amount for maximum of 150 days for residential services, or 12 months for commercial or industrial services.
- (b) If interval cannot be determined, Commission can collect deficient amount for 150 days preceding date billing error discovered for residential services, or 12 months for commercial or industrial services.
- (c) Estimate usage if exact usage cannot be determined.

8.0 REPLACEMENT OF METERS AND/OR GAS SERVICE

8.1 Whenever a Customer requests the replacement of the service meter on Customer's premises, such request shall be treated as a request for the test of such meter, and as such shall fall under the provisions of Section 7.0.

8.2 Meters inactive for six (6) or more months will require City or County inspection prior to cut-on. The Commission reserves the right to remove meters that have remained inactive for twelve (12) or more months. Reinstallation of the removed meters will be at the Customer's expense.

8.3 The Commission reserves the right to charge a fee, calculated on a time/material basis, for service line relocations requested by the Customer.

9.0 PIPING & APPLIANCES

- 9.1 All piping, fixtures, and appliances on the Customer's side of the meter shall be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 9.2 The piping, fixtures, and appliances for which the Customer is responsible shall be maintained in conformity with all local, State, or Federal requirements which are applicable, and with the rules of the National Fuel Code. The nature and condition of this equipment shall be such as not to endanger life or property, interfere with the service to other customers or permit the passage of gas without meter registration, and it shall not be used for any illegal purpose. In violation of these conditions, the Commission may refuse service or discontinue service without notice until such violations are remedied by the Customers.

10.0 FORCE MAJEURE

- 10.1 The term force majeure as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, other extreme conditions of weather or temperature, arrests, the order of any court or government authority having jurisdiction while the same is in force and effect, civil disturbances, explosions, breakage, accidents to machinery or lines of pipe, freezing of wells or lines of pipe, temporary failure of gas supply, inability to obtain or unavoidable delay in obtaining material, equipment, including inability to obtain sufficient year-round firm natural gas supply from pipeline suppliers to meet the winter peak load, and any other cause whether of the kind herein listed.
- 10.2 In the event of either party being rendered unable, wholly or in part, by force majeure to carry out its obligations other than the obligation to make payment of amounts accrued and due at the time hereof, it is agreed that on such party's giving notice and full particulars of such force majeure in writing or by other means of communication to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of both parties, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for not longer period and such cause shall be so far as possible remedied with all reasonable dispatch.
- 10.3 Neither party shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of force majeure, as herein defined.

10.4 Such causes or contingencies affecting the performance by either party, however, shall not relieve it of liability unless such party shall give notices and full particulars of such cause or contingency in writing or by other means of communication to the other party as soon as possible after the occurrence relied upon, nor shall such causes or contingencies affecting the performance by either party relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting the performance relieve either party from its obligations to make payments of amounts then due in respect of natural gas theretofore delivered.

11.0 DISCONTINUANCE OF SERVICE

11.1 Service may be terminated in accordance with Customer Service Policy, Section 5.0.

12.0 GAS LEAKS

12.1 The Customer shall give immediate notice to the Commission of leakage of gas. No deduction on account of leakage shall be made from Customer's bills unless such leakage occurs as the result of fault or neglect of agents of the Commission. In case of leakage or fire, the cut-off at the meter should be closed and locked without delay and the Customer will be advised not to use light or flame in the vicinity of the leak. If the leak is found to be on the Customer's piping, the Customer is responsible for repairs.

13.0 TEMPORARY DISCONTINUANCE OF SUPPLY

13.1 The Commission may temporarily shut off the supply of gas to the Customer's premises after reasonable notice for the purpose of making necessary repairs or adjustments to mains or supply pipes and reserves the right to shut off the supply of gas without notice in case of an emergency.

14.0 INSTALLATION OF SERVICE PIPES AND CONNECTIONS

14.1 Upon application for connection between a gas main and a building to be supplied with gas, the entire installation of the gas service pipe and connections from the main to meter shall be made by the Commission.

This service pipe shall be of the size and type prescribed by the Commission. No service pipe shall be used to supply more than one meter location nor shall any service pipe be installed across private property

other than the premises of the building to be supplied with gas, except after special investigation and approval of the Commission.

- 14.2 The Commission will not install a service to a mobile home that does not have a permanently affixed foundation (i.e., tongue and wheels removed and a masonry underpinning). For mobile homes that are permanently affixed, the landowner's permission must be given, in writing, before a service will be installed.
- 14.3 A charge will be made for tapping gas mains and installing a service line to an approved meter set location, up to one hundred (100) feet from the Customer's property lines. Any additional footage or service lines necessary to reach the approved meter set point, over and above the 100 feet noted above, shall be charged to the Customer. All services will be sized by the Commission in accordance with Customer's estimated usage demand.
- 14.4 When, in the opinion of the Commission, an existing service is insufficient to supply new demands put upon it, the Commission will enlarge the facilities as necessary at no cost to the Customer.
- 14.5 When it is necessary to establish a special service connection or a service connection of temporary character, the cost of the entire connection and removal of same, less the salvage value of the returned material, will be charged to the Customer requesting same.
- 14.6 No bill will be rendered for any excess footage under this Section when the charge is less than \$2.00.
- 14.7 The Commission will own and control all service pipes and connections from the main to the meter including the meter connections.
- 14.8 The Customer shall make connection to the meter and show usage within ninety (90) days of service and meter installation. If the Customer fails to make connection and show usage, the Customer shall reimburse the Commission for the costs of installation of the service pipe, as well as the cost of the natural gas main, if extension of that main was required to serve Customer. If the natural gas service is installed for new construction, connection to meter and usage of gas must occur within ninety (90) days of the homeowner's request for activation of utility services.
- 14.9 If the Customer is required to reimburse the Commission in accordance with this section, paragraph 14.8, the reimbursement cost will be based on an average cost for service pipe installation and actual cost of main extension.

15.0 EXTENSION OF MAINS

- 15.1 Upon application for gas service, extension of mains will be made by the Commission in accordance with the provisions of this Section. All extensions will be the size and type prescribed by the Commission.
- 15.2 When specific buildings are to be served and there is evidence or assurance that gas will be used when made available, the entire extension will be made at the expense of the Commission, provided the cost is justified feasible.
- 15.3 The Commission will bear the cost of the entire extension only if the probable use of gas, and other related conditions, justify the investment and if the payback period is within seven (7) years and the net present value is positive. When the entire investment in the extension is not so justified, the applicant shall pay the Commission the estimated cost of the extension beyond the justifiable cost, or comply with any other option provided by the Commission that makes the extension feasible, prior to installation. No refunds from future taps along the main extension will be made.
- 15.4 These provisions shall not require the Commission to extend its mains across private property or in the streets that are not at established grade, nor prohibit the Commission from making extensions of mains of greater length than required herein.

16.0 EMERGENCY OR STAND-BY SERVICE

- 16.1 Gas service is not available to any Customer for equipment requiring an aggregate of more than 200 cubic feet per hour for emergency, stand-by, or intermittent alternate use, in conjunction with another fuel.

17.0 EASEMENTS

- 17.1 The Customer shall grant, or secure from property owner, the necessary easement to install and maintain all service piping and metering facilities, or such easement shall be assumed upon acceptance or service by Customer. If reasonable access by Commission personnel to service facilities is restricted, the gas service will be cut-off until restrictions are removed. No building can be constructed over a gas service line. Relocation of gas service or meter sets, to accommodate property modifications shall be at the full expense of the Customer and/or property owner.

18.0 POINT OF DELIVERY

18.1 The Commission shall install and maintain metering and regulating equipment. The point of delivery shall be the point where the Commission's service pipe crosses the boundary of the Customer's property and the Commission will not be liable to the Customer, or to any person whomsoever for any loss, damage, or injury to person or property resulting from said gas or its use after it leaves said point of delivery, all risk thereof and therefrom being assumed by the Customer, except when caused by the exclusive negligence or willful acts of employees of the Commission.