

POWELL-CLINCH UTILITY DISTRICT
Rocky Top, Tennessee

RATE SCHEDULE 40

INDUSTRIAL SERVICE - INTERRUPTIBLE

AVAILABILITY

This rate schedule is available to any commercial or industrial customer (Customer) of Powell Clinch Utility District (PCUD) for all purposes subject to the following conditions and requirements.

The Customer's property served under this rate schedule is located in the service area of PCUD.

Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others.

Availability of gas under this rate schedule is subject to adequate capacity being available from PCUD's existing gas mains.

Customer must maintain in usable condition facilities for substitute fuels capable of providing Customers normal gas service requirements during periods of curtailment of gas service. Customer facilities shall be subject to periodic inspection by PCUD to ensure compliance with this provision.

Within one (1) hour of having received verbal notice from PCUD, Customer shall cease using any portion of gas received under this rate schedule, which PCUD deems necessary to interrupt, and shall refrain from increasing the use of gas until permitted to do so by PCUD. PCUD shall have the right to cut off gas service to Customer in the event that Customer fails to curtail gas use in accordance with the PCUD's verbal notice of curtailment.

PCUD shall have the right to curtail all gas sold under this rate schedule when, in its sole judgment, conditions are such as to require such curtailment.

In the event that Customer fails at any time to comply with the above-described conditions, or fails to comply with a curtailment order, PCUD may at its discretion disqualify Customer from service under this rate schedule.

MONTHLY RATE

Customer Base Use Charge: \$200.00 per month

Commodity Charge: \$0.1250 per therm plus the cost of gas

Purchased Gas Cost Adjustment:

The above rates are subject to adjustment caused by changes in the cost of purchased gas in accordance with Service Schedule 10 Purchased Gas Adjustment Provision. Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated base rates. Customer and PCUD may mutually agree to lock-in pricing on certain volumes using NYMEX contract pricing plus the District's transportation costs provided such agreement is confirmed in writing. Customer may request to lock-in future natural gas pricing on the NYMEX for one to twelve months into the future. Lock-in pricing is available at the sole discretion of PCUD.

PENALTY FOR UNAUTHORIZED USE

Unauthorized gas is any gas consumed under this rate schedule during curtailment of gas service. No Customer shall take unauthorized gas. Customer must immediately notify PCUD if Customer has taken, or anticipates taking, unauthorized gas. In addition to the above rates, any unauthorized use of gas during a curtailment period shall be subject to a charge of \$1.50 per therm (\$15.00 per dekatherm) plus the cost of obtaining such unauthorized gas including all applicable connecting pipeline penalties or charges incurred. In the event of unauthorized use, PCUD may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of a penalty for unauthorized gas use shall not be construed to give Customer the right to take unauthorized gas. PCUD may at its discretion waive or reduce the penalty for unauthorized gas use on a non-discriminatory basis.

MINIMUM BILL

The Minimum Bill is the Customer Base Use Charge plus the monthly charge, if any, specified by a separate Facilities Cost Recovery Agreement.

MEASUREMENT

The unit of volume for the purposes of measurement shall be by the cubic foot. The unit of volume for the purpose of billing shall be by the therm. The number of therms delivered 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.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments

received after that date shall be for a gross amount which will be greater by ten percent (10%) than the net billing.

CONTRACT REQUIREMENT

Any Customer taking service under this rate schedule shall be required to execute PCUD's "Agreement for Interruptible Gas Sales Service" for a contract period of not less than one (1) year.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER

The above rates are based upon the supply of service to the Customer's premises through a single delivery and metering point and at a single pressure. Separate supply for the same Customer at other points of consumption or at different pressures shall be separately metered and billed.

For Customers receiving service under more than one rate schedule through one meter, the volumes delivered under each rate schedule will be determined as provided by the Rules and Regulations of PCUD.

VOLUMETRIC RESTRICTIONS

Any Customer taking service under this rate schedule may be subject to annual and/or monthly volumetric allocations established by PCUD.

PCUD reserves the right to prohibit the addition of any loads in excess of present loads without prior approval. Any Customer who violates these restrictions may be required to remove the excess load requirements or may have full service discontinued.

RULES AND REGULATIONS

All service under this rate schedule is subject to the Rules and Regulations of PCUD as may be revised from time to time.

PCUD reserves the right to revise, suspend, or terminate service to Customer under this rate schedule at any time upon PCUD's notice to Customer of the same.

Effective: March 1, 2018