

The monthly rate applied to all consumption shall be the monthly interruptible gas rate charged by BP Energy (stated in dollars per MCF) delivered to the City of Fairhope; plus a surcharge of \$0.50 per Mcf.

If consumption is less than 1,000+ Mcf, the rate shall be G2. Service hereunder shall be for a minimum initial period and thereafter from day to day until terminated. A notice of time of usage must be given to the city not less than twenty-four (24) hours prior to said usage time.

- (9) Manufacturing service rate—G8: Applicable to all industrial customers involved in the manufacture of various equipment items and other products, located inside and outside the corporate limits.
Monthly Rates:

Customer charge: \$329.18 per bill rendered.

All CCF (one hundred cubic feet): \$1.47 per CCF.

- (10) General rules and regulations:

- a. The above rates are those charged by the city and any additional charges levied by state or federal authorities, such as the four (4) per cent state utilities tax, shall be in addition to said rates.
- b. Bills are payable within ten (10) days from due date and, if not paid within such period, may be increased by an amount to be determined by council.
- c. When applicable, a service charge will be applied by the city gas department for calls made when interruption of service is not the fault of the city.
- d. Retail service to more than one premises (unless served through one meter) shall not be combined, nor shall it be shared with or resold to others.
- e. In the event the supply of natural gas to the city is curtailed or if the total supply is inadequate, only high-priority customers shall continue to receive service in accordance with the city's curtailment plan. A high-priority customer includes users of gas in a residence, small commercial establishment, school, hospital or similar institution, or any use where curtailment would endanger life, health, welfare or maintenance of physical property due to the unavailability of an alternate energy supply.
- f. Normal service and delivery pressure to the customer shall be determined by the pressure available in the city's mains at the customer's location and may be reduced as necessary by the city to comply with supplier and regulatory curtailment directives under the current Modified IV Category Plan. Where the customer's normal operational pressure requirements exceed the delivery pressure available, thus requiring the installation of increased compressor capacity, a pressure factor (corresponding to the psig) will be used to calculate the actual monthly consumption to be billed.
- g. In the event a maximum daily quantity (MDQ) overrun penalty is levied against the city, due, in part or in whole, to industrial delivery overruns, the industry will pay a daily overrun penalty of one dollar (\$1.00) per one hundred (100) cubic feet against all units in excess of the industry's established MDQ in addition to the established rate.

- (11) Gas rate adjustments: The foregoing retail rate schedules shall be subject to adjustment, if the wholesale rate goes up or down, the wholesale percentage will be passed through to the retail customer. Adjustments to the base retail rate schedules listed above shall be performed, in the absence of a formal rate hearing, in accordance with either one or both of the formulas set out below in subsection (10)a, gas cost adjustment (GCA), 10(b) labor cost adjustment (LCA), and (10)b, revenue requirement adjustment. A formal rate hearing shall be held at least once every two (2) years, or in the event that total adjustments to the base retail rate schedules reach or exceed twenty cents (\$0.20) per one hundred (100) cubic feet, to review and adjust the base retail rates above, and also the adjustment formulas as required.

- a. Gas cost adjustment (GCA):
Schedule GCA shall provide for the monthly fluctuation in wholesale purchased gas costs as reflected in the monthly quote received from BP Energy Company ("BP"). The GCA shall also account for any changes in monthly gas transportation costs. In the event schedule GCA results in a negative factor, such negative GCA factor shall be applied to each customer's monthly bill. All GCA factors shall be rounded off to the nearest one-hundredth of a cent (\$0.00) per one hundred (100) cubic feet sold. The GCA shall be calculated based on the current billing period's wholesale gas cost anticipated to be billed by supplier(s) (e.g., BP), plus anticipated gas transportation charges, adjusted to the retail billing level as follows: