



Gas Division Service Procedures (March 2018)

KNOXVILLE UTILITIES BOARD
KNOXVILLE, TENNESSEE
GAS DIVISION SERVICE PROCEDURES

I. SCOPE

The provisions of the *Gas Division Rules and Regulations* ("*Rules and Regulations*") and these *Gas Division Service Procedures* ("*Service Procedures*") shall apply to every *person* now or hereafter receiving *gas service* from *KUB*, and the acceptance of *gas service* shall constitute the *customer's*, *user's*, and if a different *person*, owner's agreement to be bound by the *Rules and Regulations* and these *Service Procedures*, provided however, that nothing contained in the *Rules and Regulations* and/or these *Service Procedures* shall affect or prejudice any rights of *KUB* under any existing contract, actual or implied, nor release or discharge any existing obligation to *KUB*.

All provisions of the *Rules and Regulations* and these *Service Procedures* affecting health and safety, including (without limitation) all provisions relating to inspection, general safety precautions for utilization, operation and maintenance of *KUB's gas system* (including but not limited to *Pre-Qualified Gas Contractor* requirements as required by the Code of Federal Regulations (CFR) for the Federal Department of Transportation), and rules governing installations, are for the guidance and benefit of *customers*, *users*, and if a different *person*, owners, and *KUB* shall not be responsible for the health and safety thereof, but *KUB* reserves the right, in its discretion, to refuse to furnish *gas service*, or to terminate *gas service*, where the *customer*, *user*, and if a different *person*, owner fails to comply therewith.

If any clause, sentence, paragraph, section or part of the *Rules and Regulations*, these *Service Procedures* or *KUB's Gas Division Rate Schedules* ("*Rate Schedules*") shall be declared invalid or unconstitutional, it shall not affect the validity of the remaining parts of the *Rules and Regulations*, *Service Procedures* or *Rate Schedules*.

KUB's Rules and Regulations, *Service Procedures* and *Rate Schedules* shall be applied without regard to race, color, age, religion, sex, or national origin. These *Service Procedures* shall become effective on the date they are adopted by the *President and CEO* of *KUB*.

II. DEFINITIONS

The terms used in these *Service Procedures* shall have the same meanings as set forth in the *Rules and Regulations* of which the *Rules and Regulations* are incorporated herein by reference, unless these *Service Procedures* clearly indicate a different intention.

Wherever the context shall require, words used herein in the singular shall include the plural, words used in the plural shall include the singular, words used in the masculine shall include the feminine, and words used in the feminine shall include the masculine.

Board shall mean the *KUB Board* of Commissioners, as appointed from time to time by the Mayor and City Council of the City of Knoxville, Tennessee.

Chief Executive Officer or President and CEO shall mean the *President and Chief Executive Officer* of the *Knoxville Utilities Board*.

Chief Operating Officer or COO shall mean the *Chief Operating Officer* of the *Knoxville Utilities Board*. The *COO*, subject to the supervision of the *CEO*, shall administer, implement, and enforce the provisions of the *Rules and Regulations*.

City shall mean the City of Knoxville, Tennessee.

Commercial and industrial use shall mean all uses with the exception of *domestic use* as defined in the *Rules and Regulations*.

Contribution in Aid of Construction (CIAC) shall mean a payment required of the *customer* for the extension of *KUB's gas system*.

Customer shall mean any *person* who receives *gas service* from *KUB* under either an express or implied contract requiring such *person* to pay *KUB* for such service. The term shall also include illicit *users* of *gas service* from *KUB*.

Domestic use of the *gas system* shall be defined and limited to single-family, multifamily, apartment or other *dwelling unit* or *dwelling unit equivalent* connecting to *KUB's gas system* and used for residential purposes only.

Dwelling unit shall mean any structure occupied by one or more *persons* of a single family for residential purposes. Apartment buildings and other structures occupied by more than one family shall be considered multiple *dwelling units*.

Fee is any amount levied that is: (1) infrequent in nature, and/or (2) generally not consumption based, and/or (3) set at the discretion of management of *KUB* as authorized by the *Board*, but does not include a *rate*.

Fuel line shall mean the line from the outlet of the meter center to the equipment utilizing *gas* on the *customer's, user's*, and if a different *person*, owner's *premises*.

Gas distribution main shall mean the principal or major pipe in the *gas system* conveying *gas* to *gas service lines* for distribution.

Gas Division or *division* shall mean the part of the *KUB* system having charge of the physical operation and financial oversight of *KUB's gas system*.

Gas service line shall mean the pipe, which leads from the *gas distribution main* to the shut-off cock; it does not include the *metering equipment*. The *gas service line* shall be operated and maintained by *KUB*.

Gas system shall mean all components for distributing and receiving gas, including but not limited to *gas distribution mains*, *gas service lines*, and *metering equipment*.

Gas and/or gas service means natural gas made available for consumption by *KUB* for its *customers*, *users*, and if a different *person*, owner for *domestic*, *commercial and/or industrial use* by delivering or distributing natural gas via the *KUB gas system*.

Knoxville Utilities Board, or *KUB*, shall mean the *Knoxville Utilities Board* of the City of Knoxville, Tennessee, or, as the context requires, the management of *KUB*, its contractors or agents.

Metering equipment shall mean the meter and all associated gas equipment such as meter connections, pressure regulators, piping, shut-off cocks, valves, gauges, and vents (collectively, the meter center).

Person shall mean any individual, partnership, firm, company, association, society, corporation, limited liability company, trust, estate, governmental entity, or any other legal entity, or its legal representatives, agents, or assigns. This definition includes all federal, state and local governmental entities and shall also include illicit *users* of *gas service* from *KUB*.

Point of Delivery shall mean the point at the outlet of the meter center, unless otherwise designated by *KUB*.

Pre-qualified gas contractor shall mean any contractor employee performing work on the *KUB gas system* in any of the covered functions set forth in the applicable parts of 49 Code of Federal Regulations (CFR) for the Federal Department of Transportation and/or *KUB's* Operator Qualification Program, provided such contractor employee is in a drug and alcohol testing program that meets the Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations, and such contractor employee is in compliance with the Operator Qualification Standard in 49 Code of Federal Regulations.

Premises shall mean any structure, group of structures, or property, whether occupied or unoccupied, operated as a single business, enterprise, or *dwelling unit*, but shall not include more than one *dwelling unit*.

Private gas system is any *gas system* owned and maintained by the *customer*, whose operation is regulated by entities other than *KUB* including but not limited to the applicable Tennessee state regulatory authority and the Federal Department of Transportation. The *gas use* of a *private gas system* shall be master metered by *KUB* at a central location.

Rate is any quantitative value used to determine an amount levied on a *customer* directly related to the provision and/or consumption of *gas* typically associated with utility usage, as set forth in a *Gas Division Rate Schedule* adopted by the *Board*.

Rules and Regulations means the rules and regulations adopted by the *Board* governing the operation and use of *KUB's gas system*.

Service Procedures means those governing procedures set forth in a document or document(s) adopted by the *President and CEO* implementing the *Rules and Regulations* for the *KUB gas system* and outlining the guidelines necessary to oversee the daily operation of *KUB's gas system*.

Standards and specifications shall mean a set of processes or procedures regarding certain aspects of the *KUB gas system*, which may be in effect from time to time, but may not be included in the *Service Procedures*.

User shall mean any *premise* having a connection to the *KUB gas system* or having access thereto. The term shall include illicit *users* of *gas service* from *KUB*.

III. REVISIONS

These *Service Procedures* may be amended, supplemented, or otherwise changed from time to time without notice with prior approval by the *President and CEO*. Such changes, when effective, shall have the same force as the other currently effective *Service Procedures*.

IV. CONFLICT

In addition to the *Rules and Regulations*, the following documents, listed in order of precedence, are hereby made a part of all contracts, and are enforceable through all contracts, actual and implied, for *customers, users*, and if a different *person*, owners receiving *gas service* from *KUB* and apply to all *gas services* received by *customers, users*, and if a different *person*, owners, whether the service is based upon contract, agreement, signed application or otherwise:

- i. the *Gas Division Rate Schedules*;
- ii. the *Rules and Regulations* as may be amended from time to time; and
- iii. these *Service Procedures*.

In the event of a conflict between the documents listed above, the order of precedence shall govern.

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KNOXVILLE UTILITIES BOARD

KNOXVILLE, TENNESSEE

GAS DIVISION SERVICE PROCEDURES

1. APPLICATIONS AND CONTRACTS FOR GAS SERVICE

1.1 GENERAL REQUIREMENTS FOR GAS SERVICE

- 1.1.1 A formal application for either original or additional *gas service* shall be made prior to *connection* or meter installation orders being issued and work being performed. This process may include the signing of the applicable standard *customer* contract, applying for service through *KUB's* website, or applying for service by contacting *KUB's* Customer Service Department. This should be done in advance of the date service is expected.
- 1.1.2 The use of *gas* by a *customer, user*, and if a different *person, owner* shall implicitly bind the *customer, user*, and if a different *person, owner* by the terms of the applicable standard contract form, the *Rules and Regulations*, the *Rate Schedules* and these *Service Procedures*, even though not actually signed by the *customer, user*, and if a different *person, owner*.
- 1.1.3 As a condition precedent to providing any *gas service*, the furnishing of which requires an investment by *KUB*, *KUB* shall have the right to require a *person* applying for service to sign a minimum bill contract, to make an advance deposit, to make a *contribution in aid of construction (CIAC)* or any combination thereof in such amount and for such period of time as is reasonably necessary to support said investment as determined by *KUB*, in its sole discretion.
- 1.1.4 If, for any reason, the *customer*, after signing a contract for *gas service*, does not take the *gas service* by reason of not occupying the *premises* or otherwise, the *customer* shall reimburse *KUB* for the expense incurred by reason of its endeavor to provide said *gas service*.
- 1.1.5 The receipt by *KUB* of a *person's* application for *gas service*, regardless of whether or not accompanied by a deposit, shall not obligate *KUB* to render the *gas service* for which applied. If the *gas service* applied for cannot be supplied in accordance with *KUB's Rules and Regulations*, these *Service Procedures*, and general practice, the liability of *KUB* to the *person* for not providing such *gas service* shall be limited to the return of any deposit made with *KUB* by such *person*.
- 1.1.6 Whenever an application is made for *gas service* to a *premises* with respect to which *KUB* knows there is a dispute as to the ownership or the right of occupancy and one or more of the claimants attempts to

prevent such service being furnished, *KUB* reserves the right, at its sole discretion, to adopt either one of the following two alternative courses:

- (a) To treat the applicant in actual possession of the *premises* to be served as being entitled to such service, irrespective of the rights or claims of other persons.
- (b) To withhold service, pending a judicial or other settlement of the rights of the various claimants.

1.1.7 *KUB* shall make available *gas service* to a *customer* by means consistent with good engineering practices and technical feasibility and in accordance with these *Service Procedures* and the *Rules and Regulations*. *Gas service* shall be made available to the *customer* based on i) uniform application of an economic analysis of the *customer's* value to *KUB* and ii) the technical feasibility of providing such *gas service*, with any cost of such *gas service* in excess of the *customer's* value to *KUB* being deemed a *CIAC*. *KUB* may, in its sole discretion, extend *gas service* to encourage economic development in accordance with the *Rules and Regulations*. *KUB* shall retain title, operate and maintain all *KUB gas system* facilities in accordance with the *Rules and Regulations*.

1.1.8 *KUB* will install, in a location which *KUB* will determine, a *gas service line* from the *gas distribution main* to the shut-off cock. The *customer* shall pay *KUB* the applicable service line installation fee as directed in Appendix A.

1.1.9 The *gas service line* shall be operated and maintained by *KUB*. Any maintenance of the *gas service line* shall be performed by *KUB* or its *pre-qualified gas contractor* who is qualified to perform the specific task under *KUB's* Operator Qualification Program. The *metering equipment* shall be the property of *KUB* and be maintained by *KUB* even though it is located on the *customer's*, *user's*, and if a different *person*, owner's *premise*.

1.1.10 The *customer*, *user*, and if a different *person*, owner is responsible for trimming and/or removing any impeding vegetation (including but not limited to any tree) prior to installation of *gas service*.

1.2 SERVICE AND EXTENSIONS

1.2.1 *KUB* shall make available *gas service* to a *customer* by means deemed consistent with good engineering practices and in accordance with the *Rules and Regulations* and these *Service Procedures*.

Gas service shall be provided to the *customer* based on technical feasibility and economic analysis, uniformly applied, of the *customer's* value to *KUB*, with any cost of such *gas service* in excess of the *customer's* value being deemed a *CIAC* for such *gas service*. *KUB* may,

in its sole discretion and in accordance with the *Rules and Regulations*, promote economic development by extending its *gas system* when it is determined to be in *KUB's* best interest to do so by *KUB*.

- 1.2.2 Gas service is normally limited to 1,000 British Thermal Units (BTUs) per cubic foot of heat content and approximately 0.6 specific gravity referred to as air, and at a nominal pressure of seven inches water column above atmosphere. *KUB* reserves the right to adjust the total heating value of gas as determined by the chromatograph located at the pipeline's transmission system, or located so as to measure the heating value of the gas delivered into *KUB's* distribution system, or any other method, at *KUB's* sole discretion. *KUB* reserves the right to furnish substitute or supplemental gas of different heat content and/or specific gravity either in the event of emergencies or for other reasons. Pressure specified herein is nominal pressure and *KUB* does not guarantee actual pressure.
- 1.2.3 For gas service at other than standard pressure, other than base delivery pressure, the customer shall confer with *KUB* regarding the type of gas service required. *KUB* will respond to the customer of its ability to meet such special requirements. The customer shall pay the cost of any special installation, which is made to meet the customer's particular requirements for gas service at other than standard pressure. Nothing herein shall obligate *KUB* to provide such special service. The unit volume of measured gas, for the purposes of measurement, shall be corrected for temperature and pressure. The temperature of the gas passing through the meters shall be determined at *KUB's* sole discretion by a temperature transducer, electronic temperature recording device, a recording thermometer, or any other method of gathering the temperature of gas, so installed that it may properly record the temperature of the gas flowing through the meters. The pressure of delivered gas shall be determined at *KUB's* sole discretion either by a recording device at the *metering equipment* location or by calculating the equivalent cubic foot of gas at the delivered pressure, using an assumed average atmospheric pressure adjustment of a quarter pound base delivery pressure measured as 0.25 pounds per square inch and assumed atmospheric pressure of 14.25 pounds per square inch (14.50 pounds per square inch absolute base pressure). Adjustments to delivery pressure are also subject to a review of the atmospheric pressure measurement of the area.
- 1.2.4 Extensions of *KUB's gas system* shall be offered by means deemed consistent with good engineering practices, the *Rules and Regulations*, and in accordance with these *Service Procedures*. *KUB gas system* extensions shall be provided based on technical feasibility. The financial investment *KUB* will make, if any, toward an extension of the *KUB gas system* will be equitably determined by *KUB*, at its sole discretion. In making such determination, *KUB* shall consider the total capital cost, anticipated revenues, estimated expenses associated with the

extension, availability of adequate capacity in the *KUB gas system* and any other economic factors *KUB* may deem appropriate under the circumstances. Unless otherwise agreed upon in writing, payment of any required *CIAC* or advance for construction shall be made prior to construction of the extension. *KUB* may enter into, at its sole discretion, a contingent refund agreement with the *person*. The refund credit, based on terms set forth in the agreement, will be calculated based on the economic value to *KUB*. The refund credit shall not exceed the amount of the advance for construction and shall be calculated based on *customers* added directly to the extension. Types of extensions include, but are not limited to, the following:

- a) individual residences,
- b) residential subdivisions,
- c) residential apartment buildings,
- d) residential condominiums,
- e) multiple housing units,
- f) mobile home parks,
- g) commercial buildings and/or commercial *customers*,
- h) industrial buildings and/or industrial *customers*, and
- i) business and industrial parks.

- 1.2.5 In accordance with the *Rules and Regulations* and these *Service Procedures*, *KUB* shall own and maintain all gas facilities furnished or installed by *KUB* up to the *point of delivery*.

1.3 CUSTOMER'S PIPING AND APPLIANCES - STANDARDS

- 1.3.1 All gas piping or equipment beyond the *point of delivery*, including but not limited to the *fuel line*, shall be owned and maintained at the expense of the individual property owner. In the case of new service installations or replacement or change of existing installations, all such piping and appliances shall be installed in accordance with the ordinances of the *City*, if located within the corporate limits of the *City*, or in accordance with the requirements of the applicable governing jurisdiction, such as Knox County or the Town of Farragut, if located outside the corporate limits of the *City*.
- 1.3.2 By furnishing *gas service* to a *customer*, *KUB* assumes no responsibility for ensuring that the *customer's* piping and/or appliance installations comply with the requirements set forth herein.

1.4 CHANGE IN SERVICE REQUIREMENTS

At *KUB's* sole discretion, *KUB* will modify the capacity of the same type service to accommodate changes in load. *KUB's* investment, if any, toward a change in *customer's* capacity will be based on economic feasibility to *KUB*.

2. UTILITY DEPOSITS

- 2.1 The *customer* shall deposit with *KUB* such reasonable sums of money as may be required by *KUB* as continuing security for the performance of the obligations contracted for by the *customer* and failure to make such deposit upon demand of *KUB* will give *KUB* the right to declare the contract, whether the contract is actual or implied, forfeited and to refuse or to terminate *gas service*.

The required deposit amount for *gas service* is set forth in Appendix A – Gas Deposits, Charges, and *Fees*. For residential *customers*, *KUB*'s deposit requirement amount shall not exceed twice the highest monthly bill (actual or estimated) as averaged for all residential gas *customers*. At *KUB*'s discretion, the deposit requirement may be waived for new or existing residential *customers* based on the *customer's* credit score.

At *KUB*'s discretion (primarily in cases of hardship), if a deposit is required, *KUB* may authorize residential *customers* to pay the utility deposit in multiple installment payments; however, the actual number of installment payments authorized will be at *KUB*'s sole discretion.

Once a residential deposit has been established, it will be held by *KUB* for a period of time until the *customer* achieves 18 months of consecutive payments without carrying a past due balance or being turned off for non-payment of bill. At that point, *KUB* may refund the deposit amount (including any earned interest) by crediting the *customer's* current bill.

- 2.2 Non-residential *customers* shall not be required to provide a monetary security deposit as set forth in Section 2.1 if (1) the *customer*, at the *customer's* expense, participates in and retains eligibility in a *KUB* approved utility insurance program, until service to such *customer* is terminated, or (2) the *customer*, at the *customer's* expense, furnishes *KUB*, and maintains in full force and effect until service to such *customer* is terminated, a certificate of deposit assignment, a bank letter of credit, or a surety bond guaranteeing the payment of all the obligations to *KUB* for utility or other services furnished by *KUB*, the form of which bond or letter of credit shall be approved by *KUB* and the provisions of which bond or letter of credit shall comply with the requirements hereinafter stated. The surety bond or letter of credit shall be signed by the *customer* as principal and by a responsible corporate surety company authorized to do and doing a general surety business in Tennessee. The sum of said utility insurance, certificate of deposit, bond or bank letter of credit shall not exceed two times the larger of the following amounts: (a) the highest monthly bill the *customer* incurred for utility services furnished by *KUB* during the preceding twelve-month period, or (b) the highest monthly bill for such utility services as reasonably estimated by *KUB*'s authorized representative for the ensuing twelve-month period. The surety company shall have no right to terminate its liability without giving *KUB* thirty (30) days prior written notice of its election to do so, and such termination shall not limit or otherwise affect the surety company's liability to *KUB* for utility services furnished to the *customer* prior to the effective date of such termination. Periodically *customer* accounts may be reviewed and additional security may be

required as deemed necessary by *KUB*.

At *KUB*'s discretion, if a deposit is required, *KUB* may authorize non-residential *customers* to pay the utility deposit in multiple installment payments; however, the actual number of installment payments authorized and the timing of such payments will be at *KUB*'s sole discretion.

- 2.3 Upon termination of the *gas service*, the deposit (including any earned interest) may be applied by *KUB* against any utility obligations of the *customer* to *KUB*, regardless of whether such obligations arose in connection with *gas service* or otherwise. Any part of the deposit which is not so applied will be refunded to the *customer* upon request. Prior to the termination of the *gas service*, the *customer* shall have no right to require that the deposit or any part thereof be applied to the payment of any obligation of the *customer* to *KUB*.

However, if the *customer* is involved in any bankruptcy, receivership, or other proceeding, and if the *customer* has any unpaid charges for utility service, the payment or collection of which is delayed, barred in whole or in part, or otherwise affected by such proceeding, the deposit may be applied by *KUB* to the payment of such charges. If the deposit is insufficient to pay all such charges, the deposit shall be applied to the payment of the charges in the order in which they were incurred, beginning with the oldest, unless *KUB* elects to apply the deposit in a different order of payment.

- 2.4 No deposit shall be transferable, assignable, or otherwise encumbered by the *customer*.
- 2.5 Except as otherwise provided herein, simple interest shall be paid on all *customers'* monetary deposits given as security for the payment of charges for *gas service* furnished, with said interest payment based upon the applicable interest rate as determined by *KUB*. No interest will be paid on the deposit unless continuous *gas service* is rendered for a period of at least six months, and no interest shall be paid on a deposit for any period or periods of time during which *gas service* is not being rendered.

Interest will be paid on *customer* deposits to be adjusted annually, effective as of January 1. The rate of interest to be paid shall be adjusted annually, effective as of each January 1 for the entire calendar year, using a floating interest rate determined by taking the mean average of all 26-week United States Treasury Bill rates offered during the previous calendar year, minus .0025. If at any time the calculation falls below .0025, the interest rate for the entire calendar year will be 0%.

- 2.6 The deposit balance (including earned interest) as well as the adequacy of such deposit shall be subject to review by *KUB* and upon request by the *customer*.

3. POINT OF DELIVERY

3.1 The *point of delivery* for *gas service* shall be the point at the outlet of the meter center, unless otherwise designated by *KUB*.

3.2 The location of *KUB's metering* equipment on the *customer's, user's*, and if a different *person*, owner's property shall not change the location of the *point of delivery*. All piping and equipment beyond the *point of delivery* shall be owned and maintained by the *customer, user*, and if a different *person*, owner unless otherwise agreed to in writing by *KUB*. *KUB* shall not be liable for any injury to *persons* or property on account of any defect or negligence in the installation, maintenance, or use of the *customer's, user's*, and if a different *person*, owner's equipment beyond the *point of delivery*.

3.3 SINGLE POINT OF DELIVERY

3.3.1 The charges under the *Gas Division Rate Schedules* are based upon the supply of *gas service* through a single *gas service line* and meter location.

3.3.2 At *KUB's* sole discretion, separate *gas services* for the same *customer* at a common location shall be permitted, provided said separate *gas services* do not conflict with the applicable Gas Code and are metered and billed separately. This type of *gas service* may be approved only in writing by *KUB*.

4. INTERCONNECTIONS

4.1 No interconnection of any kind shall be permitted between *KUB's gas system* and any *gas* or other fuel supply from any other source, nor shall any *gas* or other fuel supply from any other source be permitted to migrate into *KUB's gas system*, unless approved in writing by the Senior Vice President of Operations or the *President and CEO* and an authorized representative of the gas supplier. Additionally, *KUB* will require technical information, including but not limited to manufacturer drawings, equipment layout, and details concerning the transfer switching apparatus, in regard to the interconnection or *gas backup system*. *KUB* reserves the right to alter or modify the requesting party's plans to address safety concerns or *KUB's gas system* integrity.

5. INSPECTIONS

5.1 *KUB* shall have the right, but shall not be obligated, to inspect any installation before *gas* is introduced or at any later time. *KUB* reserves the right to refuse or terminate a *connection* to any *gas service* that is not in accordance with applicable *gas codes*, or which is not in accordance with any contract (actual or implied), the *Rules and Regulations*, these *Service Procedures*, or other requirements of *KUB*. Any failure to exercise this right shall not render *KUB* liable or responsible for any loss or damage resulting from defects in the installations, piping, or appliances, or from violation of the applicable *gas codes*,

or the provisions of any contract, whether actual or implied, or from accidents which may occur upon the *customer's, user's*, and if a different *person*, owner's *premises*.

- 5.2 *KUB* shall not be obligated to connect, reconnect, or render *gas service* to buildings or *premises* not approved for *gas service* until such time as approval for *gas service* has been rendered by the *City*, if located within the corporate limits of the *City*, Knox County or the Town of Farragut, if located outside the corporate limits of the *City* with the duty of issuing such approval.
- 5.3 Construction work on *KUB's gas system* shall at all times be subject to inspection by *KUB* to ensure that the work conforms to *KUB's standards and specifications*. No approval or inspection by *KUB* hereunder shall relieve a *KUB pre-qualified gas contractor* or a *person* who contracted with a *KUB pre-qualified gas contractor* of any liability for work performed on the *KUB gas system*.

6. RIGHT OF ACCESS

KUB shall be granted access to the *customer's, user's*, and if a different *person*, owner's *premises* at all times for the purpose of:

1. Reading meters;
2. Installing, testing, inspecting, repairing, operating, maintaining, removing, and replacing any *KUB gas system* component;
3. Clearing hazards away from *KUB's gas system*;
4. Inspecting and operating the *customer's, user's*, and if a different *person*, owner's *gas piping and equipment*;
5. Inspecting the *premises*; and
6. Providing notifications

in order to determine that *KUB's Rules and Regulations* and/or these *Service Procedures* implementing the *Rules and Regulations*, the regulations of the Federal Department of Transportation, and the regulations and requirements of the applicable Tennessee state regulatory authority are being complied with and to ensure compliance with applicable federal, state, and local law(s) and regulation(s).

In the event *KUB* needs to gain access to its *gas system* and the *customer, user*, and if a different *person*, owner has built a fence, planted landscaping, etc. that blocks *KUB* access that requires *KUB* to remove the barrier(s) to gain access to its *gas system*, *KUB* will not be required to repair/replace *customer, user*, and if a different *person*, owner property.

KUB reserves the right to refuse or terminate utility service where the *customer, user*, and if a different *person*, owner fails to comply with the right of access as described above. In addition, if a current *customer* fails to comply with the right of access as described above, *KUB* reserves the right to terminate said service by whatever means necessary with all costs borne by the *customer*.

7. BILLING

- 7.1 Bills may be paid at a *KUB* business office, by mail, at any *KUB*-authorized payment kiosk, or online via *KUB*'s website. Payments made on or before the past due date may be paid at any branch bank or other authorized payment location with which *KUB* has arrangements to receive such payments.
- 7.2 The bill is due when it is received. The past due date for payment of the bill shall be not less than 15 days from the date the bill is mailed.
- 7.3 Payments made after the past due date will be subject to a late fee. If the past due date falls on a day when *KUB* business offices are closed, the following business day will become the past due date. The late fee amount is set forth in Appendix A – Gas Deposits, Charges, and *Fees*. The late fee charged shall not exceed five percent (5%) for any portion of the bill paid after the net payment period.
- 7.4 In order to help *customers* budget their monthly bills, a budget payment plan is available to qualified residential *customers* and verified non-profit commercial *customers*. Full information concerning this plan is available upon request.
- 7.5 In the event bills are not paid on or before the past due date, *gas service* may be terminated in accordance with Section 9.1 and not resumed until all bills are paid. *KUB* shall not be liable for damages due to the termination of service at any time after the due date, even though payment of such bills be made on the same day either before or after *gas service* is actually terminated.
- 7.6 Failure to receive a bill will not release a *customer* from payment obligation, nor extend the due date.
- 7.7 *KUB* shall not be obligated to make adjustments of any bills disputed by the *customer* unless within ninety (90) days after the questioned bill is paid, the *customer* files with *KUB* a written objection to said bill specifying the basis for the desired adjustment. Any adjustments to a *customer's* bill will be in accordance with state law.
- 7.8 Except as may otherwise be provided in Section 9.1, *KUB* shall be under no obligation to extend the past due date because the *customer* disputes the amount of the bill or liability for the bill. The *customer* shall have the right to pay any disputed bill under protest provided the *customer* at the time of payment gives *KUB* written notice that the payment is being made under protest together with a written statement of the grounds upon which the *customer* questions the correctness of the bill; and any such payment thus made under protest shall not be considered a voluntary payment provided the *customer* files suit to recover the questioned payment within ninety (90) days after such payment under protest is made.

7.9 ESTIMATED BILL

- 7.9.1 *KUB* reserves the right to render an estimated bill to the *customer* on the basis of the best information available if any of the following occur:
- a) *KUB* or its agents are unable to obtain access to the meter during regular business hours;
 - b) An error occurs in the computation of the service bill;
 - c) *KUB* elects to read meters less frequently than each month to reduce meter reading expense.
- 7.9.2 If a subsequent meter reading shows that the estimated bill was based on an erroneous estimate of consumption, *KUB* may, at its sole option, either adjust the estimated bill to correct the estimate or make a compensated adjustment in a later bill, if such adjustment is deemed necessary by *KUB*.

7.10 BILLING – MEASUREMENT OF CONSUMPTION

- 7.10.1 All gas furnished by *KUB* shall be billed in therms or dekatherms. The number of cubic feet of gas furnished, as metered or estimated, shall be multiplied by the heating value per cubic foot to be determined as hereinafter provided.
- 7.10.2 The heating value per cubic foot shall be expressed in BTUs. Rounding shall be at the discretion of *KUB*, but shall be applied uniformly and consistently.
- 7.10.3 The calculation of heating value per cubic foot shall be determined from information provided by the interstate pipeline directly connecting to *KUB's gas system*, or if unavailable from such pipeline, then from such other sources as *KUB* deems applicable.
- 7.10.4 The heating value per cubic foot shall be calculated on an annual basis or more frequently if determined necessary by *KUB* in its sole discretion.
- 7.10.5 When calculated on an annual basis, the average heating value per cubic foot will be determined based on gas distributed by *KUB* during the applicable calendar year. The heating value calculated shall be effective on February 1 of the year following the calendar year on which the calculation is based.
- 7.10.6 When calculated on a basis other than annually, the period on which the calculation is determined and the period on which the calculation is applied shall be of similar length. The calculation shall be applied in a timely manner.

8. RATES AND CHARGES

- 8.1 All gas furnished by *KUB* shall be furnished at the applicable *rates* in effect at the time and as adopted by proper resolutions of the *Board*.
- 8.2 It is mandatory for the *customer* to notify *KUB* in writing of any change in use or condition that will effect a change in *rate* classification. In some cases, a written contract may be required.
- 8.3 In the event the *customer* does not give *KUB* notice of change in use or condition that will effect a change in *rate* classification, then *KUB* shall not be liable to the *customer* for any overcharges due to a failure of the *customer* to notify *KUB* of the changed conditions. In case the *customer* has so changed the conditions under which service is being used as to place the *customer* on a *rate* higher than the *rate* originally applied to the *customer*, the *customer* shall pay the difference in the two *rates* for the period of time during which the *customer* has been served at a lower *rate* than the *rate* properly applicable to the *customer's* service.

If quantity or use of *gas* for any *customer* should change to such an extent that *customer* no longer complies with the availability clause of the *Gas Division Rate Schedule* under which *customer* is being served or becomes qualified under the availability clause of another *Rate Schedule*, then the *customer* shall be changed to the applicable *Rate Schedule*. At *KUB's* sole discretion, certain *customers* may be required to execute a written contract to affect a change in *rate* classification and/or a change to the applicable *Rate Schedule*.

- 8.4 Should *KUB* determine that any *customer*, *user*, and if a different *person*, owner is not being served under the proper *Rate Schedule* applicable to the *customer's*, *user's*, and if a different *person*, owner's condition, *KUB* may likewise apply the proper *Rate Schedule* when facts justifying the change are brought to the attention of *KUB*.
- 8.5 If, after a *gas service* contract has been automatically extended and the *customer* requests and *KUB* agrees to change the *customer's rate* to correspond with the *customer's* new *gas* requirements prior to the anniversary date of the expiration of the contract, *KUB* shall have the right to bill the *customer* for all costs involved in any changes in the *metering equipment*.

9. TERMINATION AND RECONNECTION OF SERVICE

9.1 TERMINATION OF SERVICE BY KUB

- 9.1.1 If the *customer* does not make full payment by the past due date of the utility bill, the bill shall become delinquent. If the *customer* fails to make payment, or notify *KUB* of a disputed bill or make suitable payment arrangements, *KUB* will proceed with the following termination schedule:

- (a) *KUB* will include a termination of service notice to the *customer* on the next billing provided to the *customer* (by either the United

States Postal Service or via electronic notification if the *customer* has chosen electronic or paperless billing). The notice shall explain the *customer's* rights and remedies and offer an opportunity for the *customer* to dispute the reason for the termination.

- (b) A *KUB* representative will deliver a notice to the *premises* of the *customer* on the expiration date contained in the aforementioned termination notice giving the *customer* a one (1) day termination notice. If this collection effort proves unsuccessful, at *KUB's* sole discretion, the service may be terminated immediately.

- 9.1.2 Special counseling is available to *customers* who are experiencing hardship or have emergency circumstances. *Customers* relying on life-sustaining medical equipment at their *premises* should apply for *KUB's* Medical Priority Program. *Customers* who have applied for and been accepted into *KUB's* Medical Priority Program may be, to the extent possible, afforded special consideration and additional notification prior to any termination of service due to non-payment of the bill.
- 9.1.3 Such right to terminate *gas service* shall apply to all *gas service* received through a single service, even though more than one *person* is furnished *gas service* therefrom, and even though the delinquency or violation is limited to only one such *customer*.
- 9.1.4 Termination of *gas service* by *KUB* for any causes stated in the *Rules and Regulations* and these *Service Procedures* shall not release the *customer*, *user*, and if a different *person*, owner from liability for *gas service* already received or from liability for payments that thereafter become due under the minimum bill provisions or other provisions of the *customer's* contract, whether the contract is actual or implied.
- 9.1.5 *KUB* shall have the right to refuse to render *gas service* to any applicant whenever the applicant or any member of the household, company or firm to which such *gas service* is to be furnished, is in default in the payment of any obligation to *KUB* or has theretofore had utility service terminated because of a violation of the *Rules and Regulations* or these *Service Procedures*.
- 9.1.6 If *KUB* should for any reason begin to render *gas service* to an applicant to whom *KUB* has a good and valid reason for refusing to render such *gas service*, *KUB* shall have the right to terminate such *gas service* at any time after such *gas service* is begun, even though the *customer* does nothing to justify the termination of *gas service* during the time such *gas service* is being rendered.
- 9.1.7 *KUB* monitors weather conditions on a daily basis. Sources monitored may include the National Oceanic and Atmospheric Administration (NOAA), the National Weather Service (NWS), or local weather sources. In the event of extreme weather conditions, residential termination of *gas*

services for non-payment of the bill may be temporarily suspended until the expiration of extreme weather condition advisories and/or warnings.

9.1.7.1 As a general guideline, *KUB* may consider extreme heat-related weather conditions to include NOAA/NWS Excessive Heat Warnings/Advisories or when local temperatures are forecast to be above 92° Fahrenheit.

9.1.7.2 As a general guideline, *KUB* may consider extreme cold-related weather conditions to include NOAA/NWS Winter Storm Warnings or when local temperatures are forecast to be below 32° Fahrenheit.

9.2 TERMINATION OF SERVICE BY CUSTOMER

9.2.1 *Customers* who have fulfilled their contract terms and wish to terminate *gas service* must give at least one (1) business day notice to the effect, unless the contract specifies otherwise. Notice to terminate *gas service* prior to expiration of contract term will not relieve *customer* from any minimum or guaranteed payment under contract or applicable *Rate Schedule*.

9.2.2 Under no circumstances will the continuance or termination of *gas service* be used as a means of forcing the occupant of *premises* to surrender possession thereof.

9.2.3 When *gas service* is being furnished to an occupant of *premises* under a contract not in the occupant's name, *KUB* reserves the right to impose the following conditions on the right of the *customer* to terminate *gas service* under such a contract:

- (a) Written notice of the *customer's* desire for such *gas service* to be terminated may be required; *KUB* shall have the right to continue such *gas service* for a period not to exceed ten (10) days after receipt of such written notice, during which time the *customer* shall be responsible to *KUB* for all charges for such *gas service*. If *KUB* should continue *gas service* after such ten-day period subsequent to the receipt of the *customer's* written notice to terminate *gas service*, the *customer* shall not be responsible to *KUB* for charges for any *gas service* furnished after the expiration of such ten-day period.
- (b) During such ten-day period, or thereafter, the occupant of *premises* to which *gas service* has been ordered terminated by a *customer* other than such occupant may be allowed by *KUB* to enter into a contract (actual or implied) for *gas service* in the occupant's own name, upon the occupant's complying with the *Rules and Regulations* and these *Service Procedures* with respect to a new application for *gas service*.

9.3 LIABILITY FOR FAILURE TO TERMINATE A SERVICE

- 9.3.1 *KUB's liability shall be limited to the forfeiture of the right to charge a customer for gas that is not used but is received from a gas service line if, after receipt of at least ten days' written notice to terminate a gas service, KUB has failed to terminate such gas service.*
- 9.3.2 *Except to the extent stated above, KUB shall not be liable for any loss or damage resulting from a failure to terminate gas service. Customer shall rely exclusively on privately owned valves rather than on KUB terminating gas service.*

10. INTERRUPTION OF SERVICE

- 10.1 *In connection with the construction, operation, maintenance, repair, and extension of KUB's gas system, gas supply may be shut off without notice, when necessary or desirable as determined by KUB; each customer, user, and if a different person, owner must be prepared for such emergencies. KUB shall not be held liable for any damages from such interruption of gas service or for damages from the resumption of gas service without notice after any such interruption.*
- 10.2 *Customer, user, and if a different person, owner shall notify KUB immediately should the gas service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of gas. Such notice, if verbal, should be confirmed in writing.*
- 10.3 *KUB shall not be liable for personal injuries, including but not limited to death, or for any damages to equipment or property (real or personal) beyond the point of delivery, which may be caused by interruptions of gas service, or by fluctuations in pressure on KUB's gas system. The customer, user, and if a different person, owner shall be responsible for protecting the service from pressure fluctuations by installing automatic safety pilot lights, pressure regulators, and other protective devices after the point of delivery.*
- 10.4 *KUB will endeavor to furnish continuous gas service, and to maintain reasonably constant pressure, but KUB does not guarantee to any customer, user, and if a different person, owner any fixed pressure or continuous gas service.*

11. RESTRICTED USE OF GAS

- 11.1 *In the event of an emergency or other condition causing a shortage in the amount of gas for KUB to meet the demands on its gas system, KUB may, by a method deemed equitable by KUB, fix the amount of gas to be made available for use by customers and/or may otherwise restrict the time and purpose of gas use by customers. A time of gas shortage within the meaning of these Service Procedures shall be deemed to exist whenever the actual use or the reasonably anticipated use of gas in any day or other period of time exceeds the quantity of*

gas *KUB* can obtain or reasonably expects to obtain for such day or such other period of time.

- 11.2 When practical, the following priorities shall be observed when *KUB* finds it necessary or desirable to restrict the use of gas, with the highest priority of use listed first and subsequent uses following in descending order.
 - 11.2.1 Firm gas for residential uses, health care institutional use with overnight patient care, and, if applicable, emergency shelters.
 - 11.2.2 Firm gas for nonresidential use with not more than 1,500 therms consumption in any monthly billing period during all such billing periods for the 24 months previous to the curtailment.
 - 11.2.3 Firm gas for nonresidential use with more than 1,500 therms consumption and not more than 15,000 therms consumption in any monthly billing period during all billing periods for the 24 months previous to the curtailment, and except gas-fired boilers as specified below in 11.2.5.
 - 11.2.4 Firm gas for minimum gas requirements to protect plant facilities and inventories when the outside temperature is below freezing, and associated pilot usage necessary for plant protection heating equipment for all subsequent priorities for firm gas.
 - 11.2.5 Firm gas for nonresidential gas-fired boilers having over 500,000 BTU/hr input rating and that are equipped with a blower which provides all air for combustion to the boiler and total usage has been more than 1,500 therms but not more than 15,000 therms in any monthly billing period during all billing periods for the 24 months previous to the curtailment.
 - 11.2.6 Firm gas for nonresidential uses with more than 15,000 therms consumption in any monthly billing period during all billing periods for the 24 months previous to the curtailment.
 - 11.2.7 All interruptible gas.
- 11.3 The priorities specified herein may be superseded by any different priorities issued by the local, state, or federal government.
- 11.4 If a *customer* fails to comply with such restriction or curtailment, *KUB* may take such remedial action, as it deems appropriate under the circumstances including but not limited to temporarily terminating gas service or charging additional amounts because of the excess use of gas. If for any reason the exact amount of such excess usage cannot be determined, *KUB* reserves the right to estimate the amount of excess usage from the best information available.

12. RELOCATION OF AND CHANGES TO KUB'S FACILITIES

- 12.1 When a *customer* or owner desires to change the location of *KUB's* facilities and equipment on the *customer's* or owner's property in order to receive *gas service*, the *customer* or owner shall provide adequate easement rights as required by *KUB* for *KUB's* facilities. No applicant for *gas service* shall be entitled to such service until *KUB* has been furnished, at no cost to *KUB*, such indefeasible easement rights for such facilities at a location acceptable to *KUB*.

All persons having any interest in the property where such facilities of *KUB* are located shall be conclusively presumed to have agreed to the construction and continued maintenance of such facilities if at any time after the use thereof begins a continuous period of twelve months elapses during which no effort is made by the *customer* or by any *person* having an interest in such property to have such facilities removed or relocated.

- 12.2 Any *person* wishing to have *KUB's* facilities relocated for their convenience shall be entitled to have the facilities relocated only if (1) an easement for a suitable substitute location acceptable to *KUB* is provided at no cost to *KUB*, and (2) satisfactory arrangements are made with *KUB* for all expenses for any relocation work to be paid to *KUB*. Until arrangements acceptable to *KUB* are made for providing *gas service* to the *premises* served by such facilities, no *person* shall have the right to require *KUB* to remove any such facilities even though the facilities are not in active use at the time. Neither the *customer* nor any other *person* shall do anything on the property where such facilities are located, or allow any use thereof, which will endanger said facilities or which will create a hazard by reason of the location or use of such facilities.

12.2.1 When a public right-of-way is changed for the benefit of private interests and *KUB's gas system* must be adjusted to accommodate said change, the cost of such adjustments shall be paid in advance on a non-refundable basis by the requesting parties.

- 12.3 Any *customer* or owner whose *premises* do not extend to a public street right-of-way or other public right-of-way from which *gas service* can be safely and economically provided shall be responsible for providing and maintaining, without cost to *KUB*, an easement for *KUB's gas* facilities between the *customer's* or owner's *premises* and the public right-of-way from which such *gas service* is to be or is being provided. Such *customer* or owner shall also be responsible for providing and maintaining all *gas* facilities beyond the *point of delivery*, which facilities are not owned by *KUB*. This rule applies to all *customers* or owners present and future, including without limitation those occupying apartments, office buildings, condominiums, shopping centers, parks, projects, developments, subdivisions, and other similar land uses.

13. METERS

- 13.1 All meters and *metering equipment* installed by *KUB* shall remain the property of *KUB* unless otherwise agreed in writing by *KUB*.

- 13.2 *KUB* will install and maintain adequate *metering equipment* to measure the *gas* used in accordance with the applicable *Rate Schedule*.
- 13.3 When metering changes are made for the *customer's, user's*, and if a different *person*, owner's convenience, the *customer, user*, and if a different *person*, owner shall pay the estimated costs of making changes in *metering equipment* location, combining two or more *metering equipment* installations, or separating a single installation into two or more *metering equipment* installations. Any necessary changes in the *customer's, user's*, and if a different *person*, owner's piping and equipment shall be completed by the *customer, user*, and if a different *person*, owner before any changes are made by *KUB*.
- 13.4 In large commercial and industrial installations, the *metering equipment* installation shall be in accordance with any special agreements made relative to the service rendered.
- 13.5 Multi-meter centers shall be installed for *gas service* provided to townhouses and multi-unit structures including but not limited to apartments, condominiums, and mobile home parks. Multi-meter centers shall have permanent identification for each meter. The *person* developing the property shall furnish *KUB* with a floor plan and/or a site plan showing the identification of all units and the configuration of the multi-meter center. The *person* shall pay *KUB* the cost of making changes in *KUB's* records for any changes subsequently made to the property.
- 13.6 *KUB* will, at its own expense, make periodic tests and inspections of its *metering equipment* in order to maintain a high standard of accuracy. *KUB* will make additional tests or inspection of its *metering equipment* at the request of the *customer*. If such tests show that the *metering equipment* is accurate within two percent (2%), slow or fast, no adjustment will be made in the *customer's* bill and *customer* will be charged the cost of making such test. In case the test shows the *metering equipment* to be in excess of two percent (2%), fast or slow, an adjustment will be made in the *customer's* bill for such reasonable period of time prior to the date of such test, as determined by *KUB* in its sole discretion, and the cost of making test will be borne by *KUB*.

14. METER TAMPERING

- 14.1 Tamper means "to rearrange, injure, alter, interfere with, or otherwise prevent from performing a normal or customary function." With respect to the provision of *gas service*, no one shall perform the following specified acts with the intent to obtain utility services without paying the full charge, or with the intent to enable another *person* to do so, or with the intent to deprive the utility of its full lawful charges for utility services: (1) diversion of *gas service*, (2) preventing any *gas* meter or other device used in determining the charge for *gas service* from accurately performing its measuring function by tampering or by any other means, (3) tampering with any property owned by or used by *KUB* to provide *gas service*, and (4) connecting or reconnecting with property owned or used by *KUB* to provide *gas service* without the authorization or consent of *KUB*.

- 14.2 No one shall do anything which will in any way interfere with or prevent the proper registration of a meter. No one shall tamper with or work on a *gas metering equipment* without the written permission of *KUB*. No one shall install any pipe or device which will cause *gas* to pass through or around a meter without the passage of such *gas* being registered fully by the meter.
- 14.3 All *metering equipment* will be sealed by *KUB* for protection. No one, except authorized and qualified *KUB* employees, *KUB pre-qualified gas contractors*, or agents, shall cut, break, or otherwise remove a *KUB* seal on meters or *metering equipment*.
- 14.4 *KUB* will assess Revenue Protection and Recovery Charges against any *person* who tampers with or damages any *KUB gas system* component, including but not limited to *gas* meters or any device used to measure *gas* provided to a *premise*. Any such charges shall be set forth in Appendix A to these *Service Procedures*.
- The assessment of Revenue Protection and Recovery Charges pursuant to this subsection shall not preclude *KUB* from exercising any other right or pursuing any other remedy available by state law, specifically including but not limited to the remedies provided under T.C.A. § 65-35-101 et seq.
- 14.5 In the absence of an identifiable *customer*, the owner of any *premises* may be presumed to be the *customer* of such *premises* for purposes of these *Service Procedures* and *KUB's* remedies for meter tampering.

15. METERING EQUIPMENT LOCATIONS

- 15.1 *KUB* approval of *metering equipment* location(s) shall be obtained before the installation of any piping (e.g. *fuel line*, etc.).
- 15.2 The *customer* or owner of the *premises* shall provide a suitable location, satisfactory to *KUB*, for all *metering equipment*.
- 15.3 Metering equipment shall not be placed in a location that will subject it to undue exposure to heat, dampness, dust, dirt, accidental damage or severe vibration. The *customer* or owner shall provide adequate protection from pedestrian or vehicular traffic for the *metering equipment* as per *KUB's standards and specifications* and discretion.
- 15.4 *Metering equipment* must be located outside of buildings in areas that are easily accessible for inspection, reading, maintenance, repair and removal. *Metering equipment* shall be installed with a minimum clearance of three feet (3') from electrical or ignition sources, windows, vents, etc., which could pose a safety hazard. *Metering equipment* for apartments, offices, and other places of business may be installed inside of buildings in areas that are deemed suitable by *KUB* and the applicable governing authority and are easily accessible during all normal business hours.

- 15.5 When two or more meters are to be installed at one *premise*, such as an office building or apartment building, the meters shall be grouped in one common place, accessible at all times during normal business hours. The expense of installing such multi-meter centers, except for the immediate connections from the meter to the meter manifold, shall be borne by the *customer* or owner.
- 15.6 Except with the written approval of *KUB*, all *metering equipment* shall be located immediately adjacent to the point where the *gas service line* enters the building. In no event shall any portion of the *gas service line* inside the building be concealed in walls or otherwise nor shall any *metering equipment* be located above the first or ground floor.
- 15.7 Meters found to be located in positions not in conformity with the foregoing requirements shall be moved, at the expense of the *customer* or owner, to locations which do conform, when:
- (a) The *premises* on which the *metering equipment* is located is undergoing major structural alterations involving changes in the *gas* piping; and
 - (b) The *customer* or owner desires the meter to be relocated for their convenience; and
 - (c) Changes are made to the *premises* which make the *metering equipment* inaccessible or unable to vent properly; and
 - (d) A *customer, user*, and if a different *person*, owner is found to be preventing or avoiding proper registration by the meter.

KUB reserves the right to move a meter, at its own expense, to a more accessible location despite the fact *KUB* may have previously approved the location that is no longer desired by *KUB*.

16. RESPONSIBILITY FOR VIOLATION OF RULES AND REGULATIONS AND SERVICE PROCEDURES

- 16.1 Where *KUB* furnishes *gas service* to a *customer*, such *customer* shall be responsible to *KUB* for all violations of the *Rules and Regulations*, these *Service Procedures* and the *Rate Schedules* of *KUB*, which occur on the *premises* served or in connection with such *gas service*. Personal participation by the *customer* in any such violations shall not be necessary to impose such personal responsibility on the *customer*.

17. UNAUTHORIZED USE OR INTERFERENCE WITH GAS SUPPLY

- 17.1 No *person* shall operate any of *KUB's* valves or any of *KUB's* *gas system* without permission, qualification, or authority from *KUB*.

18. RESPONSIBILITY FOR KUB'S PROPERTY

- 18.1 All meters, meter *connections*, shut-off cocks, pressure regulators, and other equipment deemed to be owned by *KUB* shall be and remain the property of *KUB*. The *customer*, *user*, and if a different *person*, owner shall provide a space for and exercise proper care to protect any *KUB* property located on their *premises*. In the event of loss or damage to *KUB*'s property, the cost of necessary repairs or replacements shall be paid by the responsible party. The *customer* is also responsible for any protection of the *metering equipment* (e.g. bollards, fencing, etc.) as deemed necessary by *KUB* to prevent damage by vehicular or pedestrian traffic.
- 18.2 No *person* shall perform excavation without a valid TN811 locate request ticket. The Tennessee Underground Utility Damage Prevention Act specifies the requirements for safe digging and other work near utilities.

19. USE OF GAS SYSTEM ASSETS

- 19.1 The use of any physical assets of *KUB*'s *gas system*, including but not limited to rents of space within *KUB* facilities, shall be granted solely through written authorization of *KUB*. Compensation to *KUB* for the use of such physical assets shall be governed through a written agreement with such *person* or based on charges and *fees*, as set forth in Appendix A, whichever is applicable.

20. GAS SCHEDULE OF CHARGES AND FEES

- 20.1 The *Rules and Regulations*, as approved by the *Board*, delegate to *KUB* the authority to establish charges and *fees* for the operation of the *Gas Division* to the *President and CEO* of *KUB*. A listing of applicable charges and *fees* will be attached to these *Service Procedures*, and will be updated as necessary to reflect changes in business practices and economic factors. All changes to charges and *fees* will be approved by the *President and CEO*.

21. CONTRACT REQUIREMENTS

- 21.1 *KUB* may require contracts for *gas service*. Contract requirements for *gas service* provided under the *Rate Schedule* will be updated as necessary to reflect changes in business practices, economic factors, and the adoption of new and/or revised *Rate Schedules* by the *Board*.

22. NOTICE OF TROUBLE

- 22.1 *Customer*, *user*, and if a different *person*, owner shall notify *KUB* immediately should the *gas service* be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of *gas*. Such notice, if verbal, should be confirmed in writing.

23. RESALE SERVICE

- 23.1 No *person* shall resell gas from *KUB's gas system* without *KUB's* express written permission.

24. COMMUNICATION OF INFORMATION

- 24.1 *KUB* informs *customers* about *rates* and service practice policies by making such information available upon *customer's* application for service, at any time upon request of a *customer*, by providing this information on the *KUB* website (<http://www.kub.org>), and/or via other methods of communication.

When *KUB* initiates retail *rate* actions, *KUB* communicates via public statement issued through print media and/or via electronic media in order to reach the majority of *customers* in the *KUB* service territory. For example, retail *rate* actions initiated by *KUB* are publicly communicated via meetings of the *KUB Board of Commissioners*, as well as being documented in *Board* meeting agendas, minutes, and/or videos available on the *KUB* website.

Upon a *customer's* request, *KUB* will make available the *customer's* usage data for the prior 12 month period. By logging into their accounts on *KUB's* website, *customers* can at any time view the detailed usage data for the prior 12 months of service. Furthermore, upon request by the *customer*, the detailed information may be provided to the *customer* via other media.

APPENDIX A - GAS DEPOSITS, CHARGES AND FEES

UTILITY DEPOSIT

Residential - \$300 per *premise* (any combination of electric, gas, water and wastewater).

Non-Residential – per Section 2 of these *Service Procedures*.

Utility deposits are refundable per Section 2 of these *Service Procedures*.

NONREFUNDABLE CHARGES AND FEES

All charges and *fees* listed below in this Appendix are nonrefundable, unless otherwise determined by *KUB* in its sole discretion.

LATE FEES

Bills will be rendered on a regular billing cycle. In the event a current bill is not paid by the specified due date, an additional five percent (5%) shall apply to any unpaid amount of the bill.

PULSE METERING CHARGES

Initial installation charge.....	\$90.00
Annual charge per meter.....	\$120.00

SERVICE ORDER CHARGES AND FEES

Connection fees (any combination electric, gas, and/or water)

Residential – Business hours.....	\$40.00
Commercial and Industrial - Business hours.....	\$45.00
Residential – Non-business hours or same day request	\$60.00
Commercial and Industrial - Non-business hours or same day request	\$65.00
Multiple trips.....	\$40.00

Collection notification (door hanger) fee (eff. 9/1/2015).....\$ 8.00

Reconnection fees (any combination electric, gas, and/or water)

Residential – Business hours.....	\$40.00
Commercial and Industrial - Business hours.....	\$50.00
Residential – Non-business hours	\$80.00

Commercial and Industrial – Non-business hours	\$90.00
Multiple trips.....	\$40.00
<u>Energy audit</u>	\$150.00
<u>Returned payment fee</u>	\$25.00
<u>Service line installation</u>	
Service line riser less than 2"	not less than \$200.00*
Service line riser 2" and larger.....	not less than \$300.00*
Customer trenched service line installation.....	not less than \$100.00*

*Charges may be more than the minimum amount stated above due to additional costs related to long-side services or other factors necessary to provide service to the *customer*. Also, different charges may apply for *customer*-trenched installations as noted.

Excess Flow Valve (EFV) installation not less than \$500.00**

**The minimum charge listed above is for EFV installations on existing gas service lines. Charges in excess of the minimum amount may be incurred for additional costs related to asphalt/concrete cuts, difficult work site conditions or atypical circumstances.

REVENUE PROTECTION AND RECOVERY CHARGES

Tamper Fee (per event).....	\$375.00
Seal Tamper (alter, cut, or remove meter seal).....	\$50.00
Condemn at Main	\$500.00
(disconnect service line from <i>KUB</i> main)	
Damages to Equipment.....	Yes
Cost of materials (<i>metering equipment</i> , regulator, gas riser, gas inlet valve, lock, etc.)	
Estimated Usage.....	Yes

In addition to the above charges, *KUB* may also assess any damages as determined by a court of appropriate jurisdiction (see Section 14.4).