

PROPANE GAS POLICY

POLICY STATEMENT

Powell-Clinch Utility District (PCUD) will offer a propane delivery service for customers in areas where we do not currently have a natural gas distribution system.

ESTABLISHMENT OF SERVICE

To establish service, customer will complete an application for gas service in the presence of a PCUD representative or by telephone. Service may be denied to anyone who owes an outstanding bill from prior natural gas and/or propane service, or retail sale invoice with PCUD. Service may be denied if customer's equipment does not meet minimum safety standards adopted by PCUD.

Service shall be on a prepay basis. However, credit may be extended bulk customers with a PCUD tank based on: (i) previous satisfactory payment history with PCUD or (ii) customer voluntarily authorizes PCUD to obtain a consumer credit risk report from Online Utility Exchange and that report is satisfactory.

SETUP AND ACTIVATION FEES

Upon application for service, customer will be required to pay a non-refundable setup fee based upon the tank size:

500 gallon and smaller	\$200.00
1,000 gallon	\$200.00

For customers with an existing service line usable by PCUD setup fee will be reduced by 50%. Setup fee will include twenty-five (25) feet of service line. Footage in excess of twenty-five feet will be billed at \$3.00 per foot.

If a bore is required, there will be a minimum charge of fifty dollars (\$50.00). The minimum charge allows a three (3) foot bore. Any additional footage will be installed at eight dollars (\$8.00) per bored foot. Applicable taxes will apply. PCUD does not guarantee against damage from performing the bore.

A minimum purchase of 100 gallons of propane is required for initial tank set.

PCUD charges a non-refundable activation fee for all new accounts. Refer to PCUD's schedule of Service Charges and Fees for details.

ANNUAL TANK RENTAL

The tank rental fee will be due annually on July 1st and will be prorated for the initial year of service. Rental charge by tank size is as follows:

500 gallon and smaller	\$48.00
1,000 gallon	\$108.00

REFUND OF FEES

If PCUD determines that for safety reasons propane service cannot be provided to the customer, the setup fee and annual tank rental fee will be refunded. If customer cancels order for service before tank has been set, the annual rental fee will be refunded. If no onsite trip has been made to set the tank by a PCUD representative, the setup fee will also be refunded.

The General Manager or his/her designee will make the decision on whether we would refund a customer the setup fee and tank rental for any reason other than the above.

In the event customer is in the process of converting from propane to natural gas, the customer will not be billed the non-refundable annual rental fee for a period of ninety (90) days after making application for natural gas service. If at no fault of PCUD, natural gas will not be available within the ninety (90) day period, customer will be responsible for payment of the non-refundable annual rental fee. PCUD will make final determination based on the circumstances.

LOSS OF PROPANE

PCUD shall not be responsible for any loss of propane from customer owned tanks. Propane losses from PCUD owned tanks shall be refunded by PCUD, if at PCUD's sole discretion it is determined that the loss was attributable to a malfunction of PCUD's tank or related equipment. The volume refunded shall be determined by PCUD.

PROPANE RATES

The retail cost of propane gas will be established daily by the General Manager based upon current market conditions. The General Manager is authorized to discount propane retail pricing for commercial or industrial purchases.

EARLY FILL DISCOUNT

At its discretion PCUD may offer discount pricing to encourage customers to order propane in advance of the winter heating season. To qualify for the discount the following restrictions must be met; (a) tank size must be 250 gallons or greater, (b) minimum delivery of 100 gallons, (c) customer's account must be in good standing (no past due balance), (d) payment must be received within 10 days of delivery, (e) order must be placed by deadline set by PCUD. Deliveries of less than 100 gallons will be charged PCUD regular retail price and will be subject to the partial delivery charge.

PAYMENT OF BILL

The net amount of all deliveries is due upon receipt. If payment is not received within 10 days, the gross amount will be due. (Refer to the discontinuance of service policy)

PREPAY REQUIREMENT

Prepayment for propane deliveries is required for the following customers:

- Customer owned tanks (waived for existing customers with good payment history)
- Non-property owners
- Customers who have been locked for nonpayment within the past 12 months

RENTAL PROPERTY/LANDLORDS

In order to furnish service to a rental property, the property owner must give consent by signing a tank rental agreement. A property owner may establish a continuation of service agreement with PCUD for instances where a tenant terminates propane service. The disposition of propane in the tank shall be worked out between the landlord and tenant, and PCUD shall have no involvement in any such arrangement. The sale of excess propane by a tenant to PCUD is not allowed.

METERED SERVICE

PCUD will provide metered propane service to customers billed on a monthly basis. Customers electing this service will be billed for their monthly propane usage converted from cubic feet to gallons under a separate metered propane rate. A minimum monthly bill of \$10.00 shall also apply in addition to propane use. Annual tank rental shall not apply to metered customers. A deposit for service will apply unless waived in accordance with PCUD's deposit policy. If a metered customer is locked for nonpayment, PCUD may at its discretion terminate metered service and reclassify customer to prepay bulk delivery service. Metered customers in good standing may convert to bulk delivery service with no additional setup or activation charges

CUSTOMER OWNED TANKS

PCUD will provide service to a customer owned 120-gallon tank or larger if it meets all safety, state and federal regulations. If maintenance problems occur with the customer owned tank, PCUD will not be responsible for any repairs or loss of gas. Prepay service is required for all customer owned tanks, unless waived in accordance with the prepay requirement described above.

If service is provided to a customer who owns a tank and rents a PCUD tank at the same service address that customer will be subject to the prepay requirement.

PCUD will not require a charge to determine if there is a leak on a customer owned tank. If a customer owned tank is in need of repair, the customer will be billed current labor charge plus materials. Applicable taxes will apply.

SPOT LOCATION FOR TANK

PCUD will require all state and federal standards to be met with each tank setting. PCUD will determine the size of tank the customer needs based on equipment and size of home or building.

According to the National Fuel Code (NFPA-58), a 250, 330, or 500 gallon tank must be at least 10' away from any building or property line. A 1,000 gallon tank must be at least 25' away from any building or property line.

Service may be denied to a potential customer if PCUD determines the service location is not feasibly accessible, this includes driveway, bushes, trees, power lines, permanently parked vehicles and road condition. PCUD will not fill a customer's tank from a public roadway or from a customer's yard.

If a customer puts a fence around tank, the driver must visibly be able to see the top of the tank from the delivery truck. If maintenance is needed, it will be the customer's responsibility to make the tank accessible to PCUD.

DUAL SERVICE LINE FROM SINGLE TANK SETTING

If all state and federal safety standards are met, dual service from a single tank will be honored. Cost of gas and applicable sales tax will be determined by the service line with the majority of usage. If additional line is requested after initial service is established, customer will be billed current labor charge plus materials.

TEMPORARY SETTING OF TANKS

If the General Manager or his/her designee determines that it is in the best interest of PCUD to temporarily set a propane tank to serve a future natural gas customer, PCUD will waive the setup and rental fees.

If a customer is needing a tank set on a temporary basis, we will set a tank for the customer with a charge of two hundred dollars (\$200.00). The propane will be charged at the schedule delivery price. After tank is picked up, any propane left in tank will be refunded in accordance with the refund procedure for terminating propane tank service.

RELOCATING TANKS AND/OR RISERS

At the customer's request, tanks and/or risers may be relocated at the same service address if agreeable to both the owner and PCUD. Customers will be charged one hundred twenty-five (\$125.00) for the 1st hour of work. Any additional time will be billed at one hundred dollars

(\$100.00) an hour plus retail cost of material. Relocating fee may or may not be collected in advance. Applicable taxes will apply.

If a customer adds on to their house causing PCUD to have difficulty filling the tank, at PCUD's discretion it may be necessary to relocate the tank and relocation charges above will apply.

In the best interest of the customer and PCUD, it is **prohibited** for a customer to move the rental tank. In the event, customer moves PCUD's tank, a two hundred dollars (\$200.00) relocating penalty will be charged and service may be denied. PCUD will not be responsible for any loss of gas due to tampering or relocating of the tank by the customer.

INCREASING CUSTOMER TANK SIZE

In order to increase a customer's tank without a charge, the following requirements must be met. The customer will be allowed to increase a 250 or 330 gallon tank to a 500 gallon tank at no charge, provided the annual usage is at least 250 gallons. To increase from a 500 gallon tank to a 1,000 gallon tank at no charge, the yearly usage must be at least 500 gallons. If customer wants to increase their tank size and their usage does not exceed the number of gallons required by PCUD, the customer will be charged one hundred fifty dollars (\$150.00) in addition to an applicable pro-rated tank rental.

Upon determining that a customer could be served more economically by increasing the tank size, PCUD reserves the right to change the tank to a larger size without the customer incurring additional annual rental fee until the following July 1st. PCUD will determine if there will be a charge for downsizing a customer's tank.

RETAIL LP WALK-IN

Only cylinders that meet state and federal regulations will be filled. Customer are responsible for meeting state and federal transportation standards. Sales are subject to all applicable taxes. **Payment must be made at time of purchase.**

METHOD OF DELIVERY

In order for PCUD to make a propane gas delivery, all previous balances must be paid including retail sales. Delivery will be made on a customer "call-in" basis. Under normal circumstances PCUD will deliver call-in orders within five (5) working days excluding the day the call is received for scheduling the tank to be filled. **The minimum quantity for delivery is 100 gallons.**

Same day delivery

PCUD will make same day delivery on a best efforts basis. A customer requesting a same day delivery during normal working hours will be billed a fifty dollars (\$50.00) delivery charge. If

the delivery is after hours, holidays or weekends, a charge of one hundred twenty-five dollars (\$125.00) will be applicable.

Partial deliveries

Partial deliveries of less than 100 gallons will be charged an additional fifty cents (\$0.50) per gallon delivery charge. Same day and after hour delivery charges will be in addition to the partial delivery charge.

Regardless of the delivery method a customer chooses, PCUD does not guarantee our customers will never run out of propane.

OUT OF GAS PROCEDURES

If a customer run out of propane they should notify PCUD and ensure that all appliances and control valves are turned off. For PCUD to reestablish service upon delivery customer (age 18 or older) must be present so that PCUD personnel can perform a safety inspection and relight pilots. Otherwise PCUD will have to return to perform this service when the customer is present and an additional service call will apply. See Out of Gas Procedures Agreement.

TERMINATING PROPANE TANK SERVICE

Customer in whose name the service is furnished or any authorized persons to the account may request termination of service by mail, fax, email, telephone or in person at the business office of PCUD.

Tank will be picked up based on the PCUD's work schedule, weather, and property conditions. The customer will be responsible for all charges which accrue until PCUD is able to complete order. **At termination of service, the tank rental will not be refunded.**

When terminating service, the customer will have the following options:

1. Sell excess gas in tank to PCUD. This shall be the default option unless customer notifies PCUD they want to exercise option No. 2 below. PCUD will pay the customer seventy-five percent (75%) of the lesser of (i) the delivered price paid by the customer including discounts and excluding delivery charge, or (ii) PCUD's current delivered price for propane. PCUD will pump the excess propane, multiply the number of gallons times 75% of the delivered price and excluding delivery charges to determine amount of refund.

For example, if customer had ninety (90) gallons to sell back and the delivered price is \$1.99 per gallon, the customer will be refunded as follows:

$$\begin{aligned} \$1.99 \times 75\% &= \$1.49 \\ 90 \text{ gals} \times \$1.49 &= \$134.10 \end{aligned}$$

2. If customer and new owner are going to work out the sale of propane left in tank between themselves – customer must notify PCUD of this arrangement and that they give up all rights to the account including the propane in the tank. New owner will need to make an application for service and pay a nonrefundable activation fee to establish a new account with PCUD. PCUD will not be involved with the pricing agreement between the two parties. If within 30 days the new owner has not established an account with PCUD, the business office will make an attempt to contact the new owner. If we cannot contact the new owner, a work order will be issued to pump and pick up the tank. If we make a premise visit to pick up the tank and the new owner wants to come in and apply to keep the tank, they will be billed an additional fifty dollars (\$50.00) trip charge. Applicable taxes will apply.
3. After normal billing and payment procedures have proven unsuccessful, service personnel is dispatched to collect either the amount owed or to disconnect service. If a customer pays the amount due or if other payment arrangements are made on the site, a trip charge of twenty dollars (\$20.00) will be charged to the customer.

In the event customer is in the process of converting to our natural gas distribution system, customer will be reimbursed remaining propane at one hundred percent (100%) of delivered price and excluding delivery charge.

If payment is not collected, the service line will be locked and/or the tank regulator may be pulled. If the customer wants the tank turned back on, they will need to pay the balance due on the account plus a fifty dollar (\$50.00) reconnect fee. If it has been necessary to lock the customer due to non-payment in any twelve months, customer must prepay for any future deliveries.

If a tank has been picked up for non-payment and customer wants tank reinstalled, they will be charged a setup fee and annual tank rental as if a new customer. Until customer has proven credit worthiness, they will be required to prepay for gas deliveries.

If PCUD makes a premise visit to pick up the tank for non-payment and customer decides to keep the tank, customer will need to **immediately** pay the balance on the account plus a fifty dollar (\$50.00) reconnect fee and an additional trip charge of twenty dollars (\$20.00). Applicable taxes will apply.

PROPANE LABOR REPAIR CHARGE

PCUD provides service calls and repair service in accordance with its schedule of service charges and fees which is updates periodically. The customer will be charged actual time worked while on premise. PCUD will charge for all parts used in the repair. Applicable taxes will apply.

OMISSIONS

In the absence of specific rules or policies, the disposition of this policy shall be made by the Board of Commissioners or their designee in accordance with usual and customary practices.