

## **PROPANE GAS POLICY**

**ADOPTION DATE:** July 25, 1996

**EFFECTIVE DATE:** August 1, 1996

**REVISED EFFECTIVE DATE:** August 1, 2013

### **RESPONSIBLE FOR ADMINISTERING POLICY:**

Manager, Board of Commissioners

### **BACKGROUND AND PURPOSE**

Jefferson-Cocke County Utility District will offer a propane delivery service for customers in which we do not currently have a natural gas distribution system.

### **LIMITATIONS**

The Utility is subject to various state and federal regulations and has no discretion to provide utility service in a manner which would violate these regulations.

### **EMPLOYEE NOTICE**

Employees will receive notice of this policy in the following manners:

Each employee will have the policy explained to them and receive a personal copy of the policy.

### **POLICY STATEMENT**

To initiate service, customer will complete an application for gas service in the presence of a JCCUD representative or by telephone.

Service may be denied anyone who owes an outstanding bill from prior natural gas and/or propane service, or retail sale invoice with the District.

Service may be denied if customer's equipment does not meet minimum safety standards adopted by JCCUD.

**PROCESSING FEE**

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

<b>TANK SIZE</b>	<b>NONREFUNDABLE PROCESSING FEE PLUS SALES TAX</b>	<b>NONREFUNDABLE ANNUAL RENTAL FEE INCLUDES SALES TAX</b>
<b>250 Gal</b>	<b>75.00</b>	<b>36.00</b>
<b>500 Gal</b>	<b>75.00</b>	<b>36.00</b>
<b>1000 Gal</b>	<b>100.00</b>	<b>72.00</b>

Processing fee will include thirty (30) feet of service line. The General Manager or Manager’s designee will determine the cost per foot in excess of thirty (30) feet.

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 foot. Applicable taxes will apply. JCCUD does not guarantee there will be no damage performing the bore.

The tank rental fee will be due annually, the month in which the customer applied for service.

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 1000 gallon tank must be at least 25’ away from any building or property line.

If JCCUD determines that for safety reasons propane service cannot be provided to the customer, the processing 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 on site trip has been made to set the tank by a JCCUD representative, the processing fee will also be refunded.

The General Manager or designee will make the decision on whether we would refund a customer the processing 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 the Utility, 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. The Utility will make final determination based on the circumstances.

Customer will be quoted the price of propane gas as of the date application is made and fees are paid. JCCUD will honor this price only if fees are paid and they are allowed to set the tank at JCCUD's convenience. If customer request JCCUD to wait to set tank or that they will call us back to set tank when they are ready, customer will be responsible to pay the current price of propane at the time we set the tank.

Walk-in, residential, commercial and industrial 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 larger purchases.

### **TANK DEPOSIT**

**DEPOSIT:** Customer must own the property or pay a deposit on the tank as listed below:

250 gallon	250.00
500 gallon	350.00
1000 gallon	650.00

Property owner must give consent by signing form – JC-2101- in the presence of a JCCUD representative or notary public authorizing the Utility District to furnish propane service to the rental property.

When the service is terminated, the deposit will be applied to any account balance and the remainder, if any, will be refunded to the customer. Simple interest will be paid on the deposit at a one percent (1%) rate. On the customer's date of deposit, annual interest payment will be refunded. If a balance is due the Utility, the interest payment will be credited to the customer's account.

### **CUSTOMER OWNED TANKS**

The Utility will provide service to a customer owned 250 gallon tank or larger if it meets all safety, state and federal regulations. Regardless of tank size, customer will be charged an applicable non-refundable processing fee equal to a 500 gallon tank. If maintenance problems occur with the customer owned tank, JCCUD will not be responsible for any repairs or loss of gas. Customers who establish bad credit

habits with the District will have the option to pre-pay for gas deliveries and taken off the route system or pay a deposit equal to the current rate of a full tank of gas.

It will be prohibited to serve a customer who owns a tank and rents a JCCUD tank at the same service address.

The Utility 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**

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

Service may be denied a potential customer if JCCUD determines the service location is not feasibly accessible, this includes driveway, bushes, trees, power lines, permanently parked vehicles and road condition. JCCUD 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 the Utility District.

If the customer wants us to re-measure the footage of service line installed, JCCUD will charge a service charge if the Utility is correct. If the measurement is not correct, the customer will not be charged. Refer to rate policy.

### **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.

### **PAYMENT OF BILL**

Refer to equal monthly payment policy and collection policy.

The net amount of all deliveries is due upon receipt. If payment is not received by the 15<sup>th</sup> day, the gross amount will be due. (Refer to the discontinuance of service policy)

### **TEMPORARY SETTING OF TANKS**

If the General Manager or Manager's designee determines that it is in the best interest of the Utility to temporarily set a propane tank to serve a future natural gas customer, the Utility District will waive the processing and rental fees.

If a customer is needing a tank set for thirty days or less, we will set a tank for the customer with a charge of one hundred fifty dollars (\$150.00). The propane will be charged at the schedule delivery price. After tank is picked up, any propane left in tank will be refunded at eighty percent (80%) of the delivered price.

If a temporary tank is set and it is used for industrial employee training purposes, the one hundred fifty dollars (\$150.00) charge will be waived.

### **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 the District. Customers will be charged one hundred twenty five (\$125.00) for the 1<sup>st</sup> 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 us to have difficulty filling the tank, it may be necessary to relocate the tank and above charges will apply.

In the best interest of the customer and the District, it is prohibited for a customer to move the rental tank. In the event, customer moves a tank, a one hundred twenty five dollars (\$125.00) relocating fee will be charged and service may be denied. JCCUD 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 by both route system and call in customers. The customer will be allowed to increase a 250 or 330 gallon tank to a 500 gallon tank at no charge. To increase from a 500 gallon tank to a 1000 gallon tank at no charge, the yearly usage must be at least 600 gallons. If customer wants to increase their tank size and their usage does not exceed the number of gallons required by the Utility, the customer will be charged one hundred twenty five dollars (\$125.00) in addition to a two hundred dollars (\$200.00) yearly tank rental minus the pro-rated amount already paid for the current year.

Upon determining that a customer could be served more economically by increasing the tank size, the Utility District reserves the right to change the tank to a larger size

without the customer incurring additional annual rental fee until the following year's anniversary date.

JCCUD will determine if there will be a charge for downsizing a customer's tank

### **TEMPORARY TANK HOOKUP**

In the event a customer is switching their temporary to a permanent service, there will be a charge of one hundred twenty five (\$125.00) for the 1<sup>st</sup> hour of work. Any additional time will be billed at one hundred dollars (\$100.00) an hour plus retail cost of material. This charge may or may not be collected in advance. Applicable taxes will apply.

- . If it is not necessary to relocate the tank, the customer will be billed a seventy five dollars (\$75.00) trip charge and the installed price per foot for additional service line after installation. Applicable taxes will apply.

### **RETAIL LP WALKIN**

Only cylinders that meet state and federal regulations will be filled.

Customer will be required to meet state and federal transportation standards.

Payment must be made at time of purchase.

### **METHOD OF DELIVERY**

In order for the Utility to make a gas delivery, all previous balances must be paid including retail sales. Payments must be current if participating in the equal monthly payment plan.

Delivery will be made using a computerized route system based on prior usage and degree days or customers may elect to receive gas by the "call in" method.

#### **Call in customer**

Customers receiving gas by the "call in" method will receive a four cent (\$.04) per gallon scheduling discount if the District is allowed sufficient time five (5) working days excluding the day the call is received for scheduling the tank to be filled.

#### **Call in customer – Same day delivery**

A "call in" customer requesting a same day delivery will not receive a scheduling discount and a fifty dollars (\$50.00) delivery charge will be billed. If the delivery is after hours, holidays, weekends or if the delivery requires a four wheel drive truck, a charge of one hundred twenty five dollars (\$125.00) will be applicable.

**Call in customer - Unscheduled partial deliveries**

Unscheduled “partial” deliveries will be charged an additional twenty-five cents (\$.25) per gallon delivery charge with a minimum delivery charge of sixty dollars (\$60.00), whichever cost is greater. A charge of one hundred twenty five dollars (\$125.00) will apply if delivery is after hours, holidays and weekends. Discounts are not applicable to partial deliveries. Only deliveries for 100 gallons or more will be made.

**Route system customers – Customers requesting changes to regular route system deliveries**

Customers requiring our regular route system deliveries to be altered will be billed an administrative cost of twenty five dollars \$25.00. This does not guarantee same day or next day delivery.

**Route system customers – Unpaid bill**

Customers receiving gas deliveries by the computerized route system will receive a nine cents (\$.09) per gallon discount for the retail cost of propane and will not be charged a delivery fee for after hours, holiday or weekend deliveries unless it is due to an unpaid bill. The customer will then be charged an additional one hundred twenty five dollars (\$125.00) trip charge.

**Route system customer who refuses a delivery during normal delivery time**

Route system customers who refuse a delivery will not be eligible for the route system discounted rate for the next delivery and will be considered a “call in” customer. After receiving one delivery at the call in price, customer may be eligible to reapply for the route system. A route system customer cannot request a partial fill up.

A computerized route system customer may refuse the gas delivery in March of each year and not be reclassified as a “call in” customer.

**Route system customer on “once a year” delivery**

If a route system customer is on a “once a year delivery” and needs an additional delivery after the early fill, the first delivery will be at no delivery charge if JCCUD is given five (5) working days excluding the day the call is received for scheduling the tank to be filled. If the customer is unable to give us five (5) working days and the delivery is made in a regular truck, a delivery charge of fifty dollars (\$50.00) will be billed. If a four wheel drive truck is required for the delivery, the charge will be one hundred twenty five dollars (\$125.00). If an additional delivery is required in the same year, the customer will be taken off the “once a year delivery” and put on the normal computerized route system. If the delivery is after hours, holiday or weekend, the delivery charge will be one hundred twenty five dollars (\$125.00).

**Deliveries made with the 4 wheel drive truck**

JCCUD’s four-wheel drive truck should be used in emergency deliveries only. Any customer who requires a delivery with the four-wheel drive truck because of road

conditions, there will be a trip charge of one hundred twenty five dollars (\$125.00) if truck is available.

**Propane customer converting to natural gas**

In the event the customer is in the process of converting to our natural gas distribution system, the customer will be allowed partial deliveries for a period of ninety (90) days without additional delivery charges. Only deliveries for 100 gallons or more will be made. In the best interest of the Utility, this ninety (90) day period may be extended if conditions exist which prevent the Utility from completing the natural gas service to the customer.

**Regardless of the delivery method you choose, JCCUD does not guarantee our customers will never run out of propane.**

**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, telephone or in person at the office of the Utility.

Tank will be picked up based on the Utility's work schedule, weather conditions and property conditions. The customer will be responsible for all charges which accrue until the Utility is able to complete order.

At termination of service, the tank rental will not be refunded unless it is billed in the same month the tank was requested to be picked up.

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

1. Sell excess gas in tank to JCCUD. If customer chooses this option, the Utility will pay the customer eighty percent (80%) of the delivered price including discounts and excluding delivery charge. To choose this option, customer needs to inform us they wish to terminate the propane tank agreement and sell the excess propane to JCCUD. We will pump the excess propane, multiply the number of gallons times 80% of the delivered price 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:

$$\begin{aligned} \$1.99 \times 80\% &= \$1.59 \\ 90 \text{ gals} \times \$1.59 &= \$143.10 \end{aligned}$$

2. If customer and new owner are going to work out the sell of propane left in tank between themselves – customer will need to sign a transfer form which gives up all rights to the account including the propane in the tank. New owner will need

to make an application for service, sign an assumption form taking over responsibility of the account and pay a forty dollars (\$40.00) name change fee. JCCUD will not be involved with the pricing agreement between the two parties. If the new customer has not been in to sign the assumption form within 30 days, the 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 seventy five dollars (\$75.00) trip charge. Applicable taxes will apply.

3. After normal billing and payment procedures have proven unsuccessful, a service man 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 fifty dollars (\$50.00) will be charged to the customer.

If payment is not collected, the tank regulator will be pulled. If the customer wants the tank turned back on, they will need to pay the balance due on the account plus fifty two dollars and fifty cents (\$52.50) reconnect fee. If it has been necessary to pull the regulator twice due to non payment in any twelve months, customer will be taken off the route system and 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 processing 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 and not allowed to be on the route system

If JCCUD makes a premise visit to pick up the tank for non payment and customer decides to keep the tank, customer will need to pay the balance on the account plus a reconnect fee and an additional trip charge of seventy five (\$75.00). Applicable taxes will apply.

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

### **CUSTOMER MISCELLANEOUS PROPANE LABOR REPAIR CHARGE**

The minimum charge for all propane miscellaneous labor work will be forty dollars (\$40.00)-this includes a vehicle, serviceman, and the first one half ½ hour's work. Each additional quarter (1/4) hour or portion thereof will be eight dollars and seventy five cents (\$8.75). This equates to fifty seven dollars and fifty cents (\$57.50) for the first hour and thirty five dollars (\$35.00) each additional hour thereafter. After hours, weekend and holiday work will be fifty dollars (\$50.00) for the first one half (1/2) hour. Each additional quarter (1/4) hour or portion thereof will be thirteen dollars and

fifteen cents (\$13.15). This equates to seventy six dollars and thirty cents (\$76.30) for the first hour and fifty two dollars and sixty cents (\$52.60) each additional hour thereafter. The customer will be charged actual time worked while on premise. The District 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 in accordance with its usual and customary practices.

## **NEW PROPANE SERVICE**

**COMPUTERIZED ROUTE SYSTEM:** If you agree to be on the computerized route system, you will receive a .09 cents per gallon discount off L.P. deliveries if all requirements are met. Deliveries on the route system will begin each year in July and will end March 31<sup>st</sup>. If a delivery is needed after March 31<sup>st</sup>, it will be the responsibility of the customer to call for the delivery. Delivery can be refused in March if the customer has a sufficient amount of gas to complete that heating season.

**WE DO NOT GUARANTEE A COMPUTERIZED ROUTE SYSTEM  
CUSTOMER WILL NOT RUN OUT OF PROPANE.**

**JOB INSPECTIONS:** All job inspections must be scheduled by a customer service representative by calling Newport 423-623-3069 or Jefferson City 865-475-7911.

**PAYMENTS:** Payments may be made at the gas office Monday – Thursday from 7:30 am – 4:30 pm, and Friday 7:30 am – 4:00 pm. We have a night deposit for night, and weekend payments. We do accept Visa and Mastercard. You can also go to our website [www.jccud.com](http://www.jccud.com) and pay your bill.

**AUTOMATIC BANK DRAFT:** The Utility offers the automatic bankdraft to their customers as a cost free convenient way to pay their utility bills, tank rent, and retail sales that are billed over a twelve month period. The automatic draft program will provide each customer with the assurance their monthly payment is made on time. The customer must enroll by completing and signing an authorization form (JCCUD #100), and furnishing a voided check of the bank account to be drafted. Form must be received by the Utility within fifteen (15) days prior to next billing. If customer wishes to cancel the automatic draft program, you must notify the Utility fifteen (15) days prior to their next month's billing date.

**EQUAL MONTHLY PAYMENT POLICY:** The purpose of equal monthly payment policy is to extend to customers the opportunity to pay the total of their annual natural gas or propane gas bill in approximately twelve (12) equal monthly payments.

This policy is designed specifically to relieve customers from the difficulty of paying the higher natural or propane gas cost associated with increased winter consumption. You must have a twelve (12) month history of gas usage with the District and a zero account balance. Customers will be allowed to sign an agreement with the Utility in April and May of each year. A yearly review of accounts will be conducted in April and payments will be adjusted up or down as applicable. When yearly review is made and if the account shows a balance, this amount can be paid which will lower your budget for coming year or leave your balance which will make your budget amount higher. If a surplus exists, the customer will have the option to a refund or leave a credit on their account which will lower their budget amount for the coming year.

