



SCHEDULE 41
Base Rate Effective 5/10/2013 Billing

CITY OF SHELBY

RESIDENTIAL GAS SERVICE

AVAILABILITY

Gas Service under this rate is available for all residential purposes in individual residences and in individual units of multiple-family buildings located where City gas service is available.

CHARACTER OF SERVICE

Natural gas supplied under this schedule is sold on a firm basis only and shall be supplied through a single delivery point and be separately metered. Commingling of gas purchased under this schedule with gas purchased under other rate schedules is prohibited. All natural gas delivered under this rate is for the exclusive use of the customer and shall not be resold.

MEASUREMENT, BILLING AND PAYMENT

For measurement purposes, the volume of natural gas delivered under this rate schedule shall be measured in cubic foot units. Volumes of gas hereunder will be determined in accordance with the City's measurement base. For billing purposes, the volume of natural gas billed under this rate schedule shall be billed by the hundred cubic foot units (CCF).

RATE

The City of Shelby Natural Gas System Rates shall be set forth on Sheet No. 40 in this tariff and are incorporated herein by reference. The customer's total bill is calculated using the following components.

$$\text{Total Bill} = \text{FC} + (\text{U} \times \text{CR})$$

FC = Monthly Facilities Charge

U = Customer Monthly Usage in CCF

CR = Total Commodity Rate for the current period in CCF

The Total Commodity Rate is adjusted for each billing period by adding the Base Commodity rate to the average incremental cost of gas supply for the current period. This value is computed on a per dekatherm basis and converted to a per hundred cubic feet basis using the current heating value content of the gas. The Total Commodity Rate will be calculated each billing cycle and set forth on Schedule 40. The base commodity rate is shown below.

	<u>Base Commodity Rate</u>	
Residential	All Volumes	\$6.69/dekatherm