

## **PROPANE GAS POLICY**

ADOPTION DATE: July 25, 1996

EFFECTIVE DATE: August 1, 1996

REVISED EFFECTIVE DATE: November 1, 2022

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

Manager, Board of Commissioners

### **BACKGROUND AND PURPOSE**

Jefferson Cocke County Utility District (sometimes referred to hereafter as "The Utility") offers a propane gas delivery service for customers in areas where the Utility does have a natural gas distribution system at the time of installing a propane tank. The customer is responsible for payment of service and other duly authorized charges. The customer must also realize no phase of the operation is considered more important than safety.

Utilities in Tennessee must abide by the Public Records Act, Tenn. Code Ann. § 10-7-101 et. seq. Generally, this Act requires that most Utility documents must be open for public inspection by any citizen of Tennessee.

The Utility is run for the benefit of all present and future customers, and while no customer shall intentionally be treated unfairly, no customer shall be treated in a way that compromises the interests of other customers.

### **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 state and/or federal regulations.

### **EMPLOYEE NOTICE**

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

- 1) Each employee will have the policy explained to him/her and each will receive a personal copy of the policy.

## **POLICY STATEMENT**

At Jefferson Cocke County Utility District, no phase of the operation is considered more important than safety. The Utility may decline to provide propane delivery service where service is available when, in the Utility's judgment, the furnishing of service will create an unsafe or hazardous condition for, or may pose a substantial risk of harm to, the applicant/customer, the applicant's/customer's property, Utility employees, or the general public.

This policy applies whether the Utility chooses to: decline service on an initial application; terminate service during the Utility's provision of service; or decline service after service was previously terminated and the customer seeks a reconnection of service or reapplies for service.

## **INITIATION OF SERVICE**

To initiate propane delivery service, customer will complete an application for propane delivery service in the presence of a Utility representative or by a telephone call with a Utility representative.

## **TERMINATION OF SERVICE, DISCONTINUANCE OF SERVICE (CUT-OFFS) AND/OR DENIAL OF SERVICE**

### **MINIMUM SAFETY STANDARDS**

The Utility may decline to provide propane delivery service where service is available when, in the Utility's judgment, the furnishing of service will create an unsafe or hazardous condition for, or may pose a substantial risk of harm to, the applicant/customer (hereinafter "customer"), the customer's property, Utility employee(s), or the general public.

Prior to the Utility providing and connecting propane delivery service and setting a propane tank for a customer, the structure (building or improvement and its components, systems, fixtures, and appurtenances) must be in place, operational, and must have passed inspection by personnel from the Utility with the understanding the structure must contain the following:

- (a) a minimum of 800 square feet; and either
- (b) two (2) year-round appliances, or one (1) year-round appliance plus an attached vented or ventless heating system.

The Utility will not provide propane delivery service and will not set or service a propane tank to any "ready-removable" structure (building or improvement and

its components, systems, fixtures, and appurtenances) for use as residential, recreational, or emergency housing. "Ready-removable" is defined at Tenn. Code Ann. §68-126-303(9) and means a structure without any foundation, footings, or other support mechanisms that allow a structure to be easily relocated but which may include electrical wiring. Ready removable structures include, but are not limited to, stadium press boxes, guard shelters, or structures that contain only electrical, electronic, or mechanical equipment that are solely occupied for service or maintenance of such equipment.

The Utility may deny propane service or terminate propane service if the Utility determines the service location and/or the propane tank is not reasonably accessible to the Utility taking into consideration various factors including, but not limited to, bushes, trees, power lines, permanently parked vehicles, improvements made to the property, and driveway or access road conditions.

The Utility will not fill a customer's propane tank from a public roadway, from a customer's yard, or from any location on the customer's driveway, access road or elsewhere on the customer's property deemed unsafe by the Utility.

**APPLICATION/PROCESSING FEES, TANK RENTAL FEES, AND COST OF PROPANE**

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

<b>TANK SIZE</b>	<b>NON-REFUNDABLE PROCESSING FEE PLUS SALES TAX</b>	<b>NON-REFUNDABLE ANNUAL RENTAL FEE INCLUDES SALES TAX</b>
250 gallon	\$75.00	\$36.00
500 gallon	\$75.00	\$36.00
1000 gallon	\$100.00	\$72.00

The application/processing fee includes thirty (30) feet of service line. The General Manager of the Utility or the General Manager's designee will determine the cost per foot of service line 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. The Utility does not guarantee there will be no damage for its performing the bore.

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

for propane delivery 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.

No phase of the operation is more important than safety and if the Utility determines for safety reasons it is unable to provide propane service to a customer, then the processing fee and annual tank rental will be refunded to the customer.

If customer cancels the order for propane service before a propane tank has been set by the Utility, then the annual rental fee will be refunded to customer and, if no on-site trip has been made by a Utility representative, then the processing fee will also be refunded.

The General Manager of the Utility or the General Manager's designee will make the decision on whether the Utility will refund a customer the processing fee and/or tank rental fee for any reason other than referenced 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) days period, then customer will be responsible for payment of the non-refundable annual rental fee. The Utility will make a final determination based on the circumstances.

Customer will be quoted the price of propane gas as of the date application is made and processing and tank fees are paid by customer. The Utility will honor said quoted price only if all fees are paid by customer and the Utility is allowed to set the tank at the convenience of the Utility. In all other situations, customer shall pay the current price of propane gas at the time the Utility sets the propane tank (for example if customer requests the Utility to wait and set the propane tank or if the customer will call the Utility at a later date to set the propane tank).

Walk-in, residential, commercial and industrial cost of propane gas will be established daily by the General Manager of the Utility based upon current market conditions.

The General Manager of the Utility is authorized to discount propane gas retail pricing for larger propane gas purchases.

**TANK DEPOSIT FOR CUSTOMERS WHO ARE NOT OWNERS OF REAL PROPERTY WHERE PROPANE TANK IS SET**

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

250 gallon	\$250.00
500 gallon	\$350.00
1000 gallon	\$650.00

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

When the propane gas 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 PROPANE TANKS**

The Utility will provide service to a customer owned 250 gallon tank or larger if the tank 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, the Utility will not be responsible for any repairs or loss of gas. Customers who establish bad credit habits with the Utility 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.

The Utility will prohibit and not provide propane delivery service to a customer who owns a propane tank and also rents a JCCUD tank at the same service address.

The Utility will not require a fee to determine if there is a leak on a customer-owned tank. If the Utility determines a customer-owned tank is in need of repair, then the customer will be billed current labor charges plus materials and applicable taxes will apply.

## **SPOT LOCATION FOR PROPANE TANK AND MAINTENANCE OF TANK**

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

The Utility may deny propane service or terminate propane service if the Utility determines the service location and/or the propane tank is not reasonably accessible to the Utility taking into consideration various factors including, but not limited to, bushes, trees, power lines, permanently parked vehicles, improvements made to the property, and driveway or access road conditions.

The Utility will not fill a customer's propane tank from a public roadway, from a customer's yard, or from any location on the customer's driveway, access road or elsewhere on the customer's property deemed unsafe by the Utility.

If the customer puts a fence around a propane tank, the fence must not obstruct or prevent the driver of the Utility propane delivery truck from seeing the top of the propane tank from inside the delivery truck. It is the responsibility of the customer to ensure the Utility has reasonable access to the propane tank.

If a customer requests the Utility to re-measure the footage of service line installed, the Utility will charge a service charge to re-measure if the re-measure shows the Utility's initial measure is correct. If the re-measure by the Utility proves the initial measure was incorrect, then the customer will not be charged the service charge. 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 propane tank will be honored by the Utility. 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, the 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 Utility by the 15<sup>th</sup> day, the gross amount will be due. (Refer to the discontinuance of service policy).

## **TEMPORARY SETTING OF PROPANE TANKS**

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

If a customer needs and requests a tank set temporarily for thirty (30) days or less, the Utility will set a tank for the customer with a charge of One Hundred Fifty Dollars (\$150.00). The propane will be charged and billed at the schedule delivery price. After the Utility picks up the tank temporarily set, any propane left in the 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 by the Utility.

## **RELOCATING PROPANE 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 Utility. Customers will be charged One Hundred Twenty Five dollars (\$125.00) for the 1st hour of work performed by or on behalf of the Utility. 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 makes modifications to his/her house or structure thereby causing the Utility to have difficulty accessing and/or filling the tank, it may be necessary to relocate the tank and the above-referenced charges will apply.

In the best interest of the customer and the Utility, 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 by the Utility.

The Utility will not be responsible for any loss of gas due to tampering or relocating of the tank by the customer.

## **INCREASING CUSTOMER PROPANE TANK SIZE**

In order to increase the size of 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 the customer wants to increase his/her tank size and his/her 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 a customer could be served more economically by increasing the tank size, the Utility 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.

The Utility will determine if there will be a charge to the customer for downsizing a customer's tank.

### **TEMPORARY PROPANE TANK HOOKUP**

In the event a customer is switching his/her temporary service to a permanent service, the Utility will charge One Hundred Twenty-Five Dollars (\$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. This charge may or may not be collected in advance. Applicable taxes will apply.

If it is not necessary to relocate the tank when switching his/her temporary service to a permanent service, 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 propane gas delivery, all previous balances must be paid including retail sales. Payments must be current if participating in the equal monthly payment plan.

**Regardless of the method of delivery chosen by a customer, the Utility does not guarantee a customer will never run out of propane.**

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 cents (\$.04) per gallon scheduling discount if the Utility 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, on holidays and/or weekends or if the delivery requires the Utility to use 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, on holidays and/or 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 the Utility's 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 and/or weekend deliveries unless it is due to an unpaid bill. If there is an unpaid bill, the customer will 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, a 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 the Utility 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 (\$] 25.00). 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 and/or weekend, the delivery charge will be One Hundred Twenty-Five Dollars (\$125.00).

### **Deliveries made with a 4 wheel drive truck**

The Utility's four-wheel drive truck is used in emergency deliveries only. If a customer 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 the four-wheel 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. This ninety (90) day period may be extended if conditions exist which prevent the Utility from completing the natural gas service to the customer.

## TERMINATING PROPANE TANK SERVICE

A customer in whose name the propane service is furnished or any authorized persons to the account may request termination of propane service by mail, fax, telephone or in person at the office of the Utility.

The propane tank will be picked up by the Utility based upon 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 the request and order to terminate propane tank service.

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

If propane service is terminated either by the Utility or by the customer, the Utility shall pick up its propane tank from the premises of the customer. If the Utility, in its sole discretion, is unable to reasonably access and remove the propane tank following service termination for whatever reason, then the Utility has the option to disable the propane tank, remove its markings from the propane tank, and leave it on the customer's premises. Upon disabling and abandonment of the propane tank, the Utility shall have no liability for subsequent use of same by customer.

When terminating propane tank service, the customer has the following options:

1. Sell excess gas in tank to the Utility. If the 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, the customer must inform the Utility he/she wishes to terminate the propane tank agreement and sell the excess propane to the Utility. The Utility will pump the excess propane and multiply the number of gallons times 80% of the delivered price to determine the amount of any refund to the customer.

For example, if the customer had ninety (90) gallons to sell back to the Utility at the time of termination of service 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 the customer and new owner are going to work out the sale of propane left in the propane tank between themselves, then the customer must sign a transfer form which gives up and relinquishes all rights to the account

including the propane in the tank. The new owner must make an application with the Utility for propane service, sign an assumption form taking over and assuming responsibility of the account and pay a Forty Dollars (\$40.00) name change fee.

The Utility will not be involved with the pricing agreement between the two parties. If the new customer has not been in the Utility office to sign the assumption form within 30 days, the office will make an attempt to contact the new owner. If the Utility cannot contact the new owner, a work order will be issued to pump and pick up the propane tank. If the Utility makes a premise visit to pick up the propane tank and the new owner wants to come in the Utility office and apply to keep the propane tank, the new owner will be billed an additional Seventy-Five Dollars (\$75.00) trip charge. Applicable taxes will apply;

3. After the Utility's normal billing and payment procedures have proven unsuccessful, a service man shall be dispatched to collect either the amount owed or to disconnect propane service. If the customer pays the amount due or if other payment arrangements are made on the site and service is continued, a trip charge of Fifty Dollars (\$50.00) will be charged to the customer.

If payment is not collected, the propane tank regulator will be pulled. If the customer wants the propane tank turned back on, the customer must pay the balance due on the account plus a Fifty-Two Dollars and Fifty cents (\$52.50) reconnect fee. If it has been necessary for the Utility to pull the propane tank regulator twice due to non-payment by a customer in any consecutive twelve month period, the customer will be taken off the route system and must prepay for any future propane deliveries.

If a propane tank has been picked up for non-payment and the customer wants the propane tank reinstalled, the customer will be charged a processing fee and annual tank rental as if he/she was a new customer. Until customer has proven credit worthiness to the Utility, he/she will be required to prepay for propane deliveries and shall not allowed to be a customer on the route system.

If the Utility makes a premises visit to pick up the propane tank for non-payment and the customer decides to keep the propane tank, the customer shall pay the balance on the account plus a reconnect fee and an additional trip charge of Seventy-Five Dollars (\$75.00). Applicable taxes will apply.

In the event the customer is in the process of converting to the Utility's natural gas distribution system, the customer shall 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 is Forty dollars (\$40.00)-this includes a vehicle, serviceman, and the first 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 1<sup>st</sup> hour and Thirty-Five Dollars (\$35.00) each additional hour thereafter. After hours, weekend and/or 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 the premises. The Utility 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.