

R6-19.2**CURTALMENT OF SERVICE.**

(a) In the event that a North Carolina retail gas utility cannot supply the demands of all its customers, the utility shall curtail the customers paying the least margin per dekatherm first. This applies to all customers, be they transportation customers, regular sales rate customers, municipal customers or otherwise. However, if operating conditions require some interruption of service to a particular geographical area instead of a utility's entire system, then curtailment by margin should be applied only to those customers within the affected areas.

(b) If it is necessary to interrupt some but not all customers paying the same margin per dekatherm, then, to the extent practicable, service shall be curtailed to the customers paying the same margin per dekatherm on a pro rata basis for the season.

(c) For the convenience of wording in tariffs, the following definitions of priorities by end use will be retained. However, these priorities are not to be used for purposes of curtailment priorities unless the Commission so orders pursuant to section (d) below.

(i) Priority 1. Residential. Essential Human Needs With No Alternate Fuel Capability. Commercial less than 50 Mcf/day.

1.1 Residential requirements and essential human needs with no alternate fuel capability.

1.2 Commercial less than 50 Mcf/day.

Priority 2. Industrial Less Than 50 Mcf/day. Process, Feedstock and Plant Protection With No Alternate Fuel Capability. Large commercial requirements of 50 Mcf or more per day except for large commercial boiler fuel requirements above 300 Mcf/day.

2.1 Industrial less than 50 Mcf/day.

2.2 Commercial between 50 and 100 Mcf/day.

2.3 Commercial greater than 100 Mcf/day, non boiler use.

2.4 Commercial greater than 100 Mcf/day, with no alternate fuel capability.

2.5 Industrial process, feedstock and plant protection between 50 and 300 Mcf/day, with no alternate fuel capability.

2.6 Industrial process, feedstock and plant protection between 300 and 3,000 Mcf/day, with no alternate fuel capability.

2.7 Industrial process, feedstock and plant protection greater than 3,000 Mcf/day, with no alternate fuel capability.

2.8 Commercial over 100 Mcf/day (excluding commercial Priorities 2.3 and 2.4 and commercial boiler fuel requirements over 300 Mcf/day).

Priority 3. All other industrial requirements not greater than 300 Mcf per day.

3.1 Industrial non boiler between 50 and 300 Mcf per day.

3.2 Other industrial between 50 and 300 Mcf per day.

Priority 4. Non boiler use between 300 and 3,000 Mcf/day.

Priority 5. Non boiler use greater than 3,000 Mcf/day.

Priority 6. Boiler fuel requirements of more than 300 Mcf per day but less than 1,500 Mcf per day.

Priority 7. Boiler fuel requirements between 1,500 and 3,000 Mcf/day.

Priority 8. Boiler fuel requirements between 3,000 and 10,000 Mcf/day.

Priority 9. Boiler fuel requirements greater than 10,000 Mcf/day.

(ii) Definitions.

Residential: Service to customers which consists of direct natural gas usage in residential dwelling for space heating, air conditioning, cooking, water heating, and other residential uses.

Commercial: Service to customers engaged primarily in the sale of goods or services, including institutions and governmental agencies, for uses other than those involving manufacturing or electric power generation.

Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.

Plant Protection Gas: Minimum quantities required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an

	alternate fuel. This includes the protection of such material in process as would otherwise be destroyed but shall not include deliveries required to maintain plant production.
<i>Feedstock Gas:</i>	Natural gas used as a raw material for its chemical properties in creating an end product, including atmospheric generation.
<i>Process Gas:</i>	Gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics.
<i>Boiler Gas:</i>	Gas used as a fuel for the generation of steam or electricity, including the utilization of gas turbines for the generation of electricity.
<i>Alternate Fuel Capability:</i>	A situation where the capability to burn a nongaseous fuel is actually installed.
<i>Essential Human Needs:</i>	Hospitals, nursing homes, orphanages, prisons, sanitariums, and boarding schools, and gas used for water and sewage treatment.
<i>Emergency Service:</i>	Service which if denied would cause shut down of an operation which in turn would result in plant closing.
<i>Margin:</i>	Margin is defined as the filed tariff rate per unit of gas or negotiated rate per unit of gas of a customer, less the cost per unit of gas as determined in the Company's last general rate case or Purchased Gas Adjustment proceeding, adjusted for any temporary decrements or increments in the filed tariff rate.

(d) The Commission may change the curtailment priority system from one of curtailment by margin to curtailment by the end use characteristics listed in the priorities defined in section (c) above, if the Commission so orders, based on good cause shown, upon the Commission's own motion or petition of any interested party. Notice and opportunity to comment shall be given to all North Carolina retail gas utilities, the Public Staff, the Attorney General, and any other parties within the Commission's discretion before such change takes effect.

(e) For end users on the municipal gas systems served by Piedmont Natural Gas Company, Inc. (Piedmont), curtailment shall be on the basis of the combined margin they pay to the City and Piedmont (i.e., the rate the end user is paying to the City behind Piedmont's system rather than the rate the City is paying to Piedmont governs those customers' curtailment priority).

(f) During July and August of each year, consumption for each customer for the twelve-months ending June 30 of such year and the prior year shall be reviewed. If it is found that the customer has either increased or decreased his annual consumption based on the two prior years' consumption to the point it would place him in a different priority classification, the customer shall be automatically reclassified to the proper priority classification effective the following September 1. In determining consumption, periods of involuntary curtailment shall be excluded.

(NCUC Docket No. G-100, Sub 12, 4/1/71; NCUC Docket No. G-100, Sub 24, 9/9/75; NCUC Docket No. G-100, Sub 24, 10/25/77; NCUC Docket No. G-100, Sub 24, 10/11/78; NCUC Docket No. G-100, Sub 24, 10/18/78; NCUC Docket No. G-100, Sub 24, 1/10/79; NCUC Docket No. G-100, Sub 51, 10/31/89; NCUC Docket No. G-100, Sub 48, 2/22/91; G-100, Sub 78, 06/30/99; NCUC Docket No. G-100, Sub 79, 12/02/99; NCUC Docket No. G-100, Sub 90, 4/29/11.)