

**RATE "S"
 STEAM SERVICE
 (RESTRICTED)**

By order of the Alabama Public Service Commission Docket #19601.

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AVAILABILITY

Service under this schedule shall remain available to any existing customer within the period November 1st of each year to April 30th of the succeeding year and on such days, not included within such period, as the Company may deem necessary, until steam service has been discontinued in a manner that is consistent with the terms of the Commission's February 12, 2009 Order in Docket No. 30888.

APPLICABILITY

This schedule is applicable for existing steam service customers when adequate service can be provided without extension of or increasing the size of the Company's existing steam mains. No new or additional customers or metering points will be served under this rate.

MONTHLY RATE

- (A) \$7.20 per M. lbs. for the first 500 M. lbs.
 \$5.85 per M. lbs. for all over 500 M. lbs.
- (B) Effective for bills due on and after the first day of the first month following the commercial operation of the Company's new plant at Powell Avenue, Birmingham:

 \$9.96 per M. lbs. for the first 500 M. lbs.
 \$8.61 per M. lbs. for all over 500 M. lbs.

FUEL COST ADJUSTMENT

With respect to amounts of steam recorded as sales for the current billing month, an estimated adjustment shall be made to the above rate per M. lbs. of steam whenever the cost of fuel consumed at the Company's steam service stations in the second month proceeding the current billing month is above or below a base fuel cost of \$1.86 per M. lbs. The estimated adjustment factor per M. lbs. of steam shall be computed to the nearest cent and shall be calculated from the following formula:

$$\frac{F_s}{M_s} - \$1.86$$

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WHERE "F_S" is the actual cost of fuel consumed at the Company's steam service stations in the second month preceding the current billing month

and

"M_S" is the total actual M. lbs. of steam recorded as sales the first month preceding the current billing month

And

\$1.86 is the average of the monthly costs of the monthly costs of fuel consumed per M. lbs of steam delivered during each of the months in the twelve (12) month period ended April 30, 1976.

Each billing will also contain a charge or credit to conform the estimated adjustment used in the second preceding month to actual fuel costs. Such charge or credit shall be the difference between the estimated adjustment factor for the preceding billing month and the estimated adjustment factor for the second preceding month multiplied by the actual M. lbs. of steam recorded as sales for each steam service account during the second preceding month.

When a steam service account is inactive during the second month following a billing month for which steam sales were recorded a charge or credit adjustment, whichever is applicable, will be issued to cover the difference between the estimated and actual fuel cost adjustments and if the adjustment to actual cost results in a credit amount, the Company will apply the credit to the account when it next becomes active or, in the case of a discontinued account, the Company will issue its check for the credit amount.

INCOME TAX RATE ADJUSTMENT

For each one percent (1%) increase or decrease in the combined incremental Federal and State Income Tax rate of .474923 (based upon .46 Federal and .05 State) each steam service bill will be increased or decreased by applying thereto an "Income Tax Adjustment Percentage" determined from the Company's twelve (12) months ended operations as of the last day of September, December, March and June to be effective on steam service bills the second month after month of determination. The Income Tax Adjustment Percentage to be determined and applied is the percentage change in revenue required to have operating revenue results equal to the operating revenue results with combined tax rate of .474923. The combined (Federal and State) incremental tax rate is the sum of the Federal and State incremental tax rates, minus twice their product, all divided by one minus their product.



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GENERAL TAX PROVISIONS

Bills shall be increased to offset the applicable proportionate part of any taxes, assessments, licenses, franchise fees or rentals which may hereafter be imposed upon the Company by any government authority at rates higher than those in effect October 1, 1976 and which are assessed on the basis of meters, customers, the price of, or revenues from, steam service sold or the volume of steam manufactured.

ADJUSTMENT FOR LOCAL TAXES

In the event any privilege, license, occupational, or other similar tax is imposed upon the Company subsequent of January 1, 1955, by or pursuant to a local act of the Alabama Legislature, or by or pursuant to a general act of such legislature having local application, or under or pursuant to any authority granted by or in any such act, and such tax is limited to an area or territory (hereinafter called local area) less than the entire State of Alabama, there shall be added to the rates and charges specified in any of the Company's standard rate schedule amounts which in the aggregate for the Company's Consumers in such local area shall be equal to the amount of any such tax imposed upon the Company. The Company shall so long as any such tax is in effect, add to the bills of its Consumers in such local area pro rata, on the basis of the revenue derived by the Company from each such Consumer, an amount sufficient to recover any such tax or taxes.

PAYMENT

Bills are due and payable on the date of bill and delinquent ten (10) days thereafter.

GENERAL

The terms "month" and "monthly", as used herein, shall be taken to mean the period between regular meter readings by the Company which shall be made approximately every thirty (30) days.

Service under this classification is subject to rules and regulations approved or prescribed by the Alabama Public Service Commission.