

DATE: ***March 31, 2023***
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: Municipal Gas Authority of Georgia
Supplemental Contract – Natural Gas Connections



RECOMMENDED ACTION

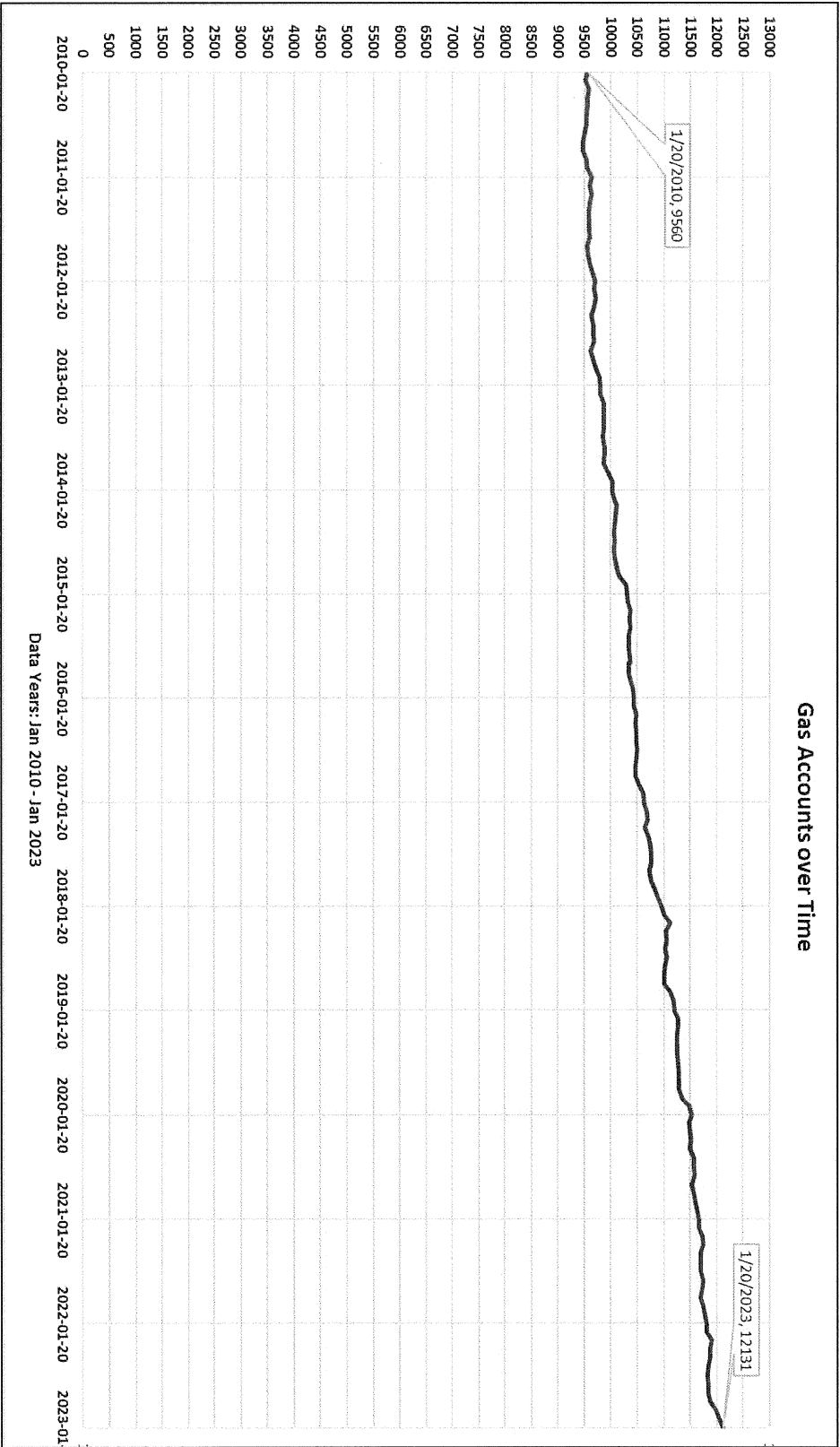
Approve the Supplemental Contract with the Municipal Gas Authority of Georgia (Authority) subscribing to the Natural Gas Connection (NGC) service in order to attract and retain retail customers.

BUDGET IMPACT

Additional cost to the city for the Natural Gas Connection program is just over \$1 per meter per month. Like our other subscriptions from the Authority, costs are calculated based on meter count as indicated in Exhibit A of the agreement. Costs for the services are already budgeted in our existing line items for marketing, rebates, and services. This cost will not be added to the customer's bill but is simply part of the city's operating costs. The customer may choose the new appliance rebate (credit) or on-bill financing of new purchases, which is listed on their bill when the customer elects to participate.

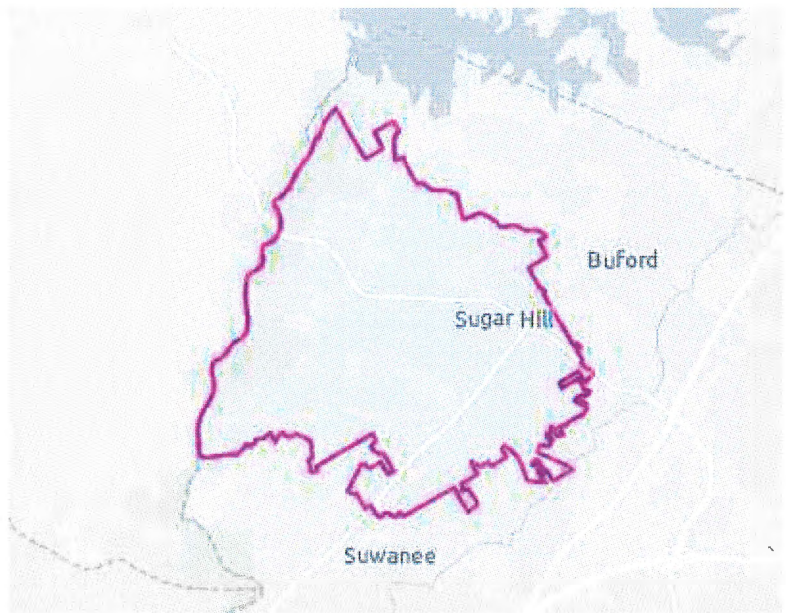
DISCUSSION

One of the industry trends facing many small and mid-sized natural gas providers is customer attrition due to aging gas appliances past the meter. In order to stem the tide, providers and members of the Authority have determined to facilitate full-service expert assistance to customers with these types of challenges. The attrition strategies we have already taken include appliance rebates and on-bill financing services along with existing support services from the Authority championing the natural gas industry as a reliable and safe energy solution.



Population and development growth in our service area (Greater Sugar Hill) has been increasing at a rate of 34.8% during the time period of 2010 to 2023, compared with gas account additions of about 23% during the same 14 year time period. As one would expect, as the unincorporated area reaches its buildout condition, system growth is inherently limited primarily to preserving and protecting the current customer base.

An important part of the context of our approach here is that the Sugar Hill gas department's service area is fixed by the Public Service Commission and growth potential is waning with development trends in our area. It is incumbent on us to seek ways to preserve and enhance the services offered to our target audience within the service area.



To address these concerns, Staff is recommending an intensive, robust program to actively market, advertise, and sell the services that are already available to our customers, connecting them with solutions. Such a service achieves the goals of the Authority and its subscribing members across those subscribers. The recommended solution to attract and retain customers and maintain a more comprehensive approach with these tools is what is called the Natural Gas Connection (NGC) service from the Authority. We have used such economies of scale strategies in the past when we

have partnered with other cities for projects and packaged contracts to gain better value. NGC is one such case.

The proposed agreement will allow the Authority through NGC to provide a staff person as well as support services for same with the responsibility for guiding a customer through available energy solutions involving:

- replacing aging pipes and appliances, like water heaters, furnaces, or cooktops;
- adding appliances to existing customers;
- connecting customers with greater Sugar Hill contractors and vendors;
- connecting the customers with the financial tools available from Sugar Hill, like rebates and financing;
- providing support to city staff for financial billing; and
- providing regular program reporting to the subscriber.

In order to stay competitive in the push for electrification, keep our costs low, and plan for the buildout economic condition, we need to rely on these best management practices focused on our current and prospective customer interactions. These strategies help maintain a healthy balance for our business-minded utility but also good for our families whose budget is affected by rising energy costs. It is important to remember that we have the lowest average residential bill among marketers AND municipals now. It is our fiduciary responsibility to all of our customers to protect this energy choice and keep costs low by building and protecting our customer base.



This level of concierge service will be essential in protecting the interests of all of our customers through the lifecycle of home ownership. Staff recommends approval of the contract amendment subscribing to the new service from the Authority.

Attachment – Supplemental Contract – Natural Gas Connections

SUPPLEMENTAL CONTRACT

Natural Gas Connection – Sugar Hill

This Contract, made and entered into as of May 1, 2023 (“Effective Date”), by and between the **MUNICIPAL GAS AUTHORITY OF GEORGIA**, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, (the “Gas Authority”), created and existing pursuant to the provisions of Ga. Laws 1987, p. 745 *et seq.*, *codified* at O.C.G.A. Section 46-4-80 through 46-4-125, as amended (the “Act”), and the undersigned political subdivision of the State of Georgia (the “Participating Member”),

W I T N E S S E T H THAT:

WHEREAS, the Participating Member owns and operates a gas distribution system as contemplated by O.C.G.A. Section 46-4-100 and has determined to contract with the Gas Authority pursuant to the Act and Article IX, Section III, Paragraph I of the Constitution of the State of Georgia (the “Intergovernmental Contracts Clause”); and

WHEREAS, the Gas Authority and the Participating Member have entered into that certain Gas Supply Contract (the “Gas Supply Contract”), pursuant to which the Gas Authority has agreed to provide gas supplies to the Participating Member for resale to its citizens, inhabitants and customers through its gas distribution system; and

WHEREAS, the Gas Authority has also entered into contracts in substantially the form of the Gas Supply Contract (each, a “Gas Supply Contract” and collectively, the “Gas Supply Contracts”) with other municipalities and systems that own and operate gas distribution systems, including the Participating Members (hereinafter defined); and

WHEREAS, the Participating Member and other Members of the Gas Authority as defined in the Gas Supply Contracts that have entered into contracts substantially similar to this Contract (each a “Participating Member” and together the “Participating Members”), have determined there is a need for a service that assist Participating Members attract and retain retail natural gas customers (“Customers”), and recognizes that a comprehensive natural gas appliance (“Appliances”) service will help address such need by, among other things, providing opportunities for Customers to research, purchase, finance and schedule installation of Appliances through multiple methods (via website, telephone or in person); and

WHEREAS, Participating Member recognizes that natural gas service is optional from many Customers’ perspective; therefore, a successful natural gas distribution system requires investment in a robust marketing, advertising and sales service; and

WHEREAS, Participating Member has determined that it is in its best interest to join with other Participating Members to create the economies of scale necessary to support the development and implementation of the hereinafter defined "Service", which will also include marketing, advertising and sales functions as further described herein and

WHEREAS, the Gas Authority has developed and is prepared to implement such Service for Participating Members through its Natural Gas Connection (NGC) Project, directly or indirectly through contractors or subsidiaries, as described herein (the "Project"); and

WHEREAS, the Participating Members hereby agree to share all costs and revenues of the Project; and

WHEREAS, the Gas Authority and the Participating Member have agreed to enter into this Contract to provide for, among other things, the approval of the hereinafter defined Project as contemplated by the Gas Supply Contract; and

WHEREAS, the Gas Authority will also agree to act as administrative agent to the Participating Members in (a) facilitating the joint acquisition, ownership, development, operation and maintenance of assets related to the Service, (b) acting as agent to the Participating Members respecting certain contracts related thereto, (c) contracting from time to time respecting the Project, (d) billing certain Customers on behalf of the Participating Members and (e) other duties from time to time agreed upon in writing on behalf of the Participating Members related to the Service; and

WHEREAS, the Participating Members desire that the Gas Authority negotiate and enter into, as administrative agent for the Participating Members, an agreement or agreements with the Natural Gas Connection LLC, or other party or parties approved by the Gas Authority, from time to time, respecting the acquisition, construction and development of the Project on behalf of the Participating Members and the continuous operation and maintenance of the Project for the term thereof ("Operations Agreements"); and

WHEREAS, in order to enable the Gas Authority to assume the duties described hereunder and pay the costs of the Project, including, without limitation, the costs associated with carrying out such duties provided for herein, it is necessary for the Gas Authority to have binding contracts with the Participating Members in accordance with the provisions of the Act and the Gas Supply Contracts;

NOW, THEREFORE:

FOR AND IN CONSIDERATION of the premises and the mutual covenants and agreements herein contained, the parties hereby agree as follows:

ARTICLE I

TERM AND DEFINITIONS

Section 101. Term.

(a) Initial Term. The term of this Contract will begin and this Contract will constitute a binding obligation of each party executing this Contract as of the Effective Date and will extend until April 30, 2026 (the "Initial Term"). The Gas Authority will begin providing the hereinafter defined Services on May 1, 2023 (the "Initial Service Date").

(b) Additional Terms. On the first day of each May after the Initial Term, this Contract will be automatically extended for an additional 12-month period (such periods are referred to herein as the "Additional Terms," and together with the Initial Term, the "Term"), unless a party exercises its right to terminate its participation in this Contract pursuant to Section 101(c); *provided, however*, that this Contract will terminate no later than 50 years after the effective date hereof in accordance with the Intergovernmental Contracts Clause (Art. IX, Sect. III, Para. I) of the Georgia Constitution.

(c) Termination Rights. (i) Any party hereto may terminate its rights and obligations under this Contract in their entirety, or respecting particular Services, upon not less than 3 months' prior written notice (a "Termination Notice") to the Gas Authority, which termination is effective at the end of the last day of the 12-month Additional Term next succeeding the Additional Term in which the applicable Termination Notice is received by the Gas Authority.

(ii) Notwithstanding anything herein to the contrary, from time to time, the Gas Authority may, at any time, suspend any Service, or any component, group, or sub-project thereof, that the Gas Authority Board of Directors have determined is no longer economically viable or otherwise is no longer in the best interests of the Participating Members upon not less than 60 days' written notice to the Participating Members, which notice will indicate whether the suspension is temporary or permanent.

As a contract supplemental and subordinate to the Gas Supply Contract, to the extent the Term of this Contract exceeds the term of the Gas Supply Contract, all sections of the Gas Supply Contract related to or affecting this Contract will survive the termination of the Gas Supply Contract.

Section 102. Definitions.

(a) Those words which are defined in O.C.G.A. Section 46-4-81 will have the same meaning when used herein as defined in said Code Section.

(b) Those capitalized terms used herein which are not defined will have the meaning ascribed thereto in the Gas Supply Contract.

(c) As used herein, the term:

“Act” means Ga. Laws 1987, p. 745 *et seq.*, codified at O.C.G.A. Section 46-4-80 through 46-4-125, as amended.

“Annual Budget” has the meaning set forth in Section 201 hereof.

“Annual Project Costs” means the Project Costs (as defined in the Gas Supply Contract) applicable to a Gas Supply Year.

“Appliances” has the meaning set forth in the Recitals hereof.

“Contract” or “Contracts” refers to this Supplemental Contract, or collectively, all of the similar Contracts with the other Participating Members.

“Customers” has the meaning set forth in the Recitals hereof.

“Gas Authority” means the Municipal Gas Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, created and existing pursuant to the provisions of the Act.

“Gas Supply Contract” or “Gas Supply Contracts” has the meaning set forth in the Recitals hereof.

“Gas Supply Year” means the annual period as established by the Gas Authority from time to time, initially commencing each January 1.

“Intergovernmental Contracts Clause” has the meaning set forth in the Recitals hereof.

“Net Revenues” means all revenues arising from the Project, including, without limitation, from the ownership and operation of the Project and properties in connection therewith as it now exists and as it may hereafter be added to, extended or improved and payments to the Gas Authority pursuant to an Operations Agreement, after the payment in each month of all Project Costs.

“Participating Member” or “Participating Members” means the political subdivision or system that is a party to this Contract, or collectively, all such entities entering into substantially similar contracts.

“Project” means the Gas Authority’s rights and obligations under the Contracts to establish, operate, and maintain Natural Gas Connection LLC in accordance with Section 201 of this Agreement, and any other contract related to the Project to which it is a party, the assets of the Project, including, without limitations, Natural Gas Connection LLC, plant, works, system, facility, and real and personal property of any nature whatsoever, including, without limitation, interest in and rights respecting other entities convenient to the development, operation or maintenance of the Project or related services, together with all parts thereof and appurtenances thereto, including without limitation Appliances, and any contract rights relating to the distribution, purchase, sale or installation of Appliances. “Project” as used in this paragraph, is intended to include contracts and contract rights as well as tangible property, and including further any (i) major renewals, replacements, repairs, additions, betterments and

improvements necessary to keep such Project in good operating condition; (ii) any major additions, improvements, repairs and modifications thereto; (iii) any disposal of a Project required by any governmental agency having jurisdiction over the Project; (iv) costs of engineering, architectural, legal and financial services, costs of plans and specifications and all expenses necessary or incidental to determining the feasibility or practicability of the Project and to obtain all licenses, permits and approvals necessary in connection with the furtherance thereof, and related expenses; (v) all costs of operating, servicing, and maintaining the Project, including insurance premiums, administrative and overhead costs, and any other charges payable by the Gas Authority reasonably allocable by the Gas Authority to the operation, servicing and maintenance of the Project; and (vi) reasonable working capital determined to be necessary by the Gas Authority to place the Project in operation and to operate the Project during the life of the Project. Notwithstanding anything else herein to the contrary, the Gas Authority may designate groups of one or more Participating Members with independent sub-projects and budgets.

“Services” has the meaning set forth in Section 201(a)(i) hereof.

“Term” has the meaning set forth in Section 101 hereof.

ARTICLE II

CERTAIN OBLIGATIONS OF THE GAS AUTHORITY AND THE PARTICIPATING MEMBER

Section 201. Obligations

(a) Certain Gas Authority Obligations. The following will be obligations of the Gas Authority hereunder:

(i) Provide the Services as described herein, as supplemented and modified from time to time by policies and procedures approved by the Gas Authority Board of Directors, including, without limitation:

- Hire or contract with and train NGC Project employees and contractors;
- Design, develop and implement an online platform for operating the NGC Project, including online sales capability to include scheduling of appliance installation, applying for financing, and acceptance of payment;
- Design and implement marketing, advertising and sales campaigns, and administration of any customer care programs including rebate programs, financing programs or home warranty programs;
- Design, construct and equip appliance showrooms and merchandising centers;
- Provide customer service call center, including after-hours capability;
- Research and determine product offerings, including pricing policies and procedures;

- Identify, establish and maintain appropriate relationships with appliance manufacturers and distributors;
- Manage purchasing and inventory of appliances, equipment and parts;
- Assist Participating Member in building electronic interface to its Customer information system for use only by the Gas Authority, and third parties only to the extent related to the Project;
- Provide basic sales training to Participating Member employees who routinely interact with Customers;
- Identify, research and contract with, or hire, equipment installers and/or service companies in accordance with Gas Authority policies and procedures;
- Manage Project and track financial performance:

(ii) Establish one or more Annual Budgets in accordance with Section 202 of the Gas Supply Contract respecting Annual Project Costs, such costs to be allocated by Gas Authority policy among all Participating Members, certain regional groups or Participating Members and individual Participating Members as determined appropriate by the Gas Authority;

(iii) Serve as agent to each Participating Member in inspecting and auditing the work of contractors and the other Participating Members, as appropriate; and, upon request, to verify costs incurred by each to verify and calculate any reimbursement obligations or credits due to such Participating Member incurring such costs; and

(iv) Serve as facilitator among the Participating Members respecting the Project.

For the avoidance of doubt, the Gas Authority may contract with any person or entity to perform all or any portion of its obligations hereunder; *provided* that any cost or expense incurred by the Gas Authority under any such contract will be an Annual Project Cost.

(b) Certain Participating Member Obligations. The following will be obligations of each Participating Member hereunder:

(i) Participate in Gas Authority's Main Street On-Bill Financing Program, and adhere to the Program's policies and procedures;

(ii) Provide electronic access to non-sensitive Customer utility service information, including, without limitation, names, addresses, account numbers, phone numbers, eligibility for certain programs and email addresses;

(iii) Provide monthly gas system sales information by customer classification (e.g. residential, small commercial, agricultural, firm industrial, interruptible, etc.), including but not limited to number of customers, sales revenues, and sales volumes;

(iv) Provide addresses associated with every natural gas service line connected to the gas system, whether active or inactive;

(v) Allow installation of *Go Anywhere Agent* or similar software product to keep Customer data synchronized and current, or with the consent of NGC, provide updated Customer data files at least monthly;

(vi) Provide space for Appliance showroom or NGC marketing materials merchandising center on request;

(vii) Provide space for a tablet/kiosk where Customers can interact with the NGC website;

(viii) In showrooms, provide space for an NGC employee to have a desk and set up his/her own computer, and provide Internet access, to be able to transact business with Customers;

(ix) Maintain ability to accept cash payments;

(x) Provide secure space for storage, including video surveillance of limited inventory, and make personnel available for check-in and check-out of inventory, including assisting Customer with loading Appliances into his vehicle;

(xi) Provide after-hours access to Appliance storage for emergency situations and contractor Appliance pickup;

(xii) Identify and make available employees with Customer interaction for basic sales training; provided that there is no expectation that Participating Member employees will be required to close sales;

(xiii) Collect leads and otherwise connect interested Customers with NGC personnel;

(xiv) Work with NGC personnel to establish and fund an effective rebate program;

(xv) Work in good faith with NGC personnel and its Contractors to ensure customer retention and growth; and

(xvi) Comply with Gas Authority policies and procedures for the Project and Services as established from time to time.

Section 202. Reports.

The Gas Authority will keep accurate records and accounts relating to administration of the Project. Said accounts will be included in the Gas Authority's financial statements. The Gas Authority will prepare and issue to each Participating Member, for each Gas Supply Year, reports disclosing the financial status of the Project.

Section 203. Rate Covenant

Each Participating Member will establish, maintain and collect rates and charges for the gas service of its gas system so as to provide revenues sufficient, together with available gas system reserves, to enable the Participating Member to pay to the Gas Authority all amounts payable under the Gas Supply Contract and any Supplemental Contract, including this Contract, and to pay all other amounts payable from and all lawful charges against or liens on the revenues of the Participating Member's gas system.

ARTICLE III

[RESERVED]

ARTICLE IV

ANNUAL BUDGETS & RATES

Section 401. Annual Budgets & Rates.

Prior to the beginning of each year, in concert with preparing the Gas Authority's General & Administrative ("G&A") Budgets, the Gas Authority will prepare an Annual Budget & Rate Schedule for NGC ("NGC Budget"), which NGC Budget for the initial year is attached hereto as Exhibit A. Review and approval of the NGC Budget will follow the same process and schedule as the Gas Authority's G&A Budgets. In addition, the Gas Authority will work with the Participating Member to establish and fund a rebate program in accordance with Exhibit B, attached hereto.

Section 402. Payment Obligations.

The Gas Authority will report to the Participating Member annually, the amount of Net Revenues and current status of, and expectations respecting the NGC Budget.

The Participating Member hereby agrees to pay its appropriate Project Costs in accordance with Exhibit A as well as any individual costs allocable only to the Participating

Member. The obligation of the Participating Member to pay promptly its obligation under this Section 402 will be absolute and unconditional and will not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Gas Authority of any obligation to any Participating Member or the breach by any Participating Member of any obligation to the Gas Authority or to any other Participating Member, whether hereunder, under the Gas Supply Contract or otherwise or any overpayment or underpayment by reason of a miscalculation of the amount owed by any Participating Member to the Gas Authority or otherwise. Until such time as this Contract is terminated in accordance with its terms, the Participating Member will not suspend or discontinue any payments provided for herein for any cause, including, without limiting the generality of the foregoing, failure of the Gas Authority to complete any Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to any Project or any of the Gas Authority's facilities, the taking by eminent domain of title to or temporary use of all or any portion of any Project or of any of the Gas Authority's facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of Georgia or of any political subdivision of either thereof or any failure of any party to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Contract, the Gas Supply Contract or otherwise.

Section 403. Sources of Participating Member's Payments.

The obligations of the Participating Member to make the payments to the Gas Authority under this Contract will constitute general obligations of the Participating Member for the payment of which the full faith and credit of the Participating Member will be and the same hereby is pledged to provide the funds required to fulfill all obligations arising under this Contract. Unless such payments or provision for such payments will have been made from the revenues of the gas supply system of the Participating Member or from other funds thereof, the Participating Member will annually in each and every fiscal year during the term of this Contract include in its general revenue or appropriation measure, whether or not any other items are included, sums sufficient to satisfy the payments required to be made in each year by this Contract until all payments required under this Contract have been paid in full. In the event for any reason any such provision or appropriation is not made for a fiscal year of a Participating Member, then the chief fiscal officer of the Participating Member will, in accordance with the provisions of the Act in effect as of the date of this agreement, set up as an appropriation on the accounts of the Participating Member in each fiscal year the amounts required to pay the obligations called for under this Contract. The amount of the appropriation in such fiscal year to meet the obligations of this Contract will be due and payable and will be expended for the purpose of paying and meeting the obligations provided under the terms and conditions of this Contract, and such appropriation will have the same legal status as if the Participating Member had included the amount of the appropriation in its general revenue or appropriation measure.

Section 404. Levy of Tax for Payment.

The Participating Member will provide for the assessment and collection of an annual tax sufficient in amount to provide funds annually, to the extent necessary due to deficiencies

in its gas supply revenues, to make all payments due under the provisions of this Contract in each year over the remainder of the term of this Contract and the Gas Authority will have the right to bring any suit, action or proceeding in law or in equity, including mandamus and action for specific performance, to enforce the assessment and collection of a continuing direct annual tax upon all the taxable property within the boundaries of such Participating Member sufficient in amount to provide such funds annually in each year of the remainder of the term of this Contract.

ARTICLE V

DEFAULT

Section 501. Event of Default.

Failure of the Participating Member to make to the Gas Authority any of the payments for which provision is made in this Contract or the Gas Supply Contract as and when the same are due and payable will constitute a default on the part of the Participating Member.

Section 502. Continuing Obligation, Right to Discontinue Service.

In the event of any such default, the Participating Member will not be relieved of its liability for payment of the amounts in default, and the Gas Authority will have the right to recover from the Participating Member any amount in default. In enforcement of any such right of recovery, the Gas Authority may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Contract against the Participating Member. In addition to and cumulative with any other enforcement rights hereunder, the Gas Authority may terminate this Contract; *provided* that the Participating Member will have the right to cure any such default at any time prior to such termination taking effect.

Section 503. Other Default by Participating Member.

In the event of a failure of the Participating Member to establish, maintain, or collect rates or charges adequate to provide revenue sufficient to enable the Participating Member to pay all amounts due to the Gas Authority under this Contract and the Gas Supply Contract, or in the event of any material default by the Participating Member under any other covenant, agreement or obligation of this Contract or the Gas Supply Contract that remains uncured after 30 days, the Gas Authority may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or

appropriate to enforce any covenant, agreement or obligation of this Contract or the Gas Supply Contract against the Participating Member.

Section 504. Default by Gas Authority.

In the event of any material default by the Gas Authority under any covenant, agreement or obligation of this Contract that remains uncured after 30 days, the Participating Member may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Contract against the Gas Authority.

Section 505. Abandonment of Remedy.

In case any proceeding taken on account of any default will have been discontinued or abandoned for any reason, the parties to such proceedings will be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers, and duties of the Gas Authority and the Participating Member will continue as though no such proceedings had been taken.

ARTICLE VI

MISCELLANEOUS GENERAL PROVISIONS

Section 601. Character and Continuity of Service.

The Gas Authority will not be required to provide, or be liable for failure to provide, service under this Contract when such failure or the cessation or curtailment of or interference with the service is caused by force majeure or the default or failure to perform of any third party. No failure on the part of the Gas Authority will be grounds for the termination or suspension of the payments due from the Participating Member hereunder, unless a material curtailment or cessation continues beyond 30 days.

Section 602. Other Terms and Conditions.

Service hereunder will be in accordance with such other terms and conditions as are established as part of the Gas Authority's service rules and regulations, which will not be inconsistent with the provisions of this Contract.

The terms of the Gas Supply Contract, other than those related solely to the provision of gas supplies, are incorporated herein as if fully set forth, including without limitation, Sections 202, 207, 208, 209, 210, 701, 703, 705, and Articles V, VI and VIII.

Section 603. Amendment of Contract.

This Contract may be amended by instrument in writing executed with the same formality as this Contract; *provided, however*, if any such amendment is to be made to less than all of the Contracts of the Participating Members pertaining to the Project, at least thirty (30) days advance notice will be given by the Gas Authority to all Participating Members

transmitting a copy of such amendment. Notwithstanding anything else herein to the contrary, the Gas Authority may designate groups of one or more Participating Members with independent sub-projects and budgets. To the extent an amendment affects less than all Participating Members, e.g., an individual group, sub-project or sub-project budget, then only affected Participating Members need be notified in accordance with this provision.

Section 604. No Assignment or Transfer.

Except as provided in Section 705 of the Gas Supply Contract, neither party to this Contract will be entitled or empowered to assign or transfer this Contract or any interest therein, unless such assignment is required by act of the General Assembly. Any attempted assignment in violation of this Section will be null, void, and without legal effect. Notwithstanding anything herein to the contrary, the Gas Authority will not issue any bonds or other debt obligations on behalf without the consent of the Participating Members.

ARTICLE VII

SEVERABILITY

In case any one or more of the provisions of this Contract will for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity will not affect any other provision hereof, but this Contract will be construed and enforced as if such illegal or invalid provision had not been contained herein, and this Contract will be construed to adopt, but not to enlarge upon, all the applicable provisions of said Act, and all the applicable provisions of the Constitution and general laws of Georgia, and, if any provisions hereof conflict with any applicable provision of said Constitution or laws, the former as proposed by the General Assembly, ratified by the people and interpreted by the courts of this state, and the latter as adopted by the General Assembly and as interpreted by the courts of this state will prevail in lieu of any provision hereof in conflict or not in harmony therewith.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the Municipal Gas Authority of Georgia has caused this Contract to be executed in its corporate name by its duly authorized officers and has caused its corporate seal to be hereunto impressed and attested; the Participating Member has caused this Contract to be executed in its corporate name by its duly authorized officers and its corporate seal to be hereunto impressed and attested, and delivery hereof by the Authority to the Participating Member is hereby acknowledged, all as of the day and year first above written.

**MUNICIPAL GAS AUTHORITY OF
GEORGIA**

Approved As To Form:

By: _____
President and Chief Executive Officer

General Counsel

Attest: _____
Asst. Secretary-Treasurer

(SEAL)

APPROVED AS TO FORM:

BY: _____
MAYOR

ATTORNEY

ATTEST: _____
CLERK

(SEAL)

Exhibit A

**MUNICIPAL GAS AUTHORITY OF GEORGIA
NGC ANNUAL BUDGET & RATE SCHEDULE FOR 2023**

<u>Participating Members</u>	<u>Meters (Billing Units)</u>
City of Sugar Hill 2022	<u>12,131</u>
Total	12,131

Subscription Rate \$1.03 per meter per month

Exhibit B

MUNICIPAL GAS AUTHORITY OF GEORGIA
CITY OF Sugar Hill NGC REBATE PROGRAM
Program Year 2023¹

Annual Rebate Program Amount \$ _____

Monthly Billing Amount \$ _____

The Gas Authority will add the Monthly Billing Amount to the Participating Member's Gas Supply Invoice each month. The funds will be collected and used exclusively to fund the Participating Member's Rebate Program. The Participating Member may amend the Program Amount at any point throughout the year to ensure an adequate level of funding to support its specific Rebate Program.
