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FLORIDA'S LAW FIRM FOR BUSINESS

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April 11, 2016

BY ELECTRONIC FILING

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **NEW FILING - Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for Approval of Swing Service Rider.**

Dear Ms. Stauffer:

Attached for electronic filing, please find the Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for Approval of Swing Service Rider. With this Joint Petition, the Companies are submitted the following tariff pages in clean and legislative versions:

Florida Public Utilities Company - F.P.S.C. Gas Tariff, Third Revised Volume I - Tariff Sheet No. 35.6
Florida Public Utilities Company-Fort Meade-F.P.S.C. Gas Tariff – Original Volume I- Tariff Sheet Nos. 33 and 64.1
Florida Public Utilities Company-Indiantown Division – Original Volume 2 – Tariff Sheet No. 35.2
Florida Division of Chesapeake Utilities Corporation – Original Volume No. 4 – Tariff Sheet Nos. 70 and 105.4

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for Approval of Swing Service Rider.	) Docket No.))) Filed: April 11, 2016)))

JOINT PETITION FOR APPROVAL OF SWING SERVICE RIDER TO ADJUST COST ALLOCATIONS (PHASE II)

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company-Fort Meade (jointly, "FPUC"), as well as the Florida Division of Chesapeake Utilities Corporation ("CFG") (herein, all FPUC divisions and CHPK, jointly, "Companies"), by and through undersigned counsel, hereby jointly file this petition for approval to allow the Companies to expand the allocation of the intrastate and local distribution company ("LDC")-to-LDC unreleased capacity-related components of the Purchased Gas Adjustment ("PGA") mechanism for FPUC and the Operational Balancing Account ("OBA") mechanism for CHPK to include those customers not currently subject to those cost allocation mechanisms.

Early in 2015, the Companies sought approval to take a first step, which the Companies regarded as "Phase I," towards a more equitable allocation of the unreleased intrastate capacity and transportation components of the PGA, as well as transportation and unreleased intrastate capacity costs embedded in the OBA. By that Petition, the Companies sought approval to combine and reallocate the costs normally passed through the PGA by FPUC, and the OBA by Chesapeake, across all customers subject to those cost allocation mechanisms within the FPUC-

Chesapeake Florida company platform. The Commission approved the Companies' request by Order No. PSC-15-0321-PAA-GU, issued August 10, 2015, in Docket No. 150117-GU.

In that Phase I Petition, the Companies noted that they anticipated that Phase I would be followed in due course by a second request to take further necessary steps to more fully distribute these costs across a broader base of customers, including non-TTS transportation customers on CFG's system and transportation customers on FPUC's system which are not currently covered by the Phase I request. By this Petition, the Companies' now seek approval of a further redistribution of costs (Phase II) to include those transportation customers not currently sharing in the costs associated with unreleased intrastate capacity and LDC-to-LDC interconnections, including customers in the Fort Meade and Indiantown divisions. In support of this request for approval of a Swing Service Rider, the Companies state as follows:

1) The principal business address of Florida Public Utility Company is:

Florida Public Utilities Company
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 (850) 521-1706	Mike Cassel Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, FL 32034

3) FPUC is a natural gas distribution company subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes. It is a wholly-owned subsidiary of Chesapeake Utilities Corporation ("CHPK"), which is headquartered in Dover, Delaware.

4) CFG is also a natural gas utility subject to the Florida Public Service Commission's ("Commission") jurisdiction under Chapter 366, Florida Statutes. It is an operating division of CHPK. Its principal business address is:

Florida Division of Chesapeake Utilities Corporation
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

5) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein.

6) The Companies' substantial rights will be directly affected by the Commission's resolution of this Petition, as the Commission's decision upon this request will direct how the Companies allocate costs across their respective customer bases. The Companies are unaware of any material facts in dispute in this regard. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

BACKGROUND

7) As outlined in Docket No. 150117-GU, FPUC (with the exception of the Indiantown Division),[1] fulfills the function of a traditional LDC in that it maintains its role as gas provider for many customers on its system. While it has implemented transportation service tariffs, consistent with Rule 25-7.054, Florida Administrative Code, it has not exited the gas merchant function entirely. Consequently, FPUC participates in the PGA cost recovery proceedings, pursuant to which it recovers the costs associated with its gas merchant function in accordance

[1] The Commission approved Indiantown's exiting of the gas merchant function by Order No. PSC-02-1655-FOF-GU, issued November 26, 2002. Thereafter, by Order No. PSC-03-1109-PAA-GU, the Commission authorized Indiantown's proposed unbundling transitional cost recovery and refund of the Company's final Purchased Gas Adjustment ("PGA") over-recovery.

with the methodology established by Orders Nos. 24463 and 24463-A, issued May 2, 1991 and May 17, 1991, respectively, under the true-up schedule established by Order No. PSC-98-0691-FOF-GU, issued May 19, 1998.

8) FPUC receives gas deliveries into its distribution system from three primary upstream providers: FERC-regulated interstate transmission pipelines; Commission-regulated intrastate transmission pipelines; and Commission-regulated wholesale sales or transportation interconnections with other LDCs. A portion of FPUC's interstate capacity contract quantities (and the applicable costs) is allocated to support customers electing transportation service. FPUC allocates the interstate pipeline capacity to a customers' selected Pool Manager (Third Party Marketer) based on a methodology detailed in FPUC's approved tariff. The allocation of interstate capacity to FPUC's Pool Managers (Third Party Marketers) occurs through a temporary capacity release process consistent with the interstate pipeline's Federal Energy Regulatory Commission's ("FERC") tariff. A portion of the FPUC interstate capacity is retained to serve the FPUC retail sales customers (all residential customers and those non-residential customers who either elect to not participate or are unable to obtain a third party supply contract). The cost of the retained interstate capacity is recovered in the FPUC PGA.

9) FPUC's contracts for capacity with intrastate transmission pipelines and interconnections with other LDC's are recovered in the PGA. Unlike the mechanisms for interstate capacity, intrastate pipelines and LDCs do not have tariff provisions or other mechanisms that support the release of such capacity to Pool Managers. Therefore, FPUC has historically been allowed to recover such unreleased intrastate and LDC interconnection capacity costs through its PGA, which, to the Company's knowledge and belief, is consistent with recovery by other Florida LDCs that participate in the PGA.

10) CFG's capacity cost allocation and recovery process has functioned very similar to FPUC's, although the CFG distribution system is fully unbundled. By Order PSC-02-1646-TRF-GU, issued November 25, 2002, the Commission authorized CFG to implement the initial step of its unbundling proposal, allowing CFG to exit the gas merchant function. All CFG customers, including residential and small commercial customers, receive transportation service. As restructured consistent with its unbundling proposal, CFG only transports the gas from the gate station (delivery point at which gas is transferred from the interstate pipeline company to the LDC's distribution system) to the customer's meter. The customer is responsible for purchasing the gas from Shippers (Third Party Marketers).

11) Like FPUC and other Florida LDCs, CFG holds upstream interstate pipeline capacity, which it allocates to Shippers on its system based on a quantity allocation methodology included in its approved tariff and consistent with the FERC's temporary capacity release process. As with FPUC, this process allows CFG to transfer the contractual cost of the interstate capacity to Shippers who use the capacity to deliver gas to CFG's transportation customers. In CFG's case, all quantities of interstate capacity are released each month to Shippers.

12) While CFG's interstate capacity is allocated through the FERC temporary release process noted above, unreleased intrastate and LDC interconnection capacity cost recovery has been addressed through CFG's Operational Balancing Account tariff ("OBA")(Second Revised Sheet No. 67), a PGA-like transportation service cost recovery mechanism billed to TTS Shippers. The OBA is primarily designed to allow CFG, as reflected in its tariff, to ". . . recover or refund any and all charges or credits related to the provision of Transportation Service, as have historically been recovered from or allocated through the Commission's on-going Purchased Gas Adjustment cost recovery proceedings." Sheet No. 68, section "d", includes the provision that

further authorizes recovery of, "Charges or credits associated with any unreleased Transporter capacity that has not otherwise been assigned or allocated."

13) Over the years, the evolution of the natural gas market has skewed the allocation of unreleased capacity costs recovered through both the PGA mechanism for FPUC and the OBA for CFG. More significant market opportunities have translated into system expansions and more LDC-to-LDC interconnections, as well interconnections with intrastate pipelines, resulting in increased costs associated with unreleased intrastate capacity. In fact, none of the cost allocation mechanisms employed heretofore contemplated the level of increased costs associated with unreleased intrastate capacity and LDC to LDC interconnections. Because of the limitations of the PGA and OBA mechanisms as they currently stand, this has resulted in certain segments of customers bearing an otherwise unreasonable proportion of the costs associated with various projects. For instance, on FPUC's system, unreleased intrastate capacity costs are recovered only from PGA retail sales service customers, not transportation service customers. On CFG's system, unreleased intrastate capacity costs are recovered only from the TTS Pool customers through the cost assignment to their respective TTS Shippers, as opposed to larger customers.

14) As these inequities have increased over recent years, the Companies have begun to explore options to reduce or eliminate these inequities across the CHPK Florida platform. As a result, the Companies proposed Phase I in Docket No. 150117-GU, which provided that any unreleased intrastate capacity and LDC interconnection related costs typically recovered by CFG through the OBA from its TTS Shippers be allocated across the entire CHPK Florida platform to allow recovery of an appropriate portion of these costs through the PGA mechanism applicable

to FPUC customers (including Indiantown Division[2] and Ft. Meade Division). At the same time, the Companies proposed that any unreleased intrastate capacity and LDC interconnection related costs on FPUC's system (including Indiantown Division[3] and Ft. Meade Division), which have traditionally only been allocated to PGA retail sales service customers, be reallocated to allow a portion of those costs to be recovered through the OBA mechanism applicable to CFG's TTS customers. The Commission ultimately approved this request by Order No. PSC-15-0321-PAA-GU, wherein the Commission acknowledged that the expanded cost allocation methodology and resulting revisions to the PGA factor calculation would enable the Companies to have the ability to better balance the costs of individual projects across the entire Chesapeake Florida system, which would ultimately benefit the Companies' PGA and TTS customers, in contrast to spreading such costs on a more limited, system-by-system basis. The Companies recognize the importance of evaluating their tariffs with an eye towards incorporating industry best practices, as well as remaining up to date with a continually evolving natural gas market. This is part of an ongoing effort that is likely to result in additional changes to be reflected in future filings, but consistent with the philosophy reflected herein.

<u>PROPOSAL</u>

15) With this Petition, the Companies seek approval of this next step, Phase II, to modify the allocation of these same intrastate capacity and LDC-to-LDC interconnection costs in a more fair and equitable manner through the implementation of a Swing Service Rider. Specifically, the Companies seek approval to expand the pool of customers subject to an allocated portion of these costs to include those customers on both Companies' systems that have not previously been allocated a portion of these costs via either the PGA or the OBA TTS Pool charges, and are not

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[2] As noted, Indiantown does not participate in the PGA, therefore, the allocation would be made through Indiantown's OBA.
[3] *Supra*, footnote 2 above.

otherwise subject to special contracts that would prevent assessment of an allocated portion of these costs. As contemplated by the Companies' in proposing the Phase I allocation and further described below, the proposed new Swing Service Rider will expand the allocation of unreleased intrastate and LDC-to-LDC capacity costs and assess an appropriate portion of these costs to customers that are not currently subject to either the PGA or the OBA TTS Pool Shipper charges, consistent with the regulatory principle that the "cost causer" should pay its fair portion of the costs incurred.

16) A Swing Service Rider is, in fact, nothing new. In 2000, Peoples Gas System ("PGS") implemented such a charge and subsequently amended the Swing Service Charge in 2015 to better reflect the reduction in customers subject to the PGA mechanism.[4] Much like the Companies' proposal here, PGS's Swing Service Charge is used to allocate system-wide balancing costs among the rate classes based on relative consumption.

17) Attached, as Exhibit A, is the list of current transportation rate schedules reflecting the customers to whom the Swing Service Rider would be applied. Additionally, customers across the Companies' Florida platform served, in the future, under Compressed Natural Gas ("CNG") Temporary Service, storage contracts, swing gas sales agreements, upstream pipeline park and loan services, additional capacity used for growth and peaking services, and incremental administrative costs associated with these services would also be included in the allocation of these existing costs.

18) The Companies note that the customers subject to this charge will include all FTS customers on CFG's system, including those in the TTS Pool. This does not mean, however, that these TTS Pool customers will be assigned an additional allocation of costs. Instead, as further

[4] See Order No. PSC-00-1814-TRF-GU, issued in Docket no. 000810-GU; and Order No. PSC-15-0570-TRF-GU, issued in Docket No. 150220-GU.

described below, the proposed revised allocation will result in a reduction of costs assigned to both the PGA customers and customers in the TTS Pool. As it relates to customers in the TTS Pool, the main visible change will be that the allocated costs will now be directly charged to the customers through the Swing Service charge, as opposed to being charged by CFG to the Shippers and then passed through to the customers as occurred under Phase I. Assessing the charge directly to CFG's TTS Pool customers will provide consistency across the Companies' service platform in terms of how the allocated costs are recovered from transportation service customers.

19) The Companies' propose to calculate the Swing Service Rider as follows:

1) The percentage split between transportation and sales service customers to total system usage is first calculated. The current basis for this calculation is the daily peak, plus the average of the non-peak months, based upon historical usage. This step will be completed annually based on the most recent 12-months' usage data.
2) The percentage, by transportation rate class, determined in step 1 is then applied to the total cost of the unreleased intrastate and LDC-to-LDC capacity to produce the dollars allocated to each rate class. These dollars are divided by therms in the rate class to arrive at the cost recovery factor or rider to be billed, by rate class, directly to the transportation customers.
3) The aggregate of the costs calculated in step 2 will then be credited to the PGA with the remainder of the costs associated with the unreleased intrastate and LDC-to-LDC capacity being allocated to the remaining sales service customers.

20) The new Swing Service Rider, calculated consistent with the methodology proposed above, will enable the Company to appropriately recover its costs, while allocating the costs on a more fair and equitable manner across customer classes.

21) Consistent with the Commission's approval in 150117-GU, the Companies would continue to allocate an appropriate portion of these costs to customers subject to the PGA, as well as those in the TTS Pools, but would also include additional transportation service customers in the allocation methodology. Any over-recovery or under-recovery of unreleased intrastate and LDC-to-LDC capacity costs allocated to the PGA by the Companies would also continue to be subject to the current annual PGA "true-up" (refunded to customers or collected by the Companies), with interest, during the next twelve-month period.

22) If approved, the new Swing Service Rider would impact the previously approved mechanism in two ways. First, and most importantly, implementation of the Swing Service Rider would result in a lower total allocation of these costs to the PGA and TTS Pool customers, as previously noted. Second, upon implementation of the Swing Service Rider, the TTS Pool customers can expect to see a reduction in the overall cost of fuel, reflecting the elimination of the assignment of allocated costs from their shipper. This portion of the Shipper Charge would be replaced with the new, lower Swing Service charge.

23) The Companies recognize that adjusting the allocation of these costs to assess a portion to those customers not currently subject to the PGA or included in the TTS Pool will result in a significant financial impact for such customers, who comprise the largest volume classes on the Companies' systems. Because of the significance of the anticipated impact, the Companies are proposing a stepped implementation process for the Swing Service Rider to better allow these large volume customers to plan and adjust to the new allocation. Specifically, the Companies

propose to implement the Swing Service Rider in stages over a period of 5 years for customers in the rate classes identified on Exhibit A of this Petition, with the exception of customers in rates classes FTS-1 through FTS-3 on CFG and TS-1 through TS-3 on Indiantown, which generally represents customers in the TTS Pool. The Companies contemplate that the Swing Service Rider would be applied annually at a rate of 40% of total allocation for the first year, and thereafter increase by an additional 15% annually so that the total allocation of 100% would be reached at year 5 for those larger transportation customers in served in rate classes above FTS-3 on CFG and TS-3 on Indiantown. This will enable customers typically subject to longer term contracts to negotiate adjustments as may be necessary. Those customers in FTS-1 through FTS-3 and TS-1 through TS-3 will receive their full allocated portion at Year 1.

24) To be clear, this proposed "stepped" implementation will not result in either PGA customers or the TTS Pool customers receiving a larger allocated portion of these capacity costs upon implementation of Phase II. On the contrary, even with the stepped approach, these customers can expect to see an approximate reduction of $0.02/therm upon initial implementation of Phase II. Nevertheless, the Companies do acknowledge that the stepped approach will extend the unbalanced allocation to the PGA and TTS Pool customers for a longer period of time. However, given the significance of the financial impact to the large volume customers, the fact that most are bound by long-term contracts with suppliers that may impact their ability to adjust, and the fact that these volume classes have never been allocated any portion of these costs, unlike the PGA and TTS Pool customers, the Companies conclude that this process represents the most fair and reasonable approach to achieving the ultimate goal of a full and fair allocation of these costs across all customer classes.

25) As a result of this further reallocation of costs, the Companies anticipate, at the end of the phased in implementation period, a total additional reduction of approximately \$0.07 per therm in the costs flowed through the PGA.

26) The Companies note that, over time as special contracts come up for renewal, they anticipate including as a topic for negotiation the allocation of some appropriate portion of these costs to Shippers subject to special contracts. Any such negotiated special contracts would result in a further credit to the PGA. Such discussions will, of course, take into consideration the market conditions at the time of the negotiations, as well as the fact that retention of customers subject to special contracts is beneficial to the utility and the general body of ratepayers due to the very large gas volumes typically contracted for by these customers.

27) Along with this request to implement a Swing Service Rider, the Companies are proposing tariff amendments to reflect this change. Exhibit B to this petition includes new and revised tariff sheets for the Companies in clean and legislative format, which reflect the inclusion of the new Swing Service Rider. Upon approval, the change in allocation as represented by the Swing Service Rider will also necessitate an accounting change reflected in the allocations across the Companies' respective books.

28) The benefits of this further revised approach are many for both Companies, as well as for customers subject to the PGA and TTS Pools on FPUC's and Chesapeake's systems, respectively. The intrastate capacity costs associated with current and future critical projects will be allocated across a broader base of customers, including customers previously exempt from sharing in these costs even though such projects benefit all customers of the utilities' systems.

29) As noted in the Companies' petition in Docket No. 150117-GU, the Companies believe that equity demands that these customers ultimately bear their fair portion of these intrastate capacity costs. Nonetheless, the Companies also recognize that Shippers for these larger classes of customers provide service under contracts, which will likely need to be amended to adjust for the revised cost allocations. Therefore, the Companies ask that the actual effective date for implementation of the expanded allocation of costs and new rider for the Shippers in the larger classes referenced herein be delayed for six months from the date of Commission approval, or until December 31, 2016, whichever is later, in order to provide sufficient time to for these Shippers to pursue contract amendments with their customers, as may be necessary. The Companies emphasize that they have already been working with the Shippers on both systems in advance of this filing and will continue to do so in order to ensure a smooth transition.

RELIEF REQUESTED

WHEREFORE, FPUC and CFG respectfully request that the Commission:

1. Approve the Companies' proposed further expanded cost allocation methodology to be implemented through the new Swing Service Rider, including the gradual implementation of said Rider for customers served under tariff Rate Classes FTS-4 and above, as proposed herein;
2. Approve or acknowledge that, upon effective date of the expanded allocation methodology requested herein, the expanded allocation methodology incorporating the Swing Service Rider will impact the allocations utilized for calculation of the PGA factor;

3. Approve the inclusion of a new rider applicable to Shippers taking service under General Service Transportation Service – 1 and 2, Large Volume Transportation Service on FPUC/FPUC Fort Meade's system, Transportation Service ("TS") -1, 2, 3, 4 rate schedules on Indiantown's system, and Firm Transportation ("FTS") – A, B, 1, 2, 2.1, 3, 3.1, 4, 5, 6, 7, 8, 9, 10, 11, 12 on Chesapeake's system. Additionally, any customer on the Companies' Florida platform that could take service under CNG Temporary Service, Storage Contracts, Swing Gas Supply and Park and Loan Service;
4. Approve the corresponding changes reflected in the tariff sheets, which are attached and incorporated herein as Exhibit B; and
5. Approve the changes requested herein with a delayed effective date of December 31, 2016, or six months from the date of the Commission's vote on this Petition, whichever is later.

RESPECTFULLY SUBMITTED this 11th day of April, 2016.

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Hand Delivery or Electronic Mail this 11th day of April, 2016.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us	J.R. Kelly Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Christensen.patty@leg.state.fl.us
Mike Cassel Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@chpk.com	

By: Beth Keating

Beth Keating
Gunster, Yoakley & Stewart, P.A.
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EXHIBIT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,
Florida Public Utilities Company-Fort Meade, and
The Florida Division of Chesapeake Utilities Corporation

Transportation Customers Subject to Swing Rider-FPUC and Fort Meade

General Service Transportation Service - 1

General Service Transportation Service – 2 (not applicable to Fort Meade)

Large Volume Transportation Service

Transportation Customers Subject to Swing Rider-Indiantown

Transportation Service ("TS"): TS- 1, TS-2, TS-3, TS-4

Transportation Customers Subject to Swing Rider – CFG

Firm Transportation Service ("FTS"): FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12

EXHIBIT B

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,
Florida Public Utilities Company-Fort Meade, and
The Florida Division of Chesapeake Utilities Corporation

Revised Tariff Sheets

(Clean and Legislative Versions)

FPUC: 35.6

FPUC – Fort Meade: 33 and 64.1

FPUC – Indiantown Division: 35.2

Florida Division of Chesapeake: 70 and 105.4

BILLING ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Rider factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Rates Per Therm
Rate Schedule GSTS-1	$0.0180
Rate Schedule GSTS-2	$0.0166
Rate Schedule LVTS	$0.0166

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

~~RESERVED FOR FUTURE USE~~

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Charge factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Rates Per Therm
Rate Schedule GSTS-1	$0.0180
Rate Schedule GSTS-2	$0.0166
Rate Schedule LVTS	$0.0166

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

INDEX OF RATE SCHEDULES

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Rates Per Therm
Rate Schedule GSTS-1	$0.0153

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Rates Per Therm
Rate Schedule GSTS-1	$0.0153

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Classification	Rates Per Therm
Transportation Service 1	TS1	$0.0441
Transportation Service 2	TS2	$0.0392
Transportation Service 3	TS3	$0.0468
Transportation Service 4	TS4	$0.0277

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS
(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Classification	Rates Per Therm
Transportation Service 1	TS1	$0.0441
Transportation Service 2	TS2	$0.0392
Transportation Service 3	TS3	$0.0468
Transportation Service 4	TS4	$0.0277

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

INDEX OF RATE SCHEDULES (Continued)

INDEX OF RATE SCHEDULES (Continued)

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Firm Transportation Service -13	FTS-13	90 (Closed)
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RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability
The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:
The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Classification	Rates Per Therm
Firm Transportation Service A	FTS-A	$0.0521
Firm Transportation Service B	FTS-B	$0.0539
Firm Transportation Service 1	FTS-1	$0.0591
Firm Transportation Service 2	FTS-2	$0.0627
Firm Transportation Service 2.1	FTS-2.1	$0.0553
Firm Transportation Service 3	FTS-3	$0.0504
Firm Transportation Service 3.1	FTS-3.1	$0.0442
Firm Transportation Service 4	FTS-4	$0.0182
Firm Transportation Service 5	FTS-5	$0.0173
Firm Transportation Service 6	FTS-6	$0.0167
Firm Transportation Service 7	FTS-7	$0.0180
Firm Transportation Service 8	FTS-8	$0.0150
Firm Transportation Service 9	FTS-9	$0.0168
Firm Transportation Service 10	FTS-10	$0.0125
Firm Transportation Service 11	FTS-11	$0.0179
Firm Transportation Service 12	FTS-12	$0.0142

Experimental Rate Class	Classification	Rates Per Bill
Firm Transportation Service A	FTS-A	$0.4481
Firm Transportation Service B	FTS-B	$0.8193
Firm Transportation Service 1	FTS-1	$1.2766
Firm Transportation Service 2	FTS-2	$2.7463
Firm Transportation Service 2.1	FTS-2.1	$8.4332
Firm Transportation Service 3	FTS-3	$11.2896
Firm Transportation Service 3.1	FTS-3.1	$27.9742

Definitions
This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability
The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:
The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

Rate Class	Classification	Rates Per Therm
Firm Transportation Service A	FTS-A	$0.0521
Firm Transportation Service B	FTS-B	$0.0539
Firm Transportation Service 1	FTS-1	$0.0591
Firm Transportation Service 2	FTS-2	$0.0627
Firm Transportation Service 2.1	FTS-2.1	$0.0553
Firm Transportation Service 3	FTS-3	$0.0504
Firm Transportation Service 3.1	FTS-3.1	$0.0442
Firm Transportation Service 4	FTS-4	$0.0182
Firm Transportation Service 5	FTS-5	$0.0173
Firm Transportation Service 6	FTS-6	$0.0167
Firm Transportation Service 7	FTS-7	$0.0180
Firm Transportation Service 8	FTS-8	$0.0150
Firm Transportation Service 9	FTS-9	$0.0168
Firm Transportation Service 10	FTS-10	$0.0125
Firm Transportation Service 11	FTS-11	$0.0179
Firm Transportation Service 12	FTS-12	$0.0142

Experimental Rate Class	Classification	Rates Per Bill
Firm Transportation Service A	FTS-A	$0.4481
Firm Transportation Service B	FTS-B	$0.8193
Firm Transportation Service 1	FTS-1	$1.2766
Firm Transportation Service 2	FTS-2	$2.7463
Firm Transportation Service 2.1	FTS-2.1	$8.4332
Firm Transportation Service 3	FTS-3	$11.2896
Firm Transportation Service 3.1	FTS-3.1	$27.9742

Definitions
This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.