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October 14, 1996

IN REPLY REFER TO:

961236-GA

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601

BY HAND DELIVERY

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED
OCT 1 1996

FPSC-RECORDS/REPORTING

Re: Petition for approval of experimental Rider FTA, Firm Transportation Supplier Aggregation Service, by Peoples Gas System, Inc.

Dear Ms. Bayo:

Enclosed for filing with the Commission please find the original and fifteen (15) copies of Peoples Gas System, Inc.'s petition referenced above.

Enclosed also please find a computer diskette containing the petition and the exhibits there to. (In the case of Exhibit B, only the text of the tariff sheets is included on the diskette; that is, the headers and footers of the tariff sheet have been excluded.)

Please acknowledge your receipt of the enclosures, together with the docket number assigned to the proceeding and date of filing, on the duplicate copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Many thanks for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
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AWjr/a
Enclosures

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FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director
October 14, 1996
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cc: Mr. Joseph W. McCormick
Mr. Hugh M. Grey, III

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of)
experimental Rider FTA, Firm)
Transportation Supplier Aggregation)
Service, by Peoples Gas System, Inc.)
_____)

Docket No. 961236 - GU
Submitted for filing:
10-14-96

PETITION OF PEOPLES GAS SYSTEM, INC. FOR APPROVAL OF
FIRM TRANSPORTATION SUPPLIER AGGREGATION SERVICE RIDER FTA

Peoples Gas System, Inc. ("Peoples" or the "Company"), by its undersigned attorneys, files this petition seeking the Commission's approval, on an experimental basis, of a new optional tariff rider, Firm Transportation Supplier Aggregation Service, Rider FTA. Attached hereto as Exhibits A and B are copies of the tariff sheets for which Peoples seeks the Commission's approval. In support of its petition, Peoples says:

1. The name and address of the Petitioner is:

Peoples Gas System, Inc.
111 Madison Street
Post Office Box 2562
Tampa, Florida 33601-2562

2. The name and address of the person authorized to receive notices and communications with respect to this petition is:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
111 E. Madison Street - Suite 2300
Post Office Box 1531
Tampa, Florida 33601

BACKGROUND

3. Peoples is a public utility as defined in Section 366.02, Florida Statutes, providing natural gas service in 12 operating divisions throughout peninsular Florida. Pursuant to its

10964-96

Commission-approved tariff, Peoples presently provides firm and interruptible natural gas sales service, by delivering gas purchased by Peoples for resale to its customers, to residential, commercial, and industrial customers pursuant to several rate schedules, including Residential Service (RS), Small General Service (SGS), General Service (GS), General Service Large Volume-1 (GSLV-1), General Service Large Volume-2 (GSLV-2), Small Interruptible Service (SIS), Interruptible Service (IS), and Interruptible Service-Large Volume (ISLV). This service is commonly referred to as "sales service."

4. Peoples presently provides gas transportation service ("transportation service"), by transporting customer-owned gas through the Company's facilities for delivery to the customer's point of service, pursuant to the following rate schedules: General Transportation Service Large Volume-2 (GTSLV-2), Small Interruptible Transportation Service (SITS), Interruptible Transportation Service (ITS), and Interruptible Transportation Service - Large Volume (ITSLV). Except as discussed in the next paragraph, the smallest consumption level for which a customer may presently qualify to obtain transportation service is 500,000 therms per year for transport and delivery to a single billing location.

5. Several of the Company's customers have multiple billing locations in the Company's different service areas throughout Florida, at which these customers use, in the aggregate, more than 500,000 therms per year. Until October 1995, a customer could

obtain transportation service only for individual billing locations at which the customer used at least 500,000 therms of gas annually. By its Order No. PSC-95-1539-FOF-GU, the Commission approved the Company's Rider TA (Transportation Aggregation), which makes transportation service available to any customer who, in the aggregate, transports more than 500,000 therms per year through the Company's distribution facilities.

6. Under the Company's currently effective tariff, a single-location customer or a multiple-location customer with an aggregate annual gas requirement of less than 500,000 therms cannot obtain transportation service from Peoples. The Company has received numerous requests from customers who desire to "pool" their purchases of gas from a single supplier for the purpose of meeting the 500,000-therm eligibility requirement for transportation service. Peoples has also received requests from suppliers who desire to provide such a "pooling" service for customers who are presently served by Peoples under a firm sales rate schedule. The Company has evaluated these requests and determined that such additional availability of gas transportation service would be reasonable, appropriate, and in the public interest. However, because of the additional administrative effort often required to manage the arrangements and services inherent in providing transportation service, and the Company's uncertainty with respect to the demand for this "pooling" type of service, Peoples has developed a pilot program (summary attached hereto as Exhibit C) to determine the extent to which such service can be performed

efficiently and without detriment to the service it provides to its other sales and transportation service customers. Rider FTA will implement the pilot program.

PROPOSED RIDER FTA

7. In order to obtain service under Rider FTA, the Customer must (A) request such service; (B) purchase gas from a "Qualified Aggregating Supplier" (which is defined *infra*); (C) otherwise qualify for service under Rate Schedule GS, GSLV-1, GSLV-2 or GTSLV-2; and (D) commence service under the Rider no later than the first day of the third month following the effective date of the Rider. Service under the Rider would be initiated by the Customer's executing and delivering to Peoples a "Master Agreement for Gas Services," the form of which is attached hereto as Exhibit B, for which Peoples also seeks the Commission's approval. The Master Agreement for Gas Services, in addition to setting forth the terms and conditions of the transportation service to be provided to the Customer by Peoples, would also identify the Qualified Aggregating Supplier from which the Customer will be purchasing gas, and indicate that the Customer and that supplier have entered into a gas supply agreement.

8. Under the pilot program, the experimental Rider FTA is limited in time and scope. Each Qualified Aggregating Supplier may add a maximum of 10 customers at the beginning of each of the first two months after the date on which the Rider becomes effective, and additional customers (up to an aggregate maximum of 30 customers per Qualified Aggregating Supplier) at the beginning of the third

month after the effective date of the Rider.

9. The Company has reserved the right to modify, extend or terminate service pursuant to the Rider under certain circumstances. See Special Conditions 2 and 6 of Exhibit A.

10. Under the Master Agreement for Gas Services between Peoples and the Customer, the rate for transportation service to a particular facility pursuant to Rider FTA will be the same as the rate the Customer would pay for service to that facility under the otherwise applicable rate schedule for sales service, except that the Purchased Gas Adjustment charge will not apply because the Customer will be purchasing its own gas from its selected supplier. Thus, the Customer taking service under Rider FTA will pay all charges (other than the Purchased Gas Adjustment Charge) that it would pay for firm sales service (including the applicable Energy Conservation Cost Recovery Charge and applicable taxes and fees).

11. The concept of the "Qualified Aggregating Supplier" is at the heart of the service to be provided by Peoples under Rider FTA. Rider FTA defines such a supplier as one which has:

- A. Entered into an agreement to sell gas to Customers desiring to receive service pursuant to the Rider;
- B. Executed and delivered to Company an unmodified "Firm Delivery and Operational Balancing Agreement" for an initial term of not less than one year, obligating such supplier to deliver gas to Company (in a minimum aggregate amount of 100,000 therms annually) for the accounts of customers on a firm basis, resolve imbalances

between the quantities of gas delivered for the accounts of customers and the quantities of gas taken by such customers directly with the Company, and establish and maintain credit pursuant to the terms of such agreement; and

- C. Executed and delivered to Company an unmodified "Master Capacity Release Agreement" providing for such supplier's acquisition from Company of primary firm interstate pipeline transportation capacity to be used for the transportation and delivery to Company of gas purchased by customers receiving service pursuant to the Rider.

Peoples will make copies of the Firm Delivery and Operational Balancing Agreement and the Master Capacity Release Agreement available upon request.

12. While Peoples does not desire, or presently intend, to limit the number of Qualified Aggregating Suppliers participating in the pilot program, it has reserved the right to do so if it reasonably determines that the number of such suppliers would cause the Company to be unable to effectively perform or administer service pursuant to Rider FTA.

13. Although the initial term of the Master Agreement for Transportation Services under Rider FTA will be one year, during the first year after the effective date of the Rider, each Customer will have the right to discontinue service under the Rider at any time (on 15 days notice to Peoples), and return to firm sales service provided by Peoples. After the first year, the Customer

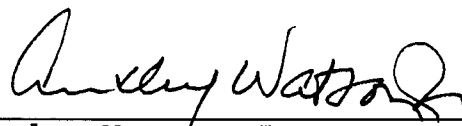
may terminate the Master Agreement for Gas Services (and service under Rider FTA) at the end of the one-year term of the Agreement, on 90 days notice to Peoples.

14. The addition of transportation customers will doubtless cause the Company to expend additional administrative effort to manage the arrangements and services inherent in providing transportation service. At some point, transportation customers could become numerous enough to cause the Company to incur significant additional out-of-pocket costs for new transportation information and billing systems, as well as for additional personnel. Because the Company is uncertain with respect to the effects the provision of service under Rider FTA will have on its operations, it is seeking the Commission's approval of the Rider on an experimental basis, and has reserved the right to deny service thereunder if providing such service would result in detrimental impacts on the Company's other customers.

15. The Commission approved the Company's Rider TA because, among other things, it would "allow Peoples to offer transportation service to more customers" The same is true of Rider FTA.

WHEREFORE, Peoples respectfully requests that the Commission grant this petition, and issue its order approving both Rider FTA and the Master Agreement for Gas Services (Exhibits A and B hereto), such approval to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted this 14th day of October, 1996.



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
Telephone: (813) 273-4200 or -4321
Facsimile: (813) 273-4396 or -4397

Attorneys for Peoples Gas System, Inc.

Peoples Gas System, Inc.Original Sheet No. 7.803

**FIRM TRANSPORTATION SUPPLIER AGGREGATION SERVICE
Experimental Tariff
Rider FTA**

Availability:

Limited in time and scope, on an experimental basis, and subject to the special conditions set forth herein, to any Customer who (a) requests service hereunder, (b) purchases Gas from a Qualified Aggregating Supplier (as herein defined), (c) would otherwise qualify for service under Rate Schedule GS, GSLV-1, GSLV-2 or GTSLV-2, and (d) commences service hereunder no later than the first day of the third month following the effective date of this Rider. Service pursuant to this Rider is available throughout the service areas of the Company when such service can be made available without detriment to service to the Company's other customers.

Availability is limited to the addition, by each participating Qualified Aggregating Supplier, of a maximum of 10 customers at the beginning of each of the first two months after the effective date of this Rider and additional customers, up to an aggregate maximum of 30 customers per participating Qualified Aggregating Supplier, at the beginning of the third month after the effective date of this Rider. Subject to the provisions of Special Condition 2, no additional customers may be added by any Qualified Aggregating Supplier after the first day of the third month after the effective date of this Rider.

Applicability:

To transportation of Gas delivered to Company by a Qualified Aggregating Supplier for the account of Customer pursuant to this Rider.

Monthly Rate:

The Monthly Rate for transportation service applicable to each individually billed facility of Customer shall be the Monthly Rate applicable to such individually billed facility under Rate Schedule GS, GSLV-1, GSLV-2 or GTSLV-2, based upon the annual therm usage at such separately metered facility.

Special Conditions:

1. This Rider implements the Company's pilot program designed to test the feasibility of providing simplified transportation service to firm customers in a manner that will permit monitoring, feedback and an opportunity to modify the terms and conditions of this Rider in order to determine whether to continue such service or expand its availability to additional customers.
2. If Company determines that the pilot program implemented by this Rider is operating successfully, Company may, at any time after the effective date of this Rider, by providing written notice to the Commission, each then participating Qualified Aggregating Supplier, and any other Gas supplier who has notified the Company in writing that it desires to participate in the program, modify

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Issued On:

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FIRM TRANSPORTATION SUPPLIER AGGREGATION SERVICE (continued)

this Rider by increasing the number of customers and/or Qualified Aggregating Suppliers eligible to participate in such program. Any such modification by Company shall become effective 30 days after the later to occur of the aforesaid notice required of Company and the filing by Company of revised tariff sheets reflecting such modification.

3. For purposes of this Rider, "Qualified Aggregating Supplier" means a Gas supplier who has, within 60 days following the effective date of this Rider:
 - a. Entered into agreements to sell Gas to Customers desiring to receive service pursuant to this Rider;
 - b. Executed and delivered to Company an unmodified Firm Delivery and Operational Balancing Agreement for an initial term of not less than one year, obligating such supplier to deliver Gas to Company (in a minimum aggregate amount of 100,000 therms annually) for the accounts of customers on a firm basis, resolve imbalances between the quantities of Gas delivered for the accounts of customers and quantities of Gas taken by such customers directly with the Company, and establish and maintain credit pursuant to the terms of such agreement; and
 - c. Executed and delivered to Company an unmodified Master Capacity Release Agreement providing for such supplier's acquisition from Company of primary firm interstate pipeline transportation capacity to be used for the transportation and delivery to Company of Gas purchased by customers receiving service pursuant to this Rider;

provided, however, that Company reserves the right to limit the number of Qualified Aggregating Suppliers if Company reasonably determines that the number of such suppliers would cause the Company to be unable to effectively perform or administer service pursuant to this Rider.

4. To initiate service pursuant to this Rider, Customer shall execute and deliver to Company a Master Agreement for Gas Services, the basic form of which is set forth on Sheets 8.116 through 8.116-2 of this tariff, setting forth the terms and conditions of service to be provided by Company, and identifying Customer's Qualified Aggregating Supplier.
5. Subject to Special Condition 6 hereof, the initial period of service to each Customer hereunder shall be one year from the date such service commences.
6. Company shall have the right, exercisable on written notice to the Commission, each participating Qualified Aggregating Supplier, and each Customer receiving service hereunder, given not less than 90 days prior to the date on which this Rider has been in effect for one year, to terminate this Rider as it applies to each participating Customer (effective as of the end of the initial period of service hereunder to such Customer). Thereafter, Company shall also have the right, exercisable on written notice to the Commission, each participating Qualified Aggregating Supplier, and each Customer receiving service

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FIRM TRANSPORTATION SUPPLIER AGGREGATION SERVICE (continued)

hereunder, to terminate this Rider as it applies to each participating Customer, to extend the effectiveness of this Rider on an experimental basis, to expand or reduce the scope of (or otherwise modify) this Rider, or to make this Rider permanent, any such action by Company to become effective as of the date specified in such notice.

7. A Customer receiving service under this Rider may, effective as of the commencement of any one-year extension of the term of its agreement for service hereunder, change its Qualified Aggregating Supplier by executing and delivering to the Company a new or amended Master Agreement for Gas Services not less than 15 days prior to the commencement of the month in which such new or amended Master Agreement for Gas Services is to become effective.
8. A Customer receiving service under this Rider may, at any time during the first year following the effective date of this Rider, discontinue service hereunder by giving Company 15 days written notice prior to the first day of the month in which such Customer desires to discontinue such service, and upon such discontinuance return to service under the otherwise applicable firm sales service rate schedule. After the end of the first year following the effective date of this Rider, a Customer receiving service hereunder may discontinue such service by giving Company 90 days written notice prior to the end of the term of the Master Agreement for Gas Services between Customer and Company.
9. For purposes of curtailment by the Company, each individually billed facility receiving service hereunder shall be treated by the Company in accordance with the curtailment provisions found in the rate schedule (i.e., GS, GSLV-1, GSLV-2 or GTSLV-2) otherwise applicable to such facility.
10. Amounts payable to Company pursuant to the rate schedule applicable to each individually billed facility shall be subject to the operation of the Company's Tax and Fee Adjustment Clause (set forth on Sheet No. 7.101-1), Energy Conservation Cost Recovery Clause (set forth on Sheet No. 7.101-1), and Competitive Rate Adjustment Clause (set forth on Sheets Nos. 7.101-1 through 7.101-3).
11. Except as modified by the provisions set forth above, service under this Rider shall be subject to the Rules and Regulations set forth in this tariff.

MASTER AGREEMENT FOR GAS SERVICES
SUPPLIER AGGREGATION (TEST) PROGRAM

Master Agreement for Gas Services

Peoples Gas System, Inc. ("PGS") and

_____ ("Customer") hereby agree as follows:

Customer has entered, or intends to enter, into one or more gas supply agreement(s) with one or more gas supplier(s) (each a "Supplier"), providing for Supplier's delivery of the gas purchased by Customer at the Peoples Gas System, Inc. ("PGS") Receipt Point(s).

Each Supplier has entered into a Firm Delivery and Operational Balancing Agreement (the "Firm Delivery Agreement") with PGS, to the terms and conditions of each of which Customer hereby consents. During at least the first Billing Period during which this Agreement is in effect, the Supplier which will make deliveries of gas to PGS

for Customer's account is _____. Thereafter, PGS will, subject to the other provisions of this Agreement, accept Gas at the PGS Receipt Point(s) purchased by Customer from any Supplier which has entered into a Supplier Delivery Agreement with PGS, pursuant to the terms of such Firm Delivery Agreement; provided, however, that during any Billing Period all such gas shall have been purchased by Customer from a single Supplier. If Customer holds the interstate pipeline transportation capacity that will be used to deliver gas for Customer's account at the PGS Receipt Point(s), Customer shall appoint the Supplier from which the gas to be delivered is purchased as Customer's designee to perform all receipt and delivery nominations and confirmations under Customer's service agreement with the interstate pipeline on which capacity will be used. As used in this Agreement, the term "Billing Period" means the period of time preceding the meter reading(s) taken by PGS pursuant to this Agreement, upon which a bill rendered by PGS hereunder is based.

Each Firm Delivery Agreement covering gas to be delivered solely to Facilities receiving service from PGS under an interruptible rate schedule shall have a term of not less than one Billing Period. Each Firm Delivery Agreement covering gas to be delivered to any Facility receiving service from PGS under a firm rate schedule shall have a term of not less than one year.

Provided each of (i) the Firm Delivery Agreement and (ii) Supplier's obligations thereunder are in effect at the time gas is tendered to PGS at the PGS Receipt Point(s) for Customer's account, PGS agrees to transport gas delivered at PGS Receipt Point(s) for Customer's account (up to the DCQ for each Facility set forth in the applicable Firm Delivery Agreement) to Customer's meter site(s) listed in Appendix A in accordance with the terms and conditions of the form Gas Transportation and Supply Agreement contained in PGS's tariff on file with the Florida Public Service Commission ("FPSC"), as the same may be amended from time to time. PGS may change the PGS Receipt Point(s) at any time as provided in the Supplier Delivery Agreement. During the term hereof, all gas used in the Facilities will be transported by PGS on PGS's distribution system, except to the extent Customer's requirements for such Facilities are not delivered by PGS in accordance with this Agreement. The information set forth in Appendix A is incorporated herein by reference.

Subject to the terms of the immediately following paragraph, (i) this Agreement is effective from the Implementation Date until the Termination Date (the "Initial Term"), and (ii) the term of this Agreement shall be extended for periods of one (1) year, each ending on an anniversary of the Termination Date, unless Customer gives PGS written notice of the termination of this Agreement not less than ninety (90) Days prior to the expiration of the Initial Term (or any extended term). If either of PGS or a Supplier terminates such Supplier's Firm Delivery Agreement as it applies to any Gas to be delivered for Customer's account for transportation by PGS pursuant to this Agreement, PGS shall have the right to

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MASTER AGREEMENT FOR GAS SERVICES
SUPPLIER AGGREGATION (TEST) PROGRAM

immediately terminate this Agreement as it applies to such Gas. Suspension of a Supplier's obligations pursuant to Section 2.2 of a Firm Delivery Agreement shall not be deemed a termination of such Firm Delivery Agreement, but shall, with respect to any Gas delivered by such Supplier during the period of such suspension, suspend PGS's obligations to Customer under this Agreement.

Customer understands that the service to be provided by PGS hereunder is a part of a pilot program, the initial term of which (with respect to Customer) will end on the Termination Date. PGS reserves the right, exercisable on 90 days' notice to Customer prior to the Termination Date, to terminate the pilot program, extend it for another year, or modify the program to comply with a program which has been approved by the FPSC.

PGS will retain, at no cost to PGS, five tenths of one percent (0.5%) by volume (the "Retainage") of the quantity of gas received by PGS for Customer's account at the PGS Receipt Point(s).

Transportation hereunder for any Facility receiving service pursuant to an interruptible rate schedule shall be interruptible in accordance with PGS's FPSC tariff and curtailment plan. In the event deliveries of Gas to Customer are curtailed or interrupted, Customer understands and agrees that PGS will purchase from Supplier, pursuant to the Firm Delivery Agreement, that portion of Customer's Gas that is curtailed or interrupted.

Customer agrees to pay PGS in accordance with the rate schedule named in Appendix A for transportation of gas over the PGS distribution system to Customer's meter site(s). Customer understands that it is responsible for the payment of all bills rendered to Customer by Supplier(s), and that each Supplier's bill for gas purchased by Customer will be rendered separately from PGS's bill for transportation service.

DATED as of _____.

Peoples Gas System, Inc.

Customer

By: _____

By: _____

Title:

Title:

MASTER AGREEMENT FOR GAS SERVICES
SUPPLIER AGGREGATION (TEST) PROGRAM

APPENDIX A

MASTER AGREEMENT FOR GAS SERVICES

PGS Receipt Point(s)/
Primary FGT
Delivery Point(s)

DCQ (in MMBtu)

Termination Date

Implementation
Date

Rate
Schedule

Facility
Meter Site

PGS Account No.

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Peoples Gas System, Inc.

**PILOT PROGRAM
for
FIRM SUPPLIER TRANSPORTATION AGGREGATION
for
FIRM CUSTOMERS**

PURPOSE: Test a transportation program on a pilot (limited in size) basis to demonstrate the feasibility of providing simplified transportation service to firm customers of Peoples in a manner that will allow for future expansion of the program to a large number of Peoples' customers who are taking service under a firm rate schedule.

TIMING: Concurrent with the ongoing LDC Unbundling Docket of the Florida Public Service Commission, the program would proceed as follows:

1. Begin firm supplier aggregation transportation service as soon as the FPSC approves the program.
2. Each participating customer at each location signs up for one year. At the end of one year, the customer may continue the program for another year, subject to the following condition: Peoples reserves the right, upon written notice 90 days prior to the end of the first year, to end the pilot program, extend it for another year, or convert the pilot program to a full program consistent with any final order issued by the FPSC in the LDC Unbundling Docket proceeding.
3. The program will remain open to new participants (on a limited number basis) to begin transportation at the beginning of the first three months of the pilot program.

PILOT PROGRAM GENERAL GUIDELINES AND SIZE LIMITATION:

1. **MARKETERS** - Any number of marketers/suppliers wishing to aggregate for firm transportation customers may participate by agreeing to sign and comply with the unmodified Peoples agreements relating to the program. Marketers are invited to participate on an open, non-discriminatory basis.
2. **CUSTOMERS** - Each marketer may enroll up to ten (10) customers consisting of ten (10) individual locations (i.e., one location equals one customer) at the beginning of each of the first two (2) months of the program. At the beginning of the third and final month of the enrollment period, each marketer may enroll any

number of customers, so long as the total number of locations does not exceed thirty (30) customers.

GENERAL DESCRIPTION OF THE FIRM SUPPLIER AGGREGATION PROGRAM:

1. The Supplier Aggregation Program is intended for customers who can be served without the need for remote telemetry of volumetric consumption data from the customer meter to Peoples' Gas Control Office.
2. Each firm customer enters into a short, simple two-page agreement with Peoples in which they elect to receive transportation service and they select a marketer/aggregator to be their supplier for the first year of their participation.
3. Each firm customer also enters into a gas and transportation capacity purchase agreement with their selected marketer, for delivery, on a firm basis, of transportation gas for their account at one or more of Peoples' city gate receipt points on the applicable interstate pipeline.
4. Each participating supplier enters into a Firm Delivery and Operational Balancing Agreement with Peoples. Under the terms of the agreement, the supplier must deliver gas to Peoples on a firm basis, subject to similar performance standards to those required of Peoples' suppliers from which Peoples purchases gas for resale to its firm sales customers. In addition, the supplier assumes responsibility to resolve imbalances directly with Peoples, so that the customer is not involved in balancing matters.
5. Each supplier also enters into a Master Capacity Release Agreement, under which Peoples releases Primary Firm Transportation Capacity directly to the supplier to be used for the account of each firm customer participating in the aggregator's "pool".

KEY POINTS OF THE PROGRAM:

FIRM SUPPLIER TRANSPORTATION AGGREGATION

Type of Service behind Gate	FIRM (Category 1 -4)
Annual Volume (for pilot program) (per supplier)	100,000 Therms/Year
Curtaillable	NO*
LDC Obligated to Serve if T-Gas doesn't show	YES
Subject to Allocations & Unauth. Overrun Penalties	NO
Primary Delivery Point Required	YES
Supplier must Acquire LDC's Pipeline Capacity @ Max Rate	YES
Customer may acquire LDC's Pipeline Capacity	NO
LDC may choose to release Capacity @ less than Max Rate	NO
Customer may Choose Supplier from approved/qualified list	ANNUALLY
Supplier must Nom/Confirm LDC specified Quantity	YES
LDC can require +/- 10% change in Quantity	YES
Supplier signs Firm Delivery Agt & Balancing Agt w/LDC	YES
Supplier must meet LDC Creditworthiness Standard	YES
Balance with Supplier - Monthly Cashout with LDC	YES
LDC can Non-Qualify Supplier for repeated non-performing	YES

* - Except in accordance with Peoples' Curtailment Plan