

MACFARLANE FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

900 HIGHPOINT CENTER
106 EAST COLLEGE AVENUE
TALLAHASSEE, FLORIDA 32301
(850) 681-7381 FAX (850) 681-0281

400 NORTH TAMPA STREET, SUITE 2300
P.O. BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

625 COURT STREET
P. O. BOX 1669 (ZIP 33757)
CLEARWATER, FLORIDA 33756
(813) 441-8966 FAX (813) 442-8470

May 7, 1999

IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

RECEIVED
MAY 10 11 10 AM '99
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

VIA FEDERAL EXPRESS

Ms. Blanca Bayo
Director of Records & Reporting
Florida Public Service Commission
Capital Circle Office Center
2450 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Peoples Gas System -- Natural Gas Tariff, Original Volume No. 1

A N D

Peoples Gas System -- Natural Gas Tariff, Original Volume No. 2

Dear Ms. Bayo:

Enclosed herewith for filing on behalf of Peoples Gas System please find five (5) copies of the following revised sheets of Peoples' Natural Gas Tariffs, Original Volumes Nos. 1 and 2:

Volume No. 1:

- Third Revised Sheet No. 7.803
- Second Revised Sheet No. 7.803-1
- Second Revised Sheet No. 7.803-2

Volume No. 2:

- Fourth Revised Sheet No. 7.528
- Fourth Revised Sheet No. 7.528-1
- Third Revised Sheet No. 7.529
- Third Revised Sheet No. 7.530

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG** _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

All of the above revised sheets are submitted to become effective June 1, 1999, the effective date of Peoples' implementation of Peoples' modified experimental Firm Transportation Aggregation

Copy Cover ltr

DOCUMENT NUMBER-DATE

05914 MAY 10 1999

FPSU-RECORDS/REPORTING

Ms. Blanc Bayo
May 7, 1999
Page 2

Program (Rider FTA). The most recent modifications to the Rider FTA program were approved by the Commission's Order No. PSC-99-0487-FOF-GU, issued on March 8, 1999.

By its order mentioned above, the Commission approved an extension of the Rider FTA program through May 31, 2001, together with modifications to the program designed to permit increased customer and Pool Manager participation, simplify the paperwork associated with the program, and expand the availability of the experimental program to all geographic areas served by Peoples. As previously indicated, the modified program will commence June 1, 1999.

As approved, and as pertinent to this tariff filing, the modified Rider FTA provides that no more than 1,000 Customer accounts may participate in the program. As stated at page 3 of Order No. PSC-99-0487-FOF-GU:

. . . Peoples envisions increasing customer participation beyond the 1,000 customer limit as customer and Pool Manager interest increase[s]. According to Peoples, customer requests to participate in the program will be filled on a prorated basis if this occurs. Peoples has indicated that it will allocate customers, based on the number of applications received, to each qualified Pool Manager to place in the program. Each Pool Manager will then select customers for its pool based on the number they were allocated. Current Rider FTA participants will automatically continue in the program. Customers who are not included will be placed on a waiting list. Peoples will notify the Pool Managers when additional customers may be added.

The only change to the experimental program made by the enclosed revised sheets is to delete the currently approved 1,000-customer limit on participation, and replace it with a provision limiting participation in the program to the Customer accounts from which Peoples has received requests for service under the program as of April 30, 1999 -- the deadline for applications to participate as of June 1, 1999. The changes made by the enclosed revised sheets are shown in legislative format on the four-page document enclosed herewith as Exhibit A.

This revision is consistent with Special Condition 2 contained in the approved tariff sheets. Special Condition 2 of Rider FTA contemplates Peoples' ability, on notice to the Commission, each then participating Pool Manager, and any other person who has notified the Company in writing that it desires to participate in the modified program, to modify the rider by increasing the number of Customer accounts eligible to participate. Peoples believes this tariff filing should be considered as appropriate notice to the Commission of such increased participation. With respect to Pool Managers and persons who have notified the Company of a desire to participate, Peoples' advice to such persons that they will all be entitled to participate without being placed on a waiting list should be sufficient notice. Although the Special

Ms. Blanc Bayo
May 7, 1999
Page 3

Condition states that any such modification will be effective 30 days after the later to occur of the Company's notice and the filing of tariff sheets reflecting the modification, Peoples submits that requiring strict compliance with this 30-day requirement would benefit no one, and would be detrimental to the potentially affected Pool Managers, the customers who would be denied the opportunity to commence transportation service on June 1, 1999, and the desires of the Commission Staff that the program permit transportation by more commercial customers. For the Company, requiring strict adherence to the 30-day requirement could pose a monumental customer relations problem.

Peoples considers the change in the 1,000-Customer account limit made by the enclosed revised sheets to be administrative in nature in view of the following language found on page 5 of the order approving the modified Rider FTA program:

We note our staff's position that Peoples' FTA Rider should be expanded even further to allow additional commercial customers the opportunity to purchase their own gas supplies. According to our staff, further expansion would offer lower natural gas costs to commercial customers, increase their ability to control and budget for those costs by direct purchases of natural gas, and enhance economic development with minimal or no adverse rate impacts on other customers. While we note our staff's position, we see the proposed modifications as a positive step toward increasing customers' opportunities to purchase their own gas supplies.

As you were advised by the Company earlier this week, as of April 30, 1999 (the date by which applications were required to be received by the Company in order for a customer to participate in the modified program when service thereunder is initiated on June 1, 1999), Peoples has qualified 12 Pool Managers and has received applications from approximately 2,700 Customer accounts -- nearly three times the number permitted to participate in the modified program as currently approved. Thus, Peoples must either engage in the proration envisioned by the Commission's order approving the modified program (thereby accepting less than half of the applicants), or increase the number of Customer accounts entitled to participate prior to implementing the modified program on June 1, 1999.

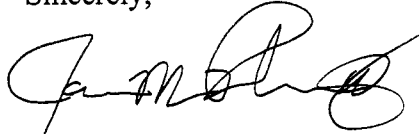
Peoples does not want those customers who have properly applied to participate as of April 30, 1999 to be relegated to a waiting list. Expanding the program to 2,700 Customer accounts will present a significant additional administrative burden. However, for Peoples and participating Pool Managers to determine which 1,000 Customer accounts may participate beginning June 1, and which must be assigned to the waiting list would likely entail more administrative difficulties -- and more potential customer complaints -- than would the administration of the program for more than three times the number of participants originally

Ms. Blanc Bayo
May 7, 1999
Page 4

envisioned by the Company. Good customer service and enhanced opportunities for third-party suppliers dictate that these customers should be permitted to participate from the inception of service under the program as modified. However, while Peoples believes it will be able to effectively administer the modified program for the approximately 2,700 Customer accounts which had applied for service as of April 30, it does not want to be obligated to accept additional Customer accounts in the program until it has had an opportunity to assess the impact of the modified program on the Company and non-participating customers.

Should you have any questions regarding the enclosed filing, please contact Brent Caldwell or Mary Jo Pennino at Peoples directly. Their direct numbers are (813) 228-4664 and (813) 228-4775, respectively.

Sincerely,



Ansley Watson, Jr.
James M. (Buddy) Robinson IV

AWjr/a
Enclosures

cc: Mr. Cheryl Bulecza - Banks (w/enclosures)
Mr. Wayne R. Makin (w/ enclosures)
FTA Pool Managers

FIRM TRANSPORTATION AGGREGATION SERVICE
Experimental Tariff
Rider FTA

Availability:

Limited in time and scope, on an experimental basis during the period from June 1, 1999 through May 31, 2001, and subject to the special conditions set forth herein, to any Customer account for which gas service is received from Company and (a) for which service hereunder is requested as a part of a Customer Pool (as herein defined), (b) for which Gas is purchased as a part of Gas purchased from or through a Pool Manager (as herein defined) for a Customer Pool administered by such Pool Manager, ~~and~~ (c) which would otherwise qualify for service under Rate Schedule SGS, GS, CSLS, GSLV-1, GSLV-2, GTSLV-2, NGVSS or NGVTS, and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 5 on or before April 30, 1999. No more than 40 independent Customer Pools (including those established under Company's Natural Gas Tariff, Original Volume No. 2) ~~and no more than 1,000 Customer accounts (including those receiving service under Company's Natural Gas Tariff, Original Volume No. 2)~~ may receive service pursuant to this Rider. Service pursuant to this Rider is available throughout the service areas of the Company (including those served pursuant to the Company's Natural Gas Tariff, Original Volume No. 2) when such service can be made available without detriment to service to the Company's other customers.

Applicability:

To transportation of Gas delivered to Company by a Pool Manager for a Customer account pursuant to this Rider.

Monthly Rate:

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

Special Conditions:

1. This Rider implements the Company's modified 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 Customer accounts.
2. If Company determines that the modified 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 Pool Manager, and any other person who has notified the Company in writing that it desires to participate in the modified program, modify this Rider by increasing the number of Customer accounts and/or Pool Managers eligible to participate in such program. Any such future 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, "Customer Pool" means a group of not less than 10 Customer accounts which, in the aggregate, have annual Gas consumption of at least 100,000 Therms, provided, however, that, subject to all other provisions hereof, (a) a group of Customer accounts served by a single supplier under this Rider prior to January 1, 1999 shall qualify as a Customer Pool hereunder, and (b) reduction in the number of Customer accounts comprising a Customer Pool shall not disqualify the Customer Pool for service hereunder as long as the Customer Pool met the foregoing definition at the time its service hereunder commenced. Company shall have the right at any time on written notice to the Commission, each then participating Pool Manager, and each Customer receiving service hereunder, to temporarily suspend initiation of service hereunder to additional Customer accounts and/or Pool Managers, and petition the Commission for authority to close this Rider to participation by additional Customer accounts. Any such notice by Company shall be effective as of the day following the day on which it is sent by Company provided Company's petition to the Commission is filed prior to, or within seven (7) days following, the day on which Company's notice is issued.
4. For purposes of this Rider, "Pool Manager" means a person or entity which has:
 - a. Entered into agreements to sell Gas to, or procure Gas for, Customer accounts desiring to receive service pursuant to this Rider as part of a Customer Pool;
 - b. Executed and delivered to Company after January 1, 1999 an unmodified Firm Delivery and Operational Balancing Agreement (in the form set forth on Sheets 8.119 through 8.119-9 of this tariff) for an initial term of not less than one year, obligating such person or entity to deliver Gas to Company on a firm basis (in a minimum aggregate amount of 100,000 therms annually) for the accounts which are part of a Customer Pool, resolve directly with the Company imbalances between (i) the quantities of Gas delivered to Company for the accounts in the Customer Pool and (ii) the quantities of Gas taken by such Customer Pool, and establish and maintain credit pursuant to the terms of such agreement; and

- c. Executed and delivered to Company after January 1, 1999 an unmodified Master Capacity Release Agreement providing for such person's or entity'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 a Customer Pool receiving service pursuant to this Rider.

Subject to the provisions of Special Conditions 3 and 5, additional Customer accounts may be added to a Customer Pool administered by a Pool Manager at any time. A Pool Manager may be disqualified by Company from providing service hereunder in accordance with the Firm Delivery and Operational Balancing Agreement.

5. To initiate service pursuant to this Rider, a Customer shall execute and deliver to a Pool Manager (for delivery by such Pool Manager to Company) (i) a letter of authorization in the form set forth on Sheets 8.118 through 8.118-1 of this tariff and (ii) a copy of a recent Company invoice for service for each account for which the Customer desires to receive service pursuant to this Rider. Service by Company to a Customer account pursuant to this Rider will commence on the first day of the month following (but not less than 30 days after) the Pool Manager's delivery to Company of a properly completed letter of authorization and the required invoice(s). Company will provide written notice, not less than two weeks prior to the scheduled commencement of service hereunder, to each Pool Manager, and to each Customer having an account to be served hereunder by such Pool Manager, regarding their respective eligibility to participate in service pursuant to this Rider.
6. Subject to Special Condition 7 hereof and Availability (above), the initial period of service to each Customer account hereunder shall be one year from the date such service commences.
7. Company shall have the right, exercisable on written notice to the Commission, each participating Pool Manager, 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 account (effective as of the end of the initial period of service hereunder to such Customer account). Thereafter, Company shall also have the right, exercisable on written notice to the Commission, each participating Pool Manager, and each Customer receiving service hereunder, to terminate this Rider as it applies to each participating Customer account, 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 an order of the Commission approving such action.

8. A Customer account receiving service under this Rider may terminate service hereunder by its then serving Pool Manager and commence service hereunder (within the time and in the manner provided in Special Condition 5) by a different Pool Manager. There shall be no charge by Company to Customer for the first such change of Pool Managers for an account within a 12-month period. A Customer shall pay to Company for each subsequent change in Pool Managers for any account an administrative fee of \$10.00.
9. A Customer receiving service under this Rider may at any time discontinue service hereunder by giving Company 90 days written notice.
10. For purposes of curtailment or interruption by Company, each individually billed account receiving service hereunder shall be treated by the Company in accordance with the curtailment provisions found in the rate schedule (i.e., SGS, GS, CSLS, GSLV-1, GSLV-2, GTSLV-2, NGVSS or NGVTS) otherwise applicable to such account.
11. Amounts payable to Company by Customer pursuant to the rate schedule applicable to each individually billed account 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).
12. If requested by a Customer account and the Pool Manager administering service hereunder to such account, Company will bill the Pool Manager's charges for service provided hereunder to such account. Company shall charge a Pool Manager \$5.00 per bill for such optional service.
13. 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.

FIRM TRANSPORTATION AGGREGATION SERVICE
Experimental Tariff
Rider FTA

Availability:

Limited in time and scope, on an experimental basis during the period from June 1, 1999 through May 31, 2001, and subject to the special conditions set forth herein, to any Customer account for which gas service is received from Company and (a) for which service hereunder is requested as a part of a Customer Pool (as herein defined), (b) for which Gas is purchased as a part of Gas purchased from or through a Pool Manager (as herein defined) for a Customer Pool administered by such Pool Manager, (c) which would otherwise qualify for service under Rate Schedule SGS, GS, CSLS, GSLV-1, GSLV-2, GTSLV-2, NGVSS or NGVTS, and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 5 on or before April 30, 1999. No more than 40 independent Customer Pools (including those established under Company's Natural Gas Tariff, Original Volume No. 1) (including those served under Company's Natural Gas Tariff, Original Volume No. 1) may receive service pursuant to this Rider. Service pursuant to this Rider is available throughout the service areas of the Company (including those served pursuant to the Company's Natural Gas Tariff, Original Volume No. 1) when such service can be made available without detriment to service to the Company's other customers.

Applicability:

To transportation of Gas delivered to Company by a Pool Manager for a Customer account pursuant to this Rider.

Monthly Rate:

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

Special Conditions:

1. This Rider implements the Company's modified 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 Customer accounts.
2. If Company determines that the modified 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 Pool Manager, and any other person who has notified the Company in writing that it desires to participate in the modified program, modify this Rider by increasing the number of Customer accounts and/or Pool Managers eligible to participate in such program. Any such future 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, "Customer Pool" means a group of not less than 10 Customer accounts which, in the aggregate, have annual Gas consumption of at least 100,000 Therms, provided, however, that, subject to all other provisions hereof, (a) a group of Customer accounts served by a single supplier under this Rider prior to January 1, 1999 shall qualify as a Customer Pool hereunder, and (b) reduction in the number of Customer accounts comprising a Customer Pool shall not disqualify the Customer Pool

FIRM TRANSPORTATION AGGREGATION SERVICE (continued)

for service hereunder as long as the Customer Pool met the foregoing definition at the time its service hereunder commenced. Company shall have the right at any time on written notice to the Commission, each then participating Pool Manager, and each Customer receiving service hereunder, to temporarily suspend initiation of service hereunder to additional Customer accounts and/or Pool Managers, and petition the Commission for authority to close this Rider to participation by additional Customer accounts. Any such notice by Company shall be effective as of the day following the day on which it is sent by Company provided Company's petition to the Commission is filed prior to, or within seven (7) days following, the day on which Company's notice is issued.

4. For purposes of this Rider, "Pool Manager" means a person or entity which has:
 - a. Entered into agreements to sell Gas to, or procure Gas for, Customer accounts desiring to receive service pursuant to this Rider as part of a Customer Pool;
 - b. Executed and delivered to Company after January 1, 1999 an unmodified Firm Delivery and Operational Balancing Agreement (in the form set forth on Sheets 8.119 through 8.119-9 of this tariff) for an initial term of not less than one year, obligating such person or entity to deliver Gas to Company on a firm basis (in a minimum aggregate amount of 100,000 therms annually) for the accounts which are part of a Customer Pool, resolve directly with the Company imbalances between (i) the quantities of Gas delivered to Company for the accounts in the Customer Pool and (ii) the quantities of Gas taken by such Customer Pool, and establish and maintain credit pursuant to the terms of such agreement; and
 - c. Executed and delivered to Company after January 1, 1999 an unmodified Master Capacity Release Agreement providing for such person's or entity'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 a Customer Pool receiving service pursuant to this Rider.

Subject to the provisions of Special Conditions 3 and 5, additional Customer accounts may be added to a Customer Pool administered by a Pool Manager at any time. A Pool Manager may be disqualified by Company from providing service hereunder in accordance with the Firm Delivery and Operational Balancing Agreement.

5. To initiate service pursuant to this Rider, a Customer shall execute and deliver to a Pool Manager (for delivery by such Pool Manager to Company) (i) a letter of authorization in the form set forth on Sheets 8.118 through 8.118-1 of this tariff and (ii) a copy of a recent Company invoice for service for each account for which the Customer desires to receive service pursuant to this Rider. Service by Company to a Customer account pursuant to this Rider will commence on the first day of the month following (but not less than 30 days after) the Pool Manager's delivery to Company of a properly completed letter of authorization and the required invoice(s). Company will provide written notice, not less than two weeks prior to the scheduled commencement of service hereunder, to each Pool Manager, and to each Customer having an account to be served hereunder by such Pool Manager, regarding their respective eligibility to participate in service pursuant to this Rider.

FIRM TRANSPORTATION AGGREGATION SERVICE (continued)

6. Subject to Special Condition 7 hereof and Availability (above), the initial period of service to each Customer account hereunder shall be one year from the date such service commences.
7. Company shall have the right, exercisable on written notice to the Commission, each participating Pool Manager, 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 account (effective as of the end of the initial period of service hereunder to such Customer account). Thereafter, Company shall also have the right, exercisable on written notice to the Commission, each participating Pool Manager, and each Customer receiving service hereunder, to terminate this Rider as it applies to each participating Customer account, 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 an order of the Commission approving such action.
8. A Customer account receiving service under this Rider may terminate service hereunder by its then serving Pool Manager and commence service hereunder (within the time and in the manner provided in Special Condition 5) by a different Pool Manager. There shall be no charge by Company to Customer for the first such change of Pool Managers for an account within a 12-month period. A Customer shall pay to Company for each subsequent change in Pool Managers for any account an administrative fee of \$10.00.
9. A Customer receiving service under this Rider may at any time discontinue service hereunder by giving Company 90 days written notice.
10. For purposes of curtailment or interruption by Company, each individually billed account receiving service hereunder shall be treated by the Company in accordance with the curtailment provisions found in the rate schedule (i.e., SGS, GS, CSLS, GSLV-1, GSLV-2, GTSLV-2, NGVSS or NGVTS) otherwise applicable to such account.
11. Amounts payable to Company by Customer pursuant to the rate schedule applicable to each individually billed account 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).
12. If requested by a Customer account and the Pool Manager administering service hereunder to such account, Company will bill the Pool Manager's charges for service provided hereunder to such account. Company shall charge a Pool Manager \$5.00 per bill for such optional service.
13. 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.

FIRM TRANSPORTATION AGGREGATION SERVICE
Experimental Tariff
Rider FTA

Availability:

Limited in time and scope, on an experimental basis during the period from June 1, 1999 through May 31, 2001, and subject to the special conditions set forth herein, to any Customer account for which gas service is received from Company and (a) for which service hereunder is requested as a part of a Customer Pool (as herein defined), (b) for which Gas is purchased as a part of Gas purchased from or through a Pool Manager (as herein defined) for a Customer Pool administered by such Pool Manager, (c) which would otherwise qualify for service under Rate Schedule CS, LCS, FIS, TFIS or LCT, and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 5 on or before April 30, 1999. No more than 40 independent Customer Pools (including those established under Company's Natural Gas Tariff, Original Volume No. 1) (including those served under Company's Natural Gas Tariff, Original Volume No. 1) may receive service pursuant to this Rider. Service pursuant to this Rider is available throughout the service areas of the Company (including those served pursuant to the Company's Natural Gas Tariff, Original Volume No. 1) when such service can be made available without detriment to service to the Company's other customers.

Applicability:

To transportation of Gas delivered to Company by a Pool Manager for a Customer account pursuant to this Rider.

Monthly Rate:

The Monthly Rate for transportation service applicable to each individually billed Customer account shall be the Monthly Rate applicable to such individually billed account under Rate Schedule CS, LCS, FIS, TFIS or LCT based upon the annual therm usage of such separately metered account.

Special Conditions:

1. This Rider implements the Company's modified 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 Customer accounts.
2. If Company determines that the modified 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 Pool Manager, and any other person who has notified the Company in writing that it desires to participate in the modified program, modify this Rider by increasing the number of Customer accounts and/or Pool Managers eligible to participate in such program. Any such future modification

FIRM TRANSPORTATION AGGREGATION SERVICE (continued)

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, "Customer Pool" means a group of not less than 10 Customer accounts which, in the aggregate, have annual Gas consumption of at least 100,000 Therms, provided, however, that, subject to all other provisions hereof, (a) a group of Customer accounts served by a single supplier under this Rider prior to January 1, 1999 shall qualify as a Customer Pool hereunder, and (b) reduction in the number of Customer accounts comprising a Customer Pool shall not disqualify the Customer Pool for service hereunder as long as the Customer Pool met the foregoing definition at the time its service hereunder commenced. Company shall have the right at any time on written notice to the Commission, each then participating Pool Manager, and each Customer receiving service hereunder, to temporarily suspend initiation of service hereunder to additional Customer accounts and/or Pool Managers, and petition the Commission for authority to close this Rider to participation by additional Customer accounts. Any such notice by Company shall be effective as of the day following the day on which it is sent by Company provided Company's petition to the Commission is filed prior to, or within seven (7) days following, the day on which Company's notice is issued.
4. For purposes of this Rider, "Pool Manager" means a person or entity which has:
 - a. Entered into agreements to sell Gas to, or procure Gas for, Customer accounts desiring to receive service pursuant to this Rider as part of a Customer Pool;
 - b. Executed and delivered to Company after January 1, 1999 an unmodified Firm Delivery and Operational Balancing Agreement (in the form set forth on Sheets 8.033 through 8.044 of this tariff) for an initial term of not less than one year, obligating such person or entity to deliver Gas to Company on a firm basis (in a minimum aggregate amount of 100,000 therms annually) for the accounts which are part of a Customer Pool, resolve directly with the Company imbalances between (i) the quantities of Gas delivered to Company for the accounts in the Customer Pool and (ii) the quantities of Gas taken by such Customer Pool, and establish and maintain credit pursuant to the terms of such agreement; and
 - c. Executed and delivered to Company after January 1, 1999 an unmodified Master Capacity Release Agreement providing for such person's or entity'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 a Customer Pool receiving service pursuant to this Rider.

FIRM TRANSPORTATION AGGREGATION SERVICE (continued)

Subject to the provisions of Special Conditions 3 and 5, additional Customer accounts may be added to a Customer Pool administered by a Pool Manager at any time. A Pool Manager may be disqualified by Company from providing service hereunder in accordance with the Firm Delivery and Operational Balancing Agreement.

5. To initiate service pursuant to this Rider, a Customer shall execute and deliver to a Pool Manager (for delivery by such Pool Manager to Company) (i) a letter of authorization in the form set forth on Sheets 8.031 through 8.032 of this tariff and (ii) a copy of a recent Company invoice for service for each account for which the Customer desires to receive service pursuant to this Rider. Service by Company to a Customer account pursuant to this Rider will commence on the first day of the month following (but not less than 30 days after) the Pool Manager's delivery to Company of a properly completed letter of authorization and the required invoice(s). Company will provide written notice, not less than two weeks prior to the scheduled commencement of service hereunder, to each Pool Manager, and to each Customer having an account to be served hereunder by such Pool Manager, regarding their respective eligibility to participate in service pursuant to this Rider.
6. Subject to Special Condition 7 hereof and Availability (above), the initial period of service to each Customer account hereunder shall be one year from the date such service commences.
7. Company shall have the right, exercisable on written notice to the Commission, each participating Pool Manager, 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 account (effective as of the end of the initial period of service hereunder to such Customer account). Thereafter, Company shall also have the right, exercisable on written notice to the Commission, each participating Pool Manager, and each Customer receiving service hereunder, to terminate this Rider as it applies to each participating Customer account, 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 an order of the Commission approving such action.
8. A Customer account receiving service under this Rider may terminate service hereunder by its then serving Pool Manager and commence service hereunder (within the time and in the manner provided in Special Condition 5) by a different Pool Manager. There shall be no charge by Company to Customer for the first such change of Pool Managers for an account within a 12-month period. A Customer shall pay to Company for each subsequent change in Pool Managers for any account an administrative fee of \$10.00.
9. A Customer receiving service under this Rider may at any time discontinue service hereunder by giving Company 90 days written notice.

FIRM TRANSPORTATION AGGREGATION SERVICE (continued)

10. For purposes of curtailment or interruption by Company, each individually billed account receiving service hereunder shall be treated by the Company in accordance with the curtailment provisions found in the rate schedule (i.e., CS, LCS, FIS, TFIS or LCT) otherwise applicable to such account.
11. Amounts payable to Company by Customer pursuant to the rate schedule applicable to each individually billed account shall be subject to the operation of the Company's Tax and Fee Adjustment Clause (set forth on Sheet No. 7.102), Energy Conservation Cost Recovery Clause (set forth on Sheet No. 7.103), and Firm Rate Adjustment (set forth on Sheets Nos. 7.103 through 7.105).
12. If requested by a Customer account and the Pool Manager administering service hereunder to such account, Company will bill the Pool Manager's charges for service provided hereunder to such account. Company shall charge a Pool Manager \$5.00 per bill for such optional service.
13. 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.