

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

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625 COURT STREET  
P. O. BOX 1669 (ZIP 33757)  
CLEARWATER, FLORIDA 33756  
(727) 442-8966 FAX (727) 442-8470

IN REPLY REFER TO:

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

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June 30, 2000

VIA FEDEX

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

**Re: Petition for approval of modifications to tariff provisions governing the transportation of customer-owned gas and tariff provisions to implement Rule 25-7.0335, F.A.C., by Peoples Gas System**

Dear Ms. Bayo:

Enclosed for filing on behalf of Peoples Gas System, please find the original and 15 copies of Peoples' petition referenced above. Enclosed also are (a) five copies of the tariff sheets for which approval is sought, (b) two "coded" or legislative versions of the new tariff sheets showing changes, and (c) a diskette containing the petition in Wordperfect 8.0 format. (The electronic document does not include the exhibits to the petition.)

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

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FPSC-BUREAU OF RECORDS

*Ansley Watson, Jr.*

ANSLEY WATSON, JR.

AWjr/a  
Enclosures

a) tariff -  
1 to desk  
remainder to comp  
b) "coded" -  
both to comp

DOCUMENT NUMBER-DATE

08104 JUL-38

FPSC-RECORDS/REPORTING

(a) tariff sheets

DOCUMENT NUMBER-DATE

08105 JUL-38

FPSC-RECORDS/REPORTING

Blanca S. Bayo  
June 30, 2000  
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cc: Mr. Wayne R. Makin

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<b>VIII.</b>	<b>INDEMNITY TO COMPANY</b>	5.801
<b>IX</b>	<b>APPEALS TO THE COMMISSION</b>	5.801
<b>X.</b>	<b>TRANSPORTATION SERVICE</b>	5.901

DOCUMENT NUMBER-DATE

Issued By: William N. Cantrell, President  
Issued On: July 1, 2000

08105 JUL -3 effective: October 1, 2000

FPSC-RECORDS/REPORTING

X

## TRANSPORTATION SERVICE

### A. AVAILABILITY

Transportation service differs from sales service, in which the Customer purchases Gas from the Company. The Company provides transportation service when it re-delivers Customer-owned Gas delivered to the Company's distribution system by a Customer or its supplier or agent for consumption by the Customer. Transportation service is available to all non-residential Customers through either the Natural Choice Transportation Service Rider (Rider NCTS) and/or the Individual Transportation Service Rider (ITS) depending on the Customer's rate classification. A Customer's service from the Company will not be affected by the Customer's election to participate in a transportation program.

### B. COMPANY'S OBLIGATIONS

The Company is only obligated to re-deliver natural gas that has been delivered to its system by a Customer or its agent or supplier for use by the transportation Customer. If the Pool Manager or a Customer on a firm rate schedule and participating in the Natural Choice Transportation Service Rider (Rider NCTS), fails to deliver adequate gas supply on any given day, the Company will continue to provide service as long as provision of service is not detrimental to other Customers. When a Customer receiving transportation service under Rider ITS, or its agent, fails to deliver natural Gas to the Company's distribution system in sufficient quantity to serve the Customer's daily requirement, the Company may curtail the Customer's consumption.

However, it is the intent of the Company that failure by a Pool Manager or Customer to deliver adequate natural gas on any given day shall not cause the interruption or curtailment of other Customers who either, 1) deliver an adequate quantity of natural gas to serve the Customer's or Customer Pool's daily usage, if a transportation Customer, or 2) purchase Gas from the Company.

### C. RETURN TO SALES SERVICE

A Customer who participates in transportation service and chooses to return to sales service may return to sales service, if such return is not detrimental to other Customers. Any Customer which returns to sales service must remain on sales service for the twelve (12) consecutive months following the return to sales service. This twelve month requirement does not apply in the event the Customer's Pool Manager under Rider NCTS terminates service to the Customer. Even under this exception, the Customer shall not return to transportation service with the same Pool Manager or gas marketer, or any affiliated company during the following twelve month period.

### D. COMPANY STANDARDS

In operating the Natural Choice Transportation Service Rider, the Company will:

1. Apply its transportation service tariff provisions uniformly to all similarly situated affiliated and non-affiliated marketers, brokers, agents, and Customers.

**TRANSPORTATION SERVICE (Continued)**

2. Make ancillary services provided by the Company available on a non-discriminatory basis cost to all similarly situated Pool Managers.
3. Process all similar requests for transportation service in the same manner.
4. Provide, if requested by a Customer, a list of all Pool Managers operating on Company's system.
5. Functionally separate operating employees for the Company from the operating employees of any affiliated Pool Manager.
6. Maintain its books of accounts and records separate from the books of accounts and records of any affiliated Pool Manager.

In operating the Natural Choice Transportation Service Rider, the Company will not:

7. Give any similarly situated Pool Manager or Customer preference in matters, rates, information, or charges relating to transportation service including, scheduling, balancing, metering, standby service or curtailment policy.
8. Communicate to any Customer, Pool Manager or third person that any advantage might accrue to such Customer, Pool Manager or third person in the use of the Company's Natural Choice Transportation Service Rider as a result of the Customer's, Pool Manager's or other third person's dealing with a Pool Manager affiliated with the Company.

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## **GENERAL APPLICABILITY PROVISIONS**

The following general provisions are applicable to each rate schedule contained in this tariff.

### **A. CHARACTER OF SERVICE**

1. **General Service.** Gas, purchased by Customer from Company, having a nominal heating value of not less than 950 BTU per cubic foot. The Company will endeavor to provide Gas Service on a continuous basis, but does not guarantee to do so. Detailed procedures for orderly curtailment in the event of a shortage of Gas from the Company's suppliers are set forth in the Company's curtailment plan on file with the Commission.
2. **Interruptible Service and Contract Interruptible Service.** Gas, purchased by Customer from Company, having a nominal heating value of not less than 950 BTU per cubic foot, delivered on an interruptible basis. Gas Service rendered under Interruptible and Contract Interruptible Rate Schedules will be curtailed or fully interrupted at the sole discretion of the Company. The Customer shall hold the Company harmless from any and all liabilities, penalties, alternate fuels subsidies, price adjustments and claims of whatever type, resulting from or arising out of the Company's curtailment or interruption of Gas consumption or deliveries to Customers electing Interruptible Service.
3. **Individual Transportation Service.** Gas made available to Company by or for the account of Customer (other than as a part of Gas made available to Company by or for the account of a Customer Pool, as defined in Rider NCTS of this tariff) for transportation service on Company's system from a designated point of receipt to a designated point of delivery. Company shall have no obligation to re-deliver Gas which Company has not received from or for the account of Customer. If the Gas is delivered for transportation by Company under a firm rate schedule, Company will endeavor to re-deliver the Gas on a continuous basis, but does not guarantee to do so. Detailed procedures for orderly curtailment of deliveries are set forth in the Company's curtailment plan on file with the Commission. Transportation service rendered under Interruptible and Contract Interruptible rate schedules will be curtailed or interrupted at the sole discretion of the Company. The Customer shall hold the Company harmless from any and all liabilities, penalties, alternate fuels subsidies, price adjustments and claims of whatever type, resulting from or arising out of the Company's curtailment or interruption of deliveries of Gas transported by Company under an interruptible rate schedule.
4. **Natural Choice Transportation Service.** Gas made available to Company by or for the account of Customer as part of a Customer Pool (as defined in Rider NCTS of this tariff), for transportation on Company's system from a designated point of receipt to a designated point of delivery. Company shall have no obligation to re-deliver Gas which Company has not received from or for the account of a Customer Pool. If the Gas is to be delivered by Company to Customer under a firm rate schedule, Company will endeavor to re-deliver the Gas on a continuous basis, but does not guarantee to do so. Detailed procedures for orderly curtailment of deliveries are set forth in the Company's curtailment plan on file with the Commission. Natural Choice Transportation Service rendered under Interruptible and Contract Interruptible rate schedules will be curtailed or interrupted at the sole



## **GENERAL APPLICABILITY PROVISIONS (Continued)**

discretion of the Company. The Customer shall hold the Company harmless from any and all liabilities, penalties, alternate fuels subsidies, price adjustments and claims of whatever type, resulting from or arising out of the Company's curtailment or interruption of deliveries of Gas transported by Company under an interruptible rate schedule.

### **B. PURCHASED GAS ADJUSTMENT CLAUSE**

Except for Gas purchases by Customer at the initial point of Company's receipt of such Gas on Company's distribution system pursuant to Rate Schedule CG, the energy charge of the Monthly Rate for Gas supplied in any Billing Period shall be adjusted by the Company's expected weighted average cost of Gas (WACOG). The WACOG may not exceed the Commission-approved purchased Gas cost recovery factor based on estimated Gas purchases (excluding purchases made by Customers at the initial point of Company's receipt of such Gas on Company's distribution system pursuant to Rate Schedule CG) for the twelve-month period of January through December, in accordance with the methodology adopted by the Commission on May 2, 1991, in Order No. 24463, Docket No. 910003-GU, or as such methodology may be amended from time to time by further order of the Commission. The WACOG determined as set forth above shall be multiplied by 1.00503 for regulatory fees, rounded to the nearest \$.00001 per Therm, and applied to the total number of Therms (excluding purchases made by Customer at the initial point of Company's receipt of such Gas on Company's distribution system pursuant to Rate Schedule CG) consumed by the Customer during the Billing Period.

The purchased Gas cost recovery factor approved by the Commission for bills rendered for meter readings taken from January 1, 2000 through December 31, 2000 is 55.097 cents per Therm.

The purchased Gas cost recovery factor shall serve as a cap or maximum recovery factor. If re-projected expenses for the remaining period exceed projected recoveries by at least 10% for the twelve (12) month period, a mid-course correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, may increase or decrease the WACOG as long as any increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of Gas purchased, but may not exceed the approved cap for the period.

### **C. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT CLAUSE**

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

Except as otherwise provided herein, each rate schedule shall be increased or decreased to the nearest .01¢ multiplied by the tax factor of 1.00503 for each Therm of consumption or transportation to recover the conservation related expenditures by the Company. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for the review, approval, recovery and recording of such costs and revenues is set forth in the Commission Rule 25-17.015, F.A.C.

**GENERAL APPLICABILITY PROVISIONS (Continued)**

The cost recovery factors for the period from January 1, 2000 through December 31, 2000 are as follows:

**Non-West Florida Region:**

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	8.099¢ per Therm
General Service	2.835¢ per Therm
Small General Service	6.811¢ per Therm
Commercial Street Lighting	.966¢ per Therm
Natural Gas Vehicle Service	.759¢ per Therm
General Service - Large Volume 1	2.299¢ per Therm
General Service - Large Volume 2	1.672¢ per Therm
General Transportation Service - Large Volume 2	1.672¢ per Therm
Interruptible (all classes)	.000¢ per Therm

**West Florida Region:**

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	9.005¢ per Therm
Commercial	3.118¢ per Therm
Commercial Large Volume	2.315¢ per Therm
Commercial Large Volume: Transportation	2.315¢ per Therm
Industrial	2.291¢ per Therm
Firm Transport	.804¢ per Therm
Special Contract	.706¢ per Therm

Pursuant to FPSC Order No. 23576, no conservation cost recovery factor shall be applied to Therms consumed or transported for use in a cogeneration facility, regardless of the rate schedule under which such Therms are consumed or transported by Company.

**D. SWING SERVICE CHARGE**

The Pool Manager of a Customer receiving aggregated transportation service from Company under the Natural Choice Transportation Service Rider (Rider NCTS) provides a fixed daily quantity of Gas supply and interstate pipeline transportation capacity throughout each month. The Company must increase or reduce the system's Gas supply and use of interstate pipeline capacity in an effort to balance the actual daily consumption of a Rider NCTS Customer as it differs from the fixed daily quantity of Gas being delivered by the Customer's Pool Manager during the month. The Swing Service Charge is assessed to firm Rider NCTS Customers to cover the costs incurred by the Company to maintain the above-described balance and distribution system integrity.

The bill for aggregated transportation service provided by Company to a firm Customer pursuant to Rider NCTS in any Billing Period shall be adjusted as follows:

The monthly consumption of each Rider NCTS Customer shall be multiplied by the Swing

**GENERAL APPLICABILITY PROVISIONS (Continued)**

Service Charge factors listed below, each factor being increased or decreased to the nearest \$0.00001 per therm multiplied by the regulatory assessment tax factor of 1.00503:

**Non-West Florida Region:**

<u>Rate Class</u>	<u>Recovery Factor</u>
General Service	\$0.0145 per Therm
Small General Service	\$0.0281 per Therm
Commercial Street Lighting	\$0.0117 per Therm
Natural Gas Vehicle Service	\$0.0289 per Therm
General Service - Large Volume 1	\$0.0126 per Therm
General Service - Large Volume 2	\$0.0099 per Therm

**West Florida Region:**

<u>Rate Class</u>	<u>Recovery Factor</u>
Commercial	\$0.0145 per Therm
Commercial Large Volume	\$0.0126 per Therm
Industrial	\$0.0099 per Therm

Revenues derived from the Swing Service Charge are credited to the Purchased Gas Adjustment Clause to the extent applicable.

**E. TRANSITION COST RECOVERY CHARGE**

The Company has incurred and will continue to incur expenses to enable it to provide transportation service to all non-residential customers as required by Rule 25-7.0335, F.A.C. adopted by the Commission in Order No. PSC-00-0337-NOR-GU, Docket No. 960725-GU. These costs are recovered through the Transition Cost Recovery Charge. This charge will be applied to the monthly consumption of all non-residential Customers for which individual transportation service was not available on a permanent basis immediately prior to the initial effective date of Rider NCTS (i.e., all non-residential customers except GSLV2, SIS, IS, and ISLV in the non-West Florida Region and LCS, FIS and IS-WF in the West Florida Region). The Transition Cost Recovery Charge will be in effect for an initial period of two years beginning the later of the first billing cycle for October 2000 or the first billing cycle for the month following the effective date of the NCTS Rider as approved by the Commission. After the initial two-year period, the remaining balance will be recovered or refunded via a true-up factor to be applied over a period of up to two (2) years. The adjusted billing factors for the following true-up period will be based on the level of actual costs incurred, costs recovered and additional estimated costs so that the total revenues received during the total four-year period equals the costs incurred by Company, including interest, to provide transportation service to all non-residential Customers.

The Transition Cost Recovery Factor for the initial two year period is \$0.00678 per therm. The factor shall be increased or decreased to the nearest \$0.00001 and then multiplied by the Regulatory Assessment tax factor of 1.00503.

**GENERAL APPLICABILITY PROVISIONS (Continued)**

**F. TAX AND FEE ADJUSTMENT CLAUSE**

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

**G. COMPETITIVE RATE ADJUSTMENT CLAUSE (Non-West Florida Region)**

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV, ITLSV, CIS and CTS is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible and contract transportation service revenues.

1. For the purposes of this clause, the following definitions shall apply:
  - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and CTS during a determination period.
  - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS all transportation under Rate Schedule CTS during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
  - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
  - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.
4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV, ITSLV, CIS and CTS) to credit them with revenues equal to the surplus.

### GENERAL APPLICABILITY PROVISIONS (Continued)

5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV, ITSLV, CIS and CTS) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the non-gas energy charge or transportation charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV, ITSLV, CIS and CTS) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract: 
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add: 
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV, ITSLV, CIS and CTS) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

### H. FIRM RATE ADJUSTMENT (West Florida Region)

The Distribution Charge for firm Gas delivered after September 30, 1989, is subject to adjustment in accordance with the following provisions for prior shortfalls or surpluses in Company's interruptible revenues.

1. For the purposes of this clause, the following definitions shall apply:
  - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided at rates prescribed under the Rates for Service section of Company Rate Schedule IS-WF during a determination period.
  - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas sold at rates prescribed under the Rates for Service section of Company Rate Schedule IS-WF during a determination period been billed at the Base Distribution Charge.
  - c. "Surplus" means the amount, if any, by which Company's actual revenue

### GENERAL APPLICABILITY PROVISIONS (Continued)

exceeds its base revenue for a determination period.

d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.

2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to firm rates pursuant to this clause shall be implemented during an "adjustment period," which shall be the twelve (12) months immediately following the determination period in the event of a surplus. In the event of a shortfall, any twelve (12) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.
4. In the event of a surplus, Company shall reduce rates to firm Customers to credit them with revenues equal to one-half the surplus. In the event of a shortfall, Company may increase rates to firm Customers to recover an amount not to exceed one-half the shortfall. The amount of any credit or recovery is governed by the following:

$$\text{Credit to firm} = (\text{Actual revenue} - \text{Base revenue}) \times 0.5$$

$$\text{Shortfall recovery} \leq (\text{Base Revenue} - \text{Actual revenue}) \times 0.5$$

5. A credit or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the Distribution Charge prescribed in each firm rate schedule of this tariff by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:  $\frac{\text{Credit to Firm}}{\text{PTS}}$

In event of a shortfall, add:  $\frac{\text{Shortfall recovery}}{\text{PTS}}$

Where PTS is the projected Therm deliveries to firm Customers during the adjustment period. Any variation between the actual credit to firm Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding twelve (12) months pursuant to methodology approved by the Florida Public Service Commission.

6. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

### I. CONDITIONS FOR TRANSPORTATION OF CUSTOMER-OWNED GAS

Provisions applicable to each Customer which receives individual transportation service

## GENERAL APPLICABILITY PROVISIONS (Continued)

provided by Company (regardless of whether such Customer also purchases Gas from Company pursuant to a rate schedule providing for sales service) are found in Rider ITS of this tariff. Provisions applicable to each Customer which receives aggregated transportation service provided by Company (regardless of whether such Customer also purchases Gas from Company pursuant to a rate schedule providing for sales service) are found in Rider NCTS of this tariff.

### J. MAIN AND SERVICE EXTENSION AMORTIZATION SURCHARGE

In cases where the estimated actual cost of extending necessary Main and Service facilities exceeds the Maximum Allowable Construction Cost (MACC); and where the Company determines, in its reasonable discretion and in accord with Section VI of the Company's Rules and Regulations, that there is a reasonable likelihood that an extension of Main or Service facilities will produce sufficient revenues to justify the necessary investment in such facilities; and where the Company determines that the creditworthiness of the party or parties requesting the extension is satisfactory to assure recovery of the additional investment above the MACC, the Company may provide for the recovery of estimated actual extension costs in excess of the MACC via a Main and Service Extension Amortization Surcharge (MSEA Surcharge). In such cases, in lieu of a Construction Deposit Agreement, the party or parties requesting an extension subject to the MSEA Surcharge may enter into a guaranty agreement with the Company by which said party or parties shall agree to pay to the Company any remaining unamortized balance of the amount subject to the MSEA Surcharge at the end of the Amortization Period.

Where the MSEA Surcharge is applied, the MSEA Surcharge shall be paid only by Customers in the area served by the extended Main and Service facilities for which the MSEA Surcharge is levied. The MSEA Surcharge shall be expressed in cents per Therm and shall be calculated according to the following formula.

$$\text{MSEA Surcharge} = \frac{\text{MSEA Revenue Requirement}}{\text{Projected Therm Consumption}}$$

where the following definitions apply:

MSEA Surcharge means the MSEA Surcharge, in cents per Therm, to be paid by Customers located in the specific area (a) served by the extended Main and Service facilities.

MSEA Revenue Requirement means the revenue requirement necessary to amortize the excess of the cost of the Main and service facilities extension above the applicable MACC, while yielding the Company's overall rate of return approved by the Florida Public Service Commission in the Company's last rate proceeding before completing the extension guaranty agreement, and taking into account the projected year-by-year Therm consumption to be made through the extension.

Projected Therm Consumption means the Company's estimate of the total Therms consumption delivered by Company within the area served by the extended facilities in each year over the Amortization Period. Projected Therm consumption for any year shall not be less than the annual Therm consumption projected or assumed for purposes of calculating the MACC applicable to the particular

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**GENERAL APPLICABILITY PROVISIONS (Continued)**

extension of facilities.

Amortization Period means the period, in years, over which the MSEA Surcharge for a given area will be collected.

Upon the earlier of (1) the third anniversary of the date when the project facilities are placed in service and (2) the date on which 80% of the originally forecast annual load is connected, the Company will reassess the amount of additional revenue required to recover the unamortized excess cost of the facilities and the calculation of the MSEA Surcharge. The resulting adjustment of the MSEA Surcharge (whether upward or downward) will be applied prospectively over the remainder of the Amortization Period.

The Company may enter into a guaranty agreement with the party or parties requesting the extension, whereby that party or parties, agree to pay to the Company any unamortized balance remaining at the end of the Amortization period. The Company's rights under the guaranty agreement will not be considered when calculating the MSEA Surcharge.

If Gas consumption develops more rapidly than anticipated in the calculation of the MSEA Surcharge, additional net base rate revenues shall be applied to reduce the remaining principal balance of the amount being amortized. If the principal balance is fully amortized before the Amortization Period ends, the MSEA Surcharge for the specific area shall terminate immediately, and any over-collections shall be promptly credited to the affected Customers. If Gas consumption over the Amortization Period are insufficient to fully amortize the principal amount being amortized, then the party or parties requesting the extension shall pay to the Company the remaining amount due pursuant to the guaranty agreement referenced above.



**RESIDENTIAL SERVICE  
Rate Schedule RS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, subject to the following criteria:

1. 100% of the Gas is used exclusively for the co-owner's benefit.
2. None of the Gas is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each Point of Delivery will be separately metered and billed.
4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said services.

**Monthly Rate:**

Customer Charge: \$7.00 per month

Distribution Charge: \$0.41117 per Therm

Note 1 - Rider LE (Load Profile Enhancement Non-West Florida Region ) rate applies to the above Distribution Charge for Customers meeting the conditions of such rider (See Sheet No. 7.801).

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .

**RESIDENTIAL SERVICE (Continued)  
(Non-West Florida Region)**

3. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
4. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment clause set forth on Sheet No. 7.101-4.

**SMALL GENERAL SERVICE  
Rate Schedule SGS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to any non-residential Customer using 1,000 Therms per year or less. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge: \$15.00 per month

Distribution Charge: \$.33738 per Therm

Note 1 - Rider LE (Load Profile Enhancement Non-West Florida Region) rate applies to the above Distribution Charge for Customers meeting the conditions of such rider (See Sheet No. 7.801).

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.
3. The rates set forth above shall be subject to the operation of the Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-3.
4. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

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**SMALL GENERAL SERVICE (Continued)  
(Non-West Florida Region)**

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth of Sheet No. 7.101-4 .
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
8. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**GENERAL SERVICE  
Rate Schedule GS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to any Commercial or Industrial Customer using 1,000 through 25,000 Therms per year or less. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge: \$17.00 per month

Distribution Charge: \$0.24374 per Therm

Note 1 - Rider LE (Load Profile Enhancement Non-West Florida Region) rate applies to the above Distribution Charge for Customers meeting the conditions of such rider (See Sheet No. 7.801).

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
2. The rates set forth above shall be subject to the operation of the Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-3.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.
4. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

**GENERAL SERVICE (Continued)  
(Non-West Florida Region)**

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
8. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**GENERAL SERVICE LARGE VOLUME - 1  
Rate Schedule GSLV-1  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to any Commercial or Industrial Customer using more than 25,000 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge: \$25.00 per month

Distribution Charge: \$.21860 per Therm

Note 1 - Rider LE (Load Profile Enhancement Non-West Florida Region) rate applies to the above Distribution Charge for Customers meeting the conditions of such rider (See Sheet No. 7.801).

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
2. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-3.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.

**GENERAL SERVICE LARGE VOLUME - 1 (Continued)  
(Non-West Florida Region)**

4. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
8. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-2.



**GENERAL SERVICE LARGE VOLUME 2  
Rate Schedule GSLV-2  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to

- A. any non-residential Customer using 500,000 Therms per year or more at one billing location
- B. any Customer receiving Gas through a meter for compression and delivery into motor vehicle fuel tanks or other transportation containers (see Special Condition 7)

A Customer eligible for service under this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**Monthly Rate (See Special Conditions 8 and 9):**

Customer Charge: \$45.00 per month

Distribution \$.16155 per Therm

Note 1 - Rider LE (Load Profile Enhancement Non-West Florida Region) rate applies to the above Distribution Charge for Customers meeting the conditions of such rider (See Sheet No. 7.801). Rider LE shall not apply to service provided by the Company pursuant to Special Condition 7 of this rate schedule.

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. Interruption and Curtailment: Company shall have the right to reduce or completely curtail deliveries to a Customer receiving transportation service pursuant to this rate schedule if, in Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier(s) (or overrun the volumes of gas scheduled for delivery to Company for Customer's account).

**GENERAL SERVICE LARGE VOLUME 2 (Continued)**  
**(Non-West Florida Region)**

2. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
3. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for interruptible service.
4. The rates set forth in this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Clause set forth on Sheet No. 7.101-1.
5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4.
6. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
7. For Customers receiving Gas delivered pursuant to this schedule through a Meter for compression and delivery into motor vehicle fuel tanks or other transportation containers who take less than 500,000 Therms annually, the Monthly Rate (i.e., the Customer Charge and the Distribution Charge) shall be the Monthly Rate applicable under Rate Schedule GSLV-1.
8. For Customers receiving Gas delivered pursuant to this schedule and pursuant to Rider LE (Load Profile Enhancement Non-West Florida Region) through a separate Meter who take less than 500,000 Therms annually, the Monthly Rate (i.e., the Customer Charge and the Distribution Charge) shall be the Monthly Rate, adjusted in accordance with Rider LE, under the otherwise applicable Rate SGS, GS, or GSLV-1, based upon annual Therm usage.
9. The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.305 THROUGH 7.305-1  
NEXT SHEET IS NO. 7.306**

**COMMERCIAL STREET LIGHTING SERVICE  
Rate Schedule CSLS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

**Monthly Rate:**

Distribution Charge: \$ .09447 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS.

**Special Conditions:**

1. When the Customer participates in the Natural Choice Transportation Service, the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
2. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-3.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.
4. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

**COMMERCIAL STREET LIGHTING SERVICE (Continued)  
(Non-West Florida Region)**

7. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.
8. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**NATURAL GAS VEHICLE SERVICE  
Rate Schedule NGVS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider.

**Monthly Rate:**

Customer Charge: \$25.00 per month

Distribution Charge: \$.0662 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-1.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No 7.101-4 .

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**NATURAL GAS VEHICLE SALES SERVICE (Continued)**  
**(Non-West Florida Region)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Interruption and Curtailment: Company shall have the right to reduce or completely curtail deliveries to a Customer receiving transportation service pursuant to this rate schedule if, in Company's opinion, Customer will overrun the volume of Gas to which it is entitled from its supplier(s) (or overrun the volumes of Gas scheduled for delivery to Company for Customer's account).
7. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**RESERVED FOR FUTURE USE.**



**WHOLESALE SERVICE - FIRM  
Rate Schedule WHS  
(Non-West Florida Region)**

**Availability:**

For other Gas distribution or electric utility companies throughout the Non-West Florida Region of the Company.

**Applicability:**

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential or commercial resale or for use by an electric utility for its own consumption.

**Monthly Rate:**

Distribution Charge: \$ .14066 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchase Gas Adjustment Clause set forth on Sheet No. 7.101-1.

**Special Conditions:**

1. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .
2. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.
3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.
4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
5. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**SMALL INTERRUPTIBLE SERVICE  
Rate Schedule SIS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company, subject to the provisions of Special Condition 7.

**Applicability:**

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using more than 500,000 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$150.00 per month

Distribution Charge: \$.07264 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No.7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

**SMALL INTERRUPTIBLE SERVICE (Continued)  
(Non-West Florida Region)**

Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the greater of \$1.50 per Therm or the rate per Therm imposed on Company by its delivering pipeline.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4 .
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for firm service.
7. Effective November 21, 1995, this rate schedule shall be closed to entry by any new or transfer customer except that a customer presently served under Rate Schedule SITS may transfer to this rate schedule.
8. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.602 THROUGH 7.602-1  
NEXT SHEET IS NO. 7.603**

**INTERRUPTIBLE SERVICE  
Rate Schedule IS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using more than 4,000,000 Therms per year (see Special Condition 6). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under either Rider NCTS or Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$225.00 per month

Distribution Charge: \$.03672 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

**INTERRUPTIBLE SERVICE (Continued)  
(Non-West Florida Region)**

Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of \$1.50 per Therm or the rate per Therm imposed on Company by its delivering pipeline.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. A Customer which qualifies for service under this rate schedule shall continue to qualify for service hereunder if its usage is decreased below 4,000,000 Therms per year due solely to the Customer's taking thermal energy from a cogeneration facility to which the Company sells Gas or provides transportation service.
7. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**RESERVED FOR FUTURE USE.**

**INTERRUPTIBLE SERVICE - LARGE VOLUME  
Rate Schedule ISLV  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using more than 50,000,000 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$225.00 per month

Distribution Charge: \$.01090 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Company's Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but not less than one year.
2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. Interruption and Curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of \$1.50 per Therm or the rate per Therm imposed on Company by its delivering pipeline.



**INTERRUPTIBLE SERVICE - LARGE VOLUME (Continued)  
(Non-West Florida Region)**

4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
5. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate, such classification will be prospective.
6. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**RESERVED FOR FUTURE USE.**

**CONTRACT INTERRUPTIBLE SERVICE  
Rate Schedule CIS  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 100,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

**Customer Charge:** Equal to the otherwise applicable Customer Charge based on annual consumption.

**Distribution Charge:**

An amount not less than \$.01 per Therm nor greater than 90 percent of the currently applicable firm rate; provided however, that at any time during which the cumulative surpluses determined for all prior determination periods under the Competitive Rate Adjustment Clause (Non-West Florida Region) (see Sheet No. 7.101- 4) equal or exceed the cumulative shortfalls determined for all prior determination periods under such clause, the distribution charge shall not exceed the distribution charge established for service under Rate Schedule IS in Company's last base rate proceeding. Unless changed by Company pursuant to this Rate Schedule, the distribution charge shall be equal to the applicable interruptible rate.

The "currently applicable firm rate" as used herein means the distribution charge prescribed in the otherwise applicable rate schedule, adjusted pursuant to the Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4.

The distribution charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of Gas which is available to serve Customer; the delivered price and availability of Customer's designated alternate fuel; bypass opportunities; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the distribution charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have no obligation to do so; provided, however, that the distribution charge shall at all times remain within the limits set forth above.

**CONTRACT INTERRUPTIBLE SERVICE (Continued)**  
**(Non-West Florida Region)**

Company will notify Customer at least 48 hours in advance of any change in the distribution charge under this rate schedule.

Customer may at any time request reduction in its distribution charge by completing the form which appears on Sheet No. 8.111 and submitting the same to Company.

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS.

**Minimum Bill:** The Customer charge.

**Special Conditions:**

1. As a condition for receiving service pursuant to this rate schedule Customer must agree that, on termination of service hereunder, Customer will pay to Company the amount, if any, by which (A) Customer's consumption (in Therms) during the twelve (12) months immediately preceding the date on which service hereunder is terminated, times the applicable interruptible rate, exceeds (B) Customer's consumption (in Therms) during said period, times the distribution charges actually paid for such consumption by Customer.
2. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of such agreement shall be set forth therein but shall not be less than one year.
3. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
4. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer. Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of \$1.50 per Therm or the rate per Therm imposed on the Company by its pipeline supplier.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

**CONTRACT INTERRUPTIBLE SERVICE (Continued)**  
**(Non-West Florida Region)**

6. In instances where the Customer is able to demonstrate the ability and intent to bypass the Company's distribution system and purchase Gas or another source of energy from an alternate supplier, the distribution charge shall, in the discretion of the Company, be the rate per Therm necessary to retain the Customer on the Company's distribution system, provided that such rate is demonstrated to be in the long-term best interests of both the Company and its ratepayers.
7. The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**THIS SHEET CANCELS**  
**ORIGINAL SHEET NO. 7.608 THROUGH 7.608-1**  
**NEXT SHEET IS NO. 7.701**

**CITY GATE SERVICE**  
**Rate Schedule CG**  
**(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Gas delivered to any commercial or industrial Customer which has entered into both a City Gate Gas Sales Agreement and a Gas Transportation and Supply Agreement with the Company.

**Monthly Rate:**

**Energy Charge:** As provided in the City Gate Gas Sales Agreement between Customer and Company.

Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1 shall not apply to purchases of Gas made by Customer under this schedule.

**Minimum Bill:** As provided in the City Gate Gas Sales Agreement between Customer and Company.

**Special Conditions:**

1. A City Gate Gas Sales Agreement accepted by the Company, the basic form of which is set forth on Sheet No. 8.113, is a condition precedent for service under this schedule.
2. Each prospective Customer must submit a written application, in a form acceptable to the Company, prior to the initiation of service under this schedule. After the Company's receipt of a properly completed application, if the Company determines it is able to provide the service requested, the applicant and the Company will enter into a City Gate Gas Sales Agreement and a Gas Transportation and Supply Agreement.
3. The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**OFF-SYSTEM SALES SERVICE  
Rate Schedule OSS**

**Availability:**

Throughout the service areas of Company, and of any interstate or intrastate natural Gas pipeline serving the Company (collectively, the "Pipelines").

**Applicability:**

Interruptible Gas delivered by Company through the facilities of a Pipeline, using Company's transportation capacity rights on such Pipeline, to any person not connected to Company's distribution system.

**Monthly Rate:**

Customer Charge:	None
Transaction Charge:	\$100.00 per transaction
Non-Gas Charge:	

For all Scheduled Quantities (as such term is defined in Special Condition 5 below), an amount not less than \$.000 per Therm nor greater than 90 percent of the currently applicable firm rate, which Distribution Charge shall be established by agreement between Company and Customer prior to each transaction pursuant to this rate schedule.

The "currently applicable firm rate", as used herein, means the distribution charge prescribed in the firm rate schedule which would apply if the daily sales represented by a transaction under this rate schedule were annualized.

The Non-Gas Energy Charge for service pursuant to this rate schedule shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of Gas which is available to serve Customer; the delivered price and availability of Customer's designated alternate fuel; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the Non-Gas Energy Charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have no obligation to do so; provided, however, that the Non-Gas Energy Charge shall at all times remain within the limits set forth above.

The bill for Therms billed at the above rates shall be increased either by the cost per Therm of the Gas delivered to Customer pursuant to this rate schedule, including all variable costs incurred by Company for (or in connection with) Pipeline transportation. Company's Purchased Gas Adjustment Clause, Energy Conservation Cost Recovery Clause and Competitive Rate Adjustment Clause shall not apply to purchases of Gas made by Customer pursuant to this rate schedule.



## OFF-SYSTEM SALES SERVICE (Continued)

### Special Conditions:

1. Neither Customer nor Company shall have any obligation to the other for any specific minimum quantity of Gas or pipeline capacity on any day or during any month, and deliveries pursuant to this rate schedule shall be subject to curtailment or interruption at any time in the sole discretion of Company.
2. Amounts payable to Company pursuant to this rate schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.
3. Disposition of Net Revenues and Transaction Charges. For purposes of this paragraph 3, "net revenues" shall mean the total Non-Gas Energy Charges received by Company for service pursuant to this rate schedule. Fifty percent (50%) of all net revenues shall be retained by Company above the line as regulated revenues, and the remaining fifty percent (50%) of such net revenues (and all Transaction Charges) shall be used to reduce Company's cost of Gas recovered through the Purchased Gas Adjustment Clause.
4. Interruption and Curtailment. Company may notify Customer at any time to reduce or cease using Gas. Company will endeavor to give as much notice as possible to Customer.  
  
Any Gas taken in excess of the volume allocated to Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas, in addition to other charges payable hereunder, at the greater of \$1.50 per Therm or the rate per Therm imposed on Company by the delivering Pipeline.
5. For each day on which Customer desires to receive service pursuant to this rate schedule, Customer shall provide a nomination to Company specifying the quantity of Gas it desires to receive at the specified Point of Delivery pursuant to this Agreement. Following receipt of a timely and complete nomination from Customer, Company will confirm the quantities of Gas to be made available for delivery to Customer at such Point of Delivery. Quantities confirmed by PGS for delivery shall be "Scheduled Quantities".
6. The Point of Delivery for all Gas consumed pursuant to this rate schedule shall be the delivery point of the delivering Pipeline specified by Customer.
7. Except as modified by the provisions set forth above, service under this rate schedule shall be subject to the Rules and Regulations set forth in this tariff.

**LOAD PROFILE ENHANCEMENT  
Rider LE  
(Non-West Florida Region)**

**Availability:**

Throughout the Non-West Florida Region of the Company.

**Applicability:**

Service under this Rider LE is applicable, at the option of the Customer, to incremental consumption, as defined below, (in Therms) during the months of April through October to Customers served under Rate Schedules RS, SGS, GS, GSLV-1, or GSLV-2. This rider shall be applicable prospectively beginning on the date approved by the Commission, only after February 1, 1995 to service commenced on or after January 1, 1993.

**Monthly Rate:**

Customer Charge: As set forth in the otherwise applicable firm rate schedule (see Applicability, above)

Distribution Charge: Forty (40) percent of the Distribution Charge set forth in the otherwise applicable firm rate schedule stated above.

**Special Conditions:**

1. Service by Company pursuant to this rider will be initiated only if requested by Customer, and the rate provided herein shall be applicable prospectively from the time service hereunder is initiated by Company.
2. Company may require non-residential Customers' incremental consumption to be separately metered.
3. The above rate shall apply only to the Customer's incremental consumption during the months of April through October.
4. For purposes of this rider:
  - (a) "Incremental consumption" shall mean all Therms provided by the Company during the months of April through October in excess of Customer's base load.
  - (b) "Base load" shall mean (where incremental consumption is not separately metered):

**LOAD PROFILE ENHANCEMENT Rider LE (Continued)  
(Non-West Florida Region)**

- (i) in the case of an existing Customer, such Customer's average monthly consumption (in Therms) during the months of April through October prior to the initiation of service pursuant to this rider, and
  - (ii) in the case of a new Customer, such Customer's average monthly consumption (in Therms) during the months of April through October will be based on the average use of representative comparable Customers served under the applicable rate schedule in the service area location.
- (c) A change in the name or identity of a person receiving Gas or transportation service provided by Company at a premise shall not result in such person's being a new Customer. A change in the name or identity of a Customer receiving the rate pursuant to this rider at a premise shall not reinitiate the applicability of this rider.

**TRANSPORTATION AGGREGATION  
Rider TA  
(Non-West Florida Region)**

**Availability:**

Service hereunder is available to any Customer who would otherwise qualify for service under Rate Schedules SGS, GS, GSLV-1, GSLV-2, SIS, or IS, through two or more separate meters at individually billed facilities, and who contracts for 500,000 Therms per year or more of transportation service hereunder, where each individually billed facility for which the Customer seeks transportation aggregation service is directly owned and operated by and in the name of one Customer of record of the Company. Service pursuant to this Rider is available throughout the Non-West Florida Region of the Company when such service can be made available without detriment to service to the Company's other Customers. Entry to this Rider by new participants is closed effective October 1, 2000.

**Applicability:**

To service for aggregated Gas transportation pursuant to this Rider.

**Monthly Rate:**

The Monthly Rate for transportation service (e.g., the Customer Charge, the Distribution Charge, and, in the case of firm rate schedules, the Energy Conservation Cost Recovery Charge) applicable to each individually billed facility shall be the Monthly Rate applicable to each individually billed facility under Rate Schedule SGS, GS, GSLV-1, GSLV-2, SIS or IS, based upon annual Therm usage at each separately metered facility.

**Special Conditions:**

1. Aggregation of Customer volumes at more than one location, as defined in this rider, for transportation purposes, shall not adversely impact Company's ability to provide transportation service to existing transportation Customers.
2. Each account aggregated for transportation service under this Rider will be subject to the Individual Transportation Service Rider. Each such account will be treated separately and independently for the purposes of charges, scheduling, confirmation and imbalance resolution as defined in Rider ITS.
3. Service by Company pursuant to this Rider will be initiated only if requested by the Customer. The Customer must enter into an applicable Gas Transportation and Supply Agreement with Company for one or more consecutive periods of at least one year. Service pursuant to this Rider shall commence when (A) the Company has installed all necessary metering and other equipment and facilities necessary to accommodate transportation service hereunder, and (B) the Customer and Company have made all other necessary arrangements for the commencement of service under this Rider, including, but not limited to, the execution of an applicable Gas Transportation and Supply Agreement, any applicable Operational Balancing Agreements, and any other agreements that may be necessary in the Customer's

**TRANSPORTATION AGGREGATION (Continued)**  
**(Non-West Florida Region)**

particular circumstances.

4. A Customer served under Rider TA must give at least one year advance written notice of its desire to transfer any of its individually billed facilities to an otherwise applicable sales service rate schedule. If the Company determines that a requested transfer from service under this Rider to an otherwise applicable service rate schedule can be accommodated without detriment to its other Customers, the Company may permit transfers with less than one year's advance notice.
5. For purposes of interruption or curtailment by the Company, each individually billed facility shall be treated by the Company in accordance with the provisions covering interruption and curtailment found in the Rate Schedule applicable to each individually billed facility (i.e., Rate Schedule SGS, GS, GSLV-1, GSLV-2, SIS or IS). In the event Customer's facilities to be aggregated for transportation purposes under this rider include both firm and interruptible rate schedules and facility locations, interruptible facilities will be included in a separate Gas Transportation and Supply Agreement from the Agreement applicable to firm facilities.
6. In the event Customer receives notice from Company of interruption or curtailment at any facility subject to interruption or curtailment, any consumption in excess of Customer's allocation shall be treated as an unauthorized overrun and will be subject to unauthorized overrun penalty charges pursuant to the Company's tariff.
7. Amounts payable to Company pursuant to the Rate Schedule applicable to each individually billed facility (i.e., Rate Schedule SGS, GS, GSLV-1, GSLV-2, SIS or IS) shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.
8. The firm rates set forth above applicable to each individually billed facility (i.e., Rate Schedule SGS, GS, GSLV-1 or GSLV-2) shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No.7.101-1.
9. The Rate Schedules applicable to each individually billed facility (i.e., Rate Schedule SGS, GS, GSLV-1, GSLV-2, SIS or IS) shall be subject to the operation of the Company's Competitive Rate Adjustment Clause (Non-West Florida Region) set forth on Sheet No. 7.101-4
10. 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.
11. Service aggregated for transportation under this Rider is subject to annual volume review by the Company or at any time at the Customer's request. Subject to the

**TRANSPORTATION AGGREGATION (Continued)  
(Non-West Florida Region)**

transfer notice requirements of paragraph 4 above, if reclassification from coverage under this Rider to individual sales service rate schedules is required, such reclassification will be prospective (A) from the date on which the Customer requests such reclassification to become effective or (B) from the time when the Company determines that reclassification is required and also determines that the reclassification can be accomplished without detriment to the Company's other Customers.

**NATURAL CHOICE TRANSPORTATION SERVICE  
Rider NCTS  
(All Regions)**

**Availability:**

Available to all non-residential customers receiving service from Company and (a) for which service hereunder is requested as a part of a Customer Pool (as herein defined), (b) for which the Customer's total consumption of Gas is purchased from or through a Pool Manager (as herein defined), (c) which would otherwise qualify for service under Rate Schedule SGS, GS, GSLV-1, GSLV-2, CSLS, NGVS, SIS, IS or CIS for the Non-West Florida Region and CS, LCS, or FIS for the West Florida Region and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 6. Service pursuant to this Rider is available when such service can be made available without detriment to the Company's other Customers.

**Applicability:**

To firm or interruptible transportation of Gas delivered to Company by a Pool Manager for a non-residential 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, GSLV-1, GSLV-2, CSLS, NGVS, SIS, IS or CIS for the Non-West Florida Region and CS, LCS, or FIS for the West Florida Region based upon the annual therm usage of such separately metered account.

The Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101 shall not apply to transportation service provided by Company to a Customer pursuant to this Rider.

**Special Conditions:**

1. For purposes of this Rider, "Customer Pool" means a group of Customer accounts for which Gas is delivered to Company by a Pool Manager for transportation service of the aggregated needs of the Customer accounts. The Company shall not be required to provide transportation service to more than 40 independent Customer Pools.
2. 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, the Customer accounts comprising a Customer Pool;
  - b. Executed and delivered to Company after approval of this Rider by the Commission an unmodified Firm Delivery and Operational Balancing Agreement (in the form set forth on Sheets 8.119 through 8.119-8 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 for the accounts comprising 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 agreements; and

- c. Executed and delivered to Company after approval of this Rider by the Commission 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 6, 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.

3. Company shall not be required, in any month after the effective date of this Rider, to commence service pursuant to this Rider to more than 300 additional Customer accounts, but may elect to do so. If the number of Customer accounts seeking to initiate service hereunder in any month exceeds 300, and Company elects not to commence service hereunder to all such accounts in such month, the Company shall prorate the Customer accounts according to the number of outstanding accounts for all Customer Pools. For each Customer Pool, the Customer accounts for which properly completed letters of authorization were received first will commence service under this Rider first.
4. On its effective date, this Rider supersedes and replaces the Company's experimental aggregated transportation service programs under Riders FTA and FTA-2. A Customer which, on the day prior to the effective date of this Rider, (a) was receiving aggregated transportation service from Company pursuant to Company's Rider FTA or Rider FTA-2, and (b) has not notified Company that it does not desire to receive transportation service pursuant to this Rider, will continue to receive service hereunder and shall not be subject to Special Condition 3. However, if any such Customer thereafter changes Pool Managers or makes any other change in service hereunder, such Customer shall be subject to all special conditions, including Special Condition 6.
5. A Customer which, as of the day prior to the effective date of this Rider, (a) was qualified to receive aggregated transportation service from Company pursuant to Company's Rider FTA-2, but had not commenced Gas service from Company due to Company's not having completed construction of distribution facilities required to provide service, and (b) has not notified Company that it does not desire to receive transportation service pursuant to this Rider, shall not be subject to Special Conditions 3 or 6.
6. To initiate service pursuant to this Rider, a Customer shall execute and deliver to a Pool Manager after the date on which this Rider is approved by the Commission (for delivery by such Pool Manager to Company's Transportation Department via facsimile or mail) a letter of authorization in the form set forth on Sheet 8.118 of this tariff. Pool Manager shall also pay to Company a registration fee of \$10.00 for each Customer account to which service is initiated hereunder. Service by Company to a Customer account for which service hereunder has been properly requested pursuant to this Rider will commence on the first day of the month following (but not less than 30 days after) the delivery to Company of a properly completed letter of authorization.



7. 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 6) by a different Pool Manager. The new Pool Manager shall pay to Company a registration fee of \$10.00 for each account.
8. If a Pool Manager requests the Company provide the twelve-month consumption history for a Customer account, the Pool Manager shall pay to the Company an administrative fee of \$20 per account. If so required, the administrative fee must be received by Company before the letter of authorization signed by the Customer is deemed complete. For consumption history requests after the letter of authorization is complete, the Pool Manager shall also pay the \$20.00 administration fee.
9. A Customer receiving service under this Rider may discontinue service hereunder by giving Company 30 days written notice. A Customer who elects to terminate transportation service under this Rider in order to return to sales service will be required to remain on sales service for a period not less than twelve months. A Customer who returns to sales service due to abandonment by its Pool Manager will not be required to remain on sales service but cannot return to the same Pool Manager, or any affiliated company, for at least twelve months.
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 applicable rate schedule or Curtailment Plan as filed with the Florida Public Service Commission.
11. Accounts receiving service pursuant to this Rider will be subject to the Swing Service Charge (set forth on Sheet No. 7.101-2).
12. 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.
13. If a Customer receiving service pursuant to this Rider takes service under an interruptible rate schedule or such Customer has annual consumption greater than or equal to 500,000 therms annually, then the Company will install and maintain facilities for remote monitoring of the Customer's hourly gas flow. The Customer will reimburse the Company for the expense incurred for the investment in and installation of these facilities.
14. If a Customer takes service under this Rider pursuant to an interruptible rate schedule, the Pool Manager will schedule gas supply and capacity on a daily basis for such Customer separately from the Gas supply and capacity scheduled for firm rate schedule Customers contained in the Customer Pool.
15. A Pool Manager may terminate Gas supply to a Customer pursuant to this Rider with 30 days written notice to Company prior to the first day of the month as of which such termination is to be effective. In the event of non-payment by Customer for charges due, a Pool Manager may terminate Gas supply to a Customer by giving five days' written notice to Company prior to the first day of the month as of which such termination is to be effective. Any such notice shall be accompanied by (a) documentary evidence of the Customer's failure to make payment for a period of at least 60 days, (b) Pool Manager's affidavit that it has made commercially reasonable and good faith efforts to collect the amount due, and (c) a termination fee of \$20. A Customer whose Gas supply is terminated by a Pool Manager pursuant to this special condition will automatically return

to sales service provided by Company until such time as the Customer elects, subject to the conditions of this Rider, to receive service hereunder through a different Pool Manager. Additional deposit may be required from the Customer to return to sales service.

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.804 THROUGH 7.804-3**

**NEXT SHEET IS NO. 7.805**

INDIVIDUAL TRANSPORTATION SERVICE RIDER  
RIDER ITS  
(All Regions)

**Availability:**

Throughout the service areas of the Company, subject to the Special Conditions set forth herein.

**Applicability:**

To firm or interruptible individual transportation service for any non-residential Customer who owns Gas that is made available for individual transportation service on the Company's system under Rate Schedules GSLV-2, NGVS, SIS, IS, ISLV, and CIS in the non-West Florida Region and LCS, FIS or IS-WF in the West Florida Region, and each account receiving transportation service under Rider TA.

**Monthly Rate:**

The Monthly Rate set forth in the applicable rate schedule, based on the annual Therm usage of, and character of service elected by, the Customer, plus an Individual Transportation Administration Fee of \$148.00 per month.

**Special Conditions:**

1. Definitions: As used in this Rider or in a Gas Transportation Agreement, the following terms have the meanings set forth below:

“Actual Takes” means, for a specified period of time, the quantity of Gas passing through the meter(s) at the PGS Delivery Point(s) of Customer (as defined in the Customer's Gas Transportation Agreement).

“Customer” means the person or entity which executes a Gas Transportation Agreement providing for individual transportation service hereunder.

“Daily Imbalance Amount” means, for a Day, the positive or negative whole number determined by subtracting the Actual Takes for the Day from the Scheduled Quantities for the Day.

“Day” means a period of 24 consecutive hours beginning and ending at 9:00 a.m. Central Clock Time.

“FGT” means Florida Gas Transmission Company, a Delaware corporation, and its successors and assigns.

“Gas Transportation Agreement” means an agreement between Company and an individual transportation Customer, the basic form of which is set forth on Sheets Nos. 8.114 through 8.114-8, which specifies the term for which it is effective and contains such reasonable provisions for termination as to which Company and Customer may agree.

“Month” means a period beginning at 9:00 a.m. Central Clock Time on the

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

first day of any calendar month and ending at 9:00 a.m. Central Clock Time on the first day of the next succeeding calendar month.

"PGS Delivery Point(s)" has the meaning given for such term in the Customer's Gas Transportation Agreement.

"PGS Receipt Point(s)" has the meaning given for such term in the Customer's Gas Transportation Agreement.

"Retainage" means 0.35% of Gas received by Company for the account of Customer at the PGS Receipt Point(s), which Company shall retain at no cost to Company to cover lost and unaccounted-for Gas between the PGS Receipt Point(s) and the PGS Delivery Point(s).

"Scheduled Quantities" means, for a specified period of time, the amounts of Gas confirmed by Company for transportation and/or purchase under the Customer's Gas Transportation Agreement (less any Retainage applicable thereto).

"Transporter" means any gas pipeline company delivering Gas to the PGS Receipt Point(s) for Customer's account for transportation to the PGS Delivery Point(s) hereunder.

"Transporter's FERC Tariff" means the tariff of Transporter on file with the Federal Energy Regulatory Commission which is applicable to deliveries for the account of Customer at the PGS Receipt Point(s).

"Weighted Average Cost of Capacity" means, for each Month, the weighted average cost (expressed in dollars per MMBtu) per Day of firm transportation capacity rights held by PGS for such Month pursuant to contracts with FGT, Southern Natural Gas Company and South Georgia Natural Gas Company, as determined by the following formula:

$$\frac{(FTS1 \times RFTS1) + (FTS2 \times RFTS2) + (SN \times RSN) + (SG \times RSG)}{FTS1 + FTS2 + SG}$$

Where:

FTS1 is the Maximum Daily Transportation Quantity of FTS-1 firm transportation capacity on FGT which PGS has not (i) temporarily released to persons other than Pool Managers or (ii) committed to the use of any person through a Buy-Sell Arrangement;

FTS2 is the Maximum Daily Transportation Quantity of FTS-2 firm transportation capacity on FGT which PGS has not (i) temporarily released to persons other than Pool Managers or (ii) committed to the use of any person through a Buy-Sell Arrangement;

SN is the Maximum Daily Delivery Quantity of firm transportation capacity on Southern Natural Gas Company ("SNG") held by PGS pursuant to contract with SNG;

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

SG is the Maximum Daily Delivery Quantity of firm transportation capacity on South Georgia Natural Gas Company ("SGNG") held by PGS pursuant to contract with SGNG;

RFTS1 is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by FGT for FTS-1 firm transportation capacity on FGT;

RFTS2 is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by FGT for FTS-2 firm transportation capacity on FGT;

RSN is the maximum allowable reservation charge (including fuel and any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by SNG for firm transportation capacity on SNG; and

RSG is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by SGNG for firm transportation capacity on SGNG.

2. Each prospective Customer desiring to receive individual transportation service provided by Company shall submit a written application, in form acceptable to Company, prior to the initiation of such service. Upon receipt of such written application, Company will, if it determines it is able to provide the service requested, tender to the prospective Customer a Gas Transportation Agreement. Customer shall execute, or be deemed to have executed, such Gas Transportation Agreement prior to the initiation of individual transportation service by Company. Any Customer already receiving individual transportation service from Company as of the initial effective date of this Rider shall be deemed eligible for service hereunder and subject to the terms and conditions herein set forth without being required to execute a new Gas Transportation Agreement.
3. Interruption. If Customer receives individual transportation service pursuant to an interruptible rate schedule, Company makes no guarantee against, and assumes no liability for, interruptions of service.
  - (a) Company shall be deemed in control and possession of all Gas from the time of its receipt at the PGS Receipt Point(s) (as defined in the Gas Transportation Agreement) until such Gas is delivered to Customer at the PGS Delivery Point(s) (as defined in the Gas Transportation Agreement), after which Customer shall be deemed in control and possession of such Gas. Customer shall have no responsibility with respect to any Gas after it has been delivered to Company at the PGS Receipt Point(s) on account of anything which may be done, happen or arise with respect to such Gas, until said Gas is delivered to Customer at the PGS Delivery Point(s). Company shall have no responsibility with respect to any Gas prior to its delivery to Company at the PGS Receipt Point(s) or after its delivery to Customer at the PGS Delivery Point(s) on account of anything which may be done, happen or arise with respect to such Gas prior to such receipt at the PGS Receipt

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

Point(s) or after such delivery at the PGS Delivery Point(s). Company may commingle Gas delivered to it for Customer's account with Gas delivered for the accounts of Company and/or other Customers.

- (b) Right to Use Customer's Gas Supply. If deliveries to Customer hereunder are curtailed or interrupted, Customer shall sell to Company, and Company shall purchase from Customer, that portion of Scheduled Quantities of Customer's Gas that is curtailed or interrupted; but Customer shall have no obligation to sell if Customer has no Gas flowing at the time interruption or curtailment is noticed, or is otherwise unable to deliver Gas to Company; and provided further that, after receiving a Company curtailment or interruption notice, unless Company otherwise directs, Customer shall not cause or permit any of its Scheduled Quantities to be curtailed or redirected so as to reduce the quantities delivered at the PGS Receipt Point(s). For all Gas sold by Customer pursuant to this Special Condition 3(b), Company shall pay Customer an amount per MMBtu equal to, at Customer's election:

(1) the sum of (a) either (i) if the Gas was purchased by Customer pursuant to a contract with an initial term of five (5) or more years providing for firm purchases and sales of Gas, the price at which Customer purchased such Gas, or (ii) the price for spot Gas delivered to Transporter at FGT Zone 2, as reported in the "Daily Price Survey" in *Gas Daily* for the Day in which Company purchased the Gas, and (b) Company's Weighted Average Cost of Capacity for the Month in which Company purchased the Gas plus the FGT FTS-1 usage rate (including any applicable usage surcharges), or

(2) Customer's documented delivered cost of such Gas at the PGS Receipt Point(s).

- (c) Excess Gas Taken by Customer During Interruption. Any Gas taken by Customer in excess of the volume of Gas allocated to it by Company during a period of curtailment or interruption under this Special Condition 3 shall be considered to be unauthorized overrun Gas. Company has the right to bill Customer for such unauthorized overrun Gas, in addition to all other charges payable by Customer under its Gas Transportation Agreement or this tariff, at a price equal to the greater of (i) \$1.50 per Therm or (ii) if Company incurs overrun charges, penalties or other expenses, the rate per Therm required to recover such expenses. Payment of an overrun penalty shall not give Customer the right to take unauthorized overrun Gas, nor shall it preclude or limit any other remedies available to Company for Customer's failure to comply with interruption or curtailment orders issued by Company.
- (d) Company agrees to give Customer as much advance notice of a curtailment or interruption of service as is reasonably practicable, which notice shall, in non-emergency circumstances, be at least four (4) hours.
4. Customer's Responsibilities. Company has no responsibility in connection with Customer's arrangements with its supplier(s). Customer shall timely provide to

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

Company (i) good faith estimates of the daily quantities it is likely to nominate for purchase or transportation as far in advance as reasonably practicable and (ii) all information requested by Company in order to comply with Transporter's FERC Tariff and determine Scheduled Quantities. Customer shall designate in writing an individual, who is duly authorized to act for Customer with respect to all operational matters arising under the Gas Transportation Agreement and accessible to Company at all times each Day during the term of the Gas Transportation Agreement, to act as Customer's "Contact Person". In performing under the Gas Transportation Agreement, Company shall be entitled to rely upon any instruction or consent given by such Contact Person with respect to operational matters arising under the Gas Transportation Agreement or under the Transporter Agreement (as defined in the Gas Transportation Agreement).

5. Warranty of Title. As between Customer and Company, Customer warrants that it will have good title to all Gas delivered to Company for the account of Customer for transportation on Company's system, that such Gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify and save Company harmless from any suit, action, debt, account, damage, cost, loss and expense arising from or out of adverse claims of any person to said Gas.
  
6. Deliveries of Gas. All Gas delivered under the Gas Transportation Agreement shall be delivered at rates of flow as constant as operationally feasible throughout each Day. Company has no obligation on any Day to deliver on other than a uniform hourly basis in relation to the Scheduled Quantities. The point of delivery for all Gas confirmed by Company for delivery under the Gas Transportation Agreement shall be at the outlet side of such billing meter(s) as shall be installed at the PGS Delivery Point(s). Measurement of the Gas delivered shall be in accordance with Section V of Company's Rules and Regulations.
  
7. Correction of Imbalances. All Daily Imbalance Amounts arising under a Gas Transportation Agreement shall be resolved as of the end of each Month. The sum of all Daily Imbalance Amounts incurred during a Month (the "Monthly Imbalance Amount") shall be resolved in accordance with this Special Condition 7 each Month. Company will post a list of Monthly Imbalance Amounts on its Internet web site by no later than the 8th calendar day of each Month. Customer shall have a "Book-Out Period" (the period from the date of such posting until 5 p.m. Eastern Clock Time on the 14th calendar day of the Month) within which to utilize the Book-Out provisions in paragraph (a) below. Customer and Company shall utilize the provisions in paragraphs (b) and (c) below to resolve in cash all Monthly Imbalance Amounts (or any portions thereof) remaining after the close of the Book-Out Period.
  - (a) Customer may, during the Book-Out Period, net Positive Monthly Imbalance Amounts (as hereinafter defined), or portions thereof, with Negative Monthly Imbalance Amounts (as hereinafter defined), or portions thereof, of other Customers, and may net Negative Monthly Imbalance Amounts, or portions thereof, with Positive Monthly Imbalance Amounts of other Customers. Customers availing themselves of the provisions of this paragraph (a) shall submit a completed Book-Out Agreement via facsimile to Company before the end of the Book-Out Period. Company shall have no responsibility for



**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

failure to receive any facsimile transmission. Such agreement shall not be deemed effective unless it bears the signature of an authorized representative of each Customer which is a party thereto. Company will provide Customer with a statement for Customer's Monthly Imbalance Amount remaining (if any) after Customer's execution of a Book-Out Agreement pursuant to this paragraph (a) (the "Remaining Imbalance") by the end of the 15th calendar day of the Month (or the end of the next Business Day if the 15th day is not a Business Day), such statement to be calculated in accordance with paragraph (b) or (c) below, as applicable.

- (b) If a Remaining Imbalance is Positive (*i.e.*, Scheduled Quantities exceed Actual Takes), Company shall purchase the same from Customer (and Customer shall sell the same to Company) at a price per Therm (the "Unit Price") equal to the lowest of the average of weekly prices for spot Gas delivered to FGT at Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, or St. Helena Parish Louisiana, as reported in *Natural Gas Week*, for the Month in which the Monthly Imbalance Amount was incurred, multiplied by the applicable factor set forth below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
Greater than 5% to 20%	0.90
Greater than 20%	0.80

The total amount due Customer pursuant to this paragraph (b) shall be the product of the Unit Price (calculated as set forth herein) and Remaining Imbalance. The Imbalance Level shall be calculated by dividing the Remaining Imbalance by the Scheduled Quantities for the Month in which the Monthly Imbalance Amount accumulated.

- (c) If a Remaining Imbalance is Negative (*i.e.*, Actual Takes exceed Scheduled Quantities), Company shall sell the same to Customer (and Customer shall purchase the same from Company) at a price per Therm (the "Unit Price") equal to the sum of (i) the highest average of weekly prices for spot Gas delivered to FGT at Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, or St. Helena Parish, Louisiana, as reported in *Natural Gas Week*, for the Month in which the Monthly Imbalance Amount accumulated, multiplied by the applicable factor set forth below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
Greater than 5% to 20%	1.10
Greater than 20%	1.20

and (ii) Company's Weighted Average Cost of Capacity plus the FGT FTS-1 usage rate (including any applicable surcharges). The total amount due Company pursuant to this paragraph (c) shall be the product of the Unit Price (calculated as set forth herein) and the Remaining Imbalance. The Imbalance Level shall be calculated by dividing the Remaining Imbalance by the Scheduled Quantities for the Month in which the Monthly Imbalance Amount accumulated.

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

- (d) Company's statement for a Remaining Imbalance calculated pursuant to paragraph (b) above shall show a credit for the amount payable by Company to Customer pursuant to paragraph (b), such credit to be applied on Company's bill rendered to Customer pursuant to the Gas Transportation Agreement for the Month following the Month in which the amount payable by Company to Customer pursuant to paragraph (b) was incurred. All amounts not so credited by Company shall be considered delinquent.
  - (e) Company's statement for a Remaining Imbalance calculated pursuant to paragraph (c) above shall be paid by Customer in accordance with the Gas Transportation Agreement. All amounts not so paid by Customer shall be considered delinquent.
8. **Allocation Statements.** Gas will be measured at the PGS Receipt Point(s) by the measuring devices of Transporter. Customer shall provide any measurement information it receives to Company within two (2) Business Days of Customer's receipt thereof. Company shall determine the quantity of Gas delivered to Company for Customer's account at the PGS Receipt Point(s), and will provide to Customer a copy of, or applicable excerpt from, each allocation statement received by Company from Transporter within two (2) Business Days of Company's receipt thereof. Final allocation statements provided by Customer's supplier(s) and Transporter shall be conclusive for all purposes under the Gas Transportation Agreement, including without limitation, determining daily quantities actually delivered at the PGS Receipt Point(s) for Customer's account; provided, however, that in the case of any discrepancy between allocation statements, Customer and Company will cooperate to determine which statement is correct; and provided further, however, that unless such discrepancy is resolved to the satisfaction of Company and Transporter, as between Company and Customer, Transporter's allocation statement shall control and shall provide the quantity to be used for all calculations and adjustments under the Gas Transportation Agreement.
9. **Inspection.** Both Customer and Company shall have the right during the term of the Gas Transportation Agreement and for a period of three (3) years thereafter, upon reasonable prior notice and during normal business hours, to examine the records and documents of the other party to such agreement to the extent necessary to verify the accuracy of any statement or charge made thereunder. Each party to such agreement shall keep each such record and document for a period of three (3) years from the date the same is created or any entry or adjustment thereto is made.
10. Nominations required by the Gas Transportation Agreement shall be submitted electronically in accordance with instructions furnished by the Company, or in the form set forth on Sheet No. 8.115.
11. If a Customer takes service under (a) an interruptible rate schedule or (b) this Rider, then the Company will install and maintain equipment for the monitoring of the Customer's hourly Gas flow. Customer shall reimburse the Company for the expense incurred for the investment in and installation of such equipment.

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

12. Allocations and Penalties. Company may, in its sole discretion and with at least 12 hours notice within a Day, post a notice on its Internet web site and, to the extent practicable, give notice by facsimile or e-mail to all affected Customers receiving service pursuant to this Rider that the Alert Day provisions of this Special Condition 12 are in effect, and whether the Alert Day is an Overage Alert Day or an Underage Alert Day. The following provisions of this Special Condition shall apply on any such Day.
- (a) On an Overage Alert Day, to the extent an affected Customer's Actual Takes exceed the Customer's Scheduled Quantities, such overages shall be recorded in an Alert Day Account specific to the particular Alert Day and shall be subject to the Alert Day Charges set forth in paragraph (c) below.
  - (b) On an Underage Alert Day, to the extent an affected Customer's Actual Takes are less than the Customer's Scheduled Quantities, such underages shall be recorded in an Alert Day Account specific to the particular Alert Day and shall be subject to the Alert Day Charges set forth in paragraph (c) below.
  - (c) Alert Day Charges. For each Alert Day Account established during the preceding Month, Company shall bill to Customer, and Customer shall pay to Company, in addition to any other amounts payable pursuant to Customer's Gas Transportation Agreement or this tariff, an Alert Day Charge per MMBtu determined as follows:

<u>Overage/ Underage Level</u>	<u>Alert Day Charge</u>
0 - 6%	Zero
6.01 - 10%	The higher of (i) the highest Daily Midpoint price for Gas in any FGT Zone as published in <i>Gas Daily</i> for the Day on which the Alert Day Account was established, plus FGT's FTS-1 100% load factor rate, or (ii) FGT's City Gate Delivered price for Gas as published in <i>Gas Daily</i> for the Day on which the Alert Day Account was established.
10.01% or greater	Two times the higher of (i) the highest Daily Midpoint price for Gas in any FGT Zone as published in <i>Gas Daily</i> for the Day on which the Alert Day Account was established, plus FGT's FTS-1 100% load factor rate, or (ii) FGT's City Gate Delivered price for Gas as published in <i>Gas Daily</i> for the Day on which the Alert Day Account was established.

The Overage/Underage Level for each affected Customer's Alert Day Account shall be calculated by dividing the Scheduled Quantities for the Day

**INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)**

on which the Alert Day Account was established by the Customer's overage or underage (as the case may be) for such Day.

- (d) Revenues derived from Alert Day Charges imposed by Company pursuant to this Special Condition 12 on any Day shall be netted against any FGT penalty charges incurred by Company for the same Day, and any remainder (less Regulatory Assessment Fees attributable thereto) credited back on a pro rata basis) (i) all Customers subject to the Alert Day whose Actual Takes were less than their Scheduled Quantities for such Day when the Alert Day was an Overage Alert Day or (ii) all Customers subject to the Alert Day whose Actual Takes exceeded their Scheduled Quantities for such Day when the Alert Day was an Underage Alert Day. If, (i) on an Overage Alert Day, the Actual Takes of no Customer subject to the Alert Day were less than such Customer's Scheduled Quantities for such Day, or (ii) on an Underage Alert Day, the Actual Takes of no Customer subject to the Alert Day exceeded such Customer's Scheduled Quantities for such Day, revenues derived from Alert Day Charges for such Day (less Regulatory Assessment Fees attributable thereto) shall be credited to the Purchased Gas Adjustment Clause.
  - (e) If, on a Day on which a Customer is subject to an Alert Day Notice issued pursuant to this Special Condition 12, Company orders such Customer to curtail or interrupt pursuant to Special Condition 3, such Customer shall be subject to the greater of (i) any Alert Day Charges incurred by Customer pursuant to this Special Condition 12 or (ii) any penalty payable by Customer for unauthorized overrun Gas pursuant to Special Condition 3(c).
13. A Customer which provides a written request to discontinue service hereunder to return to sales service (if such service is then available from Company) will be required to remain on sales service for a period of not less than twelve (12) Months.

**RESIDENTIAL SERVICE  
RATE SCHEDULE RS-WF  
(West Florida Region)**

**Availability:**

Throughout the West Florida Region of the Company.

**Applicability:**

For all residential purposes in separately metered individual family living quarters such as a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home, residence, or sleeping place of one or more persons. In addition, Gas used for commonly-owned facilities of condominium associations, cooperative apartments, and homeowner associations, subject to the following criteria:

1. 100% of the energy is used exclusively for the co-owners' benefit.
2. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each Point of Delivery is separately metered and billed.
4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said service.

**Character of Service:**

Firm natural Gas or its equivalent with a nominal heating value not less than 950 BTU's per cubic foot.

**Monthly Rate:**

Customer charge	\$7.00 per month
Distribution charge all Therms:	\$0.32525 per Therm
Minimum Bill:	The Customer charge.

**Terms of Payment:**

Bills shall not be considered delinquent prior to the expiration of twenty (20) days from the date of mailing or delivery by the Company.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

**RESIDENTIAL SERVICE (Continued)**  
**(West Florida Region)**

2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. The rates set forth above shall be subject to the operation of the Company's Firm Rate Adjustment Clause (West Florida Region) set forth on Sheet No. 7.101-5 .
4. The rates set forth above shall be subject to the operation of the Company's Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.
5. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**COMMERCIAL SERVICE  
RATE SCHEDULE CS  
(West Florida Region)**

**Availability:**

Throughout the West Florida Region of the Company.

**Applicability:**

Gas delivered for all commercial purposes in separately metered individual places of business such as Customers engaged in selling, warehousing, or distributing a commodity in some business activity or in a profession, or in some other form of economic or social activity (offices, stores, clubs, hotels, etc.) and that which does not directly fall under one of the other classification of service (such as residential and industrial). A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Character of Service:**

Firm natural Gas or its equivalent with a nominal heating value of not less than 950 BTU's per cubic foot.

**Monthly Rate:**

Customer charge	\$10.00 per month
Distribution charge all Therms:	\$0.16378 per Therm
Minimum bill:	The Customer charge.

**Terms of Payment:**

Bills shall not be considered delinquent prior to the expiration of twenty (20) days from the date of mailing or delivery by the Company.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the Customer receives transportation service under Rider NCTS.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. The rates set forth above shall be subject to the operation of the Company's Firm Rate Adjustment Clause (West Florida Region) set forth on Sheet No. 7.101-5.
4. The rates set forth above shall be subject to the operation of the Company's Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.

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**COMMERCIAL SERVICE (Continued)  
(West Florida Region)**

5. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
6. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-3.
7. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.



**COMMERCIAL SERVICE - LARGE VOLUME  
RATE SCHEDULE LCS  
(West Florida Region)**

**Availability:**

Throughout the West Florida Region of the Company.

**Applicability:**

Gas delivered for all commercial purposes in separately metered individual places of business such as selling warehousing, or distributing a commodity, in some business activity or in a profession, or in some other form of economic or social activity (offices, stores, clubs, hotels, etc.). A Customer must use more than 500 Therms per day. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**Character of Service:**

Firm natural Gas or its equivalent with a nominal heating value of not less than 950 BTU's per cubic foot.

**Monthly Rate:**

Customer charge	\$50.00 per month
Distribution charge all Therms:	\$ .13840 per Therm
Minimum bill:	The Customer charge.

**Terms of Payment:**

Bills shall not be considered delinquent prior to the expiration of twenty (20) days from the date of mailing or delivery by the Company.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the Customer receives transportation service under either Rider NCTS or Rider ITS.
2. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
3. The rates set forth above shall be subject to the operation of the Company's Firm Rate Adjustment Clause (West Florida Region) set forth on Sheet No. 7.101-5.

**COMMERCIAL SERVICE - LARGE VOLUME (Continued)  
(West Florida Region)**

4. The rates set forth above shall be subject to the operation of the Company's Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.

**FIRM INDUSTRIAL SERVICE  
RATE SCHEDULE FIS  
(West Florida Region)**

**Availability:**

Throughout the West Florida Region of the Company.

**Applicability:**

Gas delivered for all large general service purposes in separately metered individual locations such as Customers engaged in a process which creates a product or changes a raw or unfinished materials into another form of product, or which involves the extraction of a raw material from the earth (Factories, mills, machine shops, mines, oil wells, refineries, pumping plants, creameries, canning and packing plants, shipyards, etc.), i.e., in extractive, fabricating or processing activities, and using more than 1,000 Therms per day. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**Character of Service:**

Firm natural Gas or its equivalent with a nominal heating value of not less than 950 BTU's per cubic foot.

**Monthly Rate:**

Customer charge:	\$100.00 per month
Distribution charge all Therms:	\$0.04877 per Therm
Minimum bill:	The Customer Charge.

**Terms of Payment:**

Bills shall not be considered delinquent prior to the expiration of twenty (20) days from the date of mailing or delivery by the Company.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101, unless the Customer receives transportation service under either Rider NCTS or Rider ITS.
2. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-2.
3. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
4. The rates set forth above shall be subject to the operation of the Company's Firm Rate Adjustment Clause (West Florida Region) set forth on Sheet No. 7.101-5.

**FIRM INDUSTRIAL SERVICE (Continued)  
(West Florida Region)**

5. The rates set forth above shall be subject to the operation of the Company's Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
6. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4.

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.2001 THROUGH 7.2001-3**

**NEXT SHEET IS NO. 7.3001**

**INTERRUPTIBLE SERVICE  
RATE SCHEDULE IS-WF  
(West Florida Region)**

**AVAILABILITY:**

Throughout the West Florida Region of the Company.

**APPLICABILITY:**

This rate schedule is available to any customer who shall by a contract in writing agree to use the Gas delivered hereunder for industrial or commercial purposes and who otherwise qualifies for this service. This service is subject to curtailment or interruption at any time. Customer must agree to discontinue operations in the event service is curtailed or interrupted. To qualify for this rate schedule, a Customer must have the continuing capability to burn an alternate fuel instead of Gas or agree to discontinue operations in the event service is curtailed or interrupted. In addition, in all cases where continuous operation of the Customer's facilities is necessary, the Customer shall while receiving interruptible service continuously provide and maintain a supply of alternate fuel of sufficient capacity to make possible the necessary interruption of the natural Gas supply. Customers using 3000 Therms or more per day at one location for industrial or commercial purposes, who have entered into a currently effective Agreement for Interruptible Natural Gas Sales Service ("Agreement") in the form prescribed on Sheet Nos. 8.103 through 8.103-6 for service under this Rate Schedule are eligible. In addition, a new Customer desiring service under this Rate Schedule may be required to enter into a contract assuring a minimum level of payments for a specified period to permit Company to recover any system extension costs incurred to provide such service. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**CHARACTER OF SERVICE:**

Consumption of natural Gas having a nominal heating value of not less than 950 British Thermal Units per cubic foot. Gas Service rendered under this Rate Schedule may be curtailed or interrupted at any time in Company's sole discretion. Company assumes no liability for loss or damage to any person caused by curtailment or interruption of Gas Service under this Rate Schedule.

The non-gas energy charge for service hereunder shall be subject to the flexible pricing mechanism described in the Rates for Service section of this Rate Schedule. It is the intention of Company that this charge shall be determined based upon competition with Customer's alternate fuel.

Notwithstanding the other provisions of this Rate Schedule, the Company may enter into a contract with an interruptible Customer to provide service under terms other than those set forth herein; provided that the charges prescribed in any such contract shall be established with the objective of enabling the Company to recover at a minimum the fully allocated cost of serving that Customer. Any such contract shall be subject to approval by the Florida Public Service Commission, and the Commission shall have continuing jurisdiction over the rates charged therein.

**INTERRUPTIBLE SERVICE (Continued)**  
**(West Florida Region)**

**SPECIAL CONDITIONS:**

Customer must have and maintain in working order facilities which will burn an alternate fuel to be designated by Customer in its Agreement with Company and shall have available and ready for use a sufficient quantity of alternate fuel to permit continued operations during periods of curtailment and interruption, unless Customer certifies that its operations are suitable for interruption and agrees to discontinue them during such periods.

Customer will cooperate with Company in affording adequate advance notice of changes in Customer's requirements for Gas hereunder.

**RATES FOR SERVICE:**

Customer Charge: \$500.00 per month

Distribution Charge: An amount not less than 0.00 cents per Therm nor greater than 90 percent of the currently applicable firm rate.

For purposes of Clause H of the General Applicability provisions, the "Base Distribution Charge" is 2.781 cents per Therm.

The "currently applicable firm rate" as used herein means the Distribution Charge prescribed in a firm sales rate schedule for which Customer qualifies, adjusted pursuant to the Firm Rate Adjustment Clause (West Florida Region) set forth on Sheet No. 7.101-5 .

The Distribution Charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of Gas which is available to serve Customer; the delivered price of Customer's designated alternate fuel; the availability of such fuel; and the nature of Customer's operations. Company may from time to time increase or reduce the Distribution Charge as it deems necessary or appropriate to compete with alternate fuel, but shall have no obligation to do so; provided, however, that the Distribution Charge shall at all times remain within the limits set forth above.

Customer may at any time request a reduction in its Distribution Charge by completing the form which appears on Sheet No. 8.120 and submitting the same to the Company. During any period in which the Distribution Charge is less than 90 percent of the currently applicable firm rate, Customer shall complete and submit the same form with then current information on the first day of each month and whenever information on the form most recently submitted has changed.

**INTERRUPTIBLE SERVICE (Continued)**  
**(West Florida Region)**

Company will notify Customer at least 48 hours in advance of any change in the Non-gas Energy Charge under this Rate Schedule. The Non-gas Energy Charge at the commencement of service shall be 90 percent of the currently applicable firm rate, unless Company allows a reduction pursuant to the provisions of the preceding paragraph.

**MINIMUM MONTHLY BILL:**

The Customer Charge.

**TERMS OF PAYMENT:**

Bills shall not be considered delinquent prior to the expiration of twenty (20) days from the date of mailing or delivery by Company.

**INTERRUPTION AND CURTAILMENT:**

Company may notify Customer at any time to reduce or cease consumption of Gas, and Company will endeavor to give Customer as much notice as reasonably possible. If Customer fails to comply with a notice calling for complete or partial curtailment of consumption and by reason thereof Company is charged with overrun penalties, Customer shall be billed for the amount of such penalties due to its failure to comply with such curtailment notice. Such penalties shall be in addition to all charges otherwise prescribed by this tariff.

**BILLING ADJUSTMENTS:**

Rates under this Rate Schedule are subject to adjustment in accordance with Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1 (unless Customer receives transportation service either Rider NCTS or Rider ITS), its Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-4, and its Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-1.



**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.3002 THROUGH 7.3002-3**

**NEXT SHEET IS NO. 7.3003**

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 7.3003 THROUGH 7.3003-4**

**NEXT SHEET IS NO. 8.000**

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## GAS TRANSPORTATION AGREEMENT

This Gas Transportation Agreement (the "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Peoples Gas System, a Division of Tampa Electric Company, a Florida corporation ("PGS"), and \_\_\_\_\_, a \_\_\_\_\_ ("Shipper"), who hereby agree as follows:

### ARTICLE I - DEFINITIONS

As used herein, the following terms shall have the meanings set forth below. Capitalized terms used herein, but not defined below, have the meanings given for such terms in PGS's FPSC Tariff.

"Business Day" means the Days Monday through Friday (excluding any federal banking holiday falling on any such Day).

"Facility" means Shipper's \_\_\_\_\_ facility located in \_\_\_\_\_, Florida.

"FPSC" means the Florida Public Service Commission or any successor agency.

"Maximum Delivery Quantity" or "MDQ" means the maximum amount of Gas that PGS is obligated to cause to be delivered to Shipper pursuant to this Agreement on any Day at the PGS Delivery Point(s), and is stated in Appendix B.

"Maximum Transportation Quantity" or "MTQ" means the maximum amount of Gas that PGS shall be obligated to receive pursuant to this Agreement on any Day at the PGS Receipt Point(s), and is stated in Appendix A.

"Nomination" means a notice delivered by Shipper to PGS in the form specified in PGS's FPSC Tariff, specifying (in MMBtu) the quantity of Gas Shipper desires to purchase, or to have PGS receive, transport and redeliver, at the PGS Delivery Point(s). "Nominate" means to deliver a completed Nomination.

"PGS Delivery Point(s)" means the point(s) listed in Appendix B.

"PGS Receipt Point(s)" means the point(s) of physical interconnection between Transporter and PGS listed in Appendix A.

"Supplier(s)" means person(s) (other than PGS) from which Shipper purchases Gas transported hereunder.

### ARTICLE II - TERM

This Agreement is effective on the date first written above. The term shall commence at the beginning of the Day commencing on \_\_\_\_\_ and continue until the beginning of the Day commencing on \_\_\_\_\_ (the "Termination Date") (the "Initial Term"). [PROVISIONS AGREEABLE TO PGS AND SHIPPER WITH RESPECT TO ANY EXTENDED OR "SECONDARY" TERM]

### ARTICLE III - SALES AND TRANSPORTATION SERVICE

**Section 3.1 Services.** PGS desires to sell and Shipper desires to purchase from PGS, from time to time, for use in the Facility (but not for resale), Gas in quantities which, at Shipper's request, PGS may, in its sole discretion exercised in a not unduly discriminatory manner, agree to sell to Shipper. Shipper also engages PGS, and PGS accepts such engagement, to receive Gas for Shipper's account, up to the MTQ, at the PGS Receipt Point(s), and to cause an equivalent quantity, less the Retainage, to be redelivered to Shipper. Such sales and transportation shall be governed by PGS's FPSC Tariff and this Agreement. If there is a conflict between the tariff and this Agreement, the tariff shall control. Sales and transportation hereunder are interruptible in accordance with PGS's FPSC Tariff and curtailment plan on file with the FPSC. If Shipper's service is interruptible, Shipper may select one or more of the options described in Appendix D, which may enable Shipper to continue receiving delivery of Gas during periods of curtailment or interruption. PGS shall have no obligation to make sales to Shipper in lieu of the transportation of Gas contemplated by this Agreement.

**Section 3.2 Telemetry and Other Required Equipment.** Telemetry and other equipment which PGS must install to provide service hereunder (the "Equipment"), if any, and the anticipated cost thereof, are listed in Appendix C. Shipper shall reimburse PGS for all costs incurred for the Equipment on receipt of PGS's invoice therefor. Unless the parties agree otherwise, all facilities used to provide service to Shipper hereunder (including without limitation the Equipment) shall be installed, owned, operated and maintained by PGS.

### ARTICLE IV - NOMINATIONS

**Section 4.1 General.** For each Day Shipper desires service hereunder, Shipper shall provide a Nomination to PGS pursuant to Sections 4.2 and/or 4.3 for each meter at the Facility. The total quantity for the Facility may be Nominated to a single meter, with "zero" Nominations being made for any additional meters located at the Facility. All Nominations shall be made to PGS at its web site ([www.pgsunom.com](http://www.pgsunom.com)) provided that, in an emergency, a Nomination may be delivered via facsimile using the form set forth in PGS's FPSC Tariff. Quantities confirmed by PGS for delivery shall be Scheduled Quantities. If requested by Shipper, PGS will allow increases or decreases in Scheduled Quantities after the Nomination deadlines set forth in this article, if the same can be confirmed by PGS, Transporters and Suppliers, and can be accomplished without detriment to services then scheduled on such Day for PGS and other shippers. The maximum quantity PGS shall be obligated to make available for delivery to Shipper on any Day (which shall not exceed the MDQ) is the sum of (a) the Transportation Quantity and (b) the Sales Quantity established pursuant to this article.

**Section 4.2 Nomination for Purchase.** Unless otherwise agreed, Shipper shall Nominate Gas for purchase hereunder not less than seven (7) Business Days prior to the first Day of any Month in which Shipper desires to purchase Gas. Daily notices shall be given to PGS at least two (2) Business Days (but not less than forty-eight (48) hours) prior to the commencement of the Day on which Shipper desires delivery of the Gas. If Shipper has timely Nominated a quantity for a particular Month, PGS shall confirm to Shipper the quantity PGS will tender for purchase by Shipper (the "Sales Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding each Day during such Month.

**Section 4.3 Nomination for Transportation.** Unless otherwise agreed, Shipper shall, for each Month, and each Day during such Month that Shipper seeks to change any aspect of any prior Nomination, notify PGS by providing a completed Nomination. Shipper's Nomination for Gas to be

made available for delivery on the first Day of any Month shall be given by 10 a.m. on the second Business Day prior to the Day on which a nomination must be delivered to Transporter for receipt of deliveries at the PGS Receipt Point(s) on such Day. Daily Nominations for Gas to be made available for delivery other than on the first Day of a Month shall be given to PGS by 10 a.m. on the Business Day prior to the Day on which a nomination must be delivered to Transporter for the receipt of deliveries at the PGS Receipt Point(s) on such Day. PGS shall confirm to Shipper the quantity PGS will make available for redelivery on such Day (the "Transportation Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding such Day. PGS has no obligation to confirm a quantity Nominated by Shipper pursuant to this section greater than the quantity which, in PGS's reasonable judgment, equals the Facility's likely consumption for a Day plus Retainage, less any Sales Quantities confirmed for delivery on such Day.

**Section 4.4 Other Responsibilities.** Shipper shall promptly notify PGS in writing of any change in the Sales Quantity or Transportation Quantity for any Day, and PGS will use commercially reasonable efforts to accept any such requested change as soon as practicable.

**Section 4.5 Confirmation.** If Transporter asks PGS to verify a nomination for Shipper's account, PGS shall confirm the lesser of such nomination, the Transportation Quantity or, in the case of non- or partial operation of the Facility, that quantity which in PGS's reasonable judgment (after consultation with Shipper) is likely to be consumed at the Facility. PGS has no obligation with respect to verification or rejection of quantities not requested by Shipper.

**Section 4.6 Mutually Beneficial Transactions.** Shipper recognizes that PGS maintains the operation and system integrity of the PGS distribution system on a daily basis, and that PGS, as the delivery point operator for its points of interconnection with interstate pipelines, is subject to the rules and regulations of such pipelines with regard to operational flow rates, pressures and penalties. As such, PGS may from time to time need Shipper to vary its Nominated quantities of Gas to be delivered at the PGS Receipt Point(s). On such occasions, PGS may in its sole discretion request, and Shipper may agree to, a change in the quantity of Gas to be delivered for the account of Shipper at the PGS Receipt Point(s). No such change in the quantity of Gas to be delivered shall be made pursuant to this section without the consent of Shipper. Terms and conditions of any such transaction will be agreed upon between the parties at the time of the transaction and will be recorded and confirmed in writing within two Business Days of the transaction.

#### ARTICLE V - TRANSPORTATION AND OTHER CHARGES

**Section 5.1 Transportation Charges; Purchase Price.** Shipper shall pay PGS each Month for transportation service rendered by PGS, and/or for Gas purchased from PGS, in accordance with the then-applicable rate schedule in PGS's FPSC Tariff. Currently, Rate Schedule \_\_\_ is applicable.

**Section 5.2 Changes in Tariff.** If the applicable rates or rate schedules change or are amended or superseded, the newly applicable rates or rate schedules shall be applicable to service hereunder. Nothing contained herein shall prevent PGS from filing with the FPSC (or Shipper from opposing) changes to the rates and other provisions in PGS's FPSC Tariff. PGS agrees to give Shipper reasonable notice of (a) all filings (except filings in FPSC Docket No. 000003-GU, In Re: Purchased Gas Adjustment (PGA) True-Up, and successor dockets) which PGS makes with the FPSC and (b) all other FPSC proceedings of which PGS becomes aware, which PGS (in the

exercise of reasonable judgment) determines would affect PGS's rates or the services to be performed by PGS under this Agreement.

#### ARTICLE VI - BILLING AND PAYMENT

**Section 6.1 Billing.** PGS will bill Shipper each Month for all Actual Takes during the preceding Month, and for any other amounts due hereunder. If, during the preceding Month, PGS has purchased Gas from Shipper pursuant to an interruption or curtailment order, such bill shall show a credit for the estimated amount due Shipper for such purchase(s). If the estimated amount owed by PGS to Shipper exceeds the amount Shipper owes PGS, PGS shall pay Shipper the net amount estimated to be due Shipper at the time PGS bills Shipper.

**Section 6.2 Payment.** Shipper shall pay such bills, minus any disputed amounts, at the address specified in the invoice by the 20th Day following the date of PGS's mailing (as signified by the postmark) or other delivery of the bill. All sums not so paid by Shipper (or credited or paid by PGS) shall be considered delinquent.

**Section 6.3 Billing Disputes.** In the event of a bona fide billing dispute, Shipper or PGS, as the case may be, shall pay (or credit) to the other party all amounts not in dispute, and the parties shall negotiate in good faith to resolve the amount in dispute as soon as reasonably practicable. If a party has withheld payment (or credit) of a disputed amount, and the dispute is resolved, the non-prevailing party shall pay to the other party the amount determined to be due such other party, plus interest thereon at an annual rate equal to the prime interest rate of Citibank, N.A., New York, New York, plus one percent (1%), calculated on a daily basis from the date due until paid (or credited).

**Section 6.4 Errors or Estimates.** If an estimate is used to determine the amount due Shipper for purchases by PGS pursuant to an interruption or curtailment order, PGS shall make any adjustment necessary to reflect the actual amount due Shipper on account of such purchases in the next bill rendered to Shipper after determination of the actual amount due. An error in any bill, credit or payment shall be corrected in the next bill rendered after the error is confirmed by PGS.

#### ARTICLE VII - FAILURE TO MAKE PAYMENT

**Section 7.1 Late Payment Charge.** Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of 1.5%, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

**Section 7.2 Other Remedies.** If Shipper fails to remedy a delinquency in any payment within five (5) Days after written notice thereof by PGS, PGS, in addition to any other remedy may, without incurring any liability to Shipper and without terminating this Agreement, suspend further deliveries to Shipper until the delinquent amount is paid, but PGS shall not do so if the failure to pay is the result of a bona fide billing dispute, and all undisputed amounts have been paid. If PGS fails to remedy a delinquency in providing a credit (or making payment) to Shipper for PGS purchases pursuant to an interruption or curtailment order within five (5) Days after Shipper's written notice thereof, Shipper, in addition to any other remedy, may, without incurring liability to PGS and without terminating this Agreement, suspend PGS's right to retain and purchase Shipper's Gas pursuant

to an interruption or curtailment order, but Shipper shall not do so if PGS's failure to provide a credit (or make payment) is the result of a bona fide billing dispute, and all undisputed amounts have been credited or paid by PGS.

## **ARTICLE VIII - MISCELLANEOUS**

**Section 8.1 Assignment and Transfer.** Neither party may assign this Agreement without the prior written consent of the other party (which shall not be unreasonably withheld) and the assignee's written assumption of the assigning party's obligations hereunder. [SUCH EXCEPTIONS TO THE FOREGOING AS TO WHICH THE PARTIES MAY AGREE]

**Section 8.2 Governing Law.** This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of Florida and shall be subject to all applicable laws, rules and orders of any Federal, state or local governmental authority having jurisdiction over the parties, their facilities or the transactions contemplated. Venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court, located within the State of Florida, having jurisdiction.

**Section 8.3 Severability.** If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

**Section 8.4 Entire Agreement; Appendices.** This Agreement sets forth the complete understanding of the parties as of the date first written above, and supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. The appendices attached hereto are an integral part hereof. All capitalized terms used and not otherwise defined in the appendices shall have the meanings given to such terms herein.

**Section 8.5 Waiver.** No waiver of any of the provisions hereof shall be deemed to be a waiver of any other provision whether similar or not. No waiver shall constitute a continuing waiver. No waiver shall be binding on a party unless executed in writing by that party.

**Section 8.6 Notices.** (a) All notices and other communications hereunder shall be in writing and be deemed duly given on the date of delivery if delivered personally or by a recognized overnight delivery service or on the fifth day after mailing if mailed by first class United States mail, registered or certified, return receipt requested, postage prepaid, and properly addressed to the party as set forth below.

PGS:

**Administrative Matters:**  
Peoples Gas System  
702 Franklin Street  
P. O. Box 2562  
Tampa, Florida 33601-2562  
Attention: Vice President - Marketing  
Telephone: (813) ; Facsimile: (813)



Payment:  
Peoples Gas System  
702 Franklin Street  
P. O. Box 2562  
Tampa, Florida 33601-2562  
Attention: Vice President - Marketing  
Telephone: (813) \_\_\_\_\_ ; Facsimile: (813) \_\_\_\_\_

Shipper:

Administrative Matters:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Invoices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

**Section 8.7 Amendments.** This Agreement may not be amended except by an instrument in writing signed by the party against which enforcement of the amendment is sought. A change in (a) the place to which notices hereunder must be sent or (b) the individual designated as Contact Person shall not be deemed nor require an amendment hereof provided such change is communicated pursuant to Section 8.6.

**Section 8.8 Legal Fees.** In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

**PEOPLES GAS SYSTEM, a division of  
TAMPA ELECTRIC COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**APPENDIX A - GAS TRANSPORTATION AGREEMENT**

**PGS RECEIPT POINT(S)**

Maximum Transportation Quantity: \_\_\_\_\_ MMBtu per Day plus the Retainage

PGS will accept Gas from Shipper, or for its account, for transportation pursuant to this Agreement at the following point(s):

The above point(s) may be changed by PGS from time to time on written notice to Shipper.

**APPENDIX B - GAS TRANSPORTATION AGREEMENT**

**PGS DELIVERY POINT(S)**

Gas transported or sold pursuant to this Agreement shall be delivered by PGS to Shipper at the following point(s):

<u>NAME</u>	<u>PGS METER#</u>	<u>MAXIMUM DELIVERY QUANTITY</u>
Meter at the Facility		_____ MMBtu per Day

**APPENDIX C - GAS TRANSPORTATION AGREEMENT**

**EQUIPMENT**

**APPENDIX D -  
GAS TRANSPORTATION AGREEMENT**

**ALTERNATIVES DURING PERIODS OF INTERRUPTION OR CURTAILMENT**

Shipper may select one or more of the "Options" hereinafter described prior to or during a period of curtailment or interruption. The Options set forth below describe means through which PGS will attempt to continue deliveries to Shipper during such a period if PGS can do so in a manner that is consistent with the order of priorities of service set forth in its curtailment plan on file with the FPSC and that will not prevent service to customers in higher priorities of service than Shipper.

If PGS is entitled under this Agreement or PGS's FPSC Tariff to interrupt deliveries to Shipper for reasons other than Force Majeure, PGS will notify Shipper to that effect, such notice to include the estimated duration of the interruption and the estimated cost of gas required for PGS

to continue deliveries to Shipper during the period of interruption. Shipper shall notify PGS within two (2) hours after receipt of PGS's notice of interruption of the option (from Options A through C below) Shipper elects during the period of interruption. If Shipper fails to respond to PGS's notice within the aforesaid two-hour period, it shall be conclusively presumed that Shipper has elected the Option(s) (if any) previously selected by Shipper in writing. If Shipper has failed to make any election, either prior to PGS's notice or during the two-hour period, it shall be conclusively presumed that Shipper has elected Option D. The Options are as follows:

**Option A:** Shipper desires PGS to continue deliveries during the period of interruption and Shipper agrees to make available for its account (*i.e.*, to make all arrangements necessary to cause the delivery of) at the PGS Receipt Point(s) additional quantities of Gas equal to those quantities which PGS is entitled to interrupt.

**Option B:** Shipper desires PGS to continue deliveries during the period of interruption and agrees to make available for its account (*i.e.*, to make all arrangements necessary to cause the delivery of) at the applicable point(s) of receipt into FGT's pipeline system additional quantities of Gas (including the Retainage) equal to those quantities which PGS is entitled to interrupt, and desires PGS to release to Shipper (or to a Supplier designated by Shipper), for the duration of the period of interruption and at the maximum rate applicable to the capacity released, primary firm capacity on FGT sufficient to transport such additional quantities of Gas to the PGS Receipt Point(s). By election of this Option B, Shipper agrees to be responsible for the payment of all charges imposed by FGT with respect to the capacity so released by PGS to Shipper (or Shipper's Supplier), or the use of such capacity, for the period during which such release is effective. If Shipper elects to continue deliveries during the period of interruption pursuant to this Option B, PGS agrees to release the capacity requested by Shipper if PGS determines in its sole discretion that (i) such capacity is available for release to Shipper during the period of interruption, (ii) such release can be accomplished readily and without detriment to PGS's system operations, and (iii) such release is practicable within the time constraints and requirements of FGT's FERC Tariff and the ready availability of PGS staff and resources.

**Option C:** Shipper desires PGS to continue deliveries during the period of interruption, appoints PGS as its agent to acquire (at the PGS Receipt Point(s)) additional quantities of Gas at market-based price, equal to those quantities which PGS is entitled to interrupt, to be used by Shipper during the period of curtailment, and agrees to reimburse PGS, in addition to all amounts otherwise payable for Gas pursuant to this Agreement, for the incremental additional per-Therm costs incurred by PGS (as Shipper's agent) to acquire for the account of Shipper, at the PGS Receipt Point(s), Gas to be used by Shipper during the period of interruption. As used in this Option C, "incremental additional costs" shall mean the weighted average per-Therm costs incurred by PGS to acquire, for the accounts of Shipper and other interruptible customers of PGS who have elected this Option C during a particular period of interruption, the additional quantities of Gas mentioned above to be used by Shipper and such other interruptible customers of PGS during such period of interruption, including but not limited to commodity, transportation, storage and other charges incurred by PGS.

**Option D:** Shipper agrees to cease taking Gas pursuant to PGS's notice during the period of interruption.

If Shipper has elected to continue deliveries pursuant to Option A, Option B or Option C, PGS will, in implementing its interruption notice, take and pay for Shipper's Gas as provided in

PGS's FPSC Tariff, but will not discontinue deliveries to Shipper unless (i) if Shipper has elected Option A, Shipper fails to make additional Gas available at the PGS Receipt Point(s), or (ii) if Shipper has elected Option B, either (a) PGS has no primary firm capacity on FGT available for release to Shipper (or Shipper's Supplier) during the period of interruption without detriment to service required by PGS's customers in a curtailment category having a higher priority than Shipper's curtailment category under PGS's curtailment plan, or (b) PGS determines either that the release of capacity contemplated by Option B would not result in Shipper's (or Shipper's Supplier's) being able to make the additional quantities of Gas available at the PGS Receipt Point(s) for delivery to Shipper during the period of interruption or that the release of capacity cannot be made pursuant to Option B, or (iii) if Shipper has elected Option C, PGS, having exercised commercially reasonable efforts, is unable to acquire for Shipper's account, at the PGS Receipt Point(s), additional Gas for delivery to Shipper during the period of interruption. In the event of the occurrence of any of the circumstances described in items (i) through (iii), PGS will provide Shipper with not less than two (2) hours' notice to cease taking Gas during the period of interruption, and Shipper shall not have the benefit of Options A through C above.

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 8.114-9 THROUGH 8.114-22.**

**THE NEXT SHEET IS NO. 8.115**

**NOMINATION FORM**

**TECO**  
 Peoples Gas

**NOMINATION FORM**

ATTENTION: NOMINATIONS  
 TELEPHONE: (813) 228-4691  
 FACSIMILE: (813) 228-4742

PREPARED BY:	TELEPHONE:	FACSIMILE:	START DATE:	END DATE:	SHIPPER: (Customer)

DRN RECEIPT	POI PIPE	FACILITY DESCRIPTION	MARKETER PRODUCER	UPSTREAM CONTRACT #	CONFIRMATION/CONTACT NAME/PHONE NUMBER	RECEIPTS FROM	RECEIPTS TO	PGS CONTRACT NUMBER	
					#120/Jane Joe/000-000-0000	0	0		
<b>COMMENTS:</b>						<b>TOTAL RECEIPTS</b>	0	0	
						<b>PGS 0.35% FUEL (x 0.9965)</b>	0	0	
						<b>TOTAL NET RECEIVED</b>	0	0	

DRN DELIVERY	FACILITY DESCRIPTION	CUSTOMER CONTACT NAME/PHONE NUMBER	RECEIPTS FROM	RECEIPTS TO	PGS CONTRACT NUMBER
			0	0	
<b>TOTAL DELIVERIES</b>			0	0	

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 8.115-1 THROUGH 8.115-7**

**THE NEXT SHEET IS NO. 8.116**

**NATURAL CHOICE TRANSPORTATION SERVICE  
Letter of Authorization**

(date)

Peoples Gas System ("PGS")  
P.O. Box 2562  
Tampa, Florida 33601-2562

TO WHOM IT MAY CONCERN:

This letter constitutes a formal request by the undersigned ("Customer") for gas transportation service pursuant to PGS's Rider NCTS and other applicable provisions of PGS's applicable Natural Gas Tariff, as the same may be amended from time to time, for the following PGS customer account number(s):

ACCOUNT NUMBER(S):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CUSTOMER CONTACT:

Company: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

As signified by initials in the box, Customer hereby authorizes PGS to release to the "Pool Manager" named below, the twelve-month historic gas usage for the accounts listed above. Customer understands that said Pool Manager will be assessed a fee of \$20 per account, payable upon receipt of request, for the authorized information.

Customer has entered, or intends to enter, into one or more agreement(s) with Pool Manager providing for Pool Manager's delivery of the gas purchased by Customer from or through Pool Manager to PGS pursuant to the Firm Delivery and Operational Balancing Agreement between PGS and Pool Manager (the "Firm Delivery Agreement").

Provided the Firm Delivery Agreement is in effect at the time gas is tendered to PGS by or on behalf of Pool Manager for Customer's account(s) listed above, PGS will transport gas delivered for such account(s) pursuant to Rider NCTS and the applicable provisions of PGS's tariff on file with the Florida Public Service Commission ("FPSC"), as the same may be amended from time to time.

Subject to the terms of Rider NCTS and the Firm Delivery Agreement, such service shall continue until Customer, Pool Manager, or PGS gives written notice to the others of the termination of such service in accordance with Rider NCTS. If the Firm Delivery Agreement is terminated for any reason as it applies to any Gas to be delivered for Customer's account(s) for transportation by PGS, PGS shall have the right to immediately terminate transportation service to the above account(s) under Rider NCTS.

Customer understands that it may terminate participation in Rider NCTS with thirty (30) days notice and return to sales service from the Company. However, the Customer must then remain on sales service for the following twelve-month period. In the event the Pool Manager terminates its agreement with the Customer without the Customer's consent, the Customer may return to Rider NCTS, but not to the same Pool Manager within the twelve-month period.

Customer agrees to pay PGS in accordance with the applicable rate schedule for the transportation of gas for Customer's account(s), including charges that may be applicable under Rider NCTS that are not applicable under sales service. Customer understands that it is responsible for the payment of all bills rendered to Customer by Pool Manager, and that each Pool Manager's bill for gas purchased by Customer will be rendered separately from PGS's bill for transportation service.

Sincerely,

(Name of Customer)

Business: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

The undersigned Pool Manager agrees that it will keep confidential, and not use or disclose to any person not named herein, information released pursuant to the above authorization, or information received from the above Customer, except to the extent necessary to deliver gas to PGS for transportation to the above Customer account(s), or as may be required by law (in which case Pool Manager will provide notice to PGS prior to making such disclosure).

(name of Pool Manager)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Customer history requested by Pool Manager. If requested, payment must be received to deem complete.



**FIRM DELIVERY AND OPERATIONAL BALANCING AGREEMENT**

This Firm Delivery and Operational Balancing Agreement (the "Agreement") is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between **Peoples Gas System, a division of Tampa Electric Company**, a Florida corporation ("PGS"), and \_\_\_\_\_, a \_\_\_\_\_ corporation ("Pool Manager").

**WITNESSETH:**

WHEREAS, PGS operates a natural gas distribution system in the State of Florida, and transports Gas for industrial and commercial customers;

WHEREAS, PGS has enabled Pool Manager to enter into contract(s) pursuant to which Pool Manager will sell Gas to Customer Accounts comprising the Customer Pool (as hereinafter defined) by agreeing to transport such Gas from such points of receipt on PGS's distribution system to Customer Accounts without requiring such accounts to install and pay for telemetry or to individually balance Gas received and delivered by PGS for such accounts;

WHEREAS, Pool Manager has entered into a Master Capacity Release Agreement with PGS providing for PGS's release to Pool Manager of Firm transportation capacity rights on the interstate pipeline systems serving the PGS distribution system for use by Pool Manager in delivering Gas to PGS for the Customer Accounts;

WHEREAS, in order to maintain the operational integrity of its system, PGS must assure that Gas to be transported to the accounts in the Customer Pool is delivered to PGS at the times and in the quantities desired by such accounts, and that for each Month Pool Manager's ADQ (as herein defined) equals the quantity of Gas consumed by the Customer Pool; and

WHEREAS, PGS will transport Gas sold by Pool Manager and received by PGS for the Customer Pool to the Customer Accounts.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, PGS and Pool Manager hereby agree as follows:

**ARTICLE I - DEFINITIONS**

As used herein, the following terms have the meanings set forth below. Capitalized terms used, but not otherwise defined, herein have the meanings given in PGS's FPSC Tariff.

"Actual Takes" means, for a specified period of time, the quantity of Gas passing through the meter(s) of the Customer Accounts during such specified period of time.

"ADQ" or "Aggregate Daily Quantity" means, for each Day, the quantity of Gas established as such by PGS pursuant to Section 4.1.

"Alert Day" means an Alert Day as defined in Florida Gas Transmission's (FGT's) Federal Energy Regulatory Commission (FERC) Tariff.

"Business Day" has the meaning given in the Capacity Release Agreement.

"Capacity Release Agreement" means the Master Capacity Release Agreement between PGS and Pool Manager dated as of even date herewith, as the same may be amended from time to time.

"Customer" means the person or entity responsible for a Customer Account.

"Customer Account" means each account included in the Customer Pool.

"Customer Pool" means, collectively, the Customer Accounts identified by PGS pursuant to Section 4.1.

"Day" has the meaning given in the Capacity Release Agreement.

"FGT" means Florida Gas Transmission Company, a Delaware corporation, and its successors and assigns.

"FGT's FERC Tariff" means FGT's FERC Gas Tariff, Third Revised Volume No. 1, as amended, supplemented or superseded from time to time, as such tariff applies to transportation service under FGT's Rate Schedules FTS-1 and FTS-2.

"Firm" means: (i) with respect to the sale and purchase of Gas, that Pool Manager is obligated to sell and deliver and a Customer is obligated to purchase and receive the quantity of Gas specified, except as excused by an event of Force Majeure, and (ii) with respect to transportation, that the transporter of Gas is obligated to make available a quantity of pipeline capacity, without interruption except as excused by an event of force majeure under such transporter's tariff, sufficient to enable Pool Manager to perform its obligations under this Agreement.

"Gas" means "Gas" as defined in FGT's FERC Tariff.

"Limitation Day" means a Limitation Day as defined in the FERC tariff of Southern Natural Gas Company and South Georgia Natural Gas Company.

"Month" has the meaning given in the Capacity Release Agreement.

"Monthly Imbalance Amount" means, for a Month, the positive or negative whole number difference determined by subtracting the Actual Takes for such Month from the sum of the ADQs for such Month (less the Retainage).

"OFO" means an Operational Flow Order as defined in FGT's FERC Tariff.

"Primary Delivery Point(s)" means the FGT or other interstate pipeline Delivery Point(s) identified as the Primary Transporter Delivery Points in the Capacity Release Agreement, subject to modification by PGS from time to time.

"Retainage" means 0.35% of Gas received by PGS for the account of Customer at the Primary Delivery Point(s) to account for lost and unaccounted Gas between such point(s) and the meters of the Customer Accounts.

"Weighted Average Cost of Capacity" means, for each Month, the weighted average cost (expressed in dollars per MMBtu) per Day of firm transportation capacity rights held by PGS for such Month pursuant to contracts with FGT, Southern Natural Gas Company and South Georgia Natural Gas Company, as determined by the following formula:

$$\frac{(FTS1 \times RFTS1) + (FTS2 \times RFTS2) + (SN \times RSN) + (SG \times RSG)}{FTS1 + FTS2 + SG}$$

Where:

FTS1 is the maximum daily transportation quantity of FTS-1 firm transportation capacity on FGT which PGS has not (i) temporarily released to persons other than Pool Managers or (ii) committed to the use of any person through a Buy-Sell Arrangement;

FTS2 is the maximum daily transportation quantity of FTS-2 firm transportation capacity on FGT which PGS has not (i) temporarily released to persons other than Pool Managers or (ii) committed to the use of any person through a Buy-Sell Arrangement;

SN is the maximum daily delivery quantity of firm transportation capacity on Southern Natural Gas Company ("SNG") held by PGS pursuant to contract with SNG;

SG is the maximum daily delivery quantity of firm transportation capacity on South Georgia Natural Gas Company ("SGNG") held by PGS pursuant to contract with SGNG;

RFTS1 is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by FGT for FTS-1 firm transportation capacity on FGT;

RFTS2 is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by FGT for FTS-2 firm transportation capacity on FGT;

RSN is the maximum allowable reservation charge (including fuel and any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by SNG for firm transportation capacity on SNG; and

RSG is the maximum allowable reservation charge (including any reservation- or demand-related surcharges) per MMBtu chargeable to PGS by SGNG for firm transportation capacity on SGNG.

## **ARTICLE II - TERM; PROGRAM CHANGES**

**Section 2.1 Term.** This Agreement shall be effective on the date first written above. The term of this Agreement shall commence on the first Day of the Month for which PGS first delivers to Pool Manager a list of Customer Accounts as required by Section 4.1(a) (the "Effective Date") and shall continue, unless earlier terminated pursuant to this Agreement, until the first anniversary of the Effective Date (the "Initial Term"). Thereafter, the term of this Agreement shall be extended for additional periods of one year unless either party gives written notice, not less than 90 days prior to the expiration of the Initial Term (or any subsequent period for which this Agreement has been extended) to the other party, of termination.

**Section 2.2 Program Changes.** Pool Manager understands that PGS is entering into this Agreement as part of a program approved by the FPSC. PGS reserves the right to file with the FPSC modifications to such program (including the terms and conditions of this Agreement). PGS shall give Pool Manager reasonable notice of any such filing. In the event the FPSC approves modifications to such program (including any terms or conditions set forth in this agreement), such modifications shall become binding on the parties hereto as of the date on which approval thereof by the FPSC becomes effective. Notwithstanding any other provision of this Agreement, PGS's obligations hereunder shall at all times be subject to the lawful orders, rules and regulations of the FPSC, and to the terms and conditions of PGS's FPSC Tariff.

## **ARTICLE III - NON-PAYMENT BY CUSTOMER**

Pool Manager may terminate its obligation to deliver Gas hereunder for a Customer Account for non-payment of charges due Pool Manager by giving five days' written notice to PGS prior to the first Day of the Month as of which such termination is to be effective. Any such notice shall be accompanied by (a) documentary evidence of the Customer's failure to make payment for a period of at least 60 days, (b) Pool Manager's affidavit that it has made commercially reasonable and good faith efforts to collect the amount due and (c) a termination fee of \$20.00.

## **ARTICLE IV - FIRM DELIVERY**

### **Section 4.1 Pool Manager's Obligation.**

(a) PGS shall deliver to Pool Manager each Month, at least five (5) Days prior to FGT's deadline for posting capacity releases for the first Day of the following Month, (i) a list of the Customer Accounts comprising the Customer Pool and (ii) the Aggregate Daily Quantity ("ADQ") of Gas required to meet the needs of the Customer Pool for such following Month. PGS shall separately identify each portion of the ADQ which is attributable to each Customer Account served by PGS under an interruptible rate schedule. Subject to the provisions of Section 2.2, on each Day during the term of this Agreement, unless excused by Force Majeure or under Section 5.2 of this Agreement, Pool Manager agrees to cause to be delivered to PGS, on a Firm basis, the ADQ for the Customer Pool.

Delivery of all such Gas shall be at the Primary Delivery Point(s), and pathed along the interstate pipeline, as established by the interstate pipeline capacity released to the Pool Manager under the Capacity Release Agreement and released under the applicable FERC and interstate pipeline rules and regulations.

(b) Pool Manager shall deliver to PGS daily, a nomination of the quantity of Gas to be delivered at the Primary Delivery Point(s) for the Customer Pool and shall specify separately the amount of such Gas to be delivered for each interruptible Customer Account. Such nomination shall be given by Pool Manager (i) unless the aforesaid delivery is to be made on the first Day of a Month, by 9:00a.m. local time in Tampa, Florida, on the Day preceding the Day on which such delivery is to occur, and (ii) if the aforesaid delivery is to be made on the first Day of a Month, by 9:00 a.m. local time in Tampa, Florida, seven (7) Business Days prior to the first Day of such Month.

(c) Pool Manager shall pay to PGS every month the Pool Administration Fee consisting of (i) \$142.00, plus (ii) \$0.91 times the number of Customer Accounts contained in the Customer Pool.

**Section 4.2 Pool Manager's Failure to Perform.**

(a) If (unless excused by Force Majeure or excused according to section 5.2 of this Agreement) Pool Manager fails to cause to be delivered on any Day any portion (the "Shortfall Quantity") of the quantity of Gas required to be delivered to PGS pursuant to Section 4.1, Pool Manager shall pay to PGS (in dollars per MMBtu), for the Shortfall Quantity, an amount equal to five (5) times the highest price, for the calendar day on which such Day commences, for spot gas delivered to a Gulf Coast pipeline, as published in *Gas Daily*.

- (i) If requested by Pool Manager, and agreed to by PGS, PGS will sell gas supply and interstate pipeline capacity on a delivered basis to the Pool Manager to offset a portion of the "Shortfall Quantity." The price for said "Backup Gas" shall be as mutually agreed between the parties plus a \$100 administration fee per Day that "Backup Gas" is supplied. PGS shall have no obligation to provide said "Backup Gas" and will do so only if the same can be provided without detriment to any other customer on the PGS distribution system.
- (ii) The Pool Manager's "Shortfall Quantity" will be reduced by the quantity of any "Backup Gas" provided by PGS.

(b) If Pool Manager causes to be delivered on any Day a quantity of Gas exceeding the quantity required to be delivered to PGS pursuant to Section 4.1, Pool Manager shall sell to PGS, and PGS shall purchase from Pool Manager, such excess Gas (the "Excess Quantity") at a purchase price equal to:

- (i) fifty percent (50%) of the price reported in *Natural Gas Week* for the beginning of the Month in which Pool Manager delivered such Excess Quantity, for spot gas delivered to FGT at Tivoli, Texas; minus
- (ii) the sum of any balancing, scheduling, alert day, OFO, or other penalties or charges incurred by PGS as a result of Pool Manager's delivery of the Excess Quantity; minus
- (iii) a fee of \$0.15 per MMBtu as a liquidated amount representing incidental damages. Pool Manager agrees that it will not bill any Customer for any Excess Quantity which is purchased by PGS from Pool Manager pursuant to this paragraph (b).

(c) Billing and payment of any amounts due either party pursuant to this section shall be in accordance with Article VI.

**Section 4.3 Termination.** If (i) in any three-Month period, unless excused by Force Majeure, Pool Manager fails to cause to be delivered on any three (3) Days any portion of the quantity of Gas required to be delivered to PGS pursuant to Section 4.1, or (ii) Pool Manager fails to timely pay any amount due PGS pursuant to Section 4.2, or (iii) Pool Manager is delinquent in making payment of other amounts due hereunder more than three (3) times in any 12-Month period, or (iv) PGS determines that Pool Manager has delivered to PGS a letter of authorization not actually signed by the Customer named therein, PGS may, in its sole discretion, without incurring any liability to Pool Manager or any Customer, terminate this Agreement by facsimile notice of termination to Pool Manager and notice to each Customer Account in the Customer Pool, such termination to be effective when specified in such notices; provided, however, that PGS's exercise of the remedy set

forth in this section shall not be construed as a waiver of PGS's rights under either of Section 4.2 or Section 5.3. In addition, in the event of a determination by PGS pursuant to (iv) above, PGS may require that any future Customer letter of authorization submitted by Pool Manager be notarized.

**Section 4.4 Pool Manager's Load Balancing Provisions.** By the 18<sup>th</sup> Day of each calendar month, PGS will provide the Pool Manager with the meter reads that have occurred as of the 15<sup>th</sup> Day for the given billing month for Customer Accounts in the Customer Pool. By the 20<sup>th</sup> Day of that calendar month, the Pool Manager may request, and PGS may grant, one reduction to the ADQ to be delivered by the Pool Manager for the Customer Pool for the remainder of the calendar month. If such request is granted, PGS and the Pool Manager will arrange for the recall of interstate pipeline capacity and the associated reduction to the scheduled quantity of natural gas commodity according to the applicable FERC rules and regulations and the tariff provisions of the applicable interstate pipeline(s). Should the aforementioned dates fall on a weekend or recognized federal holiday, the requirement will fall on the following Business Day.

**Section 4.5 Establishment of Credit.** (a) Pool Manager shall establish credit prior to commencing deliveries of Gas hereunder (and shall maintain such credit during the term hereof) by one of the following methods:

- (i) making a cash deposit with PGS;
- (ii) furnishing an irrevocable letter of credit from a bank, or a surety bond issued by a company with an A.M. Best Rating Service rating of B/VI or higher for bonds up to \$50,000 in amount and a rating of A-/VII or higher for bonds over \$50,000 in amount;
- (iii) possessing and maintaining a Standard & Poor's Long Term Debt Rating of A- or better, a Moody's rating of A3 or better, or a comparable rating by another nationally recognized rating organization acceptable to PGS;
- (iv) if Pool Manager's debt is not rated, by demonstrating to PGS (pursuant to the provisions of paragraph (b) below) Pool Manager's creditworthiness (*i.e.*, that Pool Manager's financial strength and stability are adequate); or
- (v) if Pool Manager's parent company or a third-party establishes credit pursuant to subparagraphs (iii) or (iv) above, such parent company or third-party may serve as guarantor of Pool Manager's obligations under this Agreement.

(b) If Pool Manager seeks to establish credit pursuant to paragraph (a) (iv) above, Pool Manager shall furnish to PGS Pool Manager's audited financial statements (accompanied by the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing) for at least the two most recently completed fiscal years. In evaluating Pool Manager's creditworthiness, PGS will consider Pool Manager's tangible net worth, interest coverage ratio, ratio of long term debt to tangible net worth, net cash flow, and other known factors relating to Pool Manager's creditworthiness. If credit is established by Pool Manager pursuant to paragraph (a)(iv) above, (i) PGS may periodically review its determination of creditworthiness to assure that no material adverse changes in Pool Manager's financial condition have occurred, and (ii) Pool Manager shall annually during the term of this Agreement, within ninety (90) days following the end of Pool Manager's fiscal year, furnish to PGS Pool Manager's audited financial statements for the year most recently ended (accompanied by the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing). If Pool Manager's credit rating or financial statements are, or during the term of this Agreement become, unacceptable to PGS, or Pool Manager makes any payment required by this Agreement with a check which is dishonored by a bank, Pool Manager may establish credit only pursuant to paragraph (a)(i) or (a)(ii) above. The provisions of this paragraph (b) shall apply to Pool Manager's parent company (or any third-party) in the event such parent company or third-party seeks to establish credit pursuant to paragraph (a)(iv) above.

(c) The amount of any cash deposit, letter of credit or surety bond (collectively, "Security") furnished pursuant to paragraph (a)(i) or (a)(ii) above shall be equal to the product of (i) the ADQ (in MMBtu) and (ii) \$150.00. PGS may require of Pool Manager, upon written notice of not less than fifteen (15) Days, new Security (if previously waived or returned), or additional Security, in order to more accurately reflect the amounts which may become due PGS from Pool Manager under Section 4.2, the amount of such Security to be determined as stated above.

(d) Upon termination of this Agreement, PGS shall credit the amount of any cash deposit against the final amount (if any) due PGS from Pool Manager hereunder, and the balance, if any, shall be returned to Pool Manager no later than fifteen (15) Days after the final bill hereunder is rendered (or was to be rendered).

(e) In no event will PGS confirm nominations of Pool Manager unless Pool Manager has established, and continues to maintain, credit as required by this Section 4.5.

(f) Pool Manager shall pay to PGS a non-refundable fee of \$250.00 for the cost incurred by PGS for the initial assessment of creditworthiness of any person hereunder pursuant to paragraph (a)(iv) above. Pool Manager shall also pay the cost incurred by PGS for the review or re-establishment of creditworthiness in the event the Pool Manager's creditworthiness decreases to unacceptable levels or PGS incurs extraordinary expenses to review creditworthiness.

**Section 4.6 Pool Manager's Obligations.** If any act or omission of Pool Manager causes PGS to incur penalties or other expenses or liabilities for unauthorized overrun Gas, for imbalances on a pipeline system, for a failure to comply with a pipeline tariff, or for a failure to comply with a curtailment notice or to take deliveries as scheduled, Pool Manager will indemnify and reimburse PGS for all such amounts which the acts or omissions of Pool Manager or its supplier have caused PGS to incur. Nothing herein shall be deemed to foreclose PGS from employing other remedies, including cessation of deliveries, and PGS reserves the right to do so, for the unauthorized consumption of Gas.

#### **ARTICLE V - IMBALANCES; INTERRUPTION OF DELIVERIES**

**Section 5.1 Interruption of Deliveries.** Pool Manager recognizes that PGS is entitled to curtail or interrupt deliveries of Gas to the Customer Pool pursuant to PGS's FPSC Tariff. Pool Manager agrees that it will not bill any Customer for any quantities of Gas which are not consumed by such Customer due to interruption by PGS. If deliveries of Gas to a Customer Account are curtailed or interrupted pursuant to PGS's FPSC Tariff, Pool Manager shall sell to PGS, and PGS shall purchase from Pool Manager, that portion of the ADQ that is curtailed or interrupted. PGS shall notify Pool Manager with respect to each notice of curtailment or interruption issued pursuant to PGS's FPSC Tariff. After receiving such notice from PGS, unless otherwise directed by PGS, Pool Manager shall not curtail, cause to be curtailed, redirect, or cause to be redirected, any of the Customer Pool's ADQ in a manner which would have the effect of reducing the quantities of Gas delivered at the Primary Delivery Point(s). For all Gas sold by Pool Manager to PGS pursuant to this section, PGS shall pay to Pool Manager an amount per MMBtu equal to the sum of (a) the price for spot Gas delivered to FGT at Vermillion Parish, Louisiana, as reported in the "Daily Price Survey" in *Gas Daily* for the Day in which PGS purchased the Gas, and (b) the 100% load factor rate at which Pool Manager acquired the Transporter Capacity (as defined in the Capacity Release Agreement) from PGS pursuant to the Capacity Release Agreement. PGS warrants that it will not at any time exercise its right to interrupt deliveries of Gas to the Customer Pool pursuant to PGS's FPSC Tariff based solely on a determination that Gas being delivered by Pool Manager to the Primary Delivery Point(s) is less expensive than Gas which is, at the time of PGS's exercise of such right, otherwise available to PGS. For any Month in which PGS purchases Gas from Pool Manager pursuant to this section, PGS shall make payment of the amount payable to Pool Manager on or before the last Day of the Month following the Month in which PGS purchased such Gas.

**Section 5.2 Mutually Beneficial Transactions.** Pool Manager recognizes that PGS maintains the operation and system integrity of the PGS distribution system on a daily basis. Pool Manager also recognizes that as Delivery Point Operator for the interstate pipeline interconnects, PGS is subject to the rules and regulations of the interstate pipelines with regard to operational flow rates, pressures and penalties. As such, PGS may have need for the Pool Manager to vary its daily delivery from the agreed to ADQ. On those occasions, PGS may request, at its sole discretion, and the Pool Manager may agree to, a change to the Pool Manager's level of Gas supply and interstate pipeline capacity. Terms and conditions of such transaction will be agreed upon at the time of the transaction and will be recorded and confirmed in writing within two business days of the transaction.

**Section 5.3 Correction of Imbalances.** PGS and Pool Manager intend that all Monthly Imbalance Amounts shall be resolved as of the end of each Month. At the end of each Month, the Monthly Imbalance Amount (if any) incurred during such Month shall be resolved in kind or cash. PGS will provide Pool Manager with a statement of the Monthly Imbalance Amount by the 8<sup>th</sup> Day of the following Month, and post a list of all Monthly Imbalance Amounts on its Internet web site (or otherwise if such web site is not available). Pool Manager shall have a Book-Out Period until the 14<sup>th</sup> Day of such following month to utilize the Book-Out provisions in Section 5.4 below. Pool Manager and PGS shall utilize the provisions in Section 5.5 below to resolve in cash all Monthly Imbalance Amounts (or any portions thereof) remaining after the close of the Book-Out Period.

**Section 5.4 Book-Out.** Pool Manager may, during the Book-Out Period, net Positive Monthly Imbalance Amounts (as hereinafter defined), or portions thereof, with Negative Monthly Imbalance Amounts (as hereinafter defined), or portions thereof, of other Pool Managers or other Customers, and may net Negative Monthly Imbalance Amounts, or portions thereof, with Positive Monthly

Imbalance Amounts of other Pool Managers or Customers. A Pool Manager availing itself of the provisions of this paragraph shall submit a completed Book-Out Agreement, in form designated by PGS, via facsimile or mail to PGS before the end of the Book-Out Period. Such agreement shall not be deemed effective unless signed by an authorized representative of each Pool Manager or Customer which is a party thereto. PGS shall have no responsibility or liability for incorrect, incomplete, late, lost or illegible Book-Out Agreements.

**Section 5.5 Cashout.** By the 15<sup>th</sup> Day (or the subsequent Business Day if a weekend or holiday) of the following Month, any end-of-Month imbalance remaining after trading will be resolved in cash as follows:

(a) **Positive Imbalances.** If a Monthly Imbalance Amount is Positive (*i.e.*, the sum of the ADQs of the Customer Pool for the Month (less the Retainage) exceeds the Actual Takes of the Customer Pool for such Month), PGS shall purchase from Pool Manager (and Pool Manager shall sell to PGS) such Monthly Imbalance Amount at a price per Therm (the "Unit Price") equal to the lesser of the average of weekly prices for spot gas delivered to FGT at Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, and St. Helena Parish, Louisiana, as reported in *Natural Gas Week* for the Month in which such Monthly Imbalance Amount was incurred. The total amount due Pool Manager pursuant to this paragraph (a) shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount.

(b) **Negative Imbalances.** If a Monthly Imbalance Amount is Negative (*i.e.*, Actual Takes of the Customer Pool exceed the sum of the ADQs of the Customer Pool for such Month less the Retainage), PGS shall sell to Pool Manager (and Pool Manager shall purchase from PGS) such Monthly Imbalance Amount at a price per Therm (the "Unit Price") equal to the sum of (i) the highest average of weekly prices for spot gas delivered to FGT at Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, and St. Helena Parish, Louisiana, as reported in *Natural Gas Week*, for the Month in which such Monthly Imbalance Amount accumulated plus (ii) an amount equal to the sum of (A) the FGT FTS-1 usage rate (including, but not limited to, usage charges, surcharges, fuel reimbursement charges, and other applicable charges, taxes, assessments and fees) for the applicable calendar month and (B) the Weighted Average Cost of Capacity. The total amount due PGS pursuant to this paragraph (b) shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount.

(c) For any Month in which a Monthly Imbalance Amount is required by paragraph (a) to be purchased by PGS, PGS shall make payment of the amount payable to Pool Manager on or before the last Day of the Month following the Month in which the Monthly Imbalance Amount accumulated. For any Month in which a monthly Imbalance Amount is required by paragraph (b) to be purchased by Pool Manager, the amount payable to PGS shall be billed by PGS and paid by Pool Manager pursuant to Article VI.

## **ARTICLE VI - BILLING AND PAYMENT**

**Section 6.1 Amounts Due PGS.** When any amounts are payable by Pool Manager pursuant to Articles IV or V, PGS shall, as soon as practicable after such amounts are determined, deliver a bill to Pool Manager for such amounts. Pool Manager shall pay any such bill rendered by PGS, minus any disputed amounts, to PGS at the address specified in the invoice on or before the 20th Day following the date of PGS's mailing or other delivery of such bill.

- (a) Charges for services due and rendered which are unpaid, and not in good faith dispute, by the due date are subject to a Late Payment Charge of 1.5% per Month, except for the accounts of federal, state and local governmental entities, agencies and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state and local governmental entities, agencies and instrumentalities at a rate no greater than allowed, and in a manner permitted, by applicable law.
- (b) If Pool Manager fails to make any payment to PGS when due and such failure is not remedied by or on behalf of Pool Manager within five (5) Days after written notice by PGS of such default in payment, then PGS, in addition to any other remedy it may have, may, without incurring any liability to Pool Manager and without terminating this Agreement, suspend further deliveries of Gas to the Customer Pool until such amount is paid; provided, however, that PGS shall not do so if (i) Pool Manager's failure to pay is the result of a bona fide billing dispute, (ii) Pool Manager has paid all amounts not in dispute, and (iii) the parties are negotiating in good faith to resolve the dispute.

**Section 6.2 Amounts Due Pool Manager.** Any amounts due Pool Manager from PGS pursuant to Section 4.2(b) shall be paid to Pool Manager on or before the 20<sup>th</sup> Day of the Month following the Month in which PGS purchased any Excess Quantity from Pool Manager pursuant to Section 4.2(b). If PGS fails to make any payment to Pool Manager when due and such failure is not remedied by or on behalf of PGS within five (5) Days after written notice by Pool Manager of such default in payment, then Pool Manager, in addition to any other remedy it may have, may, without incurring any liability to PGS and without terminating this Agreement, suspend payment of any amounts due PGS pursuant to this Agreement until such amount is paid; provided, however, that Pool Manager shall not do so if (i) PGS's failure to pay is the result of a bona fide billing dispute, (ii) PGS has paid all amounts not in dispute, and (iii) the parties are negotiating in good faith to resolve the dispute.

#### **ARTICLE VII - FORCE MAJEURE**

To the extent provided in this article, Pool Manager shall be excused from delivering, on any Day, the amount of Gas required under Article IV, if (and only to the extent) such delivery is prevented by a Force Majeure event. For purposes of this Agreement, "Force Majeure" events shall be limited to those which directly cause the failure of Firm transportation of Gas to the Primary Delivery Point(s), where the cause of such failure constitutes an event of force majeure pursuant to the terms of FGT's FERC Tariff. If, at the time of any such failure, Pool Manager is delivering Gas to or for the account of persons other than the Customer Accounts in the Customer Pool, the quantity of Gas as to which Pool Manager shall be excused from delivering pursuant to Article IV will be no more than a proportionate amount of the total deliveries curtailed by FGT due to the Force Majeure event. Pool Manager is responsible for establishing, to the reasonable satisfaction of PGS, Pool Manager's entitlement to the excuse from performance provided by this article. Any quantities of Gas which Pool Manager is excused from delivering pursuant to this article shall be made up by Pool Manager as soon as possible at a rate of delivery reasonably established by PGS, and Pool Manager shall pay to PGS, for any such quantities which have not been made-up by Pool Manager within thirty (30) Days following the Day on which they were to have been delivered by Pool Manager pursuant to Article IV, an amount equal to \$15.00 per MMBtu. Billing and payment of any amounts payable by Pool Manager to PGS pursuant to this article shall be in accordance with Article VI.

#### **ARTICLE VIII - MISCELLANEOUS**

Except for Gas purchased by PGS from Pool Manager pursuant to Section 5.5(a), nothing in this Agreement shall be construed as vesting in PGS title to any Gas delivered by Pool Manager hereunder.

Neither PGS nor Pool Manager is in any way or for any purpose, by nature of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other. Nothing in this Agreement is intended to be for the benefit of, or to create any duty or liability to, any person not a party hereto.

This Agreement may not be assigned by Pool Manager without the prior written consent of PGS.

Performance of this Agreement and the interpretation thereof shall be in accordance with the laws of the State of Florida.

Venue for any action between the parties hereto arising out of this Agreement shall be in a court, located in the State of Florida, having jurisdiction. In any such action between the parties under this Agreement, the reasonable attorneys' fees and costs of the party prevailing in such action shall be recovered by such party from the other party. Neither PGS nor Pool Manager shall be liable to the other or to any person claiming through the other for special, indirect, punitive or consequential damages, lost profits or lost opportunity costs relating to any matter covered by this Agreement.

Any notice concerning this Agreement, except for those specifically required or permitted to be provided by facsimile, shall be given in writing and mailed by first-class mail to the party being notified at the address for such party stated below:



If to PGS:

Peoples Gas System  
702 N. Franklin Street, 7th Floor  
P. O. Box 2562  
Tampa, Florida 33601-2562  
Attention: NCTS Administrator

If to Pool Manager:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Pool Manager shall keep confidential and will not use, or disclose to any person not a party hereto, the information received from PGS or any Customer during the performance of this Agreement, except to the extent such disclosure is necessary for the Pool Manager's performance hereunder or is required by law. In the case of any disclosure required by law to be made, Pool Manager shall, prior to making such disclosure, provide written notice to PGS of the disclosure to be made in order that PGS may seek a protective order or other means of protecting the confidentiality of the information to be disclosed. The parties' obligations under this paragraph shall expire two (2) years from the date of termination of this Agreement.

IN WITNESS WHEREOF, PGS and Pool Manager have executed this Agreement on the date first written above.

"PGS"

"Pool Manager"

**PEOPLES GAS SYSTEM, a division of  
TAMPA ELECTRIC COMPANY**

**NAME OF COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**THIS SHEET CANCELS  
ORIGINAL SHEET NO. 8.120 THROUGH 8.120-5**