

ORIGINAL

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June 27, 2002

IN REPLY REFER TO:

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

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

RECEIVED - FPSC
JUN 27 AM 8:14
COMMISSION
CLERK

Re: Docket No. 020384-GU -- Application for a rate increase by Tampa Electric Company d/b/a PEOPLES GAS SYSTEM

Dear Ms. Bayo:

Enclosed herewith for filing in the above docket on behalf of Peoples Gas System, please find:

1. The original and 20 copies of Peoples' Petition for Authority to Increase its Rates and Charges. *06616-02*
2. 20 copies of new rate schedules (and other tariff modifications), pursuant to Section 366.06(4), *Florida Statutes*. *06617-02*
3. The original and 20 copies of Peoples' Petition for Interim Rate Relief under Section 366.071, *Florida Statutes*. *06618-02*
4. 20 copies of the natural gas utility Minimum Filing Requirements ("MFRs") required by the Commission's Rule 25-7.039, each set consisting of two volumes. One of the volumes contains the proposed new tariff sheets in legislative form, and the other contains the remainder of the MFRs.

AUS *Vander*
CAF _____
CMP _____
COM *3 + Ding*
CTR _____
ECR _____
GCL *1*
OPC _____
MMS _____
SEC _____
OTH _____

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06619-02
06620-02


Blanca S. Bayo, Director
June 27, 2002
Page 2

5. 20 copies of books containing the direct testimony and exhibit(s) of Francis J. Sivard, Bruce Narzissenfeld, J. Paul Higgins, Roger H. Morin, Ph.D., and Wraye J. Grimard, on behalf of the Company. 06621-02
6. A computer diskette containing the Petitions referenced in paragraphs 1 (minus Exhibit B thereto) and 3 above in Microsoft Word format.

Please acknowledge your receipt and the date of filing of the items referenced above on the duplicate copy of this letter, and return the same to Mrs. Wraye Grimard of Peoples Gas System, who will be delivering this letter and the enclosures to you for filing.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Ms. Angela Llewellyn
Matthew R. Costa, Esquire

RULES AND REGULATIONS

I

INITIATION OF SERVICE

A. REQUEST FOR GAS SERVICE

Gas Service may be requested by a prospective Customer by:

1. Verbal, telephonic or electronic request to a business office of the Company (in the case of residential Gas Service), or
2. By submission to Company of a completed Gas Service Agreement (in the case of Gas Service other than residential Gas Service).

B. ACCEPTANCE OF REQUEST FOR GAS SERVICE

A Gas Service Agreement shall be deemed to be accepted by the Company when Gas Service pursuant thereto is initiated.

C. OBLIGATION OF CUSTOMER AND COMPANY

The terms and conditions of the Customer's Gas Service Agreement, these Rules and Regulations, and the applicable Rate Schedules shall become binding upon the Customer and Company upon acceptance by the Company of the Customer's Gas Service Agreement.

D. MISCELLANEOUS SERVICE CHARGES

Whenever Gas Service is established or re-established at any location, the charges set forth below will be made:

	RESIDENTIAL	OTHER
ACCOUNT OPENING CHARGE (applies only where a change of Customer occurs and Gas Service is not shut off at the premises)	\$20.00	\$20.00
METER TURN ON / SERVICE INITIATION CHARGE (applies where service is inactive)	\$35.00 for initial unit or meter \$15.00 for each additional unit or meter	\$75.00 for initial unit or meter \$15.00 for each additional unit or meter

DOCUMENT NUMBER-DATE

Issued By: William N. Cantrell, President
Issued On: June 27, 2002

06617 JUN 27 2002 Effective: August 27, 2002

FPSC-COMMISSION CLERK

RULES AND REGULATIONS (Continued)

	RESIDENTIAL	OTHER
METER RECONNECTION/SERVICE RESTORATION CHARGE (applies where service has been turned off for cause and includes cost of turn-off)	\$60.00 for initial unit or meter \$15.00 for each additional unit or meter	\$100.00 for initial unit or meter \$15.00 for each additional unit or meter
TRIP CHARGE/COLLECTION AT CUSTOMER PREMISES (applies when Company's employee, agent, or representative makes a trip to Customer's premises for the purpose of terminating Gas Service or providing final notice of termination for nonpayment of bills)	\$20.00	\$20.00
FAILED TRIP CHARGE AT CUSTOMER PREMISES (applies when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative)	\$15.00	\$15.00
TEMPORARY METER TURN-OFF CHARGE (applies when Company's employee, agent or representative, turns off Customers' meter temporarily at Customer's request)	\$25.00 per meter	\$25.00 per meter
BILLS PAID UTILIZING CREDIT CARD (applies when a Customer chooses to make payment by Credit Card)	3.5% of total transaction	

Where Gas Service is established outside of normal business hours, by special appointment, or same day service the charges set forth above multiplied by 1.5.

RULES AND REGULATIONS (Continued)

E. WITHHOLDING OF GAS SERVICE

Company will refuse to establish Gas Service to any location where it finds that establishment of Gas Service will create an unsafe or hazardous condition on the Customer's premises.

Company may discontinue Gas Service to an existing Customer or refuse to serve a prospective Customer where such Customer's use of Gas is or will be detrimental or hazardous to the Gas Service supplied to other Customers.

Company will not establish Gas Service to any Customer where that Customer is in arrears for Gas Service at that location or another location in the Company's service area.

If a prospective Customer requests connection for Gas Service but denies the Company's employees and representatives access to the Customer's Installation for the purpose of inspecting the appliances prior to establishing Gas Service, the Company may refuse to provide Gas Service to the prospective Customer.

Fraudulent Use of Gas:

Company will discontinue Gas Service without notice:

- a. In the event of tampering with regulators, valves, Meters or other facilities furnished and owned by Company, or
- b. In the event of other fraudulent use of Gas Service.

Whenever Gas Service is discontinued for unauthorized or fraudulent use thereof, the Company, before restoring Gas Service, may require Customer to make, at Customer's expense, all changes in piping or equipment necessary to eliminate the fraudulent and to pay an amount reasonably estimated as the deficiency (if any) in Company's revenue and all costs incurred by Company resulting from such unauthorized or fraudulent use.

As used herein, "costs incurred by Company" shall include the Company's cost to cut and cap the Customer's service line at the Main, together with the cost incurred by the Company to restore service to the Customer, in the event the Company, in order to discontinue service to the Customer pursuant to this section, has been required (after final notice to the Customer requesting payment, and the Customer's denial of access by Company to its meter for the purpose of discontinuing service) to cut and cap the Customer's service line at the Main. If a Customer whose service line has been cut and capped as aforesaid thereafter requests restoration of Gas Service, Company may require such Customer to pay (in addition to any other charges payable pursuant to these Rules and Regulations) all costs incurred by Company to effect the previous discontinuance of Gas Service to such Customer, as well as all costs incurred by Company to restore Gas Service to such Customer.

RULES AND REGULATIONS (Continued)

F. LIMITATION OF USE

Gas delivered to a Customer shall be for such Customer's own use and shall not be resold by such Customer, either by submetering or otherwise, unless such resale has been authorized by the Commission.

In case of any unauthorized submetering, sale, or disposition of Gas by a Customer, Gas Service to such Customer may be discontinued and, if discontinued, such Gas Service will not be restored until such unauthorized activities have ceased and all bills outstanding have been paid in full. Billings for Gas sold or disposed of by the Customer may be recalculated under appropriate rate schedules and, in addition, a bill may be rendered to the Customer for all expenses incurred by the Company for clerical work, testing, and inspections in connection with such recalculation.

G. PRESSURE

Company shall make reasonable efforts to maintain its Standard Delivery Pressure at the point of delivery. Where delivery pressure higher than Standard Delivery Pressure is supplied, Company will make reasonable efforts to maintain that delivery pressure.

Prospective industrial and large commercial Customers who desire to utilize Gas at pressures higher than the Standard Delivery Pressure should inquire of the Company to determine the pressure that the Company can make available at any given location in its service territory before obtaining any equipment requiring pressures higher than the Standard Delivery Pressure.

MEASUREMENT (Continued)

D. METER TESTS

Company will periodically test Meters to ensure they properly and accurately measure the Gas Service provided to Customer.

E. METER TEST BY REQUEST

1. Upon written request of a Customer, Company shall, without charge, make a test of the accuracy of the Meter in use at Customer's premises; provided, first, that the Meter has not been tested by Company or by the Commission within twelve (12) months previous to such request and, second, that Customer agrees to accept the results of such test as the basis for the adjustment of disputed charges.
2. Should Customer request a Meter test more frequently than once a year, Company may require a deposit to defray the cost of testing, such deposit not to exceed the following for each test: (a) Meters with a capacity rating of 250 cfh or less - \$34.00 dollars; (b) Meters with a capacity rating of over 250 cfh through 2500 cfh - \$85.00 dollars; (c) Meters with a capacity rating over 2500 cfh - \$129.00 dollars. If the Meter is found to be more than two percent (2%) fast, the deposit shall be refunded, but if below this accuracy limit the deposit may be retained by Company as a service charge for conducting the test.
3. If Customer so desires, he or his authorized representative may witness the test. A written report, giving the results of the test, shall be furnished to Customer upon request.
4. At the request of the Customer, the Company shall make arrangements for a meter test to be conducted by an independent meter testing facility of the Customer's choosing. Where appropriate, the meter may be field tested. The Customer shall be responsible for all the costs to the Company associated with a meter test by an independent meter testing facility. The Company shall provide a detailed estimate of such costs and may require payment of such costs prior to the actual meter test. If the meter is found to be running fast in excess of the limits established by these rules, such costs shall be refunded, but if within the allowable limits, the Company may retain the costs.

F. METER TEST - REFEREE

1. Upon written application to the Commission by a Customer, a test of the Customer's Meter will be made or supervised as soon as practicable by a representative of the Commission.
2. A Meter shall not be disturbed after Company has received notice that application has been made for such referee test unless a representative of the Commission is present or unless authority to do so is first given in writing by the Commission or by Customer.
3. A written report of the results of the test will be made by the Commission to Customer.

MEASUREMENT (Continued)

G. MEASUREMENT CONDITIONS

1. Base Conditions
 - a. A standard cubic foot for measurement purposes shall be the volume of such cubic foot at a temperature of 60 degrees Fahrenheit and an Absolute Pressure of 15.09 pounds per square inch absolute (p.s.i.a.) for Panama City Operating Area and 14.98 p.s.i.a. for the remainder of PGS service territory.
 - b. The Average Atmospheric Pressure shall be assumed to be 14.73 p.s.i.a. irrespective of actual elevation or location of the point of measurement or of variations in such atmospheric pressure from time to time.
2. Unit of Sales and Transportation Volume
 - a. The Standard Delivery Pressure for Panama City Operating Area shall be 10 inches of water column (.35 p.s.i.g.). The Standard Delivery Pressure for the remainder of PGS service territory shall be 7 inches of water column .25 p.s.i.g.). The Standard Delivery Temperature shall be 60 degrees Fahrenheit.
 - b. For purposes of billing computations a Cubic Foot of Gas shall be that quantity which, at a pressure of 15.09 p.s.i.a. for Panama City Operating Area and 14.98 p.s.i.a. for the remainder of PGS service territory, and a temperature of 60 degrees Fahrenheit, occupies one cubic foot.
 - c. When deliveries are made at flowing pressures in excess of the Standard Delivery Pressure, metered volumes shall be corrected for such variation through utilization of recorded flowing pressure data, correction devices which are an integral part of the Meter installation, or by correction factors for fixed pressure deliveries.
 - d. With respect to Gas delivered at High Pressure, flowing Gas temperature shall be assumed to average 60 degrees Fahrenheit for all measurement, unless the Customer and the Company agree otherwise. When an assumed flowing temperature of 60 degrees Fahrenheit is not used, the temperature shall be determined as the arithmetic average of flowing temperatures as recorded by a temperature recorder, if such a recorder is utilized, or through the use of correcting indices or temperature compensating Meters. Where recording or compensating devices are not installed, the temperature of the Gas shall be assumed to be the climatological thirty (30) year average monthly temperature as established by the nearest National Oceanic and Atmospheric Administration Weather Bureau, and published by the Department of Commerce.

MEASUREMENT (Continued)

- e. Unless determined to be otherwise by a gravity balance the specific gravity of the flowing Gas shall be assumed to be 0.6.
 - f. When sales or transportation volumes are metered at pressures of 10 p.s.i.g. (pounds per square inch gauge) and over, and where such volumes are also corrected for flowing temperatures other than assumed 60 degrees Fahrenheit, such volumes shall be corrected for deviations from Boyles Law by use of the appropriate supercompressibility factor.
3. Sales and Transportation Unit
- a. The sales and transportation unit of the Gas shall be the Therm, being 100,000 BTU. The number of Therms billed to a Customer shall be determined by multiplying the number of Cubic Feet of Gas delivered at the Standard Delivery Pressure and 60 degrees Fahrenheit, by the total heating value of such gas in BTUs per cubic foot and dividing the product by 100,000.
 - b. The total heating value of the Gas delivered to the Customer shall be determined as that reported monthly by the Company's Gas transporters, provided such value is applicable to the Gas delivered to the Customer, or such value shall be determined by the Company by use of a calorimeter or other instrument suitable for heating value determination. The total heating value shall be corrected to and expressed as that contained in the Unit of Sales and Transportation Volume defined above.
4. Quality

To the extent within its control, the Company shall deliver Gas which is free of dangerous or objectionable quantities of impurities such as hydrogen sulphide or other impurities which may cause excessive corrosion of Mains or piping or from noxious or harmful fumes when burned in a properly designed and adjusted burner. This provision is intended to protect the health and safety of the public and in no manner does it guarantee compatibility with the operation of delicate or sensitive machinery, instruments, or other types of apparatus which may be damaged by moisture, grit, chemicals or other foreign substances which may be present in the Gas but which are nevertheless within limits recognized as allowable in good practice.

VI

MAIN AND SERVICE EXTENSIONS

A. MAIN EXTENSIONS

Whenever a prospective Customer or other person, such as a real estate developer, municipality, township, county, or other authority ("Depositor"), requests Gas Service at a location where the Company does not have a Main, the Company will extend its Mains and Services to serve the prospective Customer or Customers under the following conditions (for provisions governing installation of service lines only, see VI.B):

1. The extension of Gas Service to the prospective Customer will not jeopardize Gas Service to existing Customers.
2. The maximum capital cost to be incurred by the Company for an extension of Main and Service facilities shall be defined as the Maximum Allowable Construction Cost. The Maximum Allowable Construction Cost shall equal five (5) times the estimated annual revenue to be derived from the facilities less the cost of Gas and less the cost of service.

Where the Company, in its reasonable discretion, believes that there is significant uncertainty regarding the revenues to be derived from service provided through the requested extension of Main and Service facilities, the Company shall use reasonable efforts to calculate the MACC giving due consideration to such uncertainty.

3. Where the facilities to be installed will require an investment by the Company in excess of the Maximum Allowable Construction Cost, the Company will construct the necessary facilities provided the Customer or Depositor deposits with the Company an amount equal to the excess of the estimated construction cost over the Maximum Allowable Construction Cost. In this case, the Company and the Depositor will then enter into a Construction Deposit Agreement providing for receipt of the deposit by the Company and including terms and conditions for refund to the Depositor. In consideration of the Company's having to use the deposit to finance the installation of facilities, the deposit made by the Depositor will be non-interest bearing.

VIII

INDEMNITY TO COMPANY

The Customer shall indemnify, hold harmless, and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to person or property, in any manner directly or indirectly connected with or growing out of the transmission and/or use of Gas by the Customer at or on the Customer's side of the Point of Delivery or out of the Customer's negligent acts or omissions.

IX

APPEALS TO THE COMMISSION

Whenever the application of these rules and regulations appear to be unjust or impractical either the Company or the Customer may request permission from the Commission for an exception.

COUNTIES AND COMMUNITIES SERVED

COUNTIES

*Bay

Broward

Charlotte

COMMUNITIES

*Callaway
*Cedar Grove
*Lynn Haven
*Panama City¹
*Panama City Beach
*Parker
*Springfield
*Tyndall Air Force Base
*Unincorporated Bay County

Coconut Creek
Cooper City
Coral Springs
Dania Beach
Davie
Deerfield Beach
Fort Lauderdale
Hallandale Beach
Hillsboro Beach
Hollywood
Lauderdale-By-The-Sea
Lauderdale Lakes
Lauderhill
Lighthouse Point
Margate
Miramar
North Lauderdale
Oakland Park
Parkland
Pembroke Park
Pembroke Pines
Plantation
Pompano Beach
Sea Ranch Lakes
Tamarac
Weston
Wilton Manors
Unincorporated Broward County

Charlotte Harbor
Port Charlotte
Punta Gorda
Unincorporated Charlotte County

*Panama City Operating Area

¹Designates location of Local Operations Center

Peoples Gas System may extend service to other areas pursuant to the terms and conditions set forth in this tariff. For further information regarding service areas, contact customer service at:

(877) TECO-PGS / (877) 832-6747

Issued By: William N. Cantrell, President
Issued On: June 27, 2002

Effective: August 27, 2002

COUNTIES AND COMMUNITIES SERVED (Continued)

COUNTIES

COMMUNITIES

Clay

Green Cove Springs
Orange Park
Unincorporated Clay County

Collier

Bonita Shores
Golden Gate
Naples
Pelican Bay
Vanderbilt
Vanderbilt Beach
Unincorporated Collier County

Dade

Aventura
Bal Harbour Village
Bay Harbor Islands
Biscayne Gardens
Biscayne Park
El Portal
Golden Beach
Indian Creek Village
Miami
Miami Beach
Miami Shores
North Bay Village
North Miami¹
North Miami Beach
Sunny Isles Beach
Surfside
Unincorporated Dade County

Duval

Atlantic Beach
Baldwin
Jacksonville¹
Jacksonville Beach
Neptune Beach
Unincorporated Duval County

°Gilchrist

Unincorporated Gilchrist County

Hernando

Brooksville
Spring Hill
Unincorporated Hernando County

[°]Ocala Operating Area

¹Designates location of Local Operations Center

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COUNTIES AND COMMUNITIES SERVED (Continued)

COUNTIES

COMMUNITIES

Highlands

Avon Park¹
Unincorporated Highlands County

Hillsborough

Apollo Beach
Brandon
Riverview
Ruskin
Seffner
Sun City
Tampa¹
Temple Terrace
Thonotosassa
Wimauma
Unincorporated Hillsborough County

°Lafayette

Unincorporated Lafayette County

°Lake

Eustis¹
Grand Island
Howey-in-the-Hills
Lisbon
Mount Dora
Sorrento
Tavares
The Villages
Umatilla
Unincorporated Lake County

Lee

Bonita Bay
Bonita Beach
Bonita Springs
Cape Coral
Estero
Fort Myers¹
Fort Myers Beach
Lehigh Acres
North Fort Myers
Snt Carlos Park
Unincorporated Lee County

°Levy

Romeo
Unincorporated Levy County

*Liberty

Unincorporated Liberty County

°Ocala Operating Area

*Panama City Operating Area

¹Designates location of Local Operations Center

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COUNTIES AND COMMUNITIES SERVED (Continued)

COUNTIES

COMMUNITIES

Manatee

Bradenton
Ellenton
Oneco
Palmetto
Unincorporated Manatee County

°Marion

Belleview
Candler
Lowell
Ocala¹
Oklawaha
Silver Springs
Silver Springs Shores
The Villages
Summerfield
Unincorporated Marion County

Martin

Stuart
Unincorporated Martin County

Orange

Apopka
Belle Isle
Casselberry
Edgewood
Fern Park
Lake Buena Vista
Maitland
Orlando¹
Pine Castle
Winter Garden
Winter Park
Tangerine
Zellwood
Unincorporated Orange County

Osceola

Celebration City
Kissimmee
Unincorporated Osceola County

Palm Beach

Jupiter
Lake Park
Palm Beach Gardens¹
Juno Beach
Unincorporated Palm Beach County

°Ocala Operating Area

*Panama City Operating Area

¹Designates location of Local Operations Center

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(877) TECO-PGS / (877) 832-6747

COUNTIES AND COMMUNITIES SERVED (Continued)

COUNTIES

COMMUNITIES

Pasco

Crystal Springs
Dade City
Hudson
Land of Lakes
Port Richey
St. Leo
San Antonio
Wesley Chapel
Zephyrhills
Unincorporated Pasco County

Pinellas

Clearwater
Gulfport
Kenneth City
Largo
Madeira Beach
Pinellas Park
St. Pete Beach
St. Petersburg¹
Seminole
South Pasadena
Treasure Island
Unincorporated Pinellas County

Polk

Frostproof
Kathleen
Lakeland¹
Unincorporated Polk County

Sarasota

Longboat Key
Nokomis
North Port
Osprey
Sarasota¹
Venice
Unincorporated Sarasota County

Seminole

Altamonte Springs
Casselberry
Golden Rod
Longwood
Oviedo
Winter Springs
Unincorporated Seminole County

¹Designates location of Local Operations Center

Peoples Gas System may extend service to other areas pursuant to the terms and conditions set forth in this tariff. For further information regarding service areas, contact customer service at: (877) TECO-PGS / (877) 832-6747

COUNTIES AND COMMUNITIES SERVED (Continued)

COUNTIES

COMMUNITIES

St. Johns

St. Augustine
Unincorporated St. Johns County

°Sumter

Oxford
The Villages
Unincorporated Sumter County

Volusia

Daytona Beach
Daytona Beach Shores
Holly Hill¹
Lake Helen
Ormond Beach
Port Orange
South Daytona
Unincorporated Volusia County

*Wakulla

Unincorporated Wakulla County

°Union

Unincorporated Union County

°Ocala Operating Area

*Panama City Operating Center

¹Designated location of Local Operations Center

Peoples Gas System may extend service to other areas pursuant to the terms and conditions set forth in this tariff. For further information regarding service areas, contact customer service at:

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RATE SCHEDULES

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GENERAL APPLICABILITY PROVISIONS (Continued)

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.

The cost recovery factors for the period from the first billing cycle for January 2002 through the last billing cycle for December 2002 are as follows:

Non-West Florida Region:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.06023 per Therm
Small General Service	\$0.05243 per Therm
Commercial Street Lighting Service	\$0.00760 per Therm
Natural Gas Vehicle Service	\$0.00594 per Therm
General Service - 1	\$0.02202 per Therm
General Service - 2	\$0.01794 per Therm
General Service - 3	\$0.01794 per Therm
General Service - 4	\$0.01794 per Therm
General Service - 5	\$0.01302 per Therm

West Florida Region:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.12793 per Therm
Small General Service	\$0.04024 per Therm
Commercial Street Lighting Service	\$0.02973 per Therm
Natural Gas Vehicle Service	\$0.02973 per Therm
General Service 1	\$0.04024 per Therm
General Service 2	\$0.04024 per Therm
General Service 3	\$0.03021 per Therm
General Service 4	\$0.02973 per Therm
General Service 5	\$0.02973 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.

GENERAL APPLICABILITY PROVISIONS (Continued)

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

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:

<u>Rate Class</u>	<u>Recovery Factor</u>
Small General Service	\$0.0281 per Therm
Commercial Street Lighting	\$0.0117 per Therm
Natural Gas Vehicle Service	\$0.0289 per Therm
General Service 1	\$0.0145 per Therm
General Service 2	\$0.0126 per Therm
General Service 3	\$0.0126 per Therm
General Service 4	\$0.0126 per Therm
General Service 5	\$0.0099 per Therm

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

GENERAL APPLICABILITY PROVISIONS (Continued)

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. The Transition Cost Recovery Charge will be in effect for an initial period of three years beginning the first billing cycle of November 2000. After the initial three-year period, the remaining amount to be recovered or refunded will be via a true-up factor to be applied over a period of up to one (1) year. 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 carrying cost, to provide transportation service to all non-residential Customers.

The monthly consumption of each non-residential customer shall be multiplied by the Transition Cost Recovery Charge factors listed below. The factors shall be increased or decreased to the nearest \$0.00001 per therm multiplied by the regulatory assessment tax factor of 1.00503:

<u>Rate Class</u>	<u>Recovery Factor</u>
Small General Service	\$0.00917 per Therm
Commercial Street Lighting	\$0.00130 per Therm
Natural Gas Vehicle Service	\$0.00088 per Therm
General Service 1	\$0.00383 per Therm
General Service 2	\$0.00309 per Therm
General Service 3	\$0.00309 per Therm
General Service 4	\$0.00224 per Therm
General Service 5	\$0.00224 per Therm
Small Interruptible Service	\$0.00106 per Therm
Interruptible Service	\$0.00052 per Therm
Interruptible Service - Large Volume	\$0.00015 per Therm
Wholesale Service	\$0.00193 per Therm

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS) 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 and CIS) 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 and CIS) 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.

Reserved For Future Use

GENERAL APPLICABILITY PROVISIONS (Continued)

H. CONDITIONS FOR TRANSPORTATION OF CUSTOMER-OWNED GAS

Provisions applicable to each Customer which receives individual 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 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.

I. 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 applicable to each such Customer shall be expressed in cents per Therm and shall be calculated according

**RESIDENTIAL SERVICE
Rate Schedule RS**

Availability:

Throughout the service areas 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: \$10.00 per month

Distribution Charge: \$0.50871 per Therm

Note 1 - Company's BudgetPay plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3).

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. 7.101-2.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

RESIDENTIAL SERVICE (Continued)

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. 7.101-5.

**SMALL GENERAL SERVICE
Rate Schedule SGS**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer using 999 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: \$20.00 per month

Distribution Charge: \$.47415 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 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. 7.101-3.
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. 7.101-2.
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. 7.101-4.
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.

SMALL GENERAL SERVICE (Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.
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. 7.101-5.

GENERAL SERVICE - 1
Rate Schedule GS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer using 1,000 through 17,499 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:	\$30.00 per month
Distribution Charge:	\$0.23853 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 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. 7.101-3.
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. 7.101-2.
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. 7.101-4.
5. 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 - 1(Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
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. 7.101-5.

GENERAL SERVICE - 2
Rate Schedule GS-2

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer using 17,500 through 49,999 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: \$35.00 per month

Distribution Charge: \$.22267 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 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. 7.101-3.
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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
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 - 2(Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
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. 7.101-5.

GENERAL SERVICE - 3
Rate Schedule GS-3

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer using 50,000 through 249,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS and may be eligible for transportation service under Rider ITS.

Monthly Rate:

Customer Charge:	\$45.00 per month
Distribution Charge:	\$.19533 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 the Company's Rider NCTS or Rider ITS.

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. 7.101-3.
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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
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 - 3(Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
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. 7.101-5.

GENERAL SERVICE - 4
Rate Schedule GS-4

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer using 250,000 through 499,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS or Rider ITS.

Monthly Rate:

Customer Charge:	\$85.00 per month
Distribution Charge:	\$.17828 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 the Company's Rider NCTS or Rider ITS.

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. 7.101-3.
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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
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 - 4(Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
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. 7.101-5.

GENERAL SERVICE - 5
Rate Schedule GS-5

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer using 500,000 Therms per year through 999,999 Therms per year at one billing location.

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

Monthly Rate:

Customer Charge: \$150.00 per month

Distribution \$.10041 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.

GENERAL SERVICE - 5(Continued)

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. 7.101-3.
2. 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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
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 set forth on Sheet No. 7.101-5.
6. Service under this schedule (unless otherwise indicated herein) 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 in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.

**COMMERCIAL STREET LIGHTING SERVICE
Rate Schedule CSLS**

Availability:

Throughout the service areas 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: \$.18258 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. 7.101-3.
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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
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 set forth on Sheet No. 7.101-5.
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

COMMERCIAL STREET LIGHTING SERVICE (Continued)

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. 7.101-5.

NATURAL GAS VEHICLE SERVICE Rate Schedule NGVS

Availability:

Throughout the service areas 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: \$35.00 per month

Distribution Charge: \$.23186 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. 7.101-3.
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. 7.101-2.
3. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
4. 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.

NATURAL GAS VEHICLE SALES SERVICE (Continued)

5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
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. 7.101-5.

**WHOLESALE SERVICE - FIRM
Rate Schedule WHS**

Availability:

For other Gas distribution or electric utility companies throughout service areas 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. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Monthly Rate:

Customer Charge:	\$100.00 per month
Distribution Charge:	\$.15891 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, unless Customer receives transportation service under the Company's Rider ITS.

Special Conditions:

1. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
2. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.
3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause) set forth on Sheet No. 7.101-5.
4. 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.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
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. 7.101-5.

**SMALL INTERRUPTIBLE SERVICE
Rate Schedule SIS**

Availability:

Throughout the service areas of the Company, subject to the provisions of Special Condition 8.

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 1,000,000 through 3,999,999 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: \$150.00 per month

Distribution Charge: \$.07227 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 the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
2. 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.
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.

SMALL INTERRUPTIBLE SERVICE (Continued)

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. 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 (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. 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.
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. 7.101-5.

**INTERRUPTIBLE SERVICE
Rate Schedule IS**

Availability:

Throughout the service areas 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 4,000,000 through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also 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: \$.03522 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 the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
2. 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.
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.

INTERRUPTIBLE SERVICE (Continued)

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 (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. 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.
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. 7.101-5.

**INTERRUPTIBLE SERVICE - LARGE VOLUME
Rate Schedule ISLV**

Availability:

Throughout the service areas 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 50,000,000 Therms per year or more. 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: \$.01002 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. The rates set forth above shall be subject to the operation of Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
2. 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.
3. 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.

INTERRUPTIBLE SERVICE - LARGE VOLUME (Continued)

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 (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. 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.
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. 7.101-5.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

TRANSPORTATION AGGREGATION Rider TA

Availability:

Service hereunder is available to any Customer who would otherwise qualify for service under Rate Schedules SGS, GS-1, GS-2, GS-3, GS-4, GS-5, 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.

The availability of this Rider to new delivery points is closed effective November 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-1, GS-2, GS-3, GS-4, GS-5, 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.

TRANSPORTATION AGGREGATION (Continued)

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 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 Agreement, any applicable Operational Balancing Agreements, and any other agreements that may be necessary in the Customer's 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-1, GS-2, GS-3, GS-4, GS-5, 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 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-1, GS-2, GS-3, GS-4, GS-5, SIS or IS) shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The firm rates set forth above applicable to each individually billed facility (i.e., Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5) shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

TRANSPORTATION AGGREGATION (Continued)

9. The Rate Schedules applicable to each individually billed facility (i.e., Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4, GS-5, SIS or IS) shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
10. The Rate Schedules applicable to each individually billed facility (i.e., Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4, GS-5, SIS or IS) shall be subject to the operation of the Company's Transition Cost Recovery Charge set forth on Sheet No. 7.101-4.
11. Except as modified by the provisions set forth above, service under this rider shall be subject to the Rules and Regulations set forth in this tariff.
12. 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 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.
13. It is the Customer's obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

NATURAL CHOICE TRANSPORTATION SERVICE Rider NCTS

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-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 3. 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 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-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS based upon the annual therm usage of such separately metered account.

The Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1 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 forty (40) independent Customer Pools.

NATURAL CHOICE TRANSPORTATION SERVICE (Continued)

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 (1) 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 Condition 3, 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.

NATURAL CHOICE TRANSPORTATION SERVICE (Continued)

3. To initiate service pursuant to this Rider, a Customer shall execute and deliver to a Pool Manager (for delivery by such Pool Manager to Company'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. To the extent practical, 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 the delivery to Company of a properly completed letter of authorization.
4. 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 3) by a different Pool Manager. The new Pool Manager shall pay to Company a registration fee of \$10.00 for each account.
5. 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.
6. 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.
7. 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.
8. Accounts receiving service pursuant to this Rider will be subject to the Swing Service Charge (set forth on Sheet No. 7.101-3).

NATURAL CHOICE TRANSPORTATION SERVICE (Continued)

9. 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.
10. If a Customer receiving service pursuant to this Rider 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.
11. 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 business 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 non-refundable termination fee of \$30.00 per account number. 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.
12. It is the Customer's obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier or Customer's Pool Manager) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

INDIVIDUAL TRANSPORTATION SERVICE RIDER RIDER ITS

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 uses 182,500 therms per year or more and owns Gas that is made available for individual transportation service on the Company's system under Rate Schedules GS-3, GS-4, GS-5, NGVS, WHS, SIS, IS, ISLV, and CIS 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 per meter.

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.

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

"Month" means a period beginning at 9:00 a.m. Central Clock Time on the 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 Transporters which PGS has not (i) temporarily released to persons other than a Pool Manager or (ii) committed to the use of any person through a Buy-Sell arrangement.

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

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).

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

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 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) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken. 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.

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

- (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 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. Company intends that gas delivered to a Customer receiving service pursuant to this Rider on a daily basis will equal such Customer's consumption for that day. 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

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

noon on the 10th 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; provided, however, that paragraph (a) below may not be utilized for any month by a Customer whose imbalance level under paragraph (b) or (c) below is greater than 40% for such month. 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 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 10th calendar day of the Month (or the end of the next Business Day if the 10th 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% to 40%	0.80
Greater than 40%	0.50

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.

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

- (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% to 40%	1.20
Greater than 40%	1.50

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.

- (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

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

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.
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 or give notice by e-mail to any Customer 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 a 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 a 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.

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

- (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 Customer's Alert Day Account shall be calculated by dividing the Customer's overage or underage (as the case may be) for such Day by the Scheduled Quantities for the Day on which the Alert Day Account was established. A Customer's failure to receive notice pursuant to this Special Condition 12 shall not excuse Customer from any Alert Day Charges assessed hereunder.

- (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 to (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

INDIVIDUAL TRANSPORTATION SERVICE Rider ITS (Continued)

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) No penalty debits or credits will be assessed if they are less than \$5.00 in value.
 - (f) 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 313. 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.
13. It is the Customer's obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

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GAS SERVICE AGREEMENT

 PEOPLES GAS				Gas Service Agreement			No 346952								
Customer Name				Day Phone		Evening Phone		Other Phone							
Service Address				City		St		Zip							
C/O Name				City Limits Yes <input type="checkbox"/> No <input type="checkbox"/>		County Name									
Mailing Address				City		St		Zip							
Contact Name				Day Phone		Evening Phone		Other Phone							
Federal ID/Social Security #			Tax Exempt Yes <input type="checkbox"/> No <input type="checkbox"/>		Date Service Line Required		Date Gas Service Required								
Field Contact Name				Phone			Alt. Phone								
SALES INSTRUCTIONS/REMARKS						SERVICE TYPE									
						Main On <input type="checkbox"/> Off <input type="checkbox"/>									
						New <input type="checkbox"/> Added Load <input type="checkbox"/>									
						Conversion Propene Company <input type="checkbox"/>									
						Reignite <input type="checkbox"/> Restart <input type="checkbox"/>									
						Res <input type="checkbox"/> Com <input type="checkbox"/> Indus <input type="checkbox"/>									
						Rate Class									
						Map #									
QTY.		APPLIANCE TYPE		PEAK DEMAND/GH		ANNUAL THERMS PRESENT		ADDITIONAL THERMS		PRESSURE AT TAP		FINANCIAL INFORMATION		OTHER SERVICES	
													Deposit	\$	WH Billing Program <input type="checkbox"/>
													Add to Construction (Non-Returnable)	\$	Conversion Billing <input type="checkbox"/>
													Turn-on Charge	\$	Construction Deposit Required <input type="checkbox"/>
													Other (Details in Remarks)	\$	Other <input type="checkbox"/>
													Prepayment	\$	Other <input type="checkbox"/>
													Balance Due	\$	Other <input type="checkbox"/>
DEALER INFORMATION															
Dealer Name															
Dealer Phone												Alt. Phone			
Services to be provided by Dealer															
TOTAL															
TO BE COMPLETED BY PGS ONLY															
Meter Size				Regulator Size				Premise #		RUCyclet		Account #			
System Pressure				Delivery Pressure				Project #		WOS #					
Remarks															
I have read all of the terms and conditions on the reverse side and agree to them.															
Buyer/Owner Printed Name								Sales Rep Printed Name				Sales Rep ID #			
Buyer/Owner Signature								Sales Rep Signature				Date			
PGS CONTACT DURING INSTALLATION OF GAS SERVICE: DIVISION PHONE #															

GAS SERVICE AGREEMENT (back)

NATURAL GAS SERVICE TERMS AND CONDITIONS:

The applicant named on the reverse side hereof ("Customer") makes application to Peoples Gas System ("Company") for natural gas service under the classification indicated on the reverse side hereof according to the following terms and conditions in consideration of the Company's agreement to supply natural gas to Customer.

Gas is to be delivered to Customer at the outlet side of the Company's gas meter serving the premises indicated on the reverse side hereof, such meter and service line there to be installed and operated by the Company, and, if located on Customer's property, the site is therefor to be furnished free of charge by Customer.

The Company and its representative are hereby authorized to enter upon and install on Customer's property any required gas meter or meters and gas pipe for furnishing gas to said address, and to ditch, lay, or otherwise install pipe as is required outside the building. The gas pipe from the Company's gas system to and including said meter or meters shall be owned, operated, and maintained by the Company with a perpetual right of ingress and egress thereto, hereby granted to the Company for such purposes. All gas pipe, from the outlet side of said meter or meters, shall be owned, operated, and maintained by Customer at its sole cost and risk.

Customer shall receive and pay for all gas delivered to Customer according to the applicable rules and regulations filed with the Florida Public Service Commission under the applicable rate schedule. Any gas delivered to Customer at any other delivery point is also subject to the terms and conditions hereof. No oral statement shall change the term of this obligation.

If Customer fails or refuses to take gas service from the Company, Customer shall pay to the Company the actual cost incurred by the Company in constructing the facilities to have been used in providing service to the Customer. Any deposits currently held by the Company shall be forfeited by customer in payment or partial payment of these costs.

UNDERGROUND FACILITIES:

Prior to construction of gas pipeline, it is extremely important that Peoples Gas be made aware of existing underground obstacles, sprinkler systems, septic tanks, sewer lines, or structures, etc. located on Customer's property which may be damaged as a result of installation of the gas pipeline. Customer shall be responsible for marking and/or locating any underground facilities that may be on Customer's property that do not belong to local utilities (Power, Telephone, Water, Cable TV companies, etc.), and agrees to indemnify and hold Company harmless for any damages arising out of Customer's failure to do so.

GENERAL TERMS AND CONDITIONS APPLICABLE TO NATURAL GAS SERVICE:

This agreement is not assignable or transferable by Customer without prior written consent by the Company.

IN NO EVENT SHALL THE COMPANY OR ITS AFFILIATED COMPANIES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUES OR LOSS OF PROFITS, EVEN IF THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Customer agrees to release the Company and its affiliated companies, officers, directors, employees, agents, successors and assigns from any and all claims, demands, actions and causes of action whatsoever arising out of or related to services provided by the dealer named on the reverse hereof ("Dealer")

This agreement may not be amended or modified except by an instrument in writing signed by the Company and Customer.

This agreement shall be governed by the laws of the State of Florida without regard to principles of conflicts of laws.

This agreement contains the entire understanding between the parties hereto and supersedes any written or oral, prior or contemporaneous agreement or understanding between the parties

PGS Rev 8/02

NOTICE AND AFFIDAVIT¹

TO: _____ (Title)
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

Please take notice that the undersigned Pool Manager will cease supplying gas to the following Customer of Peoples Gas System ("Peoples") under Peoples' NaturalChoice Transportation Service Program for such Customer's non-payment of charges due Pool Manager, the termination of gas supply to be effective with respect to the locations listed below on and after _____:²
(Date)

(name of customer)

(billing address)

(city, state, zip code)

(telephone)

Customer locations to which service will be terminated:

(list all)

In accordance with the requirements of Peoples' Rider NCTS, the undersigned Pool Manager also submits the following affidavit:

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, this day personally appeared _____, who is personally known to me and who, after taking an oath, states as follows: (Name of person signing affidavit)

I am over 18 years of age and of sound mind and the matters set forth herein are personally known to me.

1. I am employed by _____ ("Pool Manager") as _____.
(Name of Pool Manager) (Title / Position)
2. Pool Manager has made good faith and commercially reasonable efforts to collect amounts due from the above named Customer to Pool Manager, but such Customer has failed to make the payments due Pool Manager for a period of at least sixty (60) days as reflected by the documents/records attached to this Notice and Affidavit. Such documents/records are true and correct.
3. Final notice of Pool Manager's intent to cease supplying gas to the above Customer has been sent to Customer, and a copy of such final notice is attached to this Notice and Affidavit.

FURTHER AFFIANT SAYETH NOT.

Name:
Title/Position:

Sworn to and subscribed before
me this _____ day of _____, _____.

[SEAL]

Notary Public - State of _____

My commission expires: _____

1 A non-refundable termination fee in the amount of \$30.00 per account number must accompany this Notice and Affidavit.

2 This date must be at least five (5) business days after the date on which this Notice and Affidavit is furnished to Peoples Gas System.

"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 interstate pipelines 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.

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 non-refundable termination fee of \$30.00.

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. 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.