

ORIGINAL

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April 11, 2007

VIA FEDEX

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

070260-GU

RECEIVED - INFO
07 APR 13 AM 11:01
COMMISSION
CLERK

Re: Petition for approval of standby generator rate schedules, by Peoples Gas System

Dear Ms. Cole:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 12 copies of Peoples' petition referenced above. Enclosed also are ~~five~~ five copies of each of the following revised (or original) sheets to Peoples' Natural Gas Tariff, Original Volume No. 3, for which the Company's petition seeks the Commission's approval:

DISTRIBUTION CENTER
07 APR 13 AM 10:13

- Third Revised Sheet No. 7.000
- Fourth Revised Sheet No. 7.301
- Fourth Revised Sheet No. 7.302
- Fourth Revised Sheet No. 7.303
- First Revised Sheet No. 7.303-2
- First Revised Sheet No. 7.303-4
- Fifth Revised Sheet No. 7.304
- Original Sheet No. 7.402-1
- Original Sheet No. 7.402-2
- Original Sheet No. 7.403
- Original Sheet No. 7.403-1

* Coded + copies forwarded to ECR.

* The coded (legislative style) versions of each of the above revised sheets required by Rule 25-9.005, F.A.C., are attached to the Company's petition as Composite Exhibit A.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
03173 APR 13 05
FPSC-COMMISSION CLERK

Ann Cole
April 11, 2007
Page 2

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

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", written in a cursive style.

Ansley Watson, Jr.

AWjr/a
Enclosures

cc: Mrs. Kandi M. Floyd

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of standby generator rate schedules, by Peoples Gas System)
)
)
)
_____)

Docket No. 072260-GU

Submitted for Filing:
4-12-07

PETITION

Peoples Gas System ("Peoples", "Petitioner" or the "Company"), by its undersigned attorneys, files this petition for approval of Rate Schedules RS-SG (Residential Standby Generator Service) and CS-SG (Commercial Standby Generator Service), submits herewith new and revised tariff sheets to become effective the date of the Commission's vote, and in support of its petition states:

1. The name, address and telephone number of the petitioner are:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562
(813) 228-4111

2. The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Paula Brown
Regulatory Affairs
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

3. Peoples is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas throughout most of the State of Florida, and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, *Florida Statutes*.

DOCUMENT NUMBER-DATE

03173 APR 13 05

FPSC-COMMISSION CLERK

4. By this petition, Peoples seeks the Commission's approval for two new rate schedules – Rate Schedule RS-SG (Residential Standby Generator Service) and CS-SG (Commercial Standby Generator Service) which would apply to any residential or commercial customer whose only gas appliance or equipment consists of a gas-fired electric generator.

BACKGROUND

5. Commencing shortly after the hurricane season of 2004, Peoples began receiving numerous requests to provide natural gas service to customers whose only gas-consuming appliance or equipment would be standby electric generators. Most, if not all, of these potential customers expressed no interest in installing any other gas appliance. The generators would be operated only during periods when electric service to the customer's premise is interrupted by the electric utility providing service to the premise as a result of a hurricane or other forced outage.

6. A standby generator customer with no other gas-consuming appliances presents several challenges for Peoples under its current rate schedules which Peoples seeks to remedy or mitigate through proposed Rate Schedules RS-SG and CS-SG.

7. First, the Company is required to make a capital investment in and maintain, at a minimum, a service line and meter set in order to provide the service requested by the customer. In some cases, a main extension or upgrade is required, resulting in an even greater expenditure by the Company to provide the requested service. When the Company extends its facilities to enable the provision of service to a typical new customer, the customer usually installs a year-round appliance (generally a water heater) or multiple gas appliances, including a water heater and a gas heating system. In the case of such a typical customer, the Company has some assurance of a

year-round load which can be estimated with some degree of certainty. Whether or not the customer is required to make a contribution-in-aid-of-construction, Peoples is able to justify making an investment because the revenue to be derived from service to the customer will recover the cost of providing service. Since 2004, Peoples has been requiring standby generator-only customers to make a contribution in aid of construction for the entire cost of the facilities required to provide service.

8. In the case of a standby generator customer with no other gas appliances, the gas consumption (if any) of the generator is speculative at best. It will operate only during electric service outages, such as during outages caused by hurricanes.¹ Except during such outages, the generator will not run and there will be no throughput of gas. Thus, the Company may recover only those costs of providing service that are recovered through the monthly customer charge component of rates. After service is established, a standby generator-only customer could also avoid paying the customer charge during most months of each year by discontinuing service until hurricane season (or until a hurricane approached), and then reestablishing service. (Should this occur in a large number of cases, these customers could be at risk of having no gas service during a hurricane if the influx of calls to the Company for turn-ons exceeded the Company's capacity to accomplish before a hurricane caused an electric service outage.) Under all circumstances, costs of providing service recoverable through the distribution charge component of the Company's rates will be recovered (if at all) only in part when the generator operates during an outage.

¹ While some generators operate periodically for short intervals in order to "exercise," very little gas is consumed during such exercise sessions.

9. As of the end of 2003 (the projected test year in the Company's last rate case), Peoples had approximately 458 customers (419 general service and 39 residential) whose only gas-consuming appliance or equipment was a standby generator. Since the end of 2003, an additional 227 general service customers, and an additional 409 residential customers – all with a standby generator as their only appliance – have been connected to Peoples' system. These increases do not include new customers waiting for gas service to be established. In essence, presumably prompted by the multiple hurricanes in Florida during the 2004 season, the number of the Company's standby generator-only customers has more than doubled.

PROPOSED RATE SCHEDULES RS-SG AND CS-SG

10. Proposed Rate Schedules RS-SG and CS-SG (Sheets 7.402-1 and 7.403 of Composite Exhibit A attached to this petition) are designed to remedy or mitigate the challenges associated with standby generator-only customers described above. They are designed to recover the Company's average aggregate annual customer and distribution charges from each generator-only customer.

11. The average aggregate annual customer and distribution charge revenues to be recovered were determined from the cost of service study submitted as part of the minimum filing requirements in Peoples' last rate case (Docket No. 020384-GU). Generator-only customers were classified as either residential or commercial.

12. Based on the cost of service study in Docket No. 020384-GU, Rate Schedule RS (Residential Service) customers consumed an average of 249 therms annually, equivalent to aggregate annual base rate revenue of \$214. Rate Schedule SGS (Small General Service) customers consumed an average of 343 therms annually, equivalent to aggregate annual base rate revenue of \$332. These average annual

revenue amounts were used to develop the minimum charges (based on the customer class) in the proposed new rate schedules. The minimum bill each month would be the applicable customer charge plus the average monthly usage determined by the cost of service study, plus other applicable charges (e.g., taxes). Any usage above the monthly average usage determined by the cost of service study would be billed at the applicable per-therm distribution charge. The purchased gas adjustment and other applicable per-therm charges (e.g., energy conservation cost recovery) would be billed to the extent of the customer's actual monthly consumption of gas.

13. The following table shows generally the effect of the change in rate schedules for a typical residential customer:

	Residential Customer A	Residential Customer B
Appliances	Water Heater, Range and Generator	Generator Only
Monthly Usage	20.75 Therms (usage assumes no power outage)	0 Therms (usage assumes no power outage)
Customer Bill	Customer Charge: \$10.00 Distribution: 20.75 x \$.37667 = <u>7.82</u> Total \$17.82	Customer Charge: \$17.82 Distribution: 0 x \$.37667 <u>0.00</u> Total \$17.82

The effect of the new rate schedules on the average monthly bills of Peoples' existing generator-only customers is shown below (based on consumption data for the period October 2005 through September 2006):

Monthly Bill Variance		
Monthly (decrease) / increase	Residential	Commercial
(\$6 - \$10)	0	9
(\$5 - \$1)	0	39
\$0	29	74
\$1 - \$5	27	98
\$6 - \$10	392	425
>\$10	0	1
Total Customers	448	646

14. A customer served under Rate Schedule RS-SG or CS-SG would be required to remain on the rate schedule for 12 months. This 12-month requirement would renew at the end of each 12-month period unless the customer terminated gas service from the Company. This provision would ensure recovery by the Company of the applicable base rate revenue for at least one year from the time service was initiated (or accepted) under the proposed new rate schedule and minimize the potential risk of customers not having gas service during an approaching hurricane. Upon the effectiveness of the new rate schedules, Peoples will give its existing generator-only customers 30 days' notice that the premise will be transferred to the new rate (and of the 12 month provision) and the option within the 90-day period following the initial notice, to terminate gas service. If at any point a customer adds a conventional gas appliance the customer would be transferred to the otherwise applicable rate schedule. Rate Schedules RS, SGS, and GS-1 through GS-5 would be modified to except standby generator-only customers from their applicability provisions. (See Composite Exhibit A for the changes to these rate schedules.) In other words, all standby generator-only customers would be required to receive service under new Rate Schedule RS-SG or CS-SG.

15. Peoples believes the proposed new rate schedules will better enable the Company to recover the cost of providing gas service to standby generator-only customers. Absent the minimum bill provisions of the rate schedules (coupled with their required one-year termination provisions), Peoples' opportunity to recover the cost of service generally recovered through the distribution charge component of its base rates would be speculative at best.

16. Attached to this petition as Composite Exhibit A are legislative format versions of the new and revised tariff sheets for which this petition seeks the Commission's approval.

WHEREFORE, Peoples respectfully requests that the Commission will enter its order permitting Rate Schedules RS-SG and CS-SG to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
Phone: (813) 273-4321
Fax: (813) 273-4396
E-Mail: aw@macfar.com

Attorneys for Peoples Gas System

COMPOSITE EXHIBIT A

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Tariff Sheet

Third Revised Sheet No. 7.000
Fourth Revised Sheet No. 7.301
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First Revised Sheet No. 7.303-4
Fifth Revised Sheet No. 7.304
Original Sheet No. 7.402-1
Original Sheet No. 7.402-2
Original Sheet No. 7.403
Original Sheet No. 7.403-1

Title

Index of Rate Schedules
Rate Schedule SGS
Rate Schedule GS-1
Rate Schedule GS-2
Rate Schedule GS-3
Rate Schedule GS-4
Rate Schedule GS-5
Rate Schedule RS-SG
Rate Schedule RS-SG (con't.)
Rate Schedule CS-SG
Rate Schedule CS-SG (con't.)

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B.	Purchased Gas Adjustment Clause	7.101-1
C.	Energy Conservation Cost Recovery Clause	7.101-2
D.	Swing Service Charge	7.101-3
E.	Transition Cost Recovery Charge	7.101-4
F.	Tax and Fee Adjustment Clause	7.101-5
G.	Competitive Rate Adjustment Clause	7.101-5
H.	Conditions for Transportation of Customer-Owned Gas	7.101-7
I.	Main and Service Extension Amortization Surcharge	7.101-7

RATE SCHEDULES

RESIDENTIAL RATES:

Residential Service (RS)	7.201
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GENERAL SERVICE RATES:

Small General Service (SGS)	7.301
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Commercial Street Lighting Service (CSLS)	7.306

SPECIAL FIRM GAS RATES:

Natural Gas Vehicle Service (NGVS)	7.401
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<u>Commercial Standby Generator Service (CS-SG)</u>	<u>7.403</u>

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Wholesale Service - Firm (WHS)	7.501
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INTERRUPTIBLE RATES:

Small Interruptible Service (SIS)	7.601
Interruptible Service (IS)	7.603
Interruptible Service - Large Volume (ISLV)	7.605
Contract Interruptible Service (CIS)	7.607

**SMALL GENERAL SERVICE
Rate Schedule SGS**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) 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: \$0.26955 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.
2. 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
Rate Schedule GS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) 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: \$0.23045 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.
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
Rate Schedule GS- 2

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) 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: \$0.22267 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 - 3
Rate Schedule GS-3

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) 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: \$0.19533 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 - 4
Rate Schedule GS-4

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) 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: \$0.17828 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 - 5
Rate Schedule GS- 5

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using a minimum of 500,000 Therms per year or more 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 Charge: \$0.10041 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.

**RESIDENTIAL STANDBY GENERATOR SERVICE
Rate Schedule RS-SG**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	\$17.82	
Distribution Charge:	0 – 20.8 therms	\$.00000 per Therm
	In excess of 20.8 therms	\$.37667 per Therm
Minimum Monthly Bill:	\$17.82	

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.

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 and will apply to each Therm delivered to Customer during a Billing Period.
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 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

COMMERCIAL STANDBY GENERATOR SERVICE
Rate Schedule CS-SG

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	\$27.67	
Distribution Charge:	0 – 28.6 Therms	\$0.00000 per Therm
	In excess of 28.6 Therms	\$.26955 per Therm
Minimum Monthly Bill:	\$27.67	

1. 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 for the on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Minimum Monthly Bill.

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 and will apply to each Therm delivered to Customer during a Billing Period.
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 and will apply to each Therm delivered to Customer during a Billing Period.
4. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

5. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.
6. Subject to Special Condition 7 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
7. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.
8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.