

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by)
Florida Public Utilities Company's)
Gas Division)
_____)

Docket No. 080366-GU
Date Filed: December 17, 2008

PETITION FOR RATE INCREASE

Florida Public Utilities Company ("Petitioner" or "the Company"), pursuant to Section 366.06, Florida Statutes, herewith submits this Petition and requests approval to increase its rates and charges on its natural gas services to enable the Company to earn a fair, reasonable compensation for the public utility services provided by the Company. In support of this Petition FPUC would state:

1. The name and address of the principal business office of the Petitioner is:
Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, Florida 33401
2. Notices and communications with respect to this Petition and docket should be

addressed to:

Norman H. Horton, Jr.
Messer, Capareello & Self, P. A.
Post Office Box 15579
Tallahassee, FL 32317

Ms. Cheryl Martin
Florida Public Utilities Company
Post Office Box 3395
West Palm Beach, FL 33402-3395

3. FPUC was incorporated on March 6, 1924 under the name of Palm Beach Gas Company. The name was changed to Florida Public Utilities Company on October 24, 1927 and on April 25, 1929 the Company was incorporated under the 1925 Florida Corporation Law. FPUC continues its corporate existence pursuant to the 1925 Corporation Law and its Certificate of Re-Incorporation, as amended.

4. The Company is engaged in business as a public utility providing distribution and transportation of gas as defined in Section 366.02, Florida Statutes, and is subject to the jurisdiction of the Florida Public Service Commission. To facilitate its operations and service to customers, FPUC serves gas customers through two divisions; the Central Florida Division consisting of portions of Seminole, Marion and Volusia Counties and the South Florida Division consisting of portions of Palm Beach, Broward and Martin Counties. Together, FPUC provides service to over 51,000 residential and commercial customers.

5. With this Petition, FPUC is seeking a permanent increase in its rates and charges so as to produce additional revenues of \$9,917,690 using a projected test year of the 12 months ending December 31, 2009. The required revenue is based on a projected rate base of \$73,747,220 and a rate of return of 8.74% using a return on equity of 11.75%. (See Attachment "A"). As detailed in the Minimum Filing Requirement ("MFRs") and testimony filed with this Petition, the requested revenue increase is that which is necessary in order for the Company to continue to provide reasonably sufficient, adequate and efficient service and to maintain the financial integrity necessary to have access to the capital markets and to have the opportunity to earn a fair and reasonable rate of return.

6. For this Petition, FPUC has utilized the projected 12 month period ending December 31, 2009 as the appropriate test year for calculating revenue requirements. This period best represents expected future operations and is appropriate for use in analyzing the request for rate relief.

7. The Company's most recent base rate proceeding was conducted in 2004 using 2005 as the projected test year. By Order No. PSC-04-1110-PAA-GU, issued November 8, 2004, in Docket No. 040216-GU the Commission approved an increase in base rates of \$5,865,903. In that docket, the Commission determined the rate base to be \$59,171,674 and net operating income to be \$880,787. The Commission also determined in that docket that the midpoint of the rate of return for the Company to be earned by the Company was 7.62% using a midpoint return on equity of 11.25%.

8. Since the last rate proceeding, the Company has continued to experience increases in expenses and there is no reason to anticipate a reversal of this experience during the projected test year. The Company has made efforts to control these increases but in order to provide service to customers in an efficient, reliable, economic manner, rate relief is necessary. The Company continues to experience increased costs beyond its ability to control; insurance costs continue to rise as do pension costs. The need to comply with regulatory requirements such as audits and Sarbanes Oxley, increases costs and brings about demands for additional personnel to respond to these requirements. Training has always been critical to the quality of service and safety but additional requirements and costs cause the Company to address these issues in an effort to maintain and improve on the level of training for its personnel. FPUC has also identified a need to increase its storm reserve so that adequate resources are available in the event of storm related damages. Within the filings accompanying this Petition, the Company has identified adjustments, additions and modifications to programs and operations which result in more efficient operations and benefits to customers.

9. While the Company has continued to operate as effectively and efficiently as possible and continues to afford reasonable, sufficient service to customers, the continued increase in costs, many beyond the control of the Company, erode the ability of the Company to maintain the level of service. Recent economic downtrends have affected the Company and this situation is expected to continue. Along with increasing costs, the Company is also experiencing decreasing usage and growth. The downtrend in the housing and construction industry affects the ability to increase customers and existing customers have been conserving energy which in turn is reflected in declining sales. This trend is expected to continue and the combination of increasing costs with declining growth and usage increases the challenges and pressures on the Company.

10. The Company is presently earning a pro-forma return of approximately .46% on its investment. With the expected continued increase in costs and without the requested relief, the present rates and charges will not permit the Company an opportunity to earn a return which is fair and reasonable. Without relief, the return does not provide reasonable compensation to the Company's stockholders, are not sufficient to attract new capital and are not sufficient to maintain an adequate level of service. Without relief the financial strength of the Company is adversely affected and the ability of the Company to continue to grow and offer reasonably adequate service to customers is severely limited.

11. FPUC is requesting approval to permanently increase its rates and charges to generate additional base rate revenues of \$9,917,690 and to revise its rates and schedules accordingly. The proposed tariffs are attached hereto as Attachment B. This additional revenue

will allow the Company an opportunity to earn a fair and reasonable rate of return of 8.74% based on a return on equity of 11.75%. The requested return on equity is fair, reasonable, and appropriate for the Company. Further, the increase will provide financial strength to the Company and insure a continuation of reasonable and efficient service to its customers.

12. With this Petition, the Company is also filing the Minimum Filing Requirements required by Rule 25-7.039, Florida Administrative Code, which contain the accounting, engineering, rate and capital details which support the request and need for relief. These schedules were prepared consistent with the policies, procedures and guidelines of the Commission as reflected in rules of the Commission or the Company's last rate case. Also accompanying this Petition are Direct Testimony and Exhibits of Cheryl Martin, April Lundgren, Jim Mesite, Marc Seagrave, Robert J. Camfield, Doreen Cox, Don Kitner, and P. Marc Schneidermann. Through the MFRs, testimony and exhibits, the Company has provided support for the requested increase in permanent rates.

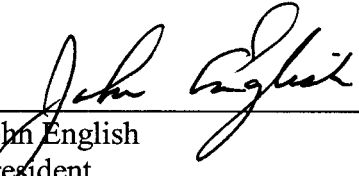
12. As permitted by Section 366.06(4), Florida Statutes, which authorizes natural gas utilities to have their petition for rate relief processed under the proposed agency action ("PAA") process, FPUC elects to proceed under the PAA procedures. Although the Company elects to proceed under the PAA process, Rule 25-7.039, Florida Administrative Code requires that direct testimony and exhibits be submitted at the same time that the Company files its petition for rate relief. Accordingly, FPUC has prefiled its testimony but reserves the right to supplement or file additional testimony should the PAA order be protested. Additionally, at the time of the filing of this Petition, FPUC is not aware of any disputed issues of material fact as to the request.

Wherefore, for the reasons given, FPUC requests that the Commission:

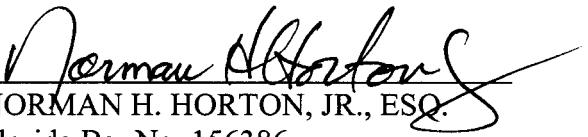
- a. Consent to placing in effect the new rate schedules filed with this Petition which increase the rates and charges for natural gas offered by the Company and produce additional annual revenue of \$9,917,690;
- b. If the Commission does not consent to the operation of the proposed tariffs then conduct its review of this request pursuant to the Proposed Agency Action process authorized by Section 366.06(4), Florida Statutes;
- c. Find that the Company's present rates are insufficient to yield a fair and reasonable rate of return;
- d. Authorize the company to increase its rates and charges to produce \$9,917,690 so that the Company has an opportunity to earn a fair overall rate of return based on a return on equity range of 10.75% to 12.75% and a midpoint of 11.75%; and
- e. Grant to the Company such further relief as the Commission may find reasonable and proper.

Respectfully submitted this 17th day of December, 2008.

FLORIDA PUBLIC UTILITIES COMPANY

By: 

John English
President

By: 

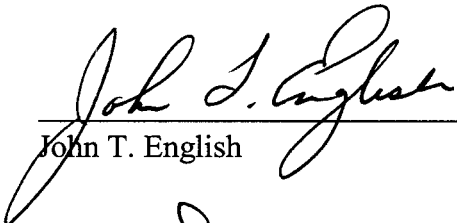
NORMAN H. HORTON, JR., ESQ.
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(850) 222-0720

Attorneys for Florida Public Utilities Company

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH)

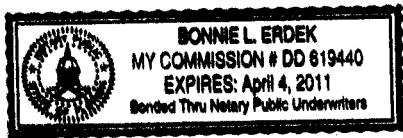
John T. English, being duly sworn, deposes and says:

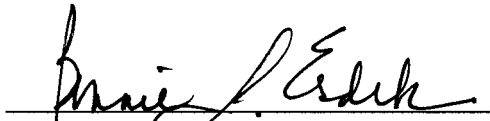
That he is President of Florida Public Utilities Company, and above named Petitioner, and as such officer he is duly authorized to and did execute the above and foregoing Petition, that he has read the same and that to the best of his knowledge and belief the matters and facts set forth herein are true.



John T. English

Sworn to and subscribed before me this 12th day of December, 2008.





Notary Public, State of Florida at Large
My Commission Expires:

Calculation of Final Base Rate Relief

<u>DESCRIPTION</u>	<u>2009 Adjusted</u>
Adjusted Rate Base	\$ 73,747,220
Requested Rate of Return	<u>8.74%</u>
Net Operating Income Required	\$ 6,445,507
Less: Adjusted Net Operating Income	\$ <u>335,922</u>
Net Operating Income Deficiency	\$ 6,109,585
Expansion Factor	<u>1.62330</u>
Revenue Deficiency	\$ <u><u>9,917,690</u></u>

ATTACHMENT “B”

TECHNICAL TERMS AND ABBREVIATIONS
(Continued from Sheet No. 10)

Company will determine a monthly average heating value of natural gas to be effective as of the first day of each month. Said monthly average heating value will be in effect on a calendar month basis. It will reflect the average monthly heating value of the natural gas delivered to Company by its pipeline supplier during the next immediately preceding calendar month.

- T. Pool Manager - any Person who has been engaged by one or more Customer(s) to be responsible for the delivery of natural gas to the Company's Citygate(s) for such Customer(s).
- U. Person – any corporation, whether public or private; company; individual; firm; partnership; or association.
- V. Daily Delivery Quantity – daily amount of natural gas, in Therms, elected by Customer to be delivered for their account.
- W. Billing Period Delivery Quantity – sum of Customer's Daily Delivery Quantities between meter reading dates, less Company Shrinkage.
- X. FGT – Florida Gas Transmission Company
- Y. Citygate – Physical connection of facilities between Company and Florida Gas Transmission Company.
- Z. Working Day – the days Monday through Friday, exclusive of Company Holidays, unless notified otherwise.
- AA. FERC – Federal Energy Regulatory Commission
- AB. Maximum Allowable Construction Cost ("MACC") – four (4) times the estimated annual revenue less the cost of gas, taxes, and franchise fees.
- AC. AEP Recovery Amount - the cost difference between the MACC and the estimated capital investment costs (such cost difference to include the Company's Maximum Authorized Rate of Return to be updated annually per Company's FPSC Earnings Surveillance Report) required to extend the distribution facilities to serve the prospective Customers.
- AD. Recalculated AEP Recovery Amount – the cost difference between the original MACC, based on the estimated costs and revenues, and a recalculated MACC using the Company's actual capital investment costs (such costs to include the Company's Maximum Authorized Rate of Return to be updated annually per Company's FPSC Earnings Surveillance Report), the actual base revenues derived from the extension through the end of year five (5), and the actual revenue received from customers or other entities, other than AEP Charge revenues for the specific purpose of contributing to the recovery of the Company's capital investment cost for the extension. The Company shall assume that any additional capital investment required for the extension subsequent to year five (5) will be supported by the Company's base rates and charges. The actual base revenues derived from the extension in year five (5) shall be assumed to be the annual revenues for the remaining life of the extension.

RULES AND REGULATIONS (Continued)

5. Customer's Installation (Continued)

Customer's Installation shall be installed by and belong to the Customer and be maintained at his expense. Customer shall bring his piping to a point for connection to Company's meter or meters at a location satisfactory to Company.

Upon written request of Customer, Company will make repairs to, replacements of, or clear obstructions in lines of the Customer and may charge the Customer for such labor and material as is necessary to place his lines in good operating condition.

6. Service Connections

Company reserves the right to designate the locations and specifications for the main line taps, Service Lines, curb cocks, meters, regulators and appurtenances and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof.

Applicant may request an alteration of such a designation but, if consented to by Company, the excess cost of such revised designation over and above the cost of the original Company design shall be borne by Applicant.

The Service Lines, curb cocks, meters and regulators or governors will be installed and maintained by Company and shall remain the property of Company.

Company reserves the right to postpone to a more favorable season the extension of mains and connection of services during seasons of the year when climatic conditions would cause abnormally high construction costs.

7. Extensions

A. Free Extensions

Company shall make extensions to or alterations in its facilities in accordance with these Rules and Regulations and free of charge to provide service to an Applicant or group of Applicants located within the Company's service area when the MACC from the Applicant or Applicants is equal to at least the estimated cost of the necessary construction.

RULES AND REGULATIONS (Continued)

7. Extensions (Continued)

B. Other Extensions

When the extension or alteration required in order to furnish service within Company's service area is a reasonable extension of Company's facilities but greater than the free construction specified above, such extension or alteration shall be made subject to the following conditions:

- (1) Applicant or Applicants shall make a non-interest bearing advance in aid of construction to the Company equal to the difference between the total estimated cost of such extension or alteration and the MACC.
- (2) Company at the option of Applicant shall:
 - a) at the end of the initial year of service refund to the person paying the advance in aid of construction or his assigns an amount equal to the excess, if any, by which four times that year's actual gas revenues, less actual cost of gas, exceeds the allowable construction cost used to determine the amount of the advance in aid of construction - or
 - b) at the end of the initial four years of service refund to the person paying the advance in aid of construction, or his assigns, an amount equal to the excess, if any, by which the actual gas revenues less actual cost of gas for those four years exceeds the allowable construction cost used to determine the amount of the advance in aid of construction.

RULES AND REGULATIONS (Continued)

B. Other Extensions (Continued)

b) (continued)

Refund option shall be determined by Applicant and so stated on the agreement to be executed at time contribution is received by Company.

- (3) For each additional Customer taking service at any point on the extension or alteration within a period of five (5) years from date of construction of such facilities, Company shall refund to the original Applicant or Applicants an amount by which four (4) times the estimated annual gas revenues, less cost of gas, from the new Customer exceeds the cost of connecting such new Customer, but at no time shall total refunds so made exceed the amount of the original advance in aid of construction.
- (4) The extension shall at all times be the property of the utility and, at the end of the fifth year following construction, any unrefunded portion of the advance in aid of construction shall be credited to the appropriate plant accounts of the utility.

C. Area Expansion Program (AEP)

When the extension and alteration required to furnish service within Company's service area to a defined group of applicants is a reasonable extension of Company's facilities but greater than the free construction specified in 7.A. Free Extensions and compliance with the provisions set forth in B. Other Extensions would require initial participation by a large number of customers, such extensions or alteration shall be made subject to the following conditions:

- (1) The Company shall designate all facilities required to serve the defined area as Area Expansion Program (AEP) facilities and all premises within the defined area shall be subject to an area expansion surcharge.
- (2) An area expansion program surcharge shall be calculated to recover the AEP Recovery Amount within a reasonable period of time, but not to exceed ten (10) years.

RULES AND REGULATIONS (Continued)

- (3) The Company, on or before May 1 of each year along with the Natural Gas Annual Report filing to the Florida Public Service Commission, shall file a report containing reconciliations of all AEP facilities costs and surcharge revenues for each individual AEP facilities area for the 12 months ending the previous December 31 as well as the total AEP facilities costs and surcharge revenues for each individual AEP facilities area.
- (4) Should the reconciliation for any AEP facilities area show that total AEP facilities surcharge revenues equal or exceed all includable AEP facilities expenses previously incurred, the AEP facilities surcharge for that area shall be terminated and any excess revenues collected shall be refunded to those AEP facilities customers including interest. The rate of interest used shall be that interest rate used to initially determine the surcharge(s).
- (5) An AEP facilities area surcharge shall terminate when the total AEP facilities surcharge revenue collected equals the total cost incurred or at the end of ten (10) years, whichever shall occur first.

D. Facilities

Facilities used to determine the estimated necessary cost of construction (maximum capital investment) shall include the estimated installed cost of required gas main lines, gas service lines, gas control devices, gas pressure regulating devices and gas metering devices.

Facilities shall not be extended on this basis to provide temporary service, service of a doubtful permanence, or which due to size, location or unusual characteristics of load would adversely affect the Company's ability to serve its existing customers.

RULES AND REGULATIONS (Continued)

18. Service Charges

		Rate Schedule		
		RS RS-GS	GS-1, GS-2, CS-GS, GSTS-1, & GSTS-2	LVS, LVTS, IS & ITS
A.	Establishment of Service			
	Regularly Scheduled	\$52.00	\$75.00	\$112.00
	Same Day or Outside Normal Business Hours (Based upon Availability)	\$69.00	\$96.00	\$144.00
B.	Change of Account (Read Meter Only)			
	Regularly Scheduled	\$23.00	\$23.00	\$23.00
	Same Day or Outside Normal Business Hours (Based upon Availability)	\$29.00	\$29.00	\$29.00
C.	Reconnection After Disconnection for Non-Pay			
	Regularly Scheduled	\$81.00	\$104.00	\$141.00
	Same Day or Outside Normal Business Hours (Based upon Availability)	\$98.00	\$125.00	\$173.00
D.	Bill Collection in Lieu of Disconnection for Non-Pay	\$25.00	\$25.00	\$25.00
E.	Trip Charge – applies when customer fails to keep scheduled appointment with the Company’s employee, agent, or representative			
	Regularly Scheduled	\$23.00	\$23.00	\$23.00
	Same Day or Outside Normal Business Hours	\$29.00	\$29.00	\$29.00
F.	Temporary Disconnection of Service for Cause or at Customer’s Request			
	Regularly Scheduled	\$29.00	\$29.00	\$29.00
	Same Day or Outside Normal Business Hours	\$35.00	\$35.00	\$35.00
G.	Worthless Check Service Charge			

The service charge for each worthless check shall be determined in accordance with Section 68.065, Florida Statutes. Such service charge shall be added to the customer’s bill for gas service for each check dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge.

(Continued on Sheet No. 22.1)

Issued by: J.T. English, President & CEO

Effective:

RULES AND REGULATIONS (Continued)

H. Late Payment Charge

A bill shall be considered past due upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company. The balance of all past due charges for services rendered are subject to a Late Payment Charge of 1.5% or \$5.00, whichever is greater, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

19. Measuring Customer Service

- A. All gas sold to customer shall be measured by commercially acceptable measuring devices owned and maintained by the Company, except where it is impractical to meter loads, such as street lighting, temporary or special installations, in which case the consumption may be calculated, or billed on a rate or as provided in Company's filed tariff.
- B. 1. Individual gas metering by Company shall be required for each separate occupancy unit of new commercial establishments, residential buildings, condominiums, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction is commenced after January 1, 1987. This requirement shall apply whether or not the facility is engaged in a time-sharing plan. Individual meters shall not, however, be required:
- a. In those portions of a commercial establishment where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by non-structural element partition walls, unless Company determines that adequate provisions can be made to modify the metering to accurately reflect such alterations;
 - b. For gas used in central heating, central water heating, ventilating and air conditioning systems, or gas back up service to storage heating and cooling systems;
 - c. For gas used in specialized-use housing accommodations such as hospitals, nursing homes, living facilities located on the same premises as, and operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certified under Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities. For separate, specially-designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks where permanent residency is not established and for marinas where living aboard is prohibited by ordinance, deed restriction, or other permanent means.
 - d. In such multiple occupancy units which would require the provision of individual gas service above the second story, unless specifically requested.

(Continued on Sheet No. 22.2)

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RATE SCHEDULE GS-1
GENERAL SERVICE -1

Availability

Available within the service areas of the Company.

Applicability

Applicable to any non-residential customer (except any Premise at which the only gas-consuming appliance or equipment is a standby electric generator).

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge: \$ 20.00 per meter per month

Energy Charge:
Non-Fuel 41.265 cents per therm

Minimum Bill:

The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GS - 2
GENERAL SERVICE - 2

Availability

Available within the service areas of the Company.

Applicability

Applicable to any non-residential customer (except any Premise at which the only gas-consuming appliance or equipment is a standby electric generator).

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Limitations of Service

Use must exceed 600 therms in each and every consecutive twelve months.

Monthly Rate

Customer Charge: \$ 33.00 per meter per month

Energy Charge:
Non-Fuel 41.265 cents per therm

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

RATE SCHEDULE CS-GS
COMMERCIAL STANDBY GENERATOR SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to any non-residential customer where the only Gas-consuming appliance or equipment is a standby electric generator.

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge:	\$36.31	
Energy Charge:		
Non-Fuel	0 – 39.52 therms	0.00 cents per therm
	In excess of 39.52 therms	41.265 cents per therm
Minimum Monthly Bill:	\$36.31	

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.
2. Subject to No. 3 below, a Customer receiving gas service under this rate schedule shall be obligated to remain on this schedule for twelve (12) months. This 12-month requirement shall be renewed at the end of each twelve month period unless customer terminates service at the end of any 12-month period.
3. If Customer installs an additional gas appliance at the premise to which service is provided hereunder, Customer shall be transferred to an appropriate rate schedule.

RATE SCHEDULE GLS
GAS LIGHTING SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to any customer solely for providing gas service for gas lighting provided customer has gas light fixture(s) approved by the Company, which can be discontinued without affecting other gas service provided by Company, and customer agrees to be billed for the applicable rates and billing adjustments as part of this service.

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot. This service is of lower priority than Company's other firm services and is subject to interruption in whole or in part at the sole discretion of the Company upon two hours' notice by telephone or otherwise except in force majeure conditions. This service shall be provided based on the rated hourly usage of each fixture. Company will bill customer for usage based on the monthly computed usage of the gas light fixture(s). Customer shall permit Company to place a device onto customer's gas light fixture(s) for tracking purposes. In the event Customer is planning to add, remove, or alter a gas light fixture, Customer shall notify Company so that Company may adjust its records. Failure to notify Company of any additions or alterations in a gas light fixture(s) shall result in Customer being charged for Unauthorized Use of Gas. Further, Customer shall give timely notice to Company in the event of a gas light malfunction.

Monthly Rate

Customer Charge: \$ 0.00 per customer per month (for customers who receive a bill for gas service from Company otherwise Company shall bill Customer a Customer Charge based on the equivalent substitute Rate Schedule)

Energy Charge:
Non-Fuel 25.552 cents per therm

Minimum Bill:
The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Unauthorized Use of Gas

In the event Company finds one or more of Customer's gas light fixtures using gas during an interruption or Customer fails to notify Company of any additions or alternations in a gas light fixture(s), Company shall have the right to bill Customer for the computed usage during such interruption or from the date any additions or alternations in a gas light fixture(s) is determined at a rate of \$1.50 per therm.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE RS
RESIDENTIAL SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to Residential Service classification only (excluding any premise at which the only gas-consuming appliance or equipment is a standby electric generator).

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge: \$ 12.00 per meter per month

Energy Charge:
Non-Fuel 52.786 cents per therm

Minimum Bill:

The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE RS-GS
RESIDENTIAL STANDBY GENERATOR SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to Residential Service classification where the only gas-consuming appliance or equipment is a standby electric generator.

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge:	\$22.45	
Energy Charge:		
Non-Fuel	0 –19.80 therms	0.00 cents per therm
	In excess of 19.80 therms	52.786 cents per therm
Minimum Monthly Bill:	\$22.45	

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.
2. Subject to No. 3 below, a Customer receiving gas service under this rate schedule shall be obligated to remain on this schedule for twelve (12) months. This 12-month requirement shall be renewed at the end of each twelve month period unless customer terminates service at the end of any 12-month period.
3. If Customer installs an additional gas appliance at the premise to which service is provided hereunder, Customer shall be transferred to the Residential Service rate schedule.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE RS-GS
RESIDENTIAL STANDBY GENERATOR SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to Residential Service classification where the only gas-consuming appliance or equipment is a standby electric generator ~~on or after September 16, 2008.~~

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge:	\$ 18.72 <u>22.45</u>	
Energy Charge:		
Non-Fuel	0 – 22.17 <u>19.80</u> therms	0.00 cents per therm
	In excess of 22.17 <u>19.80</u> therms	48.340 <u>52.786</u> cents per therm
Minimum Monthly Bill:	\$ 18.72 <u>22.45</u>	

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.
2. Subject to No. 3 below, a Customer receiving gas service under this rate schedule shall be obligated to remain on this schedule for twelve (12) months. This 12-month requirement shall be renewed at the end of each twelve month period unless customer terminates service at the end of any 12-month period.
3. If Customer installs an additional gas appliance at the premise to which service is provided hereunder, Customer shall be transferred to the Residential Service rate schedule.

AREA EXPANSION SURCHARGE

Availability

Available to areas not presently served with gas by the Company and which require an investment in excess of the maximum allowable no-charge construction costs as defined in Rule 25-7.054, Florida Administrative Code.

Applicability

Applicable to gas service provided under all Rate Schedules in areas designated by the Company, at its sole discretion, as being served by Area Expansion Program (AEP) Facilities.

Area Expansion Program Surcharges for AEP Facilities prior to January 1, 2009

The AEP Surcharges shall be:

Residential Service Surcharge	50.000 cents per therm
Residential Standby Generator Service	50.000 cents per therm
General Service - 1 Surcharge	39.100 cents per therm
General Service - 2 Surcharge	39.100 cents per therm
General Service Transportation Service - 1 Surcharge	39.100 cents per therm
General Service Transportation Service - 2 Surcharge	39.100 cents per therm
Commercial Standby Generator Service	39.100 cents per therm
Large Volume Service Surcharge	35.900 cents per therm
Large Volume Transportation Service Surcharge	35.900 cents per therm
Gas Lighting Service Surcharge	12.100 cents per therm

Area Expansion Program Surcharge for AEP Facilities on or after January 1, 2009

Initial AEP Surcharges

The Initial AEP Surcharge applicable to each customer shall be expressed as a fixed monthly dollar amount and shall be calculated by rate schedule classification according to the following formulas:

$$\text{Unitized AEP Recovery Amount} = \text{AEP Recovery Amount} / \text{Total estimated number of therms subject to surcharge}$$

Calculation of Fixed Dollar Surcharge applicable to rate schedule classifications:

$$\text{Initial AEP Surcharge} = \text{Unitized AEP Recovery Amount} \cdot \text{Projected Average Monthly Usage by Rate Schedule}$$

The Company shall determine a reasonable Amortization Period over which the AEP recovery amount shall be collected from each premise. The Amortization Period shall apply individually to each premise and shall not exceed 120 Billing Months. For the purposes of AEP cost recovery, Billing Month shall mean a month in which Company renders a billing statement to an active Customer account for a premise serviced by AEP facilities. In the event a premise serviced by AEP facilities becomes inactive, the Amortization Period shall be suspended until the premise is reactivated. The AEP Surcharge shall be billed to each Customer premise activating service within the initial five (5) year period following the in-service date of the AEP facilities.

(Continued to Sheet No. 27.1)

Issued by: J.T. English, President & CEO

Effective:

AREA EXPANSION SURCHARGE
(Continued from Sheet No. 27)

Recalculated AEP Surcharge

The Recalculated AEP Surcharge applicable to each customer shall be expressed as a fixed monthly dollar amount and shall be calculated by rate schedule classification according to the following formulas:

$$\text{Unitized Recalculated AEP Recovery Amount} = \frac{\text{Recalculated AEP Recovery Amount}}{\text{Total estimated number of therms subject to surcharge}}$$

Calculation of Fixed Dollar Surcharge applicable to rate schedule classifications:

$$\text{Recalculated AEP Surcharge} = \text{Unitized Recalculated AEP Recovery Amount} \cdot \text{Projected Average Monthly Usage by Rate Schedule}$$

The Recalculated AEP surcharge shall be billed to each customer premises that received gas service during the initial five (5) year period following the in-service date of the AEP facilities and shall be applicable to any customer premise initiating service throughout the Amortization Period remaining for the AEP facilities.

For each customer premise that received gas service during the five (5) year period following the in-service date of the AEP facilities, the Company shall determine the total AEP Recovery Amount collected from the Initial AEP Surcharge during the Billing Months. Such amount shall be compared to the AEP Recovery Amount that would have been recovered for each premise if the Recalculated AEP Surcharge had been in effect over the respective Billing Months for each premise (the "True-up Amount"). A charge or credit for the True-up Amount shall be rendered by the Company to each premise within sixty (60) days of the end of the five (5) year period following the in-service date of an AEP extension of facilities.

Taxes and Adjustments

The AEP surcharge shall be deemed revenue from gas sales and as such be subject to all applicable taxes and fees assessed by duly authorized governmental authorities.

Other Terms and Conditions

- A. Should AEP facilities be extended to provide service to new or additional customers, these new or additional customers will be subject to the effective AEP surcharge(s) and should the cost to install said extension(s) be less than the MACC the excess estimated revenue shall be credited to the applicable AEP Recovery Amount.
- B. The terms and conditions set forth herein shall be in addition to the terms and conditions set forth on the applicable rate schedule(s) under which the customer(s) receive gas service.

Issued by: J.T. English, President & CEO

Effective:

RATE SCHEDULE LVS
LARGE VOLUME SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to large volume users for non-residential purposes (except any Premise at which the only gas-consuming appliance or equipment is a standby electric generator).

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Limitations of Service

Service must be of a non-seasonal nature.

Use must exceed 500 therms in each and every month of the year.

Monthly Rate

Customer Charge: \$ 90.00 per meter per month

Energy Charge:
Non-Fuel 37.897 cents per therm

Minimum Bill

The Customer Charge plus the above Energy Charge for 500 therms, but not less than an amount equal to the bill for 50% of the monthly therm requirement set forth in the contract for service.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

See sheets beginning with Sheet No. 35.

Term of Service

Contract for service hereunder shall be for a period of not less than one year.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Customer must contract for service on an annual basis.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE IS
INTERRUPTIBLE SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable for any non-residential purpose to commercial and industrial customers who contract for service under this rate schedule or Rate Schedule ITS as of June 30, 1998. This rate schedule is closed to all other existing and new customers after June 30, 1998 and any additional gas load not served under this rate schedule or Rate Schedule IS without the expressed written consent of an officer of the Company.

Character of Service

Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot. All gas delivered shall be subject to interruption in whole or in part at the sole discretion of the Company upon two hours' notice by telephone or otherwise except in force majeure conditions.

Limitations of Service

Customer must contract for service under this schedule for minimum requirements of not less than 3,650 therms of gas per month.

Monthly Rate

Customer Charge:	\$ 240.00 per meter per month
Telemetry Maintenance Charge:	\$ 30.00 per meter per month
Energy Charge: Non-Fuel	27.106 cents per therm

Minimum Bill

The minimum bill for each month shall be the Customer Charge and the Telemetry Maintenance Charge plus the billing at the above Energy Charge for a quantity of gas equal to the Monthly Minimum Bill Quantity specified in the Agreement. In the event Company is unable to deliver the quantity of gas designated as the Monthly Minimum Bill Quantity, Customer's minimum purchase obligation shall be prorated for such time service was unavailable.

Continued on Sheet No. 30

RATE SCHEDULE PM
POOL MANAGER SERVICE

Applicability

The provisions of this Rate Schedule shall apply to each broker, marketer or other third party supplier (collectively "Pool Manager") of natural gas that wishes to act as agents for the purpose of purchasing and scheduling natural gas for Customers electing transportation services. Pool Managers desiring to provide service to Customers will be required to sign a Pool Manager Agreement in which they will agree to be bound by the terms and conditions of the Company's F.P.S.C. Gas Tariff.

Term of Contract

The term of the Pool Manager Agreement shall be at least one (1) year and from month to month thereafter unless terminated upon sixty (60) days written notice.

Creditworthiness

Pool Manager shall provide documentation of Pool Manager's ability to hold FTS-1 and FTS-2 capacity on FGT. Documentation may include a letter from FGT stating Pool Manager's ability to hold FTS-1 and FTS-2 capacity on FGT or a copy of Pool Manager's FTS-1 Service Agreement and FTS-2 Service Agreement with FGT. Upon meeting Company's standards for creditworthiness, Company will include Pool Manager on Company's List of Approved Pool Managers. Company shall not be required to permit any Pool Manager who fails to provide the above referenced documentation to sell natural gas on Company's distribution system.

In the event that Pool Manager defaults in its payment obligation to FGT for capacity relinquished as defined below, Company upon receiving notification from FGT of such default shall immediately terminate Pool Manager Agreement with Pool Manager. Company will not be required to permit any Pool Manager who defaults in its payment obligation to FGT to sell natural gas on Company's distribution system.

Capacity Relinquishment

Pool Manager will be required to accept a Capacity Relinquishment as defined in Capacity Relinquishment and Recall section of the transportation service rate schedules (Rate GSTS-1, GSTS-2, CS-GS, GLSTS, LVTS, and ITS). Failure to accept Capacity Relinquishment by Pool Manager may result in curtailment of service to Customers being served by Pool Manager.

Supplying Gas for Delivery

Pool Manager shall be responsible for purchasing the natural gas to be delivered for Customers served by the Pool Manager and for causing the same to be delivered to the Company's Citygate(s). Pool Manager shall diligently and in a timely manner take all actions required under the General Terms and Conditions of FGT's FERC Gas Tariff to effectuate such delivery of natural gas.

(Continued to Sheet No. 33.1)

RATE SCHEDULE GSTS-1
GENERAL SERVICE TRANSPORTATION SERVICE-1

Availability

Available within the service areas of the Company.

Applicability

Applicable to any new or existing Customer that qualifies for service under the Company's rate schedule GS or rate schedule CS-GS.

Character of Service

Transportation of Customer-purchased natural gas from Company's Citygate(s) to Customer's service address.

Gas Supply Obligation

Company will be obligated to provide natural gas balancing services to Customers under this rate schedule. Company will purchase natural gas from or sell natural gas to Customer in quantities equal to the Customer's monthly imbalance pursuant to the Company's Imbalance Adjustments-Pool Manager section of this tariff.

Election of Daily Delivery Quantity

Company will require Customer to elect a Daily Delivery Quantity in terms per day rounded to the nearest one-hundredth (0.00) therm. Company will require Customer to make the initial election on the Exhibit A to the Agreement by and between Company and Customer. Company will review Customer's Election of Daily Delivery Quantity and reserves the right to disapprove any election that cannot be substantiated by Customer's historical consumption, additions of equipment or, in the case of a new Customer, projected natural gas usage or historical consumption of a similarly situated Customer. Customer must elect a Daily Delivery Quantity of sufficient quantity to satisfy the Customer's monthly natural gas requirements. Company will provide Customer a twelve-month consumption history to assist in making its initial election.

Customer shall have the right to change their elected Daily Delivery Quantity on the first day of any month. Company will require Customer to provide Company with a DDQ Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change.

Designation of Pool Manager

Company will require Customer to designate a Pool Manager from a List of Approved Pool Managers posted by Company. Company will require Customer to make the initial designation on the Exhibit A to the Agreement by and between Company and Customer. Customer will not be charged to designate its initial Pool Manager. Customer will be charged a \$23.00 fee if a Pool Manager is changed after its initial designation. Customer shall have the right to change their Pool Manager Designation on the first day of any month. Company will require Customer to provide Company with a Pool Manager Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change. Customer is required to obtain Pool Manager's signature on Pool Manager Change Request Form prior to transmission to Company.

Customers receiving service under this Rate Schedule may discontinue service hereunder by providing Company a Request to Return to Regulated Sales Service Form no less than ten (10) working days prior to the first day of any month.

(Continued to Sheet No. 34.02)

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GSTS-1
GENERAL SERVICE TRANSPORTATION SERVICE-1
(Continued from Sheet No. 34.01)

A Customer who elects to return to regulated sales service will be required to remain on regulated sales service for a period not less than twelve months.

Upon receipt of a Pool Manager Termination of Service Form, Customer shall have until ten (10) Working Days prior to the termination date listed on the form to submit a Pool Manager Change Request Form. If Customer fails to submit Pool Manager Change Request Form in a timely manner, Customer will revert to the corresponding sales service and will be required to remain on sales service for the term of the Agreement.

Point of Receipt

Company will designate a Citygate as the Point of Receipt for each Customer to make delivery of natural gas into Company's distribution system.

Point of Delivery

Company will designate the Customers' service address as the Point of Delivery for Company to make delivery of natural gas to Customer.

Monthly Rate

Customer Charge:	Equal to Rate GS-1 or CS-GS Customer Charge as applicable – See Sheet No. 24 Sheet No. 24.2
Energy Charge: Non-Fuel	Equal to Rate GS-1 or CS-GS Energy Charge as applicable – See Sheet No. 24 or Sheet No. 24.2
Transportation Administration Charge:	\$4.50 per meter per month
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge and the Transportation Administration Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

Purchased Gas Adjustment:	Not applicable to this rate schedule.
All other Billing Adjustments:	See sheets beginning with Sheet No. 35

Requests for Service

Company will require Customer to provide Company with a duly executed Natural Gas Transportation Service Agreement no less than ten (10) Working Days prior to the requested effective date of the service. Customer shall have the right to initiate service on the first day of any month.

Term of Service

Contract for service hereunder shall be for a period of not less than one (1) year.

(Continued to Sheet No. 34.03)

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GSTS-1
GENERAL SERVICE TRANSPORTATION SERVICE-1
(Continued from Sheet No. 34.02)

Capacity Relinquishment and Recall

Company will require Customers to obtain seasonal firm capacity on FGT from the Company in a quantity equal to the maximum Daily Delivery Quantity elected by Customer in each of FGT's capacity seasons, plus applicable Shrinkage. Company will sum quantities, by each FGT season, for each Customer being serviced by a Pool Manager and relinquish firm capacity quantities in aggregate to Pool Manager rounded to the next greatest dekatherm. Company and Customer's Pool Manager will enter into a prearranged pipeline Capacity Relinquishment for a term corresponding to the term of the Agreement with Customer. Release of any capacity under this section may not exceed the FERC-approved maximum rate applicable to the released capacity.

Company will assign capacity by FGT service type to Customers in proportion to Company's total capacity portfolio by FGT operating division. Upon assignment by FGT service type, Company will assign Primary Receipt Point Capacity in proportion to the Company's total capacity portfolio and Company will assign Primary Delivery Point Capacity based upon Customer's service address. The applicable FERC-approved maximum rate will be applied to each portion of the released capacity.

Company shall provide notice of firm capacity relinquishment to FGT as required under the General Terms and Conditions of FGT's FERC Gas Tariff. Company shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Customer's Pool Manager shall accept the firm capacity relinquishment from Company subject to the Company's F.P.S.C. Gas Tariff and subject to the General Terms and Conditions of FGT's FERC Gas Tariff. Customer's Pool Manager shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Company will relinquish firm capacity to Customer's Pool Manager subject to recall. Firm capacity would be subject to recall only under the following conditions: (1) to maintain the integrity of Company's distribution system, (2) in the event the Customer leaves Company's distribution system or returns to Company's sales service, or (3) in the event Customer changes Pool Managers.

In the event that Customer's Pool Manager defaults in its payment obligation to FGT for capacity relinquished under the terms of this section, Company upon receiving notification from FGT of such default shall: (1) invoice Customer on its next regularly scheduled bill for said capacity, (2) revert Customer to Company's sales service, and (3) allow Customer thirty (30) working days to submit a Pool Manager Change Request Form.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GSTS-2
GENERAL SERVICE TRANSPORTATION SERVICE-2

Availability

Available within the service areas of the Company.

Applicability

Applicable to any new or existing Customer that qualifies for service under the Company's rate schedule GS-2.

Character of Service

Transportation of Customer-purchased natural gas from Company's Citygate(s) to Customer's service address.

Gas Supply Obligation

Company will be obligated to provide natural gas balancing services to Customers under this rate schedule. Company will purchase natural gas from or sell natural gas to Customer in quantities equal to the Customer's monthly imbalance pursuant to the Company's Imbalance Adjustments-Pool Manager section of this tariff.

Election of Daily Delivery Quantity

Company will require Customer to elect a Daily Delivery Quantity in therms per day rounded to the nearest one-hundredth (0.00) therm. Company will require Customer to make the initial election on the Exhibit A to the Agreement by and between Company and Customer. Company will review Customer's Election of Daily Delivery Quantity and reserves the right to disapprove any election that cannot be substantiated by Customer's historical consumption, additions of equipment or, in the case of a new Customer, projected natural gas usage or historical consumption of a similarly situated Customer. Customer must elect a Daily Delivery Quantity of sufficient quantity to satisfy the Customer's monthly natural gas requirements. Company will provide Customer a twelve-month consumption history to assist in making its initial election.

Customer shall have the right to change their elected Daily Delivery Quantity on the first day of any month. Company will require Customer to provide Company with a DDQ Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change.

Designation of Pool Manager

Company will require Customer to designate a Pool Manager from a List of Approved Pool Managers posted by Company. Company will require Customer to make the initial designation on the Exhibit A to the Agreement by and between Company and Customer. Customer will not be charged to designate its initial Pool Manager. Customer will be charged a \$23.00 fee if a Pool Manager is changed after its initial designation. Customer shall have the right to change their Pool Manager Designation on the first day of any month. Company will require Customer to provide Company with a Pool Manager Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change. Customer is required to obtain Pool Manager's signature on Pool Manager Change Request Form prior to transmission to Company.

Customers receiving service under this Rate Schedule may discontinue service hereunder by providing Company a Request to Return to Regulated Sales Service Form no less than ten (10) working days prior to the first day of any month.

(Continued to Sheet No. 34.06)

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GSTS-2
GENERAL SERVICE TRANSPORTATION SERVICE-2
(Continued from Sheet No. 34.05)

A Customer who elects to return to regulated sales service will be required to remain on regulated sales service for a period not less than twelve months.

Upon receipt of a Pool Manager Termination of Service Form, Customer shall have until ten (10) Working Days prior to the termination date listed on the form to submit a Pool Manager Change Request Form. If Customer fails to submit Pool Manager Change Request Form in a timely manner, Customer will revert to the corresponding sales service and will be required to remain on sales service for the term of the Agreement.

Point of Receipt

Company will designate a Citygate as the Point of Receipt for each Customer to make delivery of natural gas into Company's distribution system.

Point of Delivery

Company will designate the Customers' service address as the Point of Delivery for Company to make delivery of natural gas to Customer.

Monthly Rate

Customer Charge:	Equal to Rate GS-2 Customer Charge – See Sheet No. 24.1
Energy Charge: Non-Fuel	Equal to Rate GS-2 Energy Charge – See Sheet No. 24.1
Transportation Administration Charge:	\$4.50 per meter per month
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge plus the above Energy Charge for 250 therms, but not less than an amount equal to the bill for 50% of the monthly therm requirement set forth in the contract for service, and the Transportation Administration Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

Purchased Gas Adjustment:	Not applicable to this rate schedule.
All other Billing Adjustments:	See sheets beginning with Sheet No. 35

Requests for Service

Company will require Customer to provide Company with a duly executed Natural Gas Transportation Service Agreement no less than ten (10) Working Days prior to the requested effective date of the service. Customer shall have the right to initiate service on the first day of any month.

(Continued to Sheet No. 34.07)

RATE SCHEDULE GSTS-2
GENERAL SERVICE TRANSPORTATION SERVICE-2
(Continued from Sheet No. 34.06)

Term of Service

Contract for service hereunder shall be for a period of not less than one (1) year.

Capacity Relinquishment and Recall

Company will require Customers to obtain seasonal firm capacity on FGT from the Company in a quantity equal to the maximum Daily Delivery Quantity elected by Customer in each of FGT's capacity seasons, plus applicable Shrinkage. Company will sum quantities, by each FGT season, for each Customer being serviced by a Pool Manager and relinquish firm capacity quantities in aggregate to Pool Manager rounded to the next greatest dekatherm. Company and Customer's Pool Manager will enter into a prearranged pipeline Capacity Relinquishment for a term corresponding to the term of the Agreement with Customer. Release of any capacity under this section may not exceed the FERC-approved maximum rate applicable to the released capacity.

Company will assign capacity by FGT service type to Customers in proportion to Company's total capacity portfolio by FGT operating division. Upon assignment by FGT service type, Company will assign Primary Receipt Point Capacity in proportion to the Company's total capacity portfolio and Company will assign Primary Delivery Point Capacity based upon Customer's service address. The applicable FERC-approved maximum rate will be applied to each portion of the released capacity.

Company shall provide notice of firm capacity relinquishment to FGT as required under the General Terms and Conditions of FGT's FERC Gas Tariff. Company shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Customer's Pool Manager shall accept the firm capacity relinquishment from Company subject to the Company's F.P.S.C. Gas Tariff and subject to the General Terms and Conditions of FGT's FERC Gas Tariff. Customer's Pool Manager shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Company will relinquish firm capacity to Customer's Pool Manager subject to recall. Firm capacity would be subject to recall only under the following conditions: (1) to maintain the integrity of Company's distribution system, (2) in the event the Customer leaves Company's distribution system or returns to Company's sales service, or (3) in the event Customer changes Pool Managers.

In the event that Customer's Pool Manager defaults in its payment obligation to FGT for capacity relinquished under the terms of this section, Company upon receiving notification from FGT of such default shall: (1) invoice Customer on its next regularly scheduled bill for said capacity, (2) revert Customer to Company's sales service, and (3) allow Customer thirty (30) working days to submit a Pool Manager Change Request Form.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

RATE SCHEDULE LVTS
LARGE VOLUME TRANSPORTATION SERVICE
(Continued from Sheet No. 34.10)

Designation of Pool Manager

Company will require Customer to designate a Pool Manager from a List of Approved Pool Managers posted by Company. Company will require Customer to make the initial designation on the Exhibit A to the Agreement by and between Company and Customer. Customer will not be charged to designate its initial Pool Manager. Customer will be charged a \$23.00 fee if a Pool Manager is changed after its initial designation. Customer shall have the right to change their Pool Manager Designation on the first day of any month. Company will require Customer to provide Company with a Pool Manager Change Request Form no less than ten (10) Working Days prior to the date of the requested change. Customer is required to obtain Pool Manager's signature on Pool Manager Change Request Form prior to transmission to Company.

Customers receiving service under this Rate Schedule may discontinue service hereunder by providing Company a Request to Return to Regulated Sales Service Form no less than ten (10) working days prior to the first day of any month.

A Customer who elects to return to regulated sales service will be required to remain on regulated sales service for a period not less than twelve months.

Upon receipt of a Pool Manager Termination of Service Form, Customer shall have until ten (10) Working Days prior to the termination date listed on the form to submit a Pool Manager Change Request Form. If Customer fails to submit Pool Manager Change Request Form in a timely manner, Customer will revert to the corresponding sales service and will be required to remain on sales service for the term of the Agreement.

Limitations of Service

Service must be of a non-seasonal nature. Use must exceed 500 therms in each and every month of the year.

Point of Receipt

Company will designate a Citygate as the Point of Receipt for each Customer to make delivery of natural gas into Company's distribution system.

Point of Delivery

Company will designate the Customers' service address as the Point of Delivery for Company to make delivery of natural gas to Customer.

Electronic Measurement Equipment

A Customer whose consumption is or will be greater than or equal to 50,000 therms per year is required to have Company provided electronic measurement equipment installed by Company. Customer is responsible for all costs associated with the purchase, installation and maintenance of electronic measurement equipment.

(Continued to Sheet No. 34.12)

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to any existing Customer that qualifies for service under the Company's rate schedule IS. As of June 30, 1998, this rate schedule is applicable only to customers served under this rate schedule and those served under Rate Schedule IS. This rate schedule is closed to all other existing and new customers after June 30, 1998 and any additional gas load not served under this rate schedule or Rate Schedule IS without the expressed written consent of an officer of the Company.

Character of Service

Transportation of Customer purchased natural gas from Company's Citygate(s) to Customer's service address.

Gas Supply Obligation

Company will be obligated to provide natural gas balancing services to Customers under this rate schedule. Company will purchase natural gas from or sell natural gas to Customer in quantities equal to the Customer's monthly imbalance pursuant to the Company's Imbalance Adjustments-Pool Manager section of this tariff.

Election of Daily Delivery Quantity

Company will require Customer to elect a Daily Delivery Quantity in therms per day rounded to the nearest one-hundredth (0.00) therm. Company will require Customer to make the initial election on the Exhibit A to the Agreement by and between Company and Customer. Company will review Customer's Election of Daily Delivery Quantity and reserves the right to disapprove any election that cannot be substantiated by Customer's historical consumption, additions of equipment or, in the case of a new Customer, projected natural gas usage or historical consumption of a similarly situated Customer. Customer must elect a Daily Delivery Quantity of sufficient quantity to satisfy the Customer's monthly natural gas requirements. Company will provide Customer a twelve-month consumption history to assist in making its initial election.

Customer shall have the right to change their elected Daily Delivery Quantity on the first day of any month. Company will require Customer to provide Company with a DDQ Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change.

Designation of Pool Manager

Company will require Customer to designate a Pool Manager from a List of Approved Pool Managers posted by Company. Company will require Customer to make the initial designation on the Exhibit A to the Agreement by and between Company and Customer. Customer will not be charged to designate its initial Pool Manager. Customer will be charged a \$23.00 fee if a Pool Manager is changed after its initial designation. Customer shall have the right to change their Pool Manager Designation on the first day of any month. Company will require Customer to provide Company with a Pool Manager Change Request Form no less than ten (10) Working Days prior to the date of the requested change. Customer is required to obtain Pool Manager's signature on Pool Manager Change Request Form prior to transmission to Company.

(Continued to Sheet No. 34.21)

Issued by: J. T. English, President & CEO

Effective:

RATE SCHEDULE GLSTS
GAS LIGHTING SERVICE TRANSPORTATION SERVICE

Availability

Available within the service areas of the Company.

Applicability

Applicable to any new or existing non-residential Customer that qualifies for service under the Company's rate schedule GLS.

Character of Service

Transportation of Customer-purchased natural gas from Company's Citygate(s) to Customer's service address.

Gas Supply Obligation

Company will be obligated to provide natural gas balancing services to Customers under this rate schedule. Company will purchase natural gas from or sell natural gas to Customer in quantities equal to the Customer's monthly imbalance pursuant to the Company's Imbalance Adjustments-Pool Manager section of this tariff.

Election of Daily Delivery Quantity

Company will require Customer to elect a Daily Delivery Quantity in terms per day rounded to the nearest one-hundredth (0.00) therm. Company will require Customer to make the initial election on the Exhibit A to the Agreement by and between Company and Customer. Company will review Customer's Election of Daily Delivery Quantity and reserves the right to disapprove any election that cannot be substantiated by Customer's historical consumption, additions of equipment or, in the case of a new Customer, projected natural gas usage or historical consumption of a similarly situated Customer. Customer must elect a Daily Delivery Quantity of sufficient quantity to satisfy the Customer's monthly natural gas requirements. Company will provide Customer a twelve-month consumption history to assist in making its initial election.

Customer shall have the right to change their elected Daily Delivery Quantity on the first day of any month. Company will require Customer to provide Company with a DDQ Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change.

Designation of Pool Manager

Company will require Customer to designate a Pool Manager from a List of Approved Pool Managers posted by Company. Company will require Customer to make the initial designation on the Exhibit A to the Agreement by and between Company and Customer. Customer will not be charged to designate its initial Pool Manager. Customer will be charged a \$23.00 fee if a Pool Manager is changed after its initial designation. Customer shall have the right to change their Pool Manager Designation on the first day of any month. Company will require Customer to provide Company with a Pool Manager Change Request Form no less than ten (10) Working Days prior to the effective date of the requested change. Customer is required to obtain Pool Manager's signature on Pool Manager Change Request Form prior to transmission to Company.

Customers receiving service under this Rate Schedule may discontinue service hereunder by providing Company a Request to Return to Regulated Sales Service Form no less than ten (10) working days prior to the first day of any month.

(Continued to Sheet No. 34.31)

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Effective:

RATE SCHEDULE GLSTS
GAS LIGHTING SERVICE TRANSPORTATION SERVICE
(Continued from Sheet No. 34.30)

A Customer who elects to return to regulated sales service will be required to remain on regulated sales service for a period not less than twelve months.

Upon receipt of a Pool Manager Termination of Service Form, Customer shall have until ten (10) Working Days prior to the termination date listed on the form to submit a Pool Manager Change Request Form. If Customer fails to submit Pool Manager Change Request Form in a timely manner, Customer will revert to the corresponding sales service and will be required to remain on sales service for the term of the Agreement.

Point of Receipt

Company will designate a Citygate as the Point of Receipt for each Customer to make delivery of natural gas into Company's distribution system.

Point of Delivery

Company will designate the Customers' service address as the Point of Delivery for Company to make delivery of natural gas to Customer.

Monthly Rate

Customer Charge:	Equal to Rate GLS Customer Charge – See Sheet No. 25
Energy Charge: Non-Fuel	Equal to Rate GLS Energy Charge – See Sheet No. 25
Transportation Administration Charge:	\$4.50 per meter per month
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge and the Transportation Administration Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

Purchased Gas Adjustment:	Not applicable to this rate schedule.
All other Billing Adjustments:	See sheets beginning with Sheet No. 35

Requests for Service

Company will require Customer to provide Company with a duly executed Natural Gas Transportation Service Agreement no less than ten (10) Working Days prior to the requested effective date of the service. Customer shall have the right to initiate service on the first day of any month.

(Continued to Sheet No. 34.32)

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Effective:

RATE SCHEDULE GLSTS
GENERAL LIGHTING SERVICE TRANSPORTATION SERVICE
(Continued from Sheet No. 34.31)

Term of Service

Contract for service hereunder shall be for a period of not less than one (1) year.

Capacity Relinquishment and Recall

Company will require Customers to obtain seasonal firm capacity on FGT from the Company in a quantity equal to the maximum Daily Delivery Quantity elected by Customer in each of FGT's capacity seasons, plus applicable Shrinkage. Company will sum quantities, by each FGT season, for each Customer being serviced by a Pool Manager and relinquish firm capacity quantities in aggregate to Pool Manager rounded to the next greatest dekatherm. Company and Customer's Pool Manager will enter into a prearranged pipeline Capacity Relinquishment for a term corresponding to the term of the Agreement with Customer. Release of any capacity under this section may not exceed the FERC-approved maximum rate applicable to the released capacity.

Company will assign capacity by FGT service type to Customers in proportion to Company's total capacity portfolio by FGT operating division. Upon assignment by FGT service type, Company will assign Primary Receipt Point Capacity in proportion to the Company's total capacity portfolio and Company will assign Primary Delivery Point Capacity based upon Customer's service address. The applicable FERC-approved maximum rate will be applied to each portion of the released capacity.

Company shall provide notice of firm capacity relinquishment to FGT as required under the General Terms and Conditions of FGT's FERC Gas Tariff. Company shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Customer's Pool Manager shall accept the firm capacity relinquishment from Company subject to the Company's F.P.S.C. Gas Tariff and subject to the General Terms and Conditions of FGT's FERC Gas Tariff. Customer's Pool Manager shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of FGT's FERC Gas Tariff governing such capacity relinquishments.

Company will relinquish firm capacity to Customer's Pool Manager subject to recall. Firm capacity would be subject to recall only under the following conditions: (1) to maintain the integrity of Company's distribution system, (2) in the event the Customer leaves Company's distribution system or returns to Company's sales service, or (3) in the event Customer changes Pool Managers.

In the event that Customer's Pool Manager defaults in its payment obligation to FGT for capacity relinquished under the terms of this section, Company upon receiving notification from FGT of such default shall: (1) invoice Customer on its next regularly scheduled bill for said capacity, (2) revert Customer to Company's sales service, and (3) allow Customer thirty (30) working days to submit a Pool Manager Change Request Form.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

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BILLING ADJUSTMENTS
(Continued from Sheet No. 35.2)

Energy Conservation Cost Recovery Adjustment Clause

The bill for gas or transportation service supplied to a 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 \$0.00001 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 2009 through the last billing cycle for December 2009 are as follows:

Rate Class	Recovery Factor
Rate Schedule RS	6.768 cents per therm
Rate Schedule GS-1	2.918 cents per therm
Rate Schedule GS-2	2.918 cents per therm
Rate Schedule GSTS-1	2.918 cents per therm
Rate Schedule GSTS-2	2.918 cents per therm
Rate Schedule LVS	2.051 cents per therm
Rate Schedule LVTS	2.051 cents per therm

(Continued to Sheet No. 35.4)

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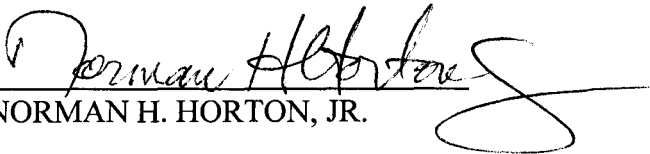
Effective:

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (*) and/or U. S. Mail this 17th day of December, 2008 upon the following:

Jennifer Brubaker, Esq.*
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Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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NORMAN H. HORTON, JR.