



ATTORNEYS & COUNSELORS AT LAW EST. 1884

One Tampa City Center, Suite 2000
201 N. Franklin Street
P.O. Box 1531 (33601)
Tampa, FL 33602
813.273.4200 Fax: 813.273.4396

WWW.MFMLEGAL.COM
EMAIL: INFO@MFMLEGAL.COM

625 Court Street, Suite 200
P.O. Box 1669 (33757)
Clearwater, FL 33756
727.441.8966 Fax: 727.442.8470

In Reply Refer to:
Tampa
ab@macfar.com

May 9, 2018

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: NEW FILING - In re: Petition for approval of tariff modifications for the use of natural gas for gas heat pumps by customers of Peoples Gas System.

Dear Ms. Stauffer:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' Petition referenced above.

Please note that this tariff filing is not being made pursuant to the file-and-suspend provisions of Section 366.06(3), *Florida Statutes*, in order to permit the Commission Staff sufficient time to address the filing and make a recommendation to the Commission.

We appreciate your usual assistance.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Ms. Paula K. Brown
Ms. Kandi M. Floyd
Ansley Watson, Jr., Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff modifications)
for the use of natural gas for gas heat pumps by) Docket No.
customers of Peoples Gas System.)
) Submitted for Filing: 5-9-18
)
_____)

PETITION FOR APPROVAL OF TARIFF MODIFICATIONS

Peoples Gas System ("Peoples" or the "Company"), by and through its undersigned attorneys, hereby requests the Commission's approval of modifications to its Natural Gas Tariff, Original Volume No. 3 (the "Tariff"), that will provide a new tariff rate for gas provided for a gas heat pump ("GHP"). Peoples hereby submits its proposed new and revised tariff sheets to become effective on the date of the Commission's vote, and in support of its request states:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should

be addressed are:

Andrew M. Brown, Esquire
Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
Peoples Gas System
Post Office Box 111
Tampa, Florida 33601-0111

Kandi M. Floyd
Peoples Gas System
Post Office Box 111
Tampa, Florida 33601-0111

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*.

4. By this petition, Peoples seeks the Commission's approval of modifications to its Tariff that will create new tariff rates for the use of GHP systems.

BACKGROUND

5. The gas heat pump is a natural gas-powered technology that can heat or cool a home. The GHP technology provides for increased energy efficiency when compared to traditional electric HVAC systems. The use of natural gas rather than electricity also means that both commercial and residential cooling provided by GHP technology is marginally less expensive to operate than a traditional electric heat pump system.

6. In addition to increased heating and cooling efficiency, A GHP system may provide backup electrical power generation. Under circumstances when there are power interruptions, such as in the aftermath of hurricanes and other storms, GHPs with backup generation offer continuous electric supplies to customers, which is an attractive and beneficial feature of GHP technology. Peoples customers have inquired about whether Peoples could provide a service to maintain heating and cooling and electrical power during periods when electrical power was not available. A GHP system could mean that a customer would not need an installed emergency backup generator which would typically cost anywhere from \$5,000 to \$15,000. In addition, GHP systems have the potential for customers to establish gas service for the first time by enhancing the feasibility for Peoples to extend service lines where traditional gas appliances or smaller commercial customers, would not otherwise provide enough load to make such extension feasible.

7. A GHP system, in a residential application, significantly increases the natural gas load compared to a residential customer who is receiving gas solely to fuel traditional gas appliances (such as ranges, water heaters and dryers). As a result, it is appropriate to create a new lower rate for residential customers with GHP systems in order to keep Peoples from deriving revenues above the cost of serving residential customers

with GHP systems, which would occur if existing residential rates were applied. This is the first time Peoples has been faced with a residential gas technology that would result in customer usage patterns that are not homogenous with other residential customers necessitating the consideration of different rates.

8. A GHP system in a commercial application could also significantly increase the load compared to a commercial customer without a GHP system, depending on the nature of existing commercial gas use. The degree to which the load would be changed would depend upon the already existing load for the commercial customer and the size of the area that is going to be heated and cooled with the GHP system.

9. Establishing a GHP rate for residential and commercial customers would also allow Peoples to properly recover the cost to serve GHP customers. A separate GHP rate which reflects a lower rate compared to the residential rate could encourage customers to adopt this energy saving technology that also provides a more resilient option for their heating and cooling needs and, depending on the type of GHP system selected, could provide backup electrical power as well.

DERIVATION OF GHP RATES

10. The proposed residential and commercial GHP rates are based upon the cost of providing service and the anticipated GHP customer gas usage characteristics. The cost of service reflects the results of the Company's most recent Commission-approved cost allocation study in Docket No. 20080318-GU.

11. The proposed residential GHP rates include a customer charge of \$20.00 per month and a delivery charge of \$0.1010. The derivation of the residential GHP rates is provided as Exhibit A to this Petition. Residential GHP usage would not be separately metered in order to reduce unnecessary metering costs. All residential use, including residential GHP use, would be billed at the GHP rate for all gas purchased including gas for traditional appliances. Therefore, the GHP rate is derived as a blended rate reflecting

the current residential rate of \$0.2678 for traditional appliance use and a lower rate for projected GHP use.

12. The proposed commercial GHP rates include a customer charge of \$35.00 per month and a delivery charge of \$0.2063. The derivation of the commercial GHP rates is provided as Exhibit B to this Petition.

PROPOSED TARIFF PROVISIONS

13. Attached to this petition are legislative format versions of the new and revised tariff sheets for which the Commission's approval is sought. The proposed "Clean" tariff sheets are provided as Exhibit D and the proposed legislative tariff sheets are provided as Exhibit C.

14. Peoples seeks to create a new GHP service class with a cost based rate, which is significantly less than its residential rates. Peoples also proposed monthly service charges for residential and commercial customers which are consistent with the already existing monthly charges in similar rate classes.

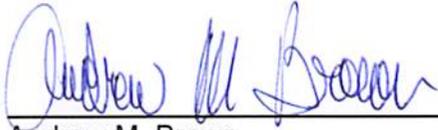
CONCLUSION

15. Peoples believes that the separate tariff for GHP service will help encourage large residential and commercial customers to adopt the more efficient GHP technology. The tariff rate is a significant savings over the normal residential rate and is an important component of Peoples being able to offer this service. The reduction in the tariff rate for GHP service compared to the residential rate will help make the GHP technology more attractive to customers.

16. Peoples believes that the tariff modification for which approval is sought is reasonable and appropriate and consistent with efforts to promote energy efficiency in large residential and commercial applications.

WHEREFORE, Peoples Gas System respectfully requests that the Commission will enter its Order permitting the revised tariff sheets submitted with this Petition to become effective on the date of the Commission's vote adjudicating this Petition.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andrew M. Brown", is written over a horizontal line.

Andrew M. Brown

Phone: (813) 273-4909

E-mail: ab@macfar.com

Ansley Watson, Jr.

Phone: (813) 273-4321

E-Mail: aw@macfar.com

Macfarlane Ferguson & McMullen

P. O. Box 1531

Tampa, Florida 33601-1531

Fax: (813) 273-4396

Attorneys for Peoples Gas System

EXHIBIT A

DERIVATION OF RESIDENTIAL GHP RATES

Peoples Gas System
 Typical Residential Gas Heat Pump Usage
 (Therms)

		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>
	Percentage of Installs	33%	33%	33%		
North FL	33%	1,875	1,496	2,137	1,836	
Central FL	33%	2,013	1,598	2,280	1,963	
South FL	33%	2,538	2,016	2,878	2,477	
Weighted Average		2,142	1,703	2,431	2,092	174

Peoples Gas System
 Residential Revenue Requirements and Unit Costs
 per Docket No. 080318-GU

<u>Item</u>	<u>Customer Cost</u>	<u>Capacity Cost</u>
O&M Expense		
874 Mains & Services	\$ 1,334,824	\$ 889,735
878 Meters and House Regulators	2,217,373	-
887 Maint. of Mains	-	427,443
892 Maint. of Services	450,832	-
893 Maint. of Meters & House Reg.	328,257	-
904 Uncollectible Accounts	574,688	-
911-916 Sales Expense	2,326,283	-
All Other	27,312,214	2,020,427
Total O&M Expense	\$ 34,544,471	\$ 3,337,605
Depreciation and Amortization Expense	\$ 10,310,685	\$ 5,112,283
Taxes other than Income Taxes	\$ 2,409,013	\$ 1,127,857
Return on Rate Base	\$ 11,498,021	\$ 5,562,351
Income Taxes	\$ 4,032,757	\$ 1,950,910
Revenue Credits	\$ (8,466,079)	\$ -
TOTAL REVENUE REQUIREMENTS	\$ 54,328,868	\$ 17,091,006
Customers	306,275	
Per Customer Cost	\$ 177.39	
Peak Month Therms		12,401,125
Peak Month Unit Cost		\$ 1.38

Peoples Gas System
 Residential GHP Rate Design
 per Docket No. 080318-GU

<u>Item</u>	<u>Amount</u>
GHP Revenue Requirements	
Customer Unit Cost	\$ 177.39
Peak Month Volume	174
Capacity Unit Cost	\$ 1.38
Capacity Costs	\$ 240.30
Total Revenue Requirements	\$ 417.69

Residential GHP Rate Design

Monthly Customer Charge	\$ 20.00
Total Revenue Requirements	\$ 417.69
Less Customer Charge Revenues	(240.00)
Net Remaining Revenue Requirements	\$ 177.69
Total Annual Volume	2,092
GHP Cost per Therm	\$ 0.0849
Delivery Charge	
Non-GHP Usage	202 therms
Non-GHP Cost	\$ 0.2678 per therm
GHP Usage	2,092 therms
GHP Cost	\$ 0.0849 per therm
Residential with GHP Blended Delivery Charge	\$ 0.1010

EXHIBIT B

DERIVATION OF COMMERCIAL GHP RATES

Peoples Gas System
 Typical Commercial Gas Heat Pump Usage
 (Therms)

						<u>Percentage of Installs</u>
Commercial Customer Type A: Convenience Stores						
		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>
	Percentage of Installs	33%	33%	33%		
North FL	33%	2,611	2,104	3,008	2,575	
Central FL	33%	2,519	2,022	2,889	2,476	
South FL	33%	2,162	1,715	2,448	2,109	
	Weighted Average	2,431	1,947	2,782	2,387	199
						35%
Commercial Customer Type B: Nursing Homes						
		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>
	Percentage of Installs	33%	33%	33%		
North FL	33%	9,410	8,750	14,043	10,735	
Central FL	33%	9,834	9,114	14,734	11,227	
South FL	33%	10,366	9,563	15,614	11,848	
	Weighted Average	9,870	9,143	14,797	11,270	939
						20%
Commercial Customer Type C: Small Offices						
		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>
	Percentage of Installs	33%	33%	33%		
North FL	33%	5,550	5,688	7,628	6,289	
Central FL	33%	5,472	5,613	7,522	6,202	
South FL	33%	6,307	6,476	8,670	7,151	
	Weighted Average	5,776	5,925	7,940	6,547	546
						5%

Peoples Gas System
 Typical Commercial Gas Heat Pump Usage
 (Therms)

Commercial Customer Type D: Medium Offices

		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>	
	Percentage of Installs	33%	33%	33%			
North FL	33%	13,286	12,238	20,051	15,192		
Central FL	33%	13,885	12,812	20,913	15,870		
South FL	33%	14,240	13,113	21,497	16,283		
	Weighted Average	13,804	12,721	20,820	15,782	1,315	5%

Commercial Customer Type E: Quick Service Restaurants

		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>	
	Percentage of Installs	33%	33%	33%			
North FL	33%	4,210	4,514	6,294	5,006		
Central FL	33%	4,250	4,619	6,379	5,082		
South FL	33%	4,387	4,835	6,612	5,278		
	Weighted Average	4,282	4,656	6,428	5,122	427	10%

Commercial Customer Type F: Full Service Restaurants

		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>	
	Percentage of Installs	33%	33%	33%			
North FL	33%	15,406	14,392	22,997	17,598		
Central FL	33%	14,532	13,571	21,752	16,618		
South FL	33%	14,697	13,717	22,093	16,836		
	Weighted Average	14,879	13,893	22,281	17,017	1,418	10%

Commercial Customer Type G: High Intensity Retail

		<u>M Trigen</u>	<u>Yanmar</u>	<u>Sierra</u>	<u>Weighted Average</u>	<u>100% L.F. Peak Month</u>	
	Percentage of Installs	33%	33%	33%			
North FL	33%	6,522	6,048	9,767	7,445.75		
Central FL	33%	6,362	5,880	9,564	7,269		
South FL	33%	6,397	5,893	9,653	7,314.14		
	Weighted Average	6,427	5,940	9,661	7,343	612	15%

TOTAL COMMERCIAL	7,521	627
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Peoples Gas System Commercial Revenue Requirements and Unit Costs per Docket No. 080318-GU		
<u>Item</u>	<u>Customer Cost</u>	<u>Capacity Cost</u>
O&M Expense		
874 Mains & Services	\$ 357,632	\$ 1,893,811
878 Meters and House Regulators	594,088	-
887 Maint. of Mains	-	909,818
892 Maint. of Services	120,789	-
893 Maint. of Meters & House Reg.	87,948	-
904 Uncollectible Accounts	493,810	-
911-916 Sales Expense	1,915,424	-
All Other	7,317,605	4,300,504
Total O&M Expense	\$ 10,887,296	\$ 7,104,133
Depreciation and Amortization Expense	\$ 2,762,483	\$ 10,881,556
Taxes other than Income Taxes	\$ 645,433	\$ 2,400,658
Return on Rate Base	\$ 3,080,599	\$ 11,839,532
Income Taxes	\$ 1,080,473	\$ 4,152,537
Revenue Credits	\$ (620,066)	\$ -
TOTAL REVENUE REQUIREMENTS	\$ 17,836,218	\$ 36,378,415
Customers	19,392	
<hr/>		
Per Customer Cost	<u>\$ 919.77</u>	
Peak Month Therms		21,684,462
Peak Month Unit Cost		<u>\$ 1.68</u>

Peoples Gas System
 Commercial GHP Rate Design
 per Docket No. 080318-GU

<u>Item</u>	<u>Amount</u>
GHP Revenue Requirements	
Customer Unit Cost	\$ 919.77
Peak Month Volume	627
Capacity Unit Cost	\$ 1.68
Capacity Costs	<u>\$ 1,051.47</u>
Total Revenue Requirements	<u>\$ 1,971.24</u>
 Commercial GHP Rate Design	
Monthly Customer Charge	<u>\$ 35.00</u>
Total Revenue Requirements	\$ 1,971.24
Less Customer Charge Revenues	<u>(420.00)</u>
Net Remaining Revenue Requirements	\$ 1,551.24
Total Annual Volume	7,521
Commercial GHP Cost per Therm	<u>\$ 0.2063</u>

EXHIBIT C
REVISED TARIFF SHEETS
LEGISLATIVE VERSION

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RATE SCHEDULES

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GENERAL APPLICABILITY PROVISIONS (Continued)

C. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT CLAUSE

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

Except as otherwise provided herein, each rate schedule shall be increased or decreased to the nearest \$0.00001 per therm and include 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 meter readings taken on or after January 1, 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.09921 per Therm
Residential Standby Generator	\$0.09921 per Therm
<u>Residential Gas Heat Pump Service</u>	<u>\$0.09921 per Therm</u>
Small General Service	\$0.05982 per Therm
Commercial Standby Generator	\$0.02985 per Therm
<u>Commercial Gas Heat Pump Service</u>	<u>\$0.02985 per Therm</u>
General Service - 1	\$0.02985 per Therm
General Service - 2	\$0.02174 per Therm
General Service - 3	\$0.01806 per Therm
General Service - 4	\$0.01336 per Therm
General Service - 5	\$0.00980 per Therm
Commercial Street Lighting	\$0.01577 per Therm
Natural Gas Vehicle Service	\$0.01844 per Therm

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

GENERAL APPLICABILITY PROVISIONS (Continued)

D. SWING SERVICE CHARGE

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

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

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

Service Charge factors listed below, each factor being increased or decreased to the nearest \$0.0001 per therm and include the regulatory assessment tax factor of 1.00503:

<u>Rate Class</u>	<u>Recovery Factor</u>
<u>Residential Gas Heat Pump Service</u>	<u>\$0.0388 per Therm</u>
Small General Service	\$0.0388 per Therm
Commercial Street Lighting	\$0.0071 per Therm
Natural Gas Vehicle Service	\$0.0435 per Therm
<u>Commercial Standby Generator</u>	<u>\$0.0208 per Therm</u>
<u>Commercial Gas Heat Pump Service</u>	<u>\$0.0208 per Therm</u>
General Service 1	\$0.0208 per Therm
General Service 2	\$0.0217 per Therm
General Service 3	\$0.0234 per Therm
General Service 4	\$0.0079 per Therm
General Service 5	\$0.0058 per Therm

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

RESIDENTIAL SERVICE Rate Schedule RS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, (excluding any premise at which the only Gas-consuming appliance or equipment is a standby electric generator), subject to the following criteria:

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

Customers receiving service under this schedule will be classified for billing purposes according to annual usage as follows:

<u>Billing Class</u>	<u>Annual Consumption</u>
RS-1	0 – 99 Therms
RS-2	100 – 249 Therms
RS-3	250 – 1,999 Therms
<u>RS-GHP</u>	<u>All Therms</u>

Monthly Rate:

<u>Billing Class</u>	<u>Customer Charge</u>
RS-1	\$12.00 per month
RS-2	\$15.00 per month
RS-3	\$20.00 per month
<u>RS-GHP</u>	<u>\$20.00 per month</u>

Distribution Charge: \$0.26782 per Therm for RS-1, RS-2, and RS-3
\$0.10100 per Therm for RS-GHP

Minimum Bill: The Customer charge.

RESIDENTIAL SERVICE (Continued)

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

The bill for the Therms billed under this schedule 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 under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. 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.

COMMERCIAL GAS HEAT PUMP SERVICE
RATE SCHEDULE CS-GHP

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

Monthly Rate:

Customer Charge: \$30.00 per month
Distribution Charge: \$0.2063 per Therm
Minimum Bill: The Customer charge

Special Conditions:

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. 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.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. 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.
5. 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.
6. 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.
7. 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.

NATURAL CHOICE TRANSPORTATION SERVICE Rider NCTS

Availability:

Available to all Customers receiving service from Company (except Customers receiving service under Rate Schedule RS) and (a) for which service hereunder is requested as a part of an NCTS Customer Pool (as herein defined), (b) for which the Customer's total consumption of Gas is purchased from or through a Pool Manager (as herein defined), (c) which would otherwise qualify for service under Rate Schedule RS-GHP, CS-GHP, SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 3. Service pursuant to this Rider is available when such service can be made available without detriment to the Company's other Customers.

Applicability:

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

Monthly Rate:

The Monthly Rate for transportation service applicable to each individually billed Customer account shall be the Monthly Rate applicable to such individually billed account under Rate Schedule RS-GHP, CS-GHP, SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS based upon the annual therm usage of such separately metered account.

The Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1 shall not apply to transportation service provided by Company to a Customer pursuant to this Rider.

Special Conditions:

1. For purposes of this Rider, "NCTS Customer Pool" means a group of Customer accounts for which Gas is delivered to Company by a Pool Manager for transportation service of the aggregated needs of the Customer accounts. The Company shall not be required to provide transportation service to more than forty (40) independent NCTS Customer Pools.

**CAST IRON/BARE STEEL REPLACEMENT RIDER
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2017, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$0.05285 per therm
Small General Service	\$0.03337 per therm
General Service – 1/ Commercial Standby Generator Service /	
Commercial Gas Heat Pump Service	\$0.01819 per therm
General Service – 2	\$0.01695 per therm
General Service – 3	\$0.01465 per therm
General Service – 4	\$0.00921 per therm
General Service – 5	\$0.00470 per therm
Commercial Street Lighting	\$0.02376 per therm
Natural Gas Vehicle Service	\$0.03789 per therm
Wholesale	\$0.00642 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

EXHIBIT D
PROPOSED TARIFF SHEETS
CLEAN VERSION

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GENERAL APPLICABILITY PROVISIONS (Continued)

C. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT CLAUSE

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

Except as otherwise provided herein, each rate schedule shall be increased or decreased to the nearest \$0.00001 per therm and include 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 meter readings taken on or after January 1, 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.09921 per Therm
Residential Standby Generator	\$0.09921 per Therm
Residential Gas Heat Pump Service	\$0.09921 per Therm
Small General Service	\$0.05982 per Therm
Commercial Standby Generator	\$0.02985 per Therm
Commercial Gas Heat Pump Service	\$0.02985 per Therm
General Service - 1	\$0.02985 per Therm
General Service - 2	\$0.02174 per Therm
General Service - 3	\$0.01806 per Therm
General Service - 4	\$0.01336 per Therm
General Service - 5	\$0.00980 per Therm
Commercial Street Lighting	\$0.01577 per Therm
Natural Gas Vehicle Service	\$0.01844 per Therm

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

GENERAL APPLICABILITY PROVISIONS (Continued)

D. SWING SERVICE CHARGE

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

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

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

Service Charge factors listed below, each factor being increased or decreased to the nearest \$0.0001 per therm and include the regulatory assessment tax factor of 1.00503:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential Gas Heat Pump Service	\$0.0388 per Therm
Small General Service	\$0.0388 per Therm
Commercial Street Lighting	\$0.0071 per Therm
Natural Gas Vehicle Service	\$0.0435 per Therm
Commercial Standby Generator	\$0.0208 per Therm
Commercial Gas Heat Pump Service	\$0.0208 per Therm
General Service 1	\$0.0208 per Therm
General Service 2	\$0.0217 per Therm
General Service 3	\$0.0234 per Therm
General Service 4	\$0.0079 per Therm
General Service 5	\$0.0058 per Therm

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

**RESIDENTIAL SERVICE
Rate Schedule RS**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, (excluding any premise at which the only Gas-consuming appliance or equipment is a standby electric generator), subject to the following criteria:

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

Customers receiving service under this schedule will be classified for billing purposes according to annual usage as follows:

<u>Billing Class</u>	<u>Annual Consumption</u>
RS-1	0 – 99 Therms
RS-2	100 – 249 Therms
RS-3	250 – 1,999 Therms
RS-GHP	All Therms

Monthly Rate:

<u>Billing Class</u>	<u>Customer Charge</u>
RS-1	\$12.00 per month
RS-2	\$15.00 per month
RS-3	\$20.00 per month
RS-GHP	\$20.00 per month

Distribution Charge: \$0.26782 per Therm for RS-1, RS-2, and RS-3
\$0.10100 per Therm for RS-GHP

Minimum Bill: The Customer charge.

RESIDENTIAL SERVICE (Continued)

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

The bill for the Therms billed under this schedule 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 under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. 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.

**COMMERCIAL GAS HEAT PUMP SERVICE
RATE SCHEDULE CS-GHP**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

Monthly Rate:

Customer Charge:	\$30.00 per month
Distribution Charge:	\$0.2063 per Therm
Minimum Bill:	The Customer charge

Special Conditions:

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. 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.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. 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.
5. 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.
6. 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.
7. 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.

NATURAL CHOICE TRANSPORTATION SERVICE Rider NCTS

Availability:

Available to all Customers receiving service from Company (except Customers receiving service under Rate Schedule RS) and (a) for which service hereunder is requested as a part of an NCTS Customer Pool (as herein defined), (b) for which the Customer's total consumption of Gas is purchased from or through a Pool Manager (as herein defined), (c) which would otherwise qualify for service under Rate Schedule RS-GHP, CS-GHP, SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS and (d) for which the Company has received a request for service hereunder in compliance with Special Condition 3. Service pursuant to this Rider is available when such service can be made available without detriment to the Company's other Customers.

Applicability:

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

Monthly Rate:

The Monthly Rate for transportation service applicable to each individually billed Customer account shall be the Monthly Rate applicable to such individually billed account under Rate Schedule RS-GHP, CS-GHP, SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CSLS or NGVS based upon the annual therm usage of such separately metered account.

The Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1 shall not apply to transportation service provided by Company to a Customer pursuant to this Rider.

Special Conditions:

1. For purposes of this Rider, "NCTS Customer Pool" means a group of Customer accounts for which Gas is delivered to Company by a Pool Manager for transportation service of the aggregated needs of the Customer accounts. The Company shall not be required to provide transportation service to more than forty (40) independent NCTS Customer Pools.

**CAST IRON/BARE STEEL REPLACEMENT RIDER
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2017, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$0.05285 per therm
Small General Service	\$0.03337 per therm
General Service – 1/ Commercial Standby Generator Service /	
Commercial Gas Heat Pump Service	\$0.01819 per therm
General Service – 2	\$0.01695 per therm
General Service – 3	\$0.01465 per therm
General Service – 4	\$0.00921 per therm
General Service – 5	\$0.00470 per therm
Commercial Street Lighting	\$0.02376 per therm
Natural Gas Vehicle Service	\$0.03789 per therm
Wholesale	\$0.00642 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.