

Writer's E-Mail Address: bkeating@gunster.com

June 5, 2019

VIA E-PORTAL

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

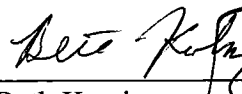
Re: Docket No. 20190083-GU: Petition for Rate Increase by Sebring Gas System, Inc.

Dear Mr. Teitzman:

Attached, for electronic filing in the above referenced matter, please find the Testimony and Exhibits of Bruce Christmas on behalf of the Company. (2 of 4)

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

ATTACHMENTS

cc:// PSC (20 Hard copies)

Office of Public Counsel (Kelly)

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**DIRECT TESTIMONY OF
BRUCE CHRISTMAS
ON BEHALF OF SEBRING GAS SYSTEM, INC.
DOCKET NO. 20190083-GU**

June 5, 2019

7 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND**
8 **BUSINESS ADDRESS.**

9 A. My name is Bruce Christmas. I provide energy consulting and
10 business development services to natural gas utilities, natural gas
11 marketers, government agencies and other clients through my
12 consulting firm, RBC Resources, LLC. My business address is
13 522 Hobbs Street, Tampa, Florida 33619.

14 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL AND**
15 **EDUCATIONAL BACKGROUND.**

16 A. I earned a degree in engineering from the University of Florida and
17 hold a license to practice civil engineering in the State of Florida.
18 From 1990 to 2009, I was an executive at TECO Energy, its
19 subsidiaries and acquired companies. During my time at TECO, I
20 held several key areas of responsibility that relate to my work with
21 Sebring Gas. From 1990-2001, I held the position of Vice President
22 of Operations for West Florida Gas, and after the merger with
23 Peoples Gas System, I held the same position in the merged entity.
24 As Vice President, I directed all operations including maintenance,
25 new construction, system planning, engineering and technical
26 services. During this time, we reduced operations and maintenance
27 ("O&M") costs from \$270/customer to \$190/customer, which

1 I used the forecast for Customer Additions by Rate
2 Classification by month, as detailed in the Direct Testimony
3 of Mr. Russell Melendy, and multiplied each by the cost of a
4 typical Service Line by Rate Classification, as shown on
5 MFR Schedule E-7. The results equal the total cost of
6 Plastic Services for the year.

7 ➤ Account 381 – Meters - \$56,110

8 Account 383 – Regulators - \$17,160

9 The cost of Meters and Regulators was calculated as
10 follows: I took the total number of Customer Additions that
11 the Company has projected to add for both the HBY+1 and
12 PTY, by Rate Classification and multiplied each by the
13 typical cost of Meters and Regulators by Rate Classification,
14 as shown on MFR Schedule E-7. Since meters and
15 regulators are a mass-unit type property, the Company
16 purchases as many units as possible in a single order, to
17 obtain the best price available. Therefore, the Company has
18 projected to purchase all of its Meters and Regulators for the
19 total number of new Customer Additions in the HBY+1 and
20 PTY in the month of July 2019.

21 ➤ Account 382 – Meter Installations - \$4,645

22 Account 384 – Regulator Installations - \$1,850

23 The cost of Meter and Regulator Installations was calculated
24 as follows: I took the total number of Customer Additions
25 that the Company has projected to add, by month by Rate
26 Classification and multiplied each by the typical cost of

1 Meter and Regulator Installations by Rate Classification, as
2 shown on MFR Schedule E-7. The sum of the months
3 results in the projected cost of these Utility Plant items.

4 ➤ Account 387 – Other Equipment

5 The following equipment is projected to be purchased to
6 properly equip each of the two (2) new field employees to be
7 hired to provide service in Wauchula and Arcadia. Each
8 employee will utilize the following equipment on a shared
9 basis:

- 10 ○ Line Locator - \$3,000
- 11 ○ CGI - \$1,600
- 12 ○ Sensit Leak Detection Equipment - \$8,600
- 13 ○ Electro-fusion Equipment - \$5,000
- 14 ○ Socket fusion Equipment - \$2,200
- 15 ○ Generator - \$1,500

16 The total for this equipment is \$21,900, projected to be
17 purchased in December 2019.

18 ➤ Account 392 – Transportation Equipment - \$110,000

19 The Company is projecting to purchase two (2) Ford trucks
20 (type to be determined) for the two (2) new field employees.

21 The expected cost for each truck is \$55,000, for a total of
22 \$110,000, purchased in December 2019.

23 **Q. IS THE COMPANY PROJECTING ANY RETIREMENTS**
24 **IN THE HBY+1?**

25 A. No. Given the aggressive growth plans of the Company, it does
26 not project to replace any infrastructure, nor does it plan on

1 replacing any General Plant items in the HBY+1. Any service
2 lines that are coming due for retirement are expected to be re-
3 activated through the Company's Energy Conservation Cost
4 Recovery Program.

5 **Q. WHAT IS THE UTILITY PLANT BALANCE FOR THE**
6 **HBY+1?**

7 A. As shown on MFR Schedule G-1, Page 5, the ending balance for
8 Utility Plant is \$7,643,648 and the 13-Month Average Utility Plant
9 is \$6,799,717, inclusive of \$2,227 for CWIP.

10

11 **Projected Test Year – Utility Plant**

12 **Q. WHAT IS THE PROJECTED AMOUNT OF CAPITAL**
13 **ADDITIONS AND RETIREMENTS FOR 2020, THE**
14 **PROJECTED TEST YEAR?**

15 A. The Company has projected \$959,265 of Utility Plant additions
16 and \$0 of Utility Plant retirements in the PTY, as shown on MFR
17 Schedule G-1, Page 26.

18 **Q. PLEASE DESCRIBE IN DETAIL THE CAPITAL**
19 **EXPENDITURES INCLUDED IN THE COMPANY'S PTY**
20 **CAPITAL PROGRAM.**

21 A. The following Utility Plant additions are included in the PTY, as
22 displayed in MFR Schedule G-1, Page 27:

23 ➤ Account 376.1 – Mains – Plastic - \$773,125

24 The Company is projecting the following additions for the
25 City of Wauchula distribution system:

1 ➤ Account 379 – Measuring & Regulating Equipment – City
2 Gate - \$40,000

3 The Company projects to re-build a regulated bypass with
4 over-pressure protection at its interconnection with Peoples
5 Gas for its Sebring distribution system in July 2020.

6 ➤ Account 380.1 – Services – Plastic - \$129,690

7 I used the forecast for Customer Additions by Rate
8 Classification by month, as detailed in the Direct Testimony
9 of Mr. Russell Melendy, and multiplied each by the cost of a
10 typical Service Line by Rate Classification, as shown on
11 MFR Schedule E-7. The results equal the total cost of
12 Plastic Services for the year.

13 ➤ Account 382 – Meter Installations - \$11,625

14 Account 384 – Regulator Installations - \$4,825

15 The cost of Meter and Regulator Installations was calculated
16 as follows: I took the total number of Customer Additions
17 that the Company has projected to add, by month by Rate
18 Classification and multiplied each by the typical cost of
19 Meter and Regulator Installations by Rate Classification, as
20 shown on MFR Schedule E-7. The sum of the months
21 results in the projected cost of these Utility Plant items.

22 **Q. IS THE COMPANY PROJECTING ANY RETIREMENTS**
23 **IN THE PTY?**

24 A. No. Given the aggressive growth plans of the Company, it does
25 not project to replace any infrastructure, nor does it plan on
26 replacing any General Plant items in the PTY. Any service lines

1 that are coming due for retirement are expected to be re-activated
2 through the Company's Energy Conservation Cost Recovery
3 Program.

4 **Q. WHAT IS THE UTILITY PLANT BALANCE FOR THE**
5 **PTY?**

6 A. As shown on MFR Schedule G-1, Page 7, the ending balance for
7 Utility Plant is \$8,602,913 and the 13-Month Average Utility Plant
8 is \$8,148,107.

9

10 **Cost of Service and Rate Design**

11 **Q. PLEASE DESCRIBE THE PROCESS USED TO DESIGN**
12 **THE PROPOSED PERMENENT RATES FOR EACH RATE**
13 **CLASSIFICATION.**

14 A. I performed a fully embedded cost of service study to determine
15 the appropriate assignment of rate base and cost of service to each
16 of the Company's Rate Classifications. The cost of service study
17 utilizes information from all areas of the Company's operations,
18 including customer billing and consumption records, engineering
19 studies, forecasts of customer growth and historic cost data from
20 the accounting records. The total cost of service was assigned or
21 allocated to determine the revenue requirements of each Rate
22 Classification. The results of my analysis provide the principal
23 basis for the Company's proposed rate design, which is detailed on
24 MFR Schedule H-3, Page 5, and is summarized on Exhibit No.
25 _____ (RBC-2).

1 **Q. WAS A PARTICULAR METHODOLOGY OR MODEL**
2 **USED TO PREPARE THE COST OF SERVICE STUDY?**

3 A. Yes. The Company utilized, as the principal basis for its cost of
4 service study, the standard methodology historically used in the
5 Commission-prescribed MFR Schedules H.

6 **Q. YOU NOTED THAT THE COST OF SERVICE STUDY**
7 **PROVIDES “THE PRINCIPAL BASIS” FOR DESIGNING**
8 **PERMANENT RATES, WHAT DID YOU MEAN?**

9 A. As described in more detail later in my testimony, I made two
10 adjustments to the standard methodology results of the cost of
11 service model. First, I made a direct allocation of known rate base
12 and costs to provide service to the two (2) Special Contract and the
13 Third-Party Supplier Rate Classifications. Second, I adjusted the
14 final rates in the other Rate Classifications to address alternate fuel
15 competition and other market issues. Each of these adjustments
16 was accomplished through a direct re-allocation of rate base and/or
17 costs to provide service in the Direct and Special Assignments
18 section of MFR Schedule H-2, Pages 2, 3 and 4.

19 **Q. PLEASE DISCUSS THE OBJECTIVES OF A COST OF**
20 **SERVICE STUDY.**

21 A. In my opinion, there are two primary objectives to a Cost of
22 Service Study. The first is to properly allocate, through an
23 established and accepted methodology, both the rate base (on
24 which the Company is allowed to earn a rate of return) and cost to
25 provide service, to each Rate Classification. In theory, if the
26 allocation factors were perfect, this would produce the appropriate

1 rates for each Rate Classification. Recognizing the imperfections
2 of any methodology, that leads to the second objective, ensuring
3 that the final rates for each Rate Classification are both
4 “marketable” and just and reasonable.

5 **Q. PLEASE DESCRIBE HOW YOU PERFORMED THE COST**
6 **OF SERVICE STUDY IN THE INSTANT CASE.**

7 A. I utilized the MFR Schedules H to perform the Cost of Service
8 Study in the instant case. MFR Schedules H-1 classifies each
9 component of rate base and the cost to provide service based on
10 whether it is the type of cost that is most related to the Customer,
11 Capacity (of Company’s distribution system) and/or Commodity
12 (quantity of therms delivered). I utilized the same “Classifier” for
13 each rate base and cost to provide service account as was approved
14 in the Company’s last rate case. MFR Schedules H-2 develop the
15 cost allocation factors that are used to allocate both rate base and
16 the cost to provide service to each Rate Classification, also as
17 approved in the last rate case. MFR Schedules H-3 then
18 determines the following: derivation of revenue deficiency, rate of
19 return by Rate Classification for both present and proposed rates,
20 determination of proposed rate design and proposed rates for each
21 Rate Classification.

22 **Q. AS YOU JUST DESCRIBED, MFR SCHEDULES H-1**
23 **APPEAR TO CLASSIFY COSTS AS IT RELATES TO**
24 **CUSTOMER, CAPACITY AND/OR COMMODITY. IS**
25 **THIS CORRECT?**

26 A. Yes.

1 **Q. PLEASE DESCRIBE HOW COSTS RELATED TO THE**
2 **CUSTOMER ARE ALLOCATED TO EACH RATE**
3 **CLASSIFICATION.**

4 A. Customer costs, which are generally considered fixed, as opposed
5 to variable, are allocated based on the relative number of
6 “weighted” customers served in each Rate Classification. The
7 “weighting” is determined by the relative cost of the service line,
8 meter, regulator and associated installations for each Rate
9 Classification to the TS-1 Rate Classification Index Cost, as shown
10 on MFR Schedule E-7 and Schedule H-2, Page 1. The Special
11 Contract Rate Classification is assumed to have the same Index as
12 the TS-5 Rate Classification for purposes of allocating Customer-
13 related costs.

14 **Q. PLEASE DESCRIBE HOW CAPACITY COSTS ARE**
15 **ALLOCATED TO EACH RATE CLASSIFICATION.**

16 A. Capacity costs are allocated based on the “Peak and Average
17 Monthly Sales Volume” methodology, which is a standard used in
18 the Commission’s model. The principle underlying the peak and
19 average method is that fixed distribution system-related capacity
20 costs should be allocated to those customers that utilize the system
21 the most during the peak period (month, in the case of this model),
22 as well as, during more typical (average) use periods (the other
23 eleven (11) months). MFR Schedule E-4, Pages 1 and 2 show the
24 Historic Base Year data used for the calculation of this allocation
25 factor, as reflected on MFR Schedule H-2, Page 1.

1 **Q. PLEASE DESCRIBE HOW COMMODITY COSTS ARE**
2 **ALLOCATED TO EACH RATE CLASSIFICATION.**

3 A. Commodity-related costs are allocated on the basis of the Historic
4 Base Year's actual annual consumption by Rate Classification, as
5 shown on MFR Schedule H-2, Page 1.

6 **Q. HOW ARE REVENUE-RELATED COSTS ALLOCATED**
7 **TO EACH RATE CLASSIFICATION?**

8 A. Revenue-related costs are allocated on the basis of the above-
9 allocated Customer, Capacity and Commodity costs by Rate
10 Classification, as shown on MFR Schedule H-2, Page 1.

11 **Q. IS THE COMPANY PROPOSING CHANGES TO ITS RATE**
12 **CLASSIFICATIONS IN THIS CASE?**

13 A. No. The Company believes that its existing Rate Classifications,
14 TS-1, TS-2, TS-3, TS-4, TS-5, Special Contracts and Third-Party
15 Suppliers are appropriate and properly reflect the diversity of the
16 Company's existing and proposed customers.

17 **Q. IT WOULD APPEAR THAT A COST OF SERVICE STUDY**
18 **IS TIGHTLY PRESCRIBED BY THE MFR SCHEDULES H.**
19 **ARE THERE OPPORTUNITIES TO MAKE**
20 **ADJUSTMENTS IF THE RESULTS DO NOT APPEAR**
21 **JUST AND REASONABLE?**

22 A. Yes. Just and reasonable rates are a regulatory axiom that the
23 Company believes provides the necessary rationale to make
24 adjustments to the preliminary results produced by the strict
25 application of the model. ~~Because the allocation factors are~~
26 ~~approximates, rather than absolutes,~~ tThe strict application of the

1 | model ~~will always typically~~ results in rates for each Rate
2 | Classification that ~~are not only are not just and reasonable, but~~
3 | ~~equally important to the long term health of the Company, but are~~
4 | or “marketable.” The Company must be able to compete with
5 | alternate fuels of which all customers of the Company enjoy easy
6 | access. Residential and small commercial customers have
7 | electricity, renewables and propane as alternates; large commercial
8 | and industrial have propane, renewables and fuel oil as alternates.
9 | From the Company’s perspective, making manual adjustments to
10 | the model ensures that the Commission-approved permanent rates
11 | are both just and reasonable and marketable.

12 | **Q. DID THE COMPANY MAKE ANY MANUAL**
13 | **ADJUSTMENTS TO THE PRELIMINARY RESULTS**
14 | **PRODUCED BY THE STRICT APPLICATION OF THE**
15 | **COST OF SERVICE MODEL?**

16 | A. Yes. The Cost of Service Study Model used in MFR Schedules H
17 | are set up to allow for manual adjustments. MFR Schedule H-2,
18 | Pages 2, 3 and 4 have a “Direct and Special Assignments” sections
19 | that allow for manual adjustments to Rate Base and Cost of
20 | Service. The Company made the following manual adjustments to
21 | both the Rate Base and the Cost of Service sections of the model.

22 | Manual Rate Base Adjustments

23 | As shown on MFR Schedule H-2, Page 2, I made manual
24 | adjustments on Line 7, Mains to the Special Contract Rate
25 | Classification of \$526,179 to reflect the net Mains plant amount
26 | and Line 9, M&R Equipment – City Gate to the Special Contract

1 Rate Classification of \$893,876 to reflect the net City Gate plant
2 amount for the two prisons served by the Company, as shown on
3 MFR Schedule E-8.

4

5 Additional manual adjustments were made on Line 7, Mains in the
6 following amounts: TS-1 increase by \$45,000; TS-2 increase by
7 \$6,300; TS-3 increase by \$40,000; TS-4 decrease by \$10,000; and
8 TS-5 decrease by \$81,300 (no change overall). The Company
9 believes that these changes result in a more appropriate allocation
10 of Rate Base to each Rate Classification.

11

12 There are no other manual adjustments to the allocation of Rate
13 Base to any Rate Classification in the Cost of Service model, as
14 presented on MFR Schedule H-2, Page 2.

15 Manual Cost of Service Adjustments

16 As shown on MFR Schedule H-2, Page 3, I made the following
17 manual adjustments to various Rate Classifications:

18 ➤ Line 5 – Customer – All Other

19 Initially made a direct allocation to:

20 ○ Third-Party Suppliers - \$30,506.

21 Then, the following adjustments were made (no net
22 change):

23 ○ TS-1 decrease of \$35,000;

24 ○ TS-2 decrease of \$12,800;

25 ○ TS-3 increase of \$47,800;

26 ○ TS-4 decrease of \$30,000; and

- 1 ○ TS-5 increase of \$30,000.
- 2 ➤ Line 11 – Capacity – All Other (no net change)
- 3 ○ TS-2 decrease of \$1,000;
- 4 ○ TS-3 increase of \$6,000;
- 5 ○ TS-4 decrease of \$18,000; and
- 6 ○ TS-5 increase of \$13,000.
- 7 ➤ Line 26 – Capacity – Return (NOI)
- 8 Direct allocation to:
- 9 ○ Special Contracts - \$148,741.

10 The Company believes that, as a result of these manual
11 adjustments, the permanent rates requested by the Company are
12 not only just and reasonable for all Rate Classifications but are also
13 will ~~“clear the market.”~~ “marketable.”

14 **Q. TO WHAT EXTENT IS THE COMPANY PROPOSING TO**
15 **MOVE TOWARD A STRAIGHT-FIXED-VARIABLE**
16 **(“SFV”) RATE DESIGN?**

17 A. The SFV rate design, by definition, means that the Company’s
18 fixed costs should be recovered by fixed charges from its
19 customers. The Company could demonstrate to the Commission
20 that virtually all of the Company’s costs are fixed, in that they
21 don’t change as the volume of gas transported through the
22 Company’s distribution system increases or decreases. That is not
23 the Company’s intent in the instant case. The Company is,
24 however, proposing to make a significant shift in the recovery of
25 its approved revenue requirement through the fixed charge
26 (Customer Charge) component of its proposed rate structure.

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As shown on MFR Schedule E-5, the proposed Customer Charge for each Rate Classification is significantly higher than the present Customer Charge. The result is that for customers consuming the average monthly usage, in every Rate Classification, the percentage increase is between 30-35%, which is what it would be under any rate design. For customers using less than the average, the percentage increase is higher, for customers using more than the average, the percentage increase declines. Thus, this rate design encourages the usage of clean, efficient natural gas by its customers, consistent with the Energy Conservation program goals of reducing the use of electricity and deferring the construction of costly power supply generation options as approved by the Commission for Natural Gas Utilities.

Approval of this rate design, allowing for more recovery of revenues through fixed charges, provides the Company with a greater degree of revenue stability, which should enable the Company to defer the need for future rate increases longer than would otherwise be possible. A strict SFV rate design eliminates impacts to revenues caused by unpredictable weather, improvements in equipment efficiencies, better construction practices resulting in lower energy requirements in buildings and, in the case of residential customers, lower average number of occupants in the home. The Company's proposed rate design is a

1 strong movement in this direction and should be supported by the
2 Commission.

3 **Q. HOW DID YOU DEVELOP THE PROPOSED RATES?**

4 A. I designed the final rates on the basis of the Cost of Service model
5 results, adjusted for just and reasonableness and competitive
6 considerations of the rates for each Rate Classification.

7

8 The Company's proposed rate design, and the rate levels resulting
9 therefrom, ensure that each Rate Classification, except for Special
10 Contracts, contributes approximately the same overall Rate of
11 Return on Rate Base. This means that there is less cross-
12 subsidization among rate classes than that produced by present
13 rates (see MFR Schedule H-3, Pages 2 and 3). The exception is
14 the Special Contracts class, which generates a higher Rate of
15 Return than any other Rate Classification.

16 **Q. IS THE COMPANY PROPOSING CHANGES TO ITS
17 OTHER OPERATING REVENUE CHARGES?**

18 A. No. The Company is not proposing to change any of its Other
19 Operating Revenue Charges.

20 **Q. PLEASE COMPARE THE PROPOSED RATES, BY RATE
21 CLASSIFICATION, TO THE PRESENT RATES.**

22 A. A comparison of present and proposed rates, by Rate
23 Classification, is presented in MFR Schedule H-3, Page 5, and is
24 summarized on Exhibit No. _____ (RBC-2).

25 **Q. WHAT IS THE TOTAL AMOUNT OF REVENUES THAT
26 THE PROPOSED RATES ARE DESIGNED TO PRODUCE?**

1 A. The total amount of Revenues that the Proposed Rates, inclusive of
2 Other Operating Revenues, are designed to produce in the PTY is
3 \$1,496,048, as shown on MFR Schedule H-3, Page 5, Line 1.

4 **Q. IS THE COMPANY REQUESTING ANY CHANGES TO ITS**
5 **PRESENT TARIFF, OTHER THAN THOSE IMPACTED BY**
6 **THE REQUESTED RATE RELIEF?**

7 A. Yes. In addition to the tariff rate schedules impacted by the
8 requested rate relief, the Company is proposing to modify its tariff
9 language with respect to Customer Deposits and Interest on
10 Customer Deposits to bring it into compliance with recent changes
11 in Commission regulations. Otherwise, the Company is not
12 proposing any changes to its current Commission-approved tariff.
13 Attached as Exhibit No. _____ (RBC-3) are the Company's
14 proposed revisions to the affected tariff sheets described herein in
15 both legislative and original format, as indicated on MFR Schedule
16 E-9.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes.

Exhibit No. _____ (RBC-1)
 Sebring Gas System, Inc.
 Docket No. 20190083-GU

LIST OF MFR SCHEDULES SPONSORED BY BRUCE CHRISTMAS

MFR Schedules	Pages	Title
E-3	4	Cost Study – Connections & Reconnections
E-4	2	Cost of Service – Calculation of System Peak
E-5	5	Cost of Service – Monthly Bill Comparisons
E-6	5	Derivation of Overall Cost of Service
E-7	1	Cost Study – Meter Set
E-8	1	Derivation of Facilities
E-9	1	Cost Study – Tariff Sheets
G-1, 23	1	Calculation of the HBY+1 - Rate Base
G-1, 24	1	Monthly Plant Additions – HBY+1
G-1, 25	1	Monthly Plant Retirements – HBY+1
G-1, 26	1	Calculation of the PTY – Rate Base
G-1, 27	1	Monthly Plant Additions – PTY
G-1, 28	1	Monthly Plant Retirements – PTY
H	13	Cost of Service Study Schedules

Exhibit No. _____ (RBC-2)
 Sebring Gas System, Inc.
 Docket No. 20190083-GU

Comparison of Present and Proposed Rates by Rate Classification

<u>Rate Schedule</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
TS-1 - Customer Charge	\$9.00	\$15.00
Transportation Chg	\$0.57140	\$0.27949
TS-2 - Customer Charge	\$12.00	\$30.00
Transportation Chg	\$0.49327	\$0.19660
TS-3 - Customer Charge	\$35.00	\$200.00
Transportation Chg	\$0.46677	\$0.16325
TS-4 - Customer Charge	\$150.00	\$650.00
Transportation Chg	\$0.33861	\$0.10317
TS-5 - Customer Charge	\$500.00	\$3,875.00
Transportation Chg	\$0.38136	\$0.05001
Special Contracts	Per Contract Terms	Per Contract Terms
Third Party Supplier	\$3.00 per Bill	\$3.50 per Bill

Exhibit No. _____ (RBC-3)
Sebring Gas System, Inc.
Docket No. 20190083-GU

Proposed Revisions to Tariff Sheets, in Legislative and Original Format

See attached tariff pages.

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of

RATE SCHEDULES AND BILLING ADJUSTMENTS

<u>Symbol</u>	<u>Title</u>	<u>Sheet No.</u>
TS - 1	Transportation Service – 1	21
TS – 2	Transportation Service – 2	22 – 23
TS – 3	Transportation Service – 3	24 – 25
TS – 4	Transportation Service – 4	25.1 – 25.2
TS – 5	Transportation Service – 5	25.3 – 25.4
TPS	Third Party Supplier	25.5
Rider CTS	Contract Transportation Service Rider	26 – 28
BA	Billing Adjustments	29 - 32

Transportation Service -- 1
Rate Schedule TS-1

Availability:

Throughout the service area of the Company.

Applicability:

To all Customers receiving Aggregated Transportation Service whose metered gas consumption is 200 therms per year or less.

Monthly Rate:

Customer Charge	\$9.00 15.00
Transportation Charge	\$0.5714 027949
Minimum Bill:	The Customer Charge

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.
2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 2
Rate Schedule TS-2

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 200 therms per year up to 1,000 therms per year.

Monthly Rate:

Customer Charge ~~\$12.00~~ 30.00

Transportation Charge ~~\$0.49327~~ 19660

Minimum Bill: The Customer Charge

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 2
Rate Schedule TS – 2
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.
2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 3
Rate Schedule TS-3

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 1,000 therms per year up to 10,000 therms per year.

Monthly Rate:

Customer Charge	\$35.00 <u>200.00</u>
Transportation Charge	\$0.46677 <u>16325</u>

Minimum Bill:

1. The minimum monthly bill shall be the Customer Charge plus the minimum daily contract quantity, if such minimum quantity is established in the Transportation Service Agreement, multiplied by the transportation charge and applicable adjustments, multiplied by the number of days in the billing cycle.
2. In the event the Company is unable to deliver the minimum daily quantity specified in the Transportation Service Agreement on any day or days within a billing cycle, the minimum monthly bill for such billing cycle shall determined based upon the amount of gas actually delivered to the Customer on such day or days.

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 3
Rate Schedule TS-3
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.
2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 4
Rate Schedule TS-4

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 10,000 therms per year up to 50,000 therms per year.

Monthly Rate:

Customer Charge ~~\$150.00~~650.00

Transportation Charge ~~\$0.3386~~1.0317

Minimum Bill:

1. The minimum monthly bill shall be the Customer Charge plus the minimum daily contract quantity, if such minimum quantity is established in the Transportation Service Agreement, multiplied by the transportation charge and applicable adjustments, multiplied by the number of days in the billing cycle.
2. In the event the Company is unable to deliver the minimum daily quantity specified in the Transportation Service Agreement on any day or days within a billing cycle, the minimum monthly bill for such billing cycle shall determined based upon the amount of gas actually delivered to the Customer on such day or days.

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 4
Rate Schedule TS-4
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.

2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 5
Rate Schedule TS-5

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 50,000 therms per year.

Monthly Rate:

Customer Charge ~~\$500.00~~3,875.00

Transportation Charge ~~\$0.381360~~5001

Minimum Bill:

1. The minimum monthly bill shall be the Customer Charge plus the minimum daily contract quantity, if such minimum quantity is established in the Transportation Service Agreement, multiplied by the transportation charge and applicable adjustments, multiplied by the number of days in the billing cycle.
2. In the event the Company is unable to deliver the minimum daily quantity specified in the Transportation Service Agreement on any day or days within a billing cycle, the minimum monthly bill for such billing cycle shall determined based upon the amount of gas actually delivered to the Customer on such day or days.

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Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 5
Rate Schedule TS-5
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 -32.
2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

**Third Party Supplier
Rate Schedule TPS**

Availability:

Throughout the service area of the Company.

Applicability:

Service under this Rate Schedule is applicable to all Shipper's, Shipper's Designees or Pool Managers (such entities designated as Third Party Suppliers) delivering, or causing to be delivered, Gas to the Company's distribution system for transportation to Customer(s).

Monthly Rate:

Charge per Customer served by TPS \$~~3.00~~3.50

Terms of Payment:

Bills are net and due upon receipt by the Third Party Supplier and become delinquent if unpaid after expiration of twenty days from date of mailing.

Billing Adjustments:

The rates set forth above shall be subject to Billing Adjustment No. 3, as applicable.

meets the requirements of Section III. E. REFUND OF DEPOSITS. Guarantor's providing security for payment of residential customers' bills shall only be liable for bills contracted at the service address of record.

- (6) for non-residential Customers, at the Company's sole option, possessing and maintaining a Standard & Poor's (S&P) Long Term Debt Rating of A- or better, or a Moody's rating of A3 or better may be deemed satisfactory establishment of Gredit. Comparable ratings from other nationally recognized rating organizations may be acceptable to the Company.

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- (6) for non-residential Customers, a parent company may serve as a guarantor for a subsidiary company to secure payment of bills for transportation service. A satisfactory guarantor shall meet the terms of established credit as stated in section (5) above.

Customers may request to be billed for the amount of the deposit. A bill for the Customer deposit is due upon receipt and shall be considered delinquent by the Company at the expiration of seven days from the date of mailing by the Company. Delinquent accounts are subject to the Company's DISCONTINUANCE OF SERVICE policies.

B. AMOUNT OF DEPOSIT. The amount of a cash deposit, irrevocable letter of credit or surety bond shall be equal to two (2) times the estimated average monthly bill for service provided by Company, but shall in no case be for an amount less than thirty dollars (\$30.00). the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes as follows:

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(1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

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(2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12 and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

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C. RECORD OF DEPOSIT. With respect to a cash deposit, Company will keep records to show:

- (1) The name of Customer making the deposit;
- (2) The premises occupied by Customer;
- (3) The date and amount of the deposit; and
- (4) Each transaction concerning the deposit, such as, interest payments, interest credited, or similar transactions.

- (2) Company may offer an electronic direct bank debit payment option. If such a payment option is offered, Customers may choose to participate in the program by completing an agreement with the Company. Customers choosing this payment method agree that the Company may debit their bank account for the balance due on the Customer's Transportation Service account on the fifteenth (15th) day following the date of mailing by the Company.
- C. PARTIAL MONTH. Upon commencement of Transportation Service less than fifteen (15) days prior to a regular monthly billing date and when Transportation Service continues thereafter to the same Customer at the same address where Customers are receiving Transportation Service on monthly rate schedules, no bill shall be rendered for Transportation Service covering such period, but the charge for such period shall be included in the bill rendered for the next succeeding monthly period.
- D. CALCULATION OF CUSTOMER BILL. Customers receiving Transportation Service under a rate schedule with a variable rate component based on metered Gas volume, shall have such Gas volume measured by a meter or meters at each Point of Delivery, and the applicable rates set forth in the applicable rate schedule shall be applied to the quantity of Gas so measured to determine the variable component amount of the bill. Customers receiving Transportation Service under a rate schedule or Special Contract provision with a fixed rate component shall be billed that fixed rate. Customers receiving Transportation Service under a rate schedule with both variable and fixed rate components shall determine the amount of the bill by applying the Customer's metered Gas quantities to the applicable variable rate component and including the fixed rate component. Each bill regardless of type shall be subject to the applicable taxes and Billing Adjustments identified in this tariff. If the billing period is extended more than five (5) days, the Company will not apply the higher tiered rate if the Customer's higher usage is attributable to the extended billing period.
- E. MORE THAN ONE POINT OF DELIVERY. If a Customer purchases Transportation Service under a particular rate schedule but receives delivery thereof at more than a single Point of Delivery, the Company shall consider such deliveries as separate Transportation Service and shall calculate separate bills thereof, except where physical conditions make it necessary to use two or more meters to register consumption for one class of service to a single customer on the same premises, or where such multiple meters are used for the convenience of the Company. For the purpose of nomination, scheduling and imbalance resolution related to Transportation Service the Company may combine Points of Delivery for Customer's receiving service at multiple Points of Delivery.
- F. MORE THAN ONE RATE SCHEDULE. If a Customer purchases Transportation Service under more than one rate schedule, the Transportation Service rendered under each rate schedule shall be separately metered and

separate bills shall be calculated for each type of Transportation Service rendered.

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of

RATE SCHEDULES AND BILLING ADJUSTMENTS

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TS – 3	Transportation Service – 3	24 – 25
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Transportation Service – 1
Rate Schedule TS-1

Availability:

Throughout the service area of the Company.

Applicability:

To all Customers receiving Aggregated Transportation Service whose metered gas consumption is 200 therms per year or less.

Monthly Rate:

Customer Charge	\$15.00
Transportation Charge	\$0.27949
Minimum Bill:	The Customer Charge

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.
2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 2
Rate Schedule TS-2

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 200 therms per year up to 1,000 therms per year.

Monthly Rate:

Customer Charge	\$30.00
Transportation Charge	\$0.19660
Minimum Bill:	The Customer Charge

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 2
Rate Schedule TS – 2
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.

2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 3
Rate Schedule TS-3
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.

2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 4
Rate Schedule TS-4

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 10,000 therms per year up to 50,000 therms per year.

Monthly Rate:

Customer Charge	\$650.00
Transportation Charge	\$0.10317

Minimum Bill:

1. The minimum monthly bill shall be the Customer Charge plus the minimum daily contract quantity, if such minimum quantity is established in the Transportation Service Agreement, multiplied by the transportation charge and applicable adjustments, multiplied by the number of days in the billing cycle.
2. In the event the Company is unable to deliver the minimum daily quantity specified in the Transportation Service Agreement on any day or days within a billing cycle, the minimum monthly bill for such billing cycle shall be determined based upon the amount of gas actually delivered to the Customer on such day or days.

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 4
Rate Schedule TS-4
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.

2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

Transportation Service – 5
Rate Schedule TS-5

Availability:

Throughout the service area of the Company.

Applicability:

Customers whose metered gas consumption is greater than 50,000 therms per year.

Monthly Rate:

Customer Charge \$3,875.00

Transportation Charge \$0.05001

Minimum Bill:

1. The minimum monthly bill shall be the Customer Charge plus the minimum daily contract quantity, if such minimum quantity is established in the Transportation Service Agreement, multiplied by the transportation charge and applicable adjustments, multiplied by the number of days in the billing cycle.
2. In the event the Company is unable to deliver the minimum daily quantity specified in the Transportation Service Agreement on any day or days within a billing cycle, the minimum monthly bill for such billing cycle shall determined based upon the amount of gas actually delivered to the Customer on such day or days.

Terms of Payment:

Bills are net and due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing.

Transportation Service – 5
Rate Schedule TS-5
(Continued)

Billing Adjustments:

1. The rates set forth above shall be subject to the applicable Billing Adjustments set forth on Sheet Nos. 29 - 32.

2. In the event the Company agrees to provide natural gas conversion equipment and installation, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial term of Transportation Service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment and installation. At such time as the Company has recovered its cost of providing the natural gas conversion, bills rendered under this rate schedule shall return to the rates stated herein.

**Third Party Supplier
Rate Schedule TPS**

Availability:

Throughout the service area of the Company.

Applicability:

Service under this Rate Schedule is applicable to all Shipper's, Shipper's Designees or Pool Managers (such entities designated as Third Party Suppliers) delivering, or causing to be delivered, Gas to the Company's distribution system for transportation to Customer(s).

Monthly Rate:

Charge per Customer served by TPS \$3.50

Terms of Payment:

Bills are net and due upon receipt by the Third Party Supplier and become delinquent if unpaid after expiration of twenty days from date of mailing.

Billing Adjustments:

The rates set forth above shall be subject to Billing Adjustment No. 3, as applicable.

meets the requirements of Section III. E. REFUND OF DEPOSITS. Guarantor's providing security for payment of residential customers' bills shall only be liable for bills contracted at the service address of record.

- (6) for non-residential Customers, at the Company's sole option, possessing and maintaining a Standard & Poor's (S&P) Long Term Debt Rating of A- or better, or a Moody's rating of A3 or better may be deemed satisfactory establishment of Credit. Comparable ratings from other nationally recognized rating organizations may be acceptable to the Company.
- (6) for non-residential Customers, a parent company may serve as a guarantor for a subsidiary company to secure payment of bills for transportation service. A satisfactory guarantor shall meet the terms of established credit as stated in section (5) above.

Customers may request to be billed for the amount of the deposit. A bill for the Customer deposit is due upon receipt and shall be considered delinquent by the Company at the expiration of seven days from the date of mailing by the Company. Delinquent accounts are subject to the Company's DISCONTINUANCE OF SERVICE policies.

B. AMOUNT OF DEPOSIT. The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes as follows:

- (1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.
- (2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12 and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

C. RECORD OF DEPOSIT. With respect to a cash deposit, Company will keep records to show:

- (1) The name of Customer making the deposit;
- (2) The premises occupied by Customer;
- (3) The date and amount of the deposit; and
- (4) Each transaction concerning the deposit, such as, interest payments, interest credited, or similar transactions.

- (2) Company may offer an electronic direct bank debit payment option. If such a payment option is offered, Customers may choose to participate in the program by completing an agreement with the Company. Customers choosing this payment method agree that the Company may debit their bank account for the balance due on the Customer's Transportation Service account on the fifteenth (15th) day following the date of mailing by the Company.
- C. PARTIAL MONTH. Upon commencement of Transportation Service less than fifteen (15) days prior to a regular monthly billing date and when Transportation Service continues thereafter to the same Customer at the same address where Customers are receiving Transportation Service on monthly rate schedules, no bill shall be rendered for Transportation Service covering such period, but the charge for such period shall be included in the bill rendered for the next succeeding monthly period.
- D. CALCULATION OF CUSTOMER BILL. Customers receiving Transportation Service under a rate schedule with a variable rate component based on metered Gas volume, shall have such Gas volume measured by a meter or meters at each Point of Delivery, and the applicable rates set forth in the applicable rate schedule shall be applied to the quantity of Gas so measured to determine the variable component amount of the bill. Customers receiving Transportation Service under a rate schedule or Special Contract provision with a fixed rate component shall be billed that fixed rate. Customers receiving Transportation Service under a rate schedule with both variable and fixed rate components shall determine the amount of the bill by applying the Customer's metered Gas quantities to the applicable variable rate component and including the fixed rate component. Each bill regardless of type shall be subject to the applicable taxes and Billing Adjustments identified in this tariff. If the billing period is extended more than five (5) days, the Company will not apply the higher tiered rate if the Customer's higher usage is attributable to the extended billing period.
- E. MORE THAN ONE POINT OF DELIVERY. If a Customer purchases Transportation Service under a particular rate schedule but receives delivery thereof at more than a single Point of Delivery, the Company shall consider such deliveries as separate Transportation Service and shall calculate separate bills thereof, except where physical conditions make it necessary to use two or more meters to register consumption for one class of service to a single customer on the same premises, or where such multiple meters are used for the convenience of the Company. For the purpose of nomination, scheduling and imbalance resolution related to Transportation Service the Company may combine Points of Delivery for Customer's receiving service at multiple Points of Delivery.
- F. MORE THAN ONE RATE SCHEDULE. If a Customer purchases Transportation Service under more than one rate schedule, the Transportation Service rendered under each rate schedule shall be separately metered and separate bills shall be calculated for each type of Transportation Service rendered.