

NATURAL GAS TARIFF
of
ST. JOE NATURAL GAS COMPANY, INC.
ORIGINAL VOLUME NO. 4
Cancels and Supersedes Original Volume No. 3
Filed with the
FLORIDA PUBLIC SERVICE COMMISSION

Communications concerning this Tariff should be addressed to:
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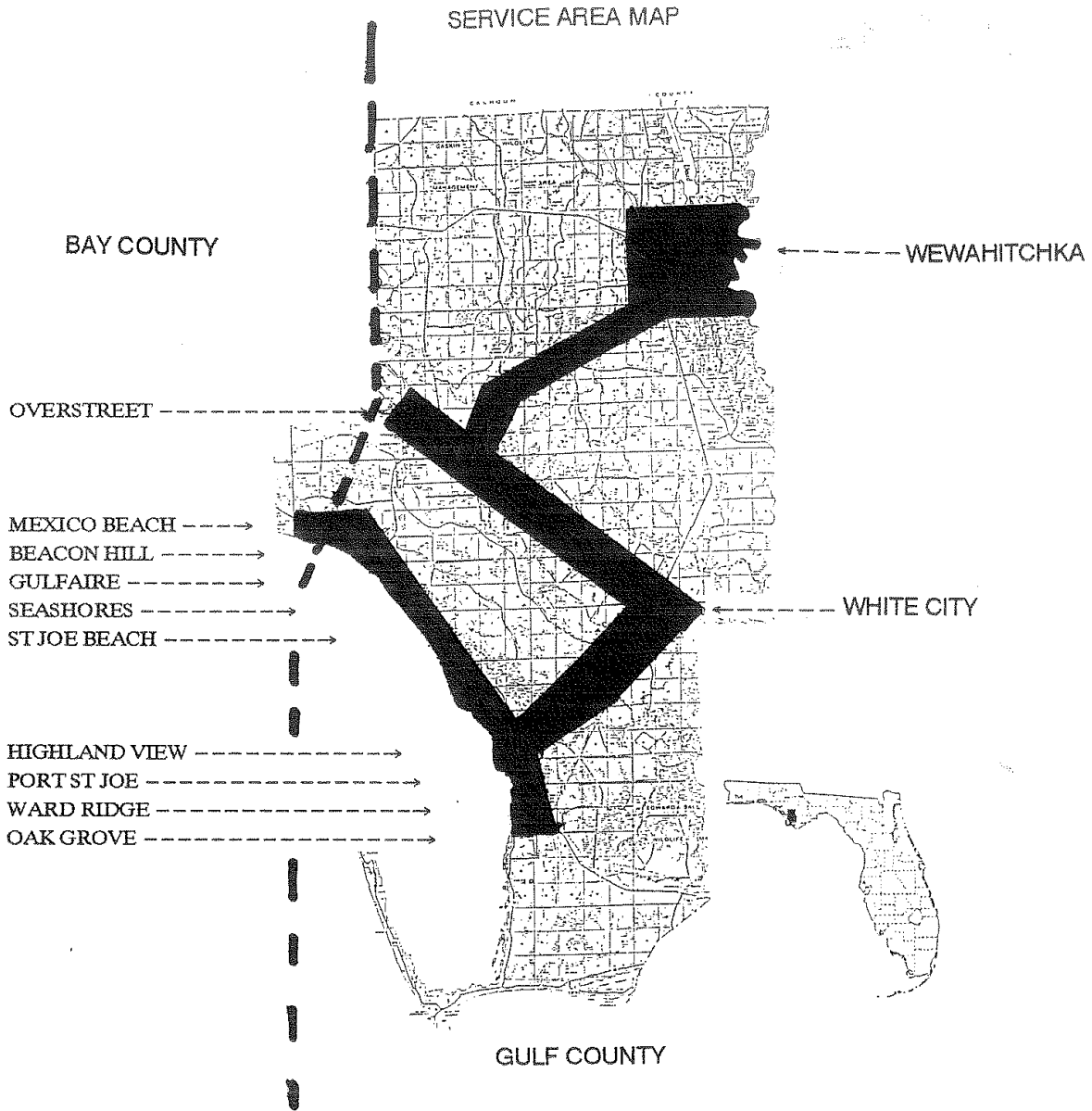
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DESCIRPTION OF TERRITORY SERVED

The present distribution system of St. Joe Natural Gas Company serves the area within and adjacent to:

City of Port St. Joe - Gulf County
Oak Grove - Gulf County
Ward Ridge - Gulf County
Highland View - Gulf County
St. Joe Beach - Gulf County
Seashores - Gulf County
Gulfaire - Gulf County
Beacon Hill - Gulf County
White City - Gulf County
Overstreet - Gulf County
City of Wewahitchka - Gulf County
City of Mexico Beach - Bay County



TECHNICAL TERMS AND ABBREVIATIONS

When used in the Rules and Regulations or the Rate Schedules contained in this Tariff Volume No. 4, the following terms have the meaning set forth below.

AFFECTED AREA: An Affected Area is a physical, geographic area, locale or region of Company's pipeline system which is affected by an overpressure or underpressure situation such that Company's ability to meet firm service obligations or to provide scheduled service to Customers in or utilizing that area is impaired.

ALTERNATE FUEL: Any source of energy other than Gas delivered through the Company's distribution facilities.

APPLICATION FOR GAS DELIVERY SERVICE: Company Form as provided in this tariff or on the Company's web site which, when properly executed by a prospective Customer, requests Gas Delivery Service from Company.

BRITISH THERMAL UNIT or "BTU": The quantity of heat required to raise the temperature of one pound (avoirdupois) of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute.

CENTRAL CLOCK TIME: Shall be the Central Time, as adjusted for Daylight Savings Time and Standard Time. Unless otherwise stated, as used herein "Central Time" shall mean Central Clock Time.

COMMISSION: Florida Public Service Commission or any successor agency.

COMPANY: St. Joe Natural Gas Company, Inc., a corporation organized and existing under the laws of the State of Florida.

CONTACT PERSON: Shall mean the person(s) specified by Customer that is available to receive communication from Company at any and all times and upon whose written and oral communications Company may exclusively rely. Every Customer must have a contact person and Customer must provide Company with sufficient information to conclusively contact and communicate with such contact person.

CUBIC FOOT OF GAS: Shall be the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty (60) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).

TECHNICAL TERMS AND ABBREVIATIONS
(continued)

CURTAILMENT: Temporary discontinuance of gas service to meet the requirements of customers purchasing or transporting gas under higher priority rate schedules as provided in the Company's Curtailment Plan on file with the Commission.

CUSTOMER: Any individual, household, partnership, company, municipality, governmental agency, or other organization to whom the company renders Gas Delivery Service under the provisions of this Tariff and any Shipper to whom the Company renders Shipper Administrative Service.

CUSTOMER INSTALLATION: All pipe, fittings, appliances, and apparatus of every type located on the Customer's side of the Delivery Point(s) and used in connection with or forming a part of an installation for utilizing Gas for any purpose.

DEKATHERM: Ten (10) therms or 1,000,000 Btu's (1MMBtu).

DESIGNEE OR AGENT: Shall mean a contractually authorized agent of Customer or Company.

FIRM SERVICE: Gas Delivery Service on a continuous basis, subject to interruption or curtailment only as provided by this tariff or the rules of the Commission.

GAS: Natural Gas that is in conformance with the quality specifications of Transporter(s), or a mixture of Gases suitable for fuel delivered through the Company's distribution system. The Gas to be served will be natural Gas with a specific gravity of approximately .60, a minimum value per cubic foot of 1,000 BTU, and that is in conformance with the quality specification of Transporter(s) delivering such Gas to the Company's Delivery Points, or such other Gas as may be approved by the Public Service Commission. The Company shall have the right to supply stand-by or peak shaving Gas of similar characteristics when necessary.

GAS DAY: A period of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m. Central Clock Time.

GAS DELIVERY SERVICE: The delivery of Gas from the Company's Transporter Receipt Point to the Customer's Point of Delivery. Gas Delivery Service is provided by the Company to all Customers in all Service Classifications, under the provisions of this Tariff, regardless of whether such Gas is purchased by the Customer from the Company or provided by a third party Shipper to Customer's eligible for and electing Transportation Service.

TECHNICAL TERMS AND ABBREVIATIONS
(Continued)

GAS MONTH: A period beginning at 9:00 a.m. Central Clock Time on the first day of any calendar month and ending at 9:00 a.m. Central Clock Time on the first day of the next succeeding month.

INTERRUPTIBLE SERVICE: Gas service under a specific Special Contract Service Agreement with Customer which is subject to curtailment or interruption of Gas deliveries.

MMBTU: Shall mean 1,000,000 Btu's or ten (10) therms or one (1) dekatherm.

NORMAL BUSINESS HOURS: 8:30 a.m. to 5:00 p.m., Monday through Friday, exclusive of federal banking holidays, unless notified otherwise.

OVERRUN GAS: A quantity of gas taken by a Customer in excess of a quantity specified by Company to be taken by Customer in a curtailment order.

POINT OF DELIVERY OR DELIVERY POINT: The point at the intersection between the facilities of the Company and the Customer at which Gas leaves the outlet side of Company's meter, or other designated custody transfer point, and enters the Customer's Installation.

POINT OF RECEIPT OR RECEIPT POINT: The point at which gas is received by Company into Company's system from an upstream Transporter.

RETAINAGE: An allowance for shrinkage in providing transportation service hereunder; SJNG shall be entitled to retain, at no cost to SJNG, a percentage of the quantity of Gas delivered by, tendered to SJNG for the account of, Customer at each of the SJNG Receipt Point(s), in an amount equal to five tenths of one percent (.05%) by volume (the "Retainage"). Notwithstanding the foregoing, if the FPSC approves an increase or decrease in the amount of the Retainage, then the Retainage hereunder shall, upon notice by SJNG to Customer be increased or decreased prospectively as ordered (or otherwise permitted to become effective) by the FPSC.

SERVICE AGREEMENT: A form of agreement for Gas Delivery Service between Company and Customer required under the provisions of certain rate schedules and in certain circumstances.

SHIPPER: A third party, meeting such Shipper eligibility qualifications as may be established in this tariff, who cause Gas to be delivered to the Company's Transporter Receipt Point(s) for delivery by the Company to a Customer(s).

TECHNICAL TERMS AND ABBREVIATIONS
(Continued)

SJNG: St. Joe Natural Gas Company, Inc. (Company)

STANDARD DELIVERY PRESSURE: Assumed to be seven inches (7") of water column, 14.98 psia, where the atmospheric pressure is assumed to be 14.73 psia. No adjustment will be made for variations from the normal atmosphere pressure at the customer's meter. Gas delivered at standard delivery pressure may vary from three inches (3") to fifteen inches (15") of water column.

THERM: A unit of heat equal to one hundred thousand (100,000) BTU's.

TRANSPORTATION SERVICE: Service provided by Company where Customer-owned Gas is received by Company at its Transporter Receipt Point(s) from Customer's Shipper, transported through Company's distribution system, and delivered by Company at the Point(s) of Delivery to Customer.

TRANSPORTER: Any Gas pipeline company delivering Gas to the Company's Delivery Point(s).

Other technical terms and expressions used in these rules and not herein defined are to be given the meaning usually accepted in the industry. Words used in this Tariff that indicate a singular number shall include the plural in each case and vice versa and words that import a person shall include legal entities, firms and corporations.

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RULES AND REGULATIONS

SECTION 1 – CLASSIFICATION OF CUSTOMERS

1.1. Residential Customers

Customers receiving Gas Delivery Service under a Residential Sales Service Rate Schedule from the Company for use in a single family dwelling or building, or in an individual flat, apartment or condominium unit in a multiple family dwelling or building or portion thereof occupied as the home, residence or sleeping place of one or more persons, or commonly owned facilities of condominium associations, cooperative apartments and homeowner associations.

1.2. Commercial Customers

Customers receiving Gas Delivery Service under a General Sales Service or Transportation Service Rate Schedule from the Company who are engaged in selling, warehousing or distributing a commodity, product or service in some business activity or in a profession, or in some other form of economic or social activity (offices, stores, clubs, hotels, etc.)

1.3. Industrial Customers

Customers receiving Gas Delivery Service under a General Sales Service or Transportation Service Rate Schedule from the Company engaged in a process which creates a product or changes raw or unfinished materials into another form of product, or which involves the extraction of a raw material from the earth (factories, mills, distilleries, machine shops, wells, refineries, plants, etc.).

1.4. Special Purpose Customers

Customers receiving Gas Delivery Service under a General Sales Service or Transportation Service Rate Schedule from the Company for purposes other than those defined in the above Customer classes.

RULES AND REGULATIONS
(Continued)

1.5. Shippers

Any Company-approved entity that is authorized to cause Gas to be delivered to Company's Receipt Point(s) with Transporter for subsequent delivery by the Company to respective Customer's electing Transportation Service at such Customer's Point(s) of Delivery, as provided by this tariff.

RULES AND REGULATIONS
(Continued)

SECTION 2 – CLASSIFICATION OF SERVICES

2.1 Residential Sales Service

Gas Delivery Service provided on a Firm basis to a Residential Customer under a Residential Service rate schedule, in accordance with the applicable Rules and Regulations set forth in this Tariff. In addition to Gas Delivery Service, all Residential Service Customers shall purchase natural gas commodity service (fuel supply) directly from the Company subject to the provisions of the Commission approved Purchase Gas Adjustment.

2.2 General Sales Service

Gas Delivery Service provided on a Firm basis to a Commercial, Industrial or Special Purpose Customer under a General Sales Service rate schedule, in accordance with the applicable Rules and Regulations set forth in this Tariff. In addition to Gas Delivery Service, all General Sales Service Customers shall purchase natural gas commodity service (fuel supply) directly from the Company subject to the provisions of the Commission approved Purchase Gas Adjustment.

2.3 Firm Transportation Service

Gas Delivery Service provided on a Firm basis to a Commercial, Industrial or Special Purpose Customer under a Firm Transportation Service rate schedule, in accordance with the applicable Rules and Regulations set forth in this Tariff. Customers electing Firm Transportation Service shall select a Company approved Shipper and purchase Gas supplies from such Shipper.

2.4 Contract Firm Transportation Service

Gas Delivery Service provided on a Firm basis to a Commercial, Industrial or Special Purpose Customer where, 1) the Customer's annual consumption exceeds 150,000 therms, 2) service is provided under a Firm Transportation Service rate schedule, and 3) the Company has accepted the Customer's request that service be subject to the Contract Transportation Service Rider (Rider CTS), Under the provisions of Rider CTS, the Company may adjust the Customer's monthly service rates to remain competitive with Alternate Fuel.

RULES AND REGULATIONS
(Continued)

2.5 Shipper Administrative Service

Services rendered to Shippers by Company in its role as Delivery Point Operator under Transporter's FERC Gas Tariff.

2.6 Special Contract Service

Gas Delivery Service provided to non-residential Customers under terms and conditions other than provided in this tariff, such service subject to the approval of the commission.

RULES AND REGULATIONS

SECTION 3 - INITIATION OF SERVICE

3.1 Request for Gas Delivery Service

Gas Delivery Service may be requested by a prospective customer by submission of a completed Application for Natural Gas Service in the form provided in this tariff or on the Company's web site. Non-Residential Customers electing to receive Transportation Service from the Company shall also submit a Request for Gas Transportation Service.

3.2 Execution of Service Agreements

A Service Agreement is required for Gas Delivery Service provided to a Customer whose annual delivery requirement exceeds 150,000 therms per year. Company will tender to the requesting Customer a Service Agreement in the form contained in the Company's FPSC Gas Tariff for the requested service. Customer must execute and return such Service Agreement to Company within thirty (30) days of receipt.

3.3 Acceptance of Request for Gas Service

A Request for Gas Delivery Service shall be deemed to be accepted by the Company when service pursuant thereto is initiated.

3.4 Obligation of Customer And Company

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

3.5 Connection and Reconnection Charge

Whenever Gas Delivery Service is initiated or restored or in the event Customer requests a change of account at any location, the charges set forth in Section 7 shall apply.

RULES AND REGULATIONS
(Continued)

3.6 Withholding of Gas Service

Company may place limitations on the quantity or character of Gas Delivery Service it provides, or refuse to establish Gas Delivery Service to any location for any of the following:

- A. Where the Company finds that establishment of Gas Delivery Service will create an unsafe or hazardous condition on the Applicant's premises.
- B. Where an Applicant's use of Gas will be detrimental or hazardous to the Gas Delivery Service supplied to existing Customers.
- C. Where an Applicant is in arrears for Gas Delivery Service at that location or another location in the Company's service area.
- D. Where an Applicant has failed to comply with state and municipal regulations governing Gas service.
- E. Where the Company does not have adequate facilities to provide safe or reliable service.
- F. If, in the judgment of the Company, the Company's employees and/or contractors may encounter a hazardous condition which may affect the welfare of same, until such time as the hazardous condition is remedied.
- G. If Applicant fails to establish credit or provide a deposit to insure payment of bills, where requested by the Company under the provisions of Section 6 of this tariff.

3.7 Limitation of Use

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

RULES AND REGULATIONS
(Continued)

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

3.8 Pressure

Company shall make reasonable efforts to maintain its Standard Delivery Pressure of 14.98 psia. (14.73 plus .25 psia.) (seven inches water column) at the Point(s) of Delivery. Where delivery pressure higher than Standard Delivery Pressure is supplied, Company will make reasonable efforts to maintain such higher delivery pressure.

The Company does not undertake to deliver Gas at a pressure higher than the Standard Delivery Pressure throughout its service areas.

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

RULES AND REGULATIONS

SECTION 4 - CUSTOMER'S INSTALLATION

4.1 General

Customer's Installation shall be constructed, installed and maintained in accordance with standard practice as determined by local codes and ordinances applicable thereto, these Rules and Regulations and other applicable governmental requirements.

4.2 Inspection of Customer's Installation

Where governmental inspection of a Customer's Installation is required, Company will not supply Gas Delivery Service to such installation until the necessary inspections have been made and Company has been authorized to provide Gas Delivery Service.

Company may also inspect Customer's Installation prior to rendering Gas Delivery Service, and from time to time thereafter, but assumes no responsibility whatsoever as a result of having made such inspection. Company will not render Gas Delivery Service to any Customer Installation which Company finds to be hazardous, or in noncompliance with any applicable code, ordinance, regulation or statute.

Company will discontinue Gas Delivery Service to a Customer's appliance whenever it finds a hazardous condition or a condition that is in violation of a code, ordinance, regulation or statute governing the installation of use of a gas appliance or Customer's Installation, and Gas Delivery Service will be rendered or restored only when the hazardous condition or noncompliance has been corrected.

4.3 Changes in Customer's Installation

A Customer shall notify Company of any change in Customer's requirements for Gas Delivery Service and receive authorization from Company prior to making any such change so that the Company may be in a position to meet the Customer's requirements. A Customer will be liable for any damage resulting from violation of this rule.

RULES AND REGULATIONS
(Continued)

4.4 Right of Way

Customer shall grant to Company without cost to Company, all rights, easements, permits and privileges which in Company's opinion are necessary for the rendering of Gas Delivery Service. Customer will furnish to Company, without charge, an acceptable location for Company's meter.

4.5 Protection of Company's Property

Customer shall properly protect Company's property on Customer's premises, and shall permit no one but Company's employees or representatives, or persons authorized by law, to have access to Company's piping, meters or apparatus. In the event of any loss or damage to Company's property caused by or arising out of carelessness or misuse thereof by Customer, Customer shall pay to Company the cost of replacing such loss or repairing such damage.

4.6 Access to Premises

Customer shall give Company's employees and representatives access to Customer's property so that Company may operate, inspect and maintain its facilities on Customer's premises.

4.7 Operation of Company's Facilities

No Customer or other person shall, unless authorized by Company, operate, change or tamper with any of the Company's facilities.

RULES AND REGULATIONS

SECTION 5 – ASSIGNMENT OF CUSTOMER’S RATE SCHEDULE

5.1 Initial Rate Schedule Assignment

Subsequent to receiving an application for Gas Delivery Service and prior to activating such service, the Company shall estimate the annual usage of the Customer (based upon the connected Gas consuming appliances or equipment) for the purpose of the initial assignment of a Rate Schedule. Non-residential Applicants shall choose between General Sales Service or Firm Transportation Service (Interruptible Sales Service may be available through contract), and shall execute such forms or agreements as are required herein.

5.2 Annual Rate Schedule Review

Company shall annually review the actual Gas consumption, in therms, of each Customer. Annual Gas consumption shall be based on the twelve prior months ended December each year. The Company shall assign each Customer to the rate schedule that corresponds to the respective Customer’s actual annual Gas consumption, as identified by the therm consumption range specified in the Company’s volumetric service rate schedules, except that no such assignment shall occur unless Customer’s annual Gas consumption falls outside the therm range established in the Availability provisions of their currently assigned rate schedule by an amount greater than ten per cent (10%) of the therm quantity that, i) defines the low end of the applicable therm range for Customer’s whose actual consumption is less than the range, or ii) defines the high end of the applicable therm range for Customer’s whose actual consumption is greater than the range. In the event a Customer’s actual annual consumption remains outside the consumption range established in the Availability provisions of their currently assigned rate schedule for two (2) consecutive annual review periods, such Customer shall be reassigned based on the actual consumption recorded in the second year. Such rate schedule reassignments shall be effective no earlier than February 1 of each calendar year. Company shall not be required to make any refunds to Customers if actual annual consumption is outside the minimum therm level of the assigned rate schedule.

RULES AND REGULATIONS

SECTION 6 - DEPOSITS AND CREDITWORTHINESS

6.1 Establishment of Credit

Each prospective Customer shall establish credit prior to the commencement of Gas Delivery Service by Company by one of the following methods:

- A. Making a cash deposit with Company equal to two times the estimated average monthly bill to be rendered by Company.
- B. In the case of a residential Customer, furnishing a recent credit reference from another gas or electric utility reflecting good credit rating for the prior 36 consecutive months.
- C. In the case of a residential customer, furnishing a guarantor, satisfactory to Company, to secure payment of bills for the Gas Delivery Service requested. A satisfactory guarantor shall, at the minimum, be a Customer of Company with a satisfactory payment record.
- D. Furnishing an irrevocable letter of credit from a bank, or a surety bond, issued by a company holding a certificate of authority as an acceptable surety on Federal bonds. (Such companies are listed in Circular 570, published annually as of July 1 by the Financial Management Service, U. S. Department of Treasury. Interim changes in Circular 570 are published in the Federal Register as they occur.)

The amount of such deposit, letter of credit or surety bond shall be equal to two times the estimated average monthly bill for service hereunder.

A former residential Customer of the Company who (within six months of the time of discontinuing service, and who has, for the 23 months immediately preceding his termination, established a satisfactory payment record as set forth in Section 6.6 below) requests service under the same rate schedule shall be deemed to have established credit.

RULES AND REGULATIONS
(Continued)

6.2 Receipt for Cash Deposit

A non-transferable receipt will be issued to a Customer for any cash deposit and means provided so that such Customer may claim the deposit if the receipt is lost. When a new or additional cash deposit is required under Section 6.3 of this tariff, a Customer's cancelled check or validated bill coupon may serve as a deposit receipt.

6.3 New or Additional Deposits

Company may require, upon reasonable written notice of not less than 30 days, such request or notice being separate and apart from any bill for Gas Service, a new cash deposit, guaranty, letter of credit or surety bond (where previously waived or returned), or an additional cash deposit (or increase in the amount of a guaranty, letter of credit or surety bond), in order to secure payment of current bills; provided, however, that the total amount of the required cash deposit or other security shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12 month period immediately prior to the date of notice. The 30-day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. If Customer has received Gas Delivery Service for less than 12 months, the Company will base the amount of the new or additional cash deposit or other security upon the average actual monthly billing available.

6.4 Record Of Deposit

With respect to a cash deposit, Company will keep records to show:

- A. The name of the Customer making the deposit;
- B. The premises occupied by the Customer;
- C. The date and amount of the deposit; and
- D. Each transaction concerning the deposit, such as interest payments, interest credited, or similar transactions.

RULES AND REGULATIONS
(Continued)

6.5 Interest on Cash Deposit

Interest will be credited to Customer's account annually in accordance with the current effective Rules and Regulations of Commission Rule 25-7.083(5) as amended from time to time. A receipt for any deposit made by a Customer shall be given to the Customer. Such receipt is not negotiable or transferable.

Deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on Customer's current bill. No Customer making a cash deposit shall be entitled to receive interest thereon until and unless the Customer relationship and such deposit have been in existence for a continuous period of 6 months; then such Customer shall be entitled to receive interest from the date of commencement of the Customer relationship and the placement of the cash deposit.

6.6 Refund of Residential Deposit

After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, Company will refund the Customer's cash deposit provided Customer has not:

- A. In the preceding 12 months:
 - 1) Made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by Company);
 - 2) Paid with a check refused by a bank; or
 - 3) Been disconnected for non-payment; or
- B. At any time:
 - 1) Tampered with the gas meter; or
 - 2) Used service in a fraudulent or unauthorized manner.

RULES AND REGULATIONS
(Continued)

6.7 Refund Of Deposit When Gas Service Is Disconnected

Upon termination of Gas Delivery Service, a cash deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly (in no event later than fifteen (15) days after Gas Delivery Service is discontinued) to the Customer.

RULES AND REGULATIONS

SECTION 7 – MISCELLANEOUS CHARGES AND FEES

7.1 Residential Connection and Reconnection Charge \$40.00

Each Applicant for Residential Gas Delivery Service shall pay to the Company a Connection Charge of forty dollars (\$40) before Gas Delivery Service is activated by the Company at Customer's premises. Whenever a Residential Customer's Gas is turned off at Customer's request, or Customer's meter is disconnected by reason of non-compliance with these Rules and Regulations, a Reconnection Charge of forty dollars (\$40) must be paid and other satisfactory arrangements made with the Company before the account is reactivated and Gas Delivery Service reconnected.

7.2 Non-Residential Connection and Reconnection Charge \$60.00

Each Applicant for Non-Residential Gas Delivery Service shall pay to the Company a Connection Charge of sixty dollars (\$60) before Gas Delivery Service is activated by the Company at Customer's premises. Whenever a Non-Residential Customer's Gas is turned off at Customer's request, or Customer's meter is disconnected by reason of non-compliance with these Rules and Regulations, a Reconnection Charge of sixty dollars (\$60) must be paid and other satisfactory arrangements made with the Company before the account is reactivated and Gas Delivery Service reconnected.

7.3 Change of Account Charge \$26.00

If a change of occupants in a premise with existing Gas Delivery Service occurs without a physical service disconnection, a Change of Account may occur. The Company shall bill to the Applicant a Change of Account Charge in the amount of twenty six dollars (\$26).

7.4 Late Payment Charge

Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of three (3) dollars or 1.5% of any unpaid balance, whichever is greater, except the accounts of federal, state and local governmental entities, agencies and instrumentalities. Unless otherwise agreed by contract, a Late Payment Charge shall be applied to the accounts of federal, state and local governmental entities, agencies and instrumentalities at a rate no greater than allowed and in a manner permitted by applicable law.

RULES AND REGULATIONS
(Continued)

7.5 Returned Check Charge

A service charge of \$25.00 or 5% of the amount of the check, whichever is greater, plus any bank charges, shall be added to the Customer's bill for gas Delivery service for each check dishonored by the bank upon which it is drawn. Termination of Gas Delivery Service shall not be made for failure to pay such Company Returned Check Charge.

7.6 After Normal Business Hours Service

Where Gas Delivery service is Connected or Reconnected outside of Normal Business Hours or by a special appointment, the Connection or Reconnection Charges set forth above shall be multiplied by 2.0.

RULES AND REGULATIONS

SECTION 8 - BILLING

8.1 Billing Periods

Bills for Gas Delivery Service shall be rendered each month based on meter readings taken at regular intervals of approximately thirty (30) days, or such other basis for billing as may be established by tariff or Service Agreement. Bills shall be considered received by the Customer when mailed to the most recent billing address supplied by Customer to Company.

8.2 Initial or Final Bills

When the period of Gas Delivery Service for which an initial or final bill is rendered is less than fifty (50) percent of the normal billing period, the Customer Charge or minimum bill shall be one-half (1/2) of the charge per applicable rate schedule. When the period of Gas Delivery Service is fifty (50) percent or more of the normal billing period, there shall be no reduction in the Customer Charge or minimum bill. The Gas Delivery Service Charge for gas consumed shall be at the applicable billing rate. For those Customers purchasing fuel directly from the Company (as opposed to Shipper) the Company shall render a bill for fuel service based on the Customer's actual measured therm quantity times the applicable Purchased Gas Adjustment fuel charge.

8.3 Non-Receipt of Bills

Failure of Customer to receive a bill shall not relieve Customer of its obligation to pay the bill.

8.4 Meter Readings Not Combined

If a Customer takes Gas Delivery Service under one or more rate schedules at two or more Points of Delivery, a bill shall be calculated separately for Gas Delivery Service provided under each rate schedule at each Point of Delivery.

RULES AND REGULATIONS
(Continued)

8.5 Delinquent Bills

A bill shall be considered delinquent upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company.

Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge as provided in Section 7 of this tariff.

8.6 Change of Occupancy or Account

The Company shall bill Customer a Change of Account Charge as provided in Section 7 of this tariff for reading the meter at a premise when a change of occupants or other change of account occurs without a disconnect of service.

8.7 Adjustment of Bills For Meter Error

Whenever a meter is found to have an average error as defined in Commission Rule 25-7.62, of more than two percent (2%) fast, Company will refund to Customer the amount billed in error for one half the period since the last meter test. This one half period will not exceed twelve (12) months unless it can be shown that the error was due to some cause, the date of which can be fixed, in which case the overcharge will be computed back to but not beyond such date, based upon available records. If the meter has not been tested in accordance with Commission Rule 25-7.64, the period for which it has been in service beyond the regular test period will be added to the twelve (12) months in computing the refund. The refund will not include any part of any minimum or customer charge.

Company may backbill Customer if a meter is found to be slow, non-registering or partially registering. Company may not backbill for any period greater than twelve (12) months from the date it removes the meter of a Customer, which meter is later found by Company to be slow, non-registering or partially registering for less than twelve (12) months prior to removal, then Company may backbill only for the lesser period of time. Customer may extend the payments of the backbill over the same amount of time for which Company issued the backbill.

A. Whenever a meter tested is found to have an average error of more than two percent (2%) slow, Company may bill Customer an amount equal to the unbilled

RULES AND REGULATIONS
(Continued)

error. If Company has required a meter test deposit, Customer may be billed only for the portion of the unbilled error which is in excess of the deposit retained by Company.

- B. In the event of a non-registering or a partially registering meter, Customer may be billed on an estimate based on previous bills for similar usage.

When a meter is found to be in error in excess of the prescribed limits of two percent (2%) fast or slow, the figure to be used for calculating the amount of refund or charge shall be that percentage of error as determined by the test. In the event of unauthorized use, Customer may be billed on a reasonable estimate of the gas consumed.

RULES AND REGULATIONS

SECTION 9 – DISCONTINUANCE OF SERVICE

9.1 Without Notice to Customer

The Company may, without prior notice to Customer, discontinue service without being liable to the Customer, or to tenants or occupants of the premises served, for any loss, cost, damage or expense occasioned by such refusal, discontinuance or removal, for any of the following reasons:

- A. For unavoidable emergency situations, supply or operational interruptions.
- B. For Customer's failure or refusal to correct deficiencies or defects in Customer's Installation which are reported to Customer by Company.
- C. For Customer's use of Gas for any other property or purpose other than described in Customer's Application for Gas Service.
- D. For Customer's failure or refusal to provide an adequate and safe location for the Company's meter and service equipment.
- E. For hazardous conditions that may expose the Company's employees or contractors to unsafe conditions.
- F. Customer's interference with or tampering with the pipes, meters, regulators or other distribution facilities or equipment of the Company.
- G. In the event of Customer's unauthorized or fraudulent use of Gas Delivery Service. Whenever service is discontinued for this purpose, Company may require, before restoring service, Customer to, at Customer's expense, make such changes in piping or equipment necessary to eliminate illegal use of Gas and to pay an amount reasonably estimated as the deficiency in revenue resulting from such unauthorized or fraudulent use.

RULES AND REGULATIONS
(Continued)

9.2 With Five (5) Days Prior Notice

The Company may, with five (5) days prior written notice sent by first class prepaid mail deposited in a United States mailbox and addressed to the Customer at the last known mailing address appearing on the records of the Company, discontinue service without being liable to the Customer, or to tenants or occupants of the premises served, for any loss, cost, damage or expense occasioned by such refusal, discontinuance or removal, for any of the following reasons:

- A. For Customer's non-payment of regulated charges.
- B. For Customer's failure or refusal to provide or increase a deposit, when requested, to insure payment of the Company's regulated charges.
- C. For Customer's neglect or refusal to provide reasonable access to Company or its agents for the purpose of reading meters or inspection or maintenance of Company facilities.
- D. For Customer's non-compliance with the Rules and Regulations provided in this tariff.
- E. For Customer's non-compliance with or violation of any State or municipal law, regulation or code governing Gas service.

9.3 Waiver of Discontinuance of Gas Delivery Service

A. Company will postpone the discontinuance of Gas Delivery Service for a period of seven days to enable the Customer to arrange for payment, if the Customer produces a licensed Florida physician's statement or notice from the public health or social services official which identifies the medical emergency and specifies the period of time during which discontinuance will aggravate the medical condition. Thereafter, Company may discontinue Gas Delivery Service unless the Customer demonstrates by affidavit that:

- 1) Neither the customer nor any other permanent resident of the premises where Gas Service is rendered is able to make payment of the bill; or

RULES AND REGULATIONS
(Continued)

- 2) That the Customer has sought available public assistance funds and will apply a reasonable portion of any payments of public funds or other income available to the Customer to the amount due; or
 - 3) That the medical condition for which discontinuance of Gas Delivery Service was postponed continue to exist.
- B. Failure to submit the affidavit, failure to apply a reasonable portion of any public assistance funds or other income of the Customer to the amount owed to Company, or failure to respond to reasonable inquiries regarding the continued validity of the facts stated in the affidavit shall permit Company to discontinue Gas Delivery Service.
- C. During the period that Gas Delivery Service is continued under the provisions of this section, the Customer shall continue to be responsible for the cost of the residential Gas Delivery Service.

RULES AND REGULATIONS

SECTION 10 - MEASUREMENT

10.1 Meters

Company will own, operate and maintain the meters and regulating equipment needed to accurately measure Gas Delivery Service provided to Customer.

Customer will provide a location, satisfactory to Company for installation of necessary meters, regulators, and ancillary equipment.

Customer will safeguard Company's facilities on Customer's property and will not permit unauthorized persons to tamper with such facilities or otherwise operate or alter them in any manner.

10.2 Type of Metering Provided

- A. Except as provided in paragraph B below, each separate occupancy unit (as defined in Commission Rule 25-7.071) for which construction commenced after January 1, 1987 shall be individually metered.
- B. Individual meters shall not be required, and master metering is permitted, for separate occupancy units where dimensions or physical configurations of the units are subject to alternation; where Gas is used in central heating, water heating, ventilating and air conditioning systems, or Gas backup service to storage heating and cooling systems; in specialized-use housing accommodations such as hospitals and other health care facilities specified in Commission Rule 25-7.071, college dormitories, convents, sorority or fraternity houses, motels, hotels and similar facilities; in specially designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks where permanent residency is not established; in marinas where living aboard is prohibited by permanent means; or where individual Gas Service would otherwise be required above the second story, in accordance with Commission Rule 25-7.071.

RULES AND REGULATIONS
(Continued)

- C. When individual metering is not required and master metering is used, sub meters may be purchased and installed at Customer's request and expense, for use in allocating solely the cost of Gas billed by Company for Gas Delivery Service at the master meter.

10.3 Meter Accuracy at Installation

All meters, when installed, shall be not more than 1% fast or 2% slow and will have been tested not more than twelve months prior to being installed.

10.4 Meter Tests

Company will periodically test Meters to ensure they properly and accurately measure the Gas Delivery Service provided to Customer in accordance with Commission Rule 25-7.064.

10.5 Meter Test by Request

- A. Upon written request of a Customer, Company shall, without charge, make a test of the accuracy of the Meter in use at Customer's premises; provided, first, that the Meter has not been tested by Company or by the Commission within twelve (12) months previous to such request and, second, that Customer agrees to accept the results of such test as the basis for the adjustment of disputed charges.
- B. Should Customer request a meter test more frequently than once a year, Company may require a deposit to defray the cost of testing; such deposit not to exceed the amounts provided in Commission rule 25-7.065 F.A.C., for each test. If the Meter is found to be more than two percent (2%) fast, the deposit shall be refunded, but if below this accuracy limit the deposit may be retained by Company as a service charge for conducting the test.
- C. If Customer so desires, customer's authorized representative may witness the test. A written report, giving the results of the test, shall be furnished to Customer upon request.

RULES AND REGULATIONS
(Continued)

10.6 Meter Test-Referee

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

10.7 Measurement Conditions

- A. Base Conditions
 - 1) A standard cubic foot for measurement purposes shall be the volume of such cubic foot at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 psia.
 - 2) The Average Atmospheric Pressure shall be assumed to be fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia.) irrespective of actual elevation or location of the point of measurement or of variations in such atmospheric pressure from time to time.
- B. Unit of Sales and Transportation Volume
 - 1) The Standard Delivery Pressure shall be 14.98 psia. and the Standard Delivery Temperature shall be 60 degrees Fahrenheit.

RULES AND REGULATIONS
(Continued)

- 2) For purposes of billing computations, a Cubic Foot of Gas shall be that quantity which, at a pressure of 14.98 psia. and a temperature of 60 degrees Fahrenheit, occupies one cubic foot.
- 3) When deliveries are made at flowing pressure in excess of the Standard Delivery Pressure, metered volumes shall be corrected for such variation through utilization of recorded flowing pressure data, correction devices which are an integral part of the Meter Installation, or by correction factors for fixed pressure deliveries.
- 4) With respect to Gas delivered at High Pressure, flowing gas temperature shall be assumed to average 60 degrees Fahrenheit for all measurement, unless the Customer and the Company agree otherwise. When an assumed flowing temperature of 60 degrees Fahrenheit is not used, the temperature shall be determined as the arithmetic average of flowing temperatures as recorded by a temperature recorder, if such a recorder is utilized, or through the use of correcting indices or temperature compensating meters. Where recording or compensating devices are not installed, the temperature of the Gas shall be assumed to be the climatological 30-year average monthly temperature as established by the nearest National Oceanic and Atmospheric Administration Weather Bureau, and published by the Department of Commerce.
- 5) Unless determined to be otherwise by a gravity balance, the specific gravity of the flowing gas shall be assumed to be six tenths (.6).
- 6) When sales or transportation volumes are metered at pressures of 10 psig (pounds per square inch gauge) and over, and where such volumes are also corrected for flowing temperatures other than assumed 60 degrees Fahrenheit, such volumes shall be corrected for deviations from Boyles Law by use of the appropriate supercompressibility factor.

RULES AND REGULATIONS
(Continued)

7. For the purposes of this tariff, the supercompressibility factor shall be the multiplier used to correct the metered volume of natural gas for deviation from Boyle's and Charles's Law and varies according to the pressure, temperature, and specific gravity, where this factor is applied to measured volumes which are greater than that obtained by the strict application of the ideal gas laws. The factor is obtained from the super compressibility tables published by the American Gas Association Gas Measurement Committee Report No. 3, as amended from time to time.

C. Sales and Transportation Unit

- 1) The sales and transportation unit of the Gas shall be the Therm, being 100,000 Btu. The number of therms billed to a Customer shall be determined by multiplying the number of Cubic Feet of Gas delivered at 14.98 p.s.i.a. and 60 degrees Fahrenheit, by the total heating value of such gas and dividing the product by 100,000.
- 2) The total heating value of the Gas delivered to the Customer shall be determined as that reported monthly (for Residential and General Sales Service Customers) and Daily (for Transportation Service Customers) by the Company's gas supplier, or upstream pipeline provided such value is applicable to the Gas delivered to the Customer, or such value shall be determined by the Company by use of a calorimeter or other instrument suitable for heating value determination. The total heating value shall be corrected to and expressed as that contained in the unit of Sales and Transportation Volume defined above.

D. Quality

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

RULES AND REGULATIONS

SECTION 11 - EXTENSION OF FACILITIES POLICY

11.1 General Provisions

No extensions of the Company's Gas distribution facilities shall be made to serve a Customer(s) unless the Company has sufficient capacity to provide the Gas Delivery Service requested without jeopardizing Gas Delivery Service to other Customers. Prior to any extension of Gas distribution facilities, the Company shall assess the economic feasibility of its capital investment required for each extension. For the purposes of this Policy, Gas distribution facilities shall mean: mains, services, land rights, city gate stations, district regulator stations, meters, regulators, and other materials and appurtenances, including the installation of such facilities.

11.2 Free Extensions and Installations

The Maximum Allowable Construction Cost (MACC) to be made for extension of Gas distribution facilities without cost to the Customer will equal four times the estimated annual gas revenue to be derived from the facilities less the cost of gas.

11.3 Extensions and Installations Above Free Limit

When the cost of the extension to provide service is greater than the free limit specified in 11.2 above, the Company may require a non-interest bearing advance in aid of construction of the cost in excess of such free limit, provided the following:

- A. At the end of the first year, the Company shall refund to the person paying the advance in aid of construction or his assigns an amount equal to the excess if any, of the maximum allowable construction cost used to determine the amount of the advance in aid of construction.
- B. For each additional Customer taking service at any point on the extension within a period of five (5) years from the date of construction, the Company will refund to the person paying the advance in aid of construction or his assigns an amount by which the maximum allowable construction cost for the new Customer exceeds the cost of connecting the Customer, provided that an additional main extension will have not been necessary to serve the additional Customer.

RULES AND REGULATIONS
(Continued)

- C. The aggregate refund to any customer made through the provisions of (A) and (B) above shall at no time exceed the original advance in aid of construction of such Customer.
- D. The extension shall at all times be the property of the Company and any unrefunded portion of the advance in aid of construction at the end of five (5) years shall be credited to the plant account of the Company.

11.4 Area Expansion Program

Where the estimated capital investment for an extension of distribution facilities exceeds the MACC, the Company may, at its reasonable discretion, proceed with the extension and establish an Area Expansion Program (AEP) charge to recover the capital investment costs in excess of the MACC, as provided below.

A. Initial AEP Charge

The Company shall calculate the cost difference between the MACC and the estimated capital investment costs (such cost difference to include the Company's allowed cost of capital) required to extend the distribution facilities to serve the prospective Customer(s). Such cost difference shall be the "AEP Recovery Amount". The AEP Recovery Amount shall be divided by the number of Customer premises projected to be served at the end of year five (5) following the in-service date of the extension. The Company shall determine a reasonable Amortization Period over which the AEP Recovery Amount shall be collected from each premises. The Amortization Period shall apply individually to each premise and shall not exceed 120 Billing Months. For the purposes of AEP cost recovery, a Billing Month shall mean a month in which Company renders a billing statement to an active Customer account for a premises served by an AEP extension of facilities. In the event a premise becomes inactive, the Amortization Period shall be suspended until the premise is reactivated. The AEP Recovery Amount shall be divided by the number of months in the Amortization Period to establish a monthly AEP Charge. The AEP Charge shall be billed to each Customer premises activating service within the initial five (5) year period following the in-service date of the extension, as provided in the AEP Rider Rate Schedule.

RULES AND REGULATIONS
(Continued)

B. Recalculated AEP Charge and True-Up

At the end of year five (5) following the in-service date of an extension of facilities for which an AEP Charge has been established, the Company shall calculate the cost difference between the original MACC based on estimated costs and revenues, and a recalculated MACC, using the Company's actual capital investment costs (such costs to include the Company's allowed cost of capital) and the actual Gas Delivery Service revenues derived from the facility extension through the end of year five (5), (the "Recalculated AEP Recovery Amount"). In recalculating the MACC, the Company shall include any actual revenue received from Customers or other entities, other than AEP Charge revenues, for the specific purpose of contributing to the recovery of the Company's capital investment cost for the extension. In its recalculation, the Company shall assume that any additional capital investment required for the extension subsequent to year five (5) will be supported by the Company's base rates and charges. The actual Gas Delivery Service revenues derived from the extension in year five (5) shall be assumed to be the annual revenues for the remaining life of the extension, for the purpose of determining the Recalculated AEP Recovery Amount. A Recalculated AEP Charge for the remaining Amortization Period shall be determined as follows:

- 1) The Recalculated AEP Recovery Amount shall be divided by the actual number of Customer premises for which Gas Delivery Service has been activated at the end of year five (5) following the in-service date of the extension. The Recalculated AEP Recovery Amount shall be divided by the number of months in the original Amortization Period for the AEP extension to establish a monthly Recalculated AEP Charge for each Customer premises. The Recalculated AEP Charge shall be billed to each Customer premise that received Gas Delivery Service during the five (5) year period following the in-service date of an AEP extension of facilities over the remaining months of the Amortization Period applicable to the premises.

RULES AND REGULATIONS
(Continued)

- 2) For each Customer premises that received Gas Delivery Service during the five (5) year period following the in-service date of an AEP extension of facilities, the Company shall determine the total AEP Recovery Amount collected from the initial AEP Charge during the Billing Months. Such amount shall be compared to the AEP Recovery Amount that would have been recovered for each premise if the Recalculated AEP Charge had been in effect over the respective Billing Months for each premise (the “True-up Amount”.) A charge or credit for the True-up Amount shall be rendered by the Company to each premises within sixty (60) days of the end of the five (5) year period following the in-service date of an AEP extension of facilities, Where a True-up Amount results in a charge to Customers, the Company may extend the payment period to recover the True-up Amount.
- 3) Neither the initial AEP Charge nor the Recalculated AEP Charge shall be billed to any Customer premise that activates Gas Delivery Service from an AEP extension of facilities subsequent to the end of the five (5) year period following the in-service date of an AEP extension of facilities.
- 4) Revenues from the AEP Charge shall be credited against the Company’s distribution main plant account, except that the Company shall retain, as a return on its capital investment, a portion of such revenues equal to its allowed cost of capital.

RULES AND REGULATIONS

SECTION 12 - MAXIMUM RECEIPT AND DELIVERY QUANTITIES

12.1 Maximum Delivery and Receipt Obligation

The Company may establish in a Customer Service Agreement or Shipper Service Agreement the maximum quantity of Gas Company is obligated to deliver in an hour or on any Gas Day at any Delivery Point(s) or Receipt Point(s) for the applicable period. The Company may establish a Maximum Hourly Quantity (MHQ), a Maximum Daily Quantity (MDQ) and/or a Maximum Daily Transportation Quantity of Gas in therms, dekatherms or MMBtus for such purpose, as provided below.

12.2 Maximum Hourly Quantity

Maximum Hourly Quantity shall be the maximum quantity of Gas that Company is obligated to deliver through Company's metering facilities at Customer's Delivery Point(s), or receiving at Company's Receipt Point(s) with Transporter, as applicable, during any one (1) hour period. Unless otherwise specifically agreed in the Service Agreement or Shipper Service Agreement, the MHQ shall not exceed six (6) percent of the MDQ as set forth in Section 12.1 above.

12.3 Maximum Daily Quantity and Maximum Daily Transportation Quantity

Maximum Daily Quantity or Maximum Daily Transportation Quantity shall be the maximum quantity of Gas that Company is obligated to deliver through Company's metering facilities at Customer's Delivery Point, for General Sales and Transportation Service Customers, respectively, or accept receipt of at Company's Receipt Point(s) from Shipper, on any Day, as provided in a Service Agreement. Transportation Service quantities may be adjusted for fuel retainage, as applicable.

12.4 Force Majeure

The Company's obligations for both receipt and delivery of any maximum quantity of Gas in an hour or a Gas Day shall be suspended during periods of Force Majeure, Curtailment or other emergency.

RULES AND REGULATIONS

SECTION 13 - FORCE MAJEURE

In the event of either Company or Customer being rendered unable wholly or in part by force majeure to carry out its obligations under an application acceptance of which has been made, or under a Service Agreement other than to make payments due thereunder, it is agreed that on such party giving notice and full particulars of such force majeure to the other party as soon as possible after the occurrence of the caused relied on then (except as otherwise provided or permitted herein) the obligations of the party giving such notice so far as they are affected by such force majeure, shall be suspended during the continuance of an inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbance, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the machinery or lines of pipe, the necessity for making repairs or alterations to machinery or lines of pipe, freezing of wells or lines to pipe, partial or entire failure of source of supply, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome; such term shall likewise include (a) in those instances where either party is required to obtain servitude, rights-of-way grants, permits or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such cause is inadvisable in the discretion of the party having the difficulty.

RULES AND REGULATIONS

SECTION 14 – TRANSPORTATION SERVICE

14.1 General

Customers electing Transportation Service shall purchase natural Gas supplies from a third party Shipper and arrange for delivery of such Gas to the Company's distribution system. The Company shall receive such Customer-owned Gas at its Transporter Receipt Point(s) and transport the Gas through its distribution system for delivery to the Customer's Delivery Point(s). All eligible Customers electing Transportation Service shall select a Company-approved Shipper. Each Shipper approved to deliver Gas to the Company's distribution system shall provide Gas supply service to the Customer(s) selecting that Shipper as its Gas supplier. A Customer may act as its own Shipper under certain conditions, as provided in this Tariff.

A. No Aggregation of Company's Delivery Service

Any aggregation of Gas quantities in a Shipper Pool is provided solely for the purpose of administering of Shipper Gas deliveries to the Company's distribution system. It is the Company's intent that those functions (e.g., nominations, capacity release and imbalance resolution) necessary to administer the delivery of Gas supplies shall be subject to aggregation. The Company shall not aggregate Customer meters, locations or Gas quantities for the purpose of qualifying an individual Customer for a more favorable Rate Schedule or such other purposes not directly related to the delivery of Customer-owned Gas by a Shipper to the Transporter Receipt Point(s).

B. Indemnification and Liability

Each Customer electing Transportation Service, and each Shipper providing gas supply service to such Customer, shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, costs or expenses for loss, damage or injury to persons or property, in any manner directly or indirectly connected with or growing out of the transportation of

RULES AND REGULATIONS
(Continued)

Customer-owned Gas by the Shipper, as such may be defined by this Tariff and the agreement between the Company and the respective parties.

C. Metering and Associated Equipment

Customers assigned to Rate Schedules FTS-1 through FTS-4 (<150,000 therms/year) shall not require a remote reading device or other special metering or communication equipment as a condition to receiving Transportation Service. In the event a Customer assigned to one of the above Rate Schedules desires to receive daily measurement data, the Customer may request the installation of a remote reading device at the Customer's meter location, or other location approved by the Company. Customers assigned to Rate Schedules FTS-5 or FTS-6 (>150,000 Ccf/year) shall be equipped with a remote reading device prior to the initiation of Transportation Service.

All remote reading devices and other measurement and communication equipment shall be owned, installed and maintained by the Company. The cost of such devices, equipment and installation shall be reimbursed to the Company by the Customer. The Customer shall provide, at Customer's expense, electrical and/or telephone service to the equipment location, as specified by the Company.

D. Taxes

The Company shall have no responsibility for the collection of any Shipper's tax obligation. The Company shall not be responsible for the remittance of any taxes to any jurisdiction on behalf of a Shipper. Shipper shall be responsible for remittance of all taxes related to Gas supply and Transporter capacity upstream of the Company's Delivery Point(s) with Shipper's customers. The Company shall be responsible for collection and remittance of all taxes related to the transportation and delivery of Gas on its distribution system, including but not limited to Florida Gross Receipts Tax. The Customer and/or Shipper shall, as defined by law, be responsible for payment of any and all taxes imposed upon, at and after Company's delivery of Gas to the Customer's Delivery Point(s), whether such taxes are imposed retroactively, currently or prospectively.

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(Continued)

E. Gas Transported By the Company

Customer shall be responsible for making all arrangements necessary for the delivery of Gas to an authorized Transporter Receipt Point on the Company's distribution system. Such delivery shall be in compliance with the pressure, Gas quality and measurement provisions of the upstream Transporter. The Company's ability to receive Customer-owned Gas at a Receipt Point(s) is subject to the operating limitations of the Company and/or the limitations of the Transporter at such Receipt Point(s). Gas received by the Company from one Shipper shall be commingled with the Gas received from other Shippers for redelivery to Consumers.

F. Force Majeure

The Force Majeure provisions included in Section 13 of this tariff shall be applicable to services provided to Customers and Shippers by the Company under this Transportation Service Section.

14.2 Customer Terms and Conditions

A. Applicability

The Company offers Firm Transportation Service to all Commercial, Industrial and Special Purpose Customers throughout the Company's service area. The Company may offer Interruptible Transportation Service to Customers whose annual Gas usage exceeds 150,000 terms under Special contract Terms and conditions, subject to the approval of the Commission.

B. Use of Approved Shipper

Unless otherwise authorized by Company, all non-residential Customers electing Transportation Service shall use a Company-approved Shipper (see Section 14.3) to cause Customer-owned Gas to be delivered to the Company at the Transporter Receipt Point(s). Company shall provide, if requested by Customer, a list of all approved Shipper's operating on the Company's distribution system.

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(Continued)

A Customer shall arrange for Gas supply service directly with an approved Shipper. The Company shall not be a party to any contractual relationship between a Customer and a Shipper. The Company shall rely upon information provided by a Customer's designated Shipper as to nominations, scheduling and such other activities under the purview of the Shipper. All communications, notices and orders provided to a Customer's designated Shipper by the Company and/or Transporters shall be deemed to have been provided to the Shipper's customer(s), and the Company shall be held harmless from any actions taken by the Shipper.

C. Consumer Election of Transportation Service

1) Request for Transportation Service

All non-residential Customers electing Transportation Service from the Company shall execute and submit to the Company a Request for Transportation Service (RTS) on a form provided by the Company.

2) Transportation Service Agreement

Customers assigned to the FTS-5 or FTS-6 Rate Schedules shall execute a Transportation Service Agreement.

3) Shipper Designee

Customers assigned to all Firm Transportation Service rate schedules shall designate a Shipper by completing a Shipper Designee Form.

4) Return to General Sales Service

A Customer receiving Transportation Service may discontinue service hereunder and return to General Sales Service by giving the Company thirty (30) days written notice. A Customer who returns to General Sales Service and subsequently elects, within the next twelve (12) months, to select a Shipper and return to Transportation Service shall pay to the Company a Change of Shipper Charge as provided in Section 14.2, D, 4.

RULES AND REGULATIONS
(Continued)

D. Selection of Shipper

1) New Consumer Premises

A non-residential Customer planning to occupy a premises with a new Gas service connection that has not been activated, may elect Transportation service and select any approved Shipper by executing a RTS and a Shipper Designee Form, (and a Transportation Service Agreement, if required) and submitting it to the Company no later than thirty (30) days prior to the activation of the premises meter. In the event an executed RTS and Shipper Designee Form are not received, the Company shall activate the Customer premises under the applicable General Sales Service Rate Schedule.

2) Existing Consumer Premises

A non-residential Customer at an existing premises with active Gas service may select any approved Shipper and began receiving Transportation Service by executing a RTS and Shipper Designee Form (and a Transportation Service Agreement, if required) and submitting it to the Company no later than thirty (30) days prior to the first day of the month in which Transportation Service is to begin.

3) Transfer to another Premises

A non-residential Customer occupying an existing premise with active Transportation Service through an approved Shipper who transfers such service to another premise shall retain its Shipper, unless Customer elects to change Shipper's as provided in this tariff.

4) Change of Shippers

A non-residential Customer at an existing premise with active Transportation Service through an approved Shipper may designate a new Shipper by executing and submitting a revised Shipper Designee Form to the Company no later than thirty (30) days prior to the first day of the month in which the Customer shall begin receiving Gas supply

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service from the new Shipper. The Company shall have no responsibility for validating the revised Shipper Designee Form with respect to the Customer's contractual relationship to either the Customer's existing or newly designated Shipper or the obligations of the either Shipper or the Customer under their respective agreements. Customers may change Shippers without charge one time in any twelve (12) month period. Each additional change of a Customer's Shipper within a twelve (12) month period shall be processed by the Company for a charge of \$50, billed to the Customer.

E. Termination of Shipper by Company

In the event the Company terminates a Shipper, in accordance with the provisions of this tariff, all affected Customers shall be contacted in writing by the Company as soon as practicable. If possible, all such Customer's shall be provided an opportunity to select a new Shipper and continue receiving Transportation Service. In the event the timing of the Shipper termination does not permit the selection of a replacement Shipper prior to the actual termination date of the terminated Shipper, all of the terminated Shipper's Customers shall return to General Sales Service, Subsequently, Customers may submit a RTS and Shipper Designee Form to select a new Shipper, as provided in Section 14.2, C, or continue to receive General Sales Service. Nothing in this Section should be construed as relieving Customers of their obligation to pay the terminated Shipper for Gas or other services received, or relieving any other obligations of the parties, as may be provided under the terms of the Customer's agreement with such Shipper.

F. Termination of Customer by Shipper

In the event a Shipper terminates its relationship with a Customer, the Shipper must provide notice to the Company in accordance with Section 14.3, E, of this tariff. Subsequent to receiving a Termination of Customer notice from a Shipper, the Company shall transfer the affected Customer to the applicable General Sales Service Rate Schedule, beginning the first day of the month following proper notice of termination. A terminated Customer desiring to continue receiving Transportation Service may select a new Shipper, as provided in Section 14, D, 2.

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14.3 Shipper Terms and Conditions

A. Requirements for Authorized Shippers

- 1) Execution of a Shipper Services Agreement.
- 2) Establishment of credit sufficient to Company in accordance with Section 14. C.
- 3) Demonstration that the applicant Shipper is an approved shipper on Transporter interstate pipeline system(s), or has in place agent agreements for the delivery of gas across such Transporters system(s) to Transporter Receipt Point(s).

B. Customer Acting as Shipper

Customers assigned to Rate Schedules FTS-5 or FTS-6 who meet the Requirements for Authorized Shippers in Section 14.3, A, may act as Shipper for Gas quantities delivered solely for the Customers facilities.

C. Establishment of Credit

All Shippers shall establish credit with the Company prior to commencing deliveries of Gas to the Company's Transporter Receipt Point(s) and shall maintain such credit as a condition of service hereunder, by one of the following methods:

1) Cash Deposit

Payment of a cash deposit to Company in an amount equal to the MDTQ, expressed in dekatherms, established in Shipper's Service Agreement with Company, multiplied by \$50. The Company shall periodically reevaluate the Shipper's MDQ, based on historical and projected Gas deliveries, and adjust the cash deposit amount accordingly. In the event of a deposit increase, the Company shall provide written notice of such increase to the Shipper. The Shipper shall remit to the Company any

RULES AND REGULATIONS
(Continued)

increased deposit amount within twenty (20) days of the date of the notice. The Company shall promptly refund to the Shipper any reduced deposit amount.

2) Letter of Credit

Providing an irrevocable Letter of Credit from a bank, or a surety bond issued by an entity acceptable to the Company, in an amount equal to the AMDQ multiplied by \$50, and subject to the periodic adjustment provisions as described in Section 14.3, C.

3) Corporate Guarantee

Providing a Corporate Guarantee, acceptable to the Company in its sole discretion, in an amount equal to the MDTQ multiplied by \$50 and subject to the periodic adjustment provisions as described in Section 14.3, C.

4) Financial Rating or Other Company-Approved Method

The Company may establish reasonable rating standards utilizing Standard & Poor's Long Term Debt Rating, Moody's, or a comparable rating by another nationally recognized organization acceptable to the Company in its sole discretion.

D. Termination of Approved Shipper Status

Unless excused by Force Majeure, or precluded by a final and non-appealable order of the Commission or a Court of competent jurisdiction, Company may terminate a Shipper's rights under this Tariff for the following:

- 1) Shipper fails to satisfy in full the terms and conditions of this Tariff;
- 2) Shipper voluntarily suspends the transaction of business where there is an attachment, execution or other judicial seizure of any portion of their respective assets;
- 3) Shipper becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of creditors;

RULES AND REGULATIONS
(Continued)

E. Termination of Customer by Shipper

A Shipper may terminate Gas supply service for any reason to any Customer upon written notice to the Company no less than thirty (30) days prior to the first day of any Gas Month. Such notice shall be provided on a Termination of Customer form provided by the Company.

14.4 Transportation Procedures

A. Nominations

1) General

- a. Customer shall furnish written or otherwise acceptable electronic nomination(s) for each Service Agreement under which service is desired.
- b. All quantities shall be reflected in MMBTU per day and shall be nominated as receipts onto and deliveries off of contracts between Customer and Company and those quantities which are scheduled by Company shall be those quantities confirmed as flowing onto and off of the nominated contracts according to a lesser of nominated or confirmed scheduling convention.
- c. A receipt point nomination shall specify the quantity per day including retainage, the specified point(s) on Company's system (POI number) for receipts onto the contract, and upstream entity or contract identifier to the extent appropriate and the associated upstream contact person and phone number.
- d. A delivery point nomination shall specify the quantity per day, the specified point(s) on Company's system (POI number) for deliveries off of the contract, any downstream entity or contract identifier to the extent appropriate, and the downstream operator contact person and phone number.

RULES AND REGULATIONS
(Continued)

- e. The total receipt point nominations must equal the total delivery point nominations, with the exception of any quantities retained by Company as fuel retainage. Nominations shall be scheduled by Company in accordance with Section 14.4A.2) herein.
- f. Customer shall provide gas flow commencement and termination dates on each nomination. Once submitted, the nominations will remain in effect for the specified time period unless a prospective written nomination change is received from Customer and confirmed by Company.

2) Nomination Deadlines

a. Standard Nominations

Customer must provide a written nomination to Company by 2:00 p.m. Central Time the day before the effective date of the requested service.

b. Intra-day Nominations

A Customer may submit and Company will accept a nomination after the nomination deadline and continuing through a subject day, provided such nomination is within Customer's total MDTQ and can be confirmed and such nomination can be accomplished without detriment to any schedules services. Intra-day nominations may be used to request changes in the specified receipt or delivery points. Intra-day nominations may be used to nominate new supply or market.

If Company identifies a receipt and/or delivery point constraint which would prevent Company from scheduling receipt and/or delivery point nominations at Alternate Point(s) nominated under applicable Rate Schedule, under these Rules and Regulations, Company shall immediately communicate constraint to Customer and Customer shall submit a revised receipt and/or delivery point

RULES AND REGULATIONS
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nominations for the quantity impacted by the receipt and/or delivery point constraint.

c. During the Month

Customer must provide a written nomination by 2:00 p.m. Central Time the day before the effective date of the requested service.

Company will accept written nomination changes seven (7) days a week and will schedule such changes subject to all necessary confirmations with upstream and downstream parties.

d. Within Gas Day Adjustments

A firm Customer may request and Company will to the extent feasible allow Customer to increase scheduled quantities within a gas day, provided such increase is within Customer's total MDTQ and such increase can be accomplished without detriment to any scheduled services. Company will, to the extent feasible, allow Customer to decrease scheduled quantities within a gas day if either (1) Customer has a corresponding within gas day increase at an alternate delivery point, or (2) such adjustment will not increase the level of unused capacity during the gas day.

e. Late Nominations

Any written nomination received after the above-stated deadlines may result in failure to schedule service under Section 14.4, A.

In the event (1) capacity remains available after gas has been scheduled or (2) as a result of an operational or weather situation, then Company may accept nominations or schedule service after the time deadlines set forth above.

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3) Nomination Information Required

- a. The contract number under which service is being nominated;
- b. The POI number, point description, and quantity in MMBTU of gas to be tendered at each receipt point;
- c. The POI number, point description, and quantity in MMBTU of gas to be delivered at each delivery point;
- d. The term of the nomination;
- e. List by receipt/delivery point the upstream/downstream transportation contract number(s) (if applicable) and the confirmation contact name and telephone number of the supplier or upstream party.

If Customer fails to comply with provisions (a) through (e) of this section, Company shall not schedule the commencement of service or change to a prior nomination.

B. Confirmation

Promptly upon the close of the nomination deadline for each day, Company shall evaluate all timely daily nominations in light of the estimated demand for service, the capacity expected to be available on the affected segments of Company's system, and other estimated operating conditions. Nominations will not become effective and are not eligible for scheduling until Company has confirmed nominated receipts and deliveries with the upstream and downstream confirming parties. It is Customer's responsibility to provide information necessary to enable Company to confirm the nomination with upstream confirming parties. If such confirmation cannot be obtained, transportation service will be delayed until it is obtained.

RULES AND REGULATIONS
(Continued)

Company shall notify Customer of the quantities of gas confirmed for receipt from and delivery to or for the account of Customer. In the event of an inability of Company to obtain an upstream confirmation, Company may notify Customer of such lack of confirmation contact in order that confirmation may otherwise be obtained.

Company reserves the right to verify that the quantities of gas, requested by the Customer, are flowing as confirmed and scheduled by the Company and to interrupt receipt or deliveries pursuant to any Operational Flow Order under Section 15 to the extent such quantities are not flowing as scheduled.

C. Scheduling

The term “Scheduling” herein refers to the allocation of available capacity among confirmed nominations for each day on Company’s system, as set forth below.

Following confirmation of upstream receipts and downstream deliveries, Company will then schedule services to the extent of availability on Company’s system, allocating capacity if required pursuant to the scheduling priorities set forth below.

1) Scheduling Priorities – Mainline Capacity and Delivery Points

- a. Firm transportation service utilizing Primary Delivery Points within Maximum Daily Transportation quantities Specified in the applicable Service Agreement.

In the event nominations for service under this Section 14.4 exceed capacity available, Company will schedule service pro rata based on confirmed nominations for that gas day; provided, however, that scheduling of deliveries at Alternate Delivery Points will impede or adversely affect deliveries scheduled to Firm Primary Delivery Points (at contract delivery pressure) being made within the stated Maximum Daily Quantity (of the nominating Customer) at the Primary Delivery Point(s) and within the total

RULES AND REGULATIONS
(Continued)

Maximum Daily Transportation Quantity of the Service Agreement; provided further that deliveries for Customers with confirmed nominations within their (i.e., the nominating Customer's) Primary Delivery Point MDQ will be scheduled prior to deliveries for Customers with confirmed nominations which are either (1) in excess of their (i.e., the nominating Customer's) Primary Delivery Point MDQ, or (2) at a point other than the nominating Customer's Primary Delivery Point.

2) Receipt Point Scheduling Priorities

To the extent capacity at a specific point of receipt is insufficient to schedule the receipt point nominations of Customer's awarded capacity in 14.4, C. 1) a., above, Company shall allocate capacity at the subject receipt point based on the following categories:

- a. Firm Transportation Service for Customers under Rate Schedule FTS nominating quantities at Primary Receipt Points.
- b. Firm Transportation Service for Customers nominating quantities at Alternate Receipt Points on a Service Agreement. In the event nominations exceed available receipt point capacity, Company will schedule receipt quantities pro rata based on receipt point nominations, provided further, however, that Customer in this category 2) b. shall have the opportunity to revise receipt point nominations under the adjustment day procedures set forth in Section 14.4, A. 2) b.

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E. Possession of Gas, Indemnification and Title

1) Possession of Gas and Responsibility

Company shall be deemed to be in control and possession of the Gas to be transported by it upon receipt of such Gas at the point of delivery to Company until it shall have been delivered to Customer, or for Customer's account, and Customer shall be deemed to be in control and possession of such Gas prior to such receipt by Company and after such delivery to Customer or for its account.

2) Warranty of Title to Gas

Customer warrants that at some point during the transaction (i.e., at some point between receipt of the Gas by Company and delivery by Company to Customer), Customer will have title to all Gas delivered by it or for its account to Company for transportation and delivery by Company to or for the account of Customer; provided, however, that to the extent a Customer has the authority to market natural Gas on behalf of a co-working interest owner, such Customer may satisfy this requirement by warranting that it has good right to deliver such natural Gas. Notwithstanding the foregoing, Customer warrants that such Gas will at the time of receipt by Company be free and clear of all liens and encumbrances. Company warrants that at the time of delivery such Gas to Customer or for its account at the delivery point such Gas will be free and clear of all liens and encumbrances arising by, through, or under Company. Customer shall indemnify Company and save Company harmless from all suits, actions, debts, accounts, damages, costs (including attorney's fees), losses and expenses arising out of the adverse claim of any person or persons to said Gas including claims for any taxes, licenses, fees or charges which are applicable to said Gas prior to its delivery to Company and subsequent to delivery of such Gas by Company. Company agrees to indemnify and hold Customer harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of the adverse claim of any person or persons arising by or from Company's action while in possession of the Gas for

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transportation by Company. Customer will indemnify Company and save it harmless from all taxes and assessments, levied and assessed upon the sale and delivery of such Gas to Customer or for Customer's account and upon such gas prior to and upon delivery of such gas to Customer or for its account and upon such Gas prior to and upon delivery of such Gas to Company for transportation. In the event any adverse claim in respect to such is asserted, or Customer breaches its warranty herein, Company shall not be required to perform or, subject to receipt of any necessary regulatory authorization, to continue service under the applicable Rate Schedule for Customer until such claims has been finally determined; provided, however, Customer may receive service if (i) in the case of an adverse claim, Customer furnishes bond to Company with respect to such claim; or (ii) in the case of a breach of warranty, Customer furnishes Company evidence of Customer's title satisfactory to Company.

3) Release and Indemnification

Customer shall waive and release Company from any claim for any and all damages, costs, losses or expenses resulting from or arising out of interruption of service, whether caused by capacity or supply constraints on Company's system, where such interruption is caused by (i) the failure of Customer(s) to have delivered to Company sufficient quantities of Gas to meet their delivery requirements from Company; or (iii) Customer(s) taking deliveries in excess of scheduled or authorized quantities. Provided, however, that the foregoing shall not result in the waiver or release of a claim against Company for Company's negligence or Company harmless from any and all suits, actions, debts, accounts, damages, costs, losses and/or expenses brought by or accruing to or for the benefit of end-users upstream of such Customer's delivery point resulting from or arising out of curtailment of service whether caused by capacity or supply constraints on Company's system, including without limitation, such constraints caused by the failure of Customers to have delivered to

RULES AND REGULATIONS
(Continued)

Company sufficient quantities of gas to meet their delivery requirements from Company; provided, however, that the foregoing shall not require Customer to indemnify and hold Company's negligence or willful misconduct. Nothing in this Section 10C shall prevent a Customer from asserting a claim against another Customer; in the event of such a claim between Customers, Company will make available such information in its possession relevant to such claim.

F. Determination of Daily Receipts

To the extent possible, all quantities received by Company each Gas Day at a Receipt Point shall be allocated in accordance with the scheduled and confirmed quantity at such point (Scheduled Receipts). For purposes of this section, "overage" shall be defined as Scheduled Receipts in excess of actual quantities received, and "underage" shall be defined by Scheduled Receipts below actual quantities received. In the event actual quantities received by Company do not equal the Scheduled Receipts for such Receipt Point, any overage or underage as allocated above, shall be allocated pro-rata based on scheduled and confirmed quantities at the Receipt Point considered the Receipt Imbalance for purposes of balancing under this tariff.

1). Daily Tolerances

Shipper shall deliver, or cause to be delivered, to Company at the Receipt Point(s) on a uniform daily basis, that quantity of Gas that has been scheduled for transportation. To the extent Shipper deviates significantly from the uniform daily basis, Company reserves the right to implement an Operational Flow Order to Shipper or Customers served by said Shipper, pursuant to this tariff.

RULES AND REGULATIONS
(Continued)

G. Determination of Daily Deliveries

1) Quantities delivered by Company at a Delivery Point each Gas Day shall be allocated in accordance with the scheduled quantity at such point (Scheduled Deliveries). For purposes of this section “overage” shall be defined as actual deliveries in excess of Scheduled Deliveries, and “underage” shall be defined as actual deliveries below Scheduled Deliveries. In the event actual quantities delivered by Company do not equal Scheduled Deliveries, any overage or underage will be allocated as follows:

a. Delivery quantities under shall equal the Scheduled Deliveries;

b. After determining deliveries in 1), the remaining differences between actual and scheduled volumes (overages and underages) shall be considered the Delivery Imbalance for purposes of Balancing under this tariff.

2) Daily Tolerances

Company shall deliver, or cause to be delivered, to Customer to the Delivery Point(s) on a uniform daily basis, that quantity of Gas that has been scheduled for Transportation. To the extent Customer deviates significantly from the uniform daily basis, Company reserves the right to implement an Operational Flow Order pursuant to this tariff.

3) Alert Day or Operational Orders

Customer receiving Transportation Service shall be responsible for arranging to receive directly from Florida Gas Transmission (FGT), or any other Transporter interconnected to the Company’s distribution system, all Transporter Alert Day notices or Operational Orders. Customer is responsible for complying with all Alert Day and Operational Orders requirements and any Gas delivery quantity tolerance levels established by Transporter in such notice or Order.

RULES AND REGULATIONS
(Continued)

- a. To the extent delivered Gas quantities to Customer exceed Scheduled Quantities by the Alert Day Tolerance Percentage during a FGT Overage Alert Day, as provided in FGT's FERC Gas Tariff, Customer shall be subject to an Alert Day charge from the Company. The Company shall calculate the Overage Alert Day charge in a manner consistent with the Overage Alert day charge methodology provided in the FGT FERC Gas Tariff, as such may change from time to time.
- b. To the extent delivered Gas quantities are less than Scheduled Quantities by the Alert Day Tolerance Percentage during a FGT Underage Alert Day, as provided in FGT's FERC Gas Tariff, Customer shall receive an Alert Day credit from the Company. The Company shall calculate the Underage Alert Day credit in a manner consistent with the Underage Alert day credit methodology provided in the FGT FERC Gas Tariff, as such may change from time to time.
- c. Any Operational Order charge or credit received by the Company as Delivery Point Operator with Transporter shall be allocated to all Customers (sales and transportation). The Operational Order charge or credit shall be first assigned to Customers with electronic measurement capable of producing a Daily record of Gas usage, based on such Customer's Scheduled Gas Quantity and actual Gas usage on the Day or for the Period the Operational Order is in effect. Any remaining charges or credits shall be assigned to the Company's Purchase Gas Adjustment account.
- d. All revenues received by the Company from Transportation Service Customers or Shippers from Alert Day or Operational Order charges shall be credited to the Company's Purchase Gas Adjustment account.

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(Continued)

H. Monthly Balancing

Unless otherwise agreed, all imbalances shall be resolved monthly in accordance with the following provisions set forth in this section.

Receipt imbalances shall be determined in accordance with Section 14.4, F. (Determination of Daily Receipts). Delivery imbalances shall be determined in accordance with Section 14.4, G. (Determination of Daily Deliveries). For purposes of this section, Imbalance Party shall mean the Shipper and/or Customer that is responsible for resolution of an imbalance under Section 14, F or G. The Company shall resolve all imbalances with Customer, unless Company accepts Customer's designation of Shipper as the Imbalance Party, such designation to be provided in a Service Agreement or as the result of Company's acceptance of Customer's Shipper Designee Form as provided in this tariff.

Company shall provide a listing of Receipt and Delivery Imbalances by facsimile. Company shall utilize the Cash-Out provisions below to resolve all imbalances.

- 1) Cash-Out Provisions - Company and the Imbalance Party shall settle in cash all Receipt Imbalances and Delivery Imbalances unless otherwise mutually agreed. Company will send each Imbalance party a statement detailing the unresolved imbalance quantities and payment of the amount due Imbalance Party or an invoice for the amount due Company, in accordance with the following:

- a. Imbalance Due Company

In the event of a Delivery Imbalance when actual delivered Gas quantities exceed Scheduled Deliveries or a Receipt Imbalance when actual Gas receipts are less than Scheduled Receipts, Company will invoice the Imbalance Party for such excess delivery or deficiency of receipts in accordance with the following provisions:

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The amount due Company for Delivery Imbalance shall be the Imbalance Volume multiplied times the sum of:

The Company's purchased gas cost recovery factor as authorized by the Commission or the actual price for delivered Gas incurred by the Company to resolve the Imbalance Parties imbalance, whichever is greater, for the month multiplied by the applicable factor as follows:

Imbalance Level	Factor
0% - 5%	1.00
Greater than 5% - 20%	1.10
Greater than 20%	1.20

Imbalance Level shall be calculated by dividing the imbalance quantity by the sum of the total quantities scheduled for receipt and/or delivery.

b. Imbalance Due Imbalance Party

In the event of a Delivery Imbalance when actual delivered Gas quantities are less than Scheduled Deliveries or a Receipt Imbalance when actual Gas receipts exceed Scheduled Receipts, Company will pay the Imbalance Party for such excess receipts or deficiency of deliveries.

Such payments will be based on the lowest Posted Price for the month multiplied by one of the following factors:

Imbalance Level	Factor
0% - 5%	1.00
Greater than 5% - 20%	0.90
Greater than 20%	0.80

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(Continued)

Imbalance Level shall be calculated by dividing the imbalance quantity by the sum of the total quantities scheduled for receipt and/or delivery.

For imbalances due Imbalance Party, the Posted Price shall be equivalent to the cash-out price for such imbalance as provided in the FGT FERC Gas Tariff, as such tariff provisions may change from time to time or the Company's purchased gas recovery factor as authorized by the Commission, whichever is lower.

c. Existing Imbalances

Unless otherwise agreed to by Company and Imbalance Party, imbalances existing prior to the effective date of this provision shall be corrected within 90 days pursuant to the procedures in effect prior to the effectiveness of this tariff sheet.

I. Release of Transporter Pipeline Capacity

To the extent Transporter transportation capacity entitlements are available, as provided in Company's Service Agreement(s) with Transporter, the Company may release a portion of such capacity entitlements to Shipper. Shipper shall enter into Transporter Service Agreements, and any other agreements Transporter may require under its FERC Gas Tariff, so that Shipper may accept quantities of released Transporter capacity based on the capacity requirements of those Customers served by the respective Shipper. Capacity releases from the Company shall be made on a temporary basis in accordance with applicable FERC rules and regulations, as such may change from time to time. Shipper shall have the sole responsibility for complying with the provisions of the Transporter Service Agreements and respective FERC Gas Tariffs. Shipper shall take all actions

RULES AND REGULATIONS
(Continued)

necessary under Transporter's FERC Gas Tariff to acquire and accept, on a timely basis, any capacity quantities released by Company.

Company shall have no obligation to provide Transporter capacity to Shippers, except as may be required in Shipper's Service Agreement with Company or as provided in a Service Agreement between the company and a Customer served by Shipper. If Shipper, in any Month, requires a quantity of Transporter capacity greater than the quantity of capacity released by Company, if any, Shipper shall be responsible for taking such actions as are necessary to obtain sufficient Transporter capacity to meet the delivery requirements of its customers. Shipper shall be responsible to Transporter for the applicable Transporter charges for all quantities of capacity released to Shipper by Company. Unless otherwise agreed by Company in writing, charges for released capacity shall be billed directly to Shipper by Transporter.

Company shall retain the sole right to affirmatively exercise, at the time specified in the Company's Transporter Service Agreement, Transporter's FERC Gas Tariff, or any FERC rule or order, any right of first refusal mechanism (however denominated), including the option to extinguish such right, applicable to any capacity released by Company to Shipper; provided, however, that Company may not exercise any such right in a manner which would impair Shipper's right to use the released capacity during the term of any release.

J. Mutually Beneficial Transactions

The Company is responsible for maintaining the operational integrity of its distribution system. From time to time, Company may request, at its sole discretion, and Shipper may agree, at its sole discretion, to a modification in Shipper's nominated Gas quantities. The terms and conditions of such transactions shall be agreed upon at the time of the transaction and shall be recorded and confirmed in writing within two business days after the transaction. Nothing in this Section should be construed as enabling a Shipper, or Shipper's Customer, to avoid the requirements of an Operational Flow Order, Curtailment Notice or other emergency action as provided in this tariff.

RULES AND REGULATIONS

SECTION 15 - OPERATIONAL CONTROLS

15.1 General

Operating personnel of Customer or its designee and/or other entities which are physically taking delivery or Gas from Company or tendering Gas to Company shall cooperate fully with Company in maintaining the integrity of Company's system. Customer shall name Contact Person(s) available to receive communication from Company on operating matters at any time, on a 24-hour a day, 365-day a year basis. If Company is unable, after reasonable efforts to contact any Customer or Customer's contact person, such Customer shall be solely responsible for any consequences arising from such failure of communication.

Company shall not knowingly schedule or permit scheduling of service which will result in an operating condition in which system pressure rises or falls to operationally unacceptable levels or would otherwise jeopardize the integrity of the system and the ability of Company to provide service under firm rate schedules.

15.2 Operational Flow Orders (OFO)

Company may, on a not unduly discriminatory basis, in the event that action is required to avoid an operating condition in which system pressure is not maintained, in which system pressure is maintained at an operationally unacceptably high level, or in which the overall operational integrity of the system is jeopardized, issue an Operational Flow Order as set forth in Section 15.2, A.

A. Operational Flow Orders (OFO)

- 1) Company will issue an OFO when, subject to maximum hourly quantities permitted by Service Agreements and/or Section 12, an individual Customer's actual receipts or deliveries on an hourly basis deviate from scheduled services, or when the pipeline is experiencing a high or low line pack operating condition which can be ameliorated with a Customer action that will not otherwise impact such Customer's ability to receive scheduled service for the Gas Day. An OFO shall identify the situation to be addressed and shall indicate the specific action(s) to be taken by the recipient of the OFO stated in terms of an hourly gas flow level and specify a discrete length of time the OFO will be in effect. Unless otherwise specified in the OFO, compliance must be achieved within eight (8) hours after issuance. Such OFO Order may require a Customer or its designee(s) to undertake any of the following:

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(Continued)

- a. To commence or increase supply inputs into Company system.
 - b. To commence or increase takes of Gas from Company's system by a specified volume or at specific delivery point(s);
 - c. To reduce takes of Gas from Company's system by specified volumes and/or at specific delivery point(s), or;
 - d. In the event the action(s) set forth in (a) – (d) herein are not operationally feasible, the OFO may require Customer or its designee(s), to take such other action as are within Customer's and/or Shipper's control which would tend to alleviate the operating condition to be addressed.
- 2) An OFO shall be given by Company to Customer or Customer's Designee by telephone or facsimile.
 - 3) If any Customer fails to comply with an OFO, such Customer shall be subject to a penalty equal to i) any penalty, charge or fee assessed to Company as Delivery Point Operator by Transporter resulting from Customer's, or Customer's Shipper, failure to comply with the OFO, times any volumes of gas by which it deviated from the requirements of the OFO, and ii) the actual cost to Company resulting from Customer's, or Customer's Shipper, failure to comply with the OFO, such actual cost to include the cost to curtail and reestablish Gas Delivery Service to said Customer, and other Customers, as may be necessary to protect the operational integrity of the distribution system. Compliance shall be defined as a measurable change in gas flow to the hourly level specified in the OFO, written confirmation of a flow rate change on an upstream pipeline, or a written confirmed scheduling change with Company.
 - 4) A Customer shall not be subject to any penalties from Company with respect to any action taken by said Customer which action was in reasonable reliance on an OFO issued by Company.

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- 5) To the extent Company issues an OFO to a Customer for an operating condition other than situation where Customer's actual receipts or deliveries deviate significantly from authorized or scheduled receipts or deliveries, the OFO shall be limited to those actions under this Section which will not materially interfere with Customer's ability to receive scheduled deliveries for the gas day. To the extent that the operating condition requires actions which would materially interfere with Customer's ability to take scheduled deliveries, such orders shall be governed by the capacity curtailment provisions of the Company's Curtailment Plan on file with the Commission.

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**RATE SCHEDULE
RESIDENTIAL SALES SERVICE – 1 (RS-1)**

Availability:

Throughout the Company's service areas.

Applicability and Character of Service:

Firm Service provided to any individually metered Residential Customer whose annual Gas usage is less than 150 therms.

Gas Delivery Service Rates and Charges:

The following non-fuel rates for the delivery of Gas to the Consumer's premises apply to all Customers served under this Rate Schedule for the respective monthly Billing Period.

Customer Charge:	\$13.00 per month
Gas Delivery Service Rate:	\$1.29614 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Rate Schedule RS-1
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.
- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
RESIDENTIAL SALES SERVICE – 2 (RS-2)**

Availability:

Throughout the Company's service areas.

Applicability and Character of Service:

Firm Service provided to any individually metered Residential Customer whose annual Gas usage is equal to or greater than 150 therms but less than 300 therms.

Gas Delivery Service Rates and Charges:

The following non-fuel rates for the delivery of Gas to the Consumer's premises apply to all Customers served under this Rate Schedule for the respective monthly Billing Period.

Customer Charge:	\$16.00 per month
Gas Delivery Service Rate:	\$0.87058 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Rate Schedule RS-2
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.
- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
RESIDENTIAL SALES SERVICE – 3 (RS-3)**

Availability:

Throughout the Company's service areas.

Applicability and Character of Service:

Firm Service provided to any individually metered Residential Customer whose annual Gas usage is equal to or greater than 300 therms.

Gas Delivery Service Rates and Charges:

The following non-fuel rates for the delivery of Gas to the Consumer's premises apply to all Customers served under this Rate Schedule for the respective monthly Billing Period.

Customer Charge:	\$20.00 per month
Gas Delivery Service Rate:	\$0.72859 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Rate Schedule RS-3
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.
- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
GENERAL SALES SERVICE – 1 (GS-1)**

Availability:

Throughout the Company's Service Area

Applicability and Character of Service:

Firm Service provided to any individually metered non-residential Customer whose annual Gas usage is less than 2000 therms.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$20.00 per month
Gas Delivery Service Rate	\$0.66605 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule GS-1
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
GENERAL SALES SERVICE – 2 (GS-2)**

Availability:

Throughout the Company's Service Area

Applicability and Character of Service:

Firm Service provided to any individually metered non-residential Customer whose annual Gas usage is equal to or greater than 2,000 therms but less than 87,500 therms.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$70.00 per month
Gas Delivery Service Rate	\$0.42319 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule GS-2
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

**RATE SCHEDULE
GENERAL SALES SERVICE – 4 (GS-4)**

Availability:

Throughout the Company's Service Area

Applicability and Character of Service:

Firm Service provided to any individually metered non-residential Customer whose annual Gas usage equal to or greater than 87,500 therms but less than 1,000,000 therms.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$2,000.00 per month
Gas Delivery Service Rate	\$0.15840 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Service Agreement:

A Service Agreement accepted by the Company is a condition precedent for Service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

Rate Schedule GS-4
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.
- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
GENERAL SALES SERVICE – 5 (GS-5)**

Availability:

Throughout the Company's Service Area

Applicability and Character of Service:

Firm Service provided to any individually metered non-residential Customer whose annual Gas usage equal to or greater than 1,000,000 therms.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$3,000.00 per month
Gas Delivery Service Rate	\$0.03554 per therm

Purchase Gas Adjustment Rate:

In addition to the above Gas Delivery Service Rates and Charges, Customers served under this Rate Schedule shall purchase Gas supply from the Company and are subject to fuel charges pursuant to the Purchase Gas Adjustment included in the Billing Adjustment Section of this Tariff.

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Service Agreement:

A Service Agreement accepted by the Company is a condition precedent for Service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

Rate Schedule GS-5
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service and Purchase Gas Adjustment rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.
- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
FIRM TRANSPORTATION SERVICE 1 (FTS-1)**

Availability:

Throughout the Company's Service Area.

Applicability and Character of Service:

Firm Transportation Service provided to any individually metered non-residential Customer whose annual Gas usage is less than 2000 therms, and for which the Company has received a Request for Transportation Service in compliance with the provisions of Section 14 of this Tariff.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$20.00 per month
Gas Delivery Service Rate:	\$0.66605 per therm

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule FTS-1
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
FIRM TRANSPORTATION SERVICE – 2 (FTS-2)**

Availability:

Throughout the Company's Service Area.

Applicability and Character of Service:

Firm Transportation Service provided to any individually metered non-residential Customer whose annual Gas usage is equal to or greater than 2,000 therms but less than 87,500 therms, and for which the Company has received a Request for Transportation Service in compliance with the provisions of Section 14 of this Tariff.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$70.00 per month
Gas Delivery Service Rate:	\$0.42319 per therm

Minimum Bill:

The minimum monthly bill under this Rate Schedule is the Customer Charge.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule FTS-2
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

**RATE SCHEDULE
FIRM TRANSPORTATION SERVICE -4 (FTS-4)**

Availability:

Throughout the Company's Service Area.

Applicability and Character of Service:

Firm Transportation Service provided to any individually metered non-residential Customer whose annual Gas usage is equal to or greater than 87,500 therms but less than 1,000,000 therms, and for which the Company has received a Request for Transportation Service in compliance with the provisions of Section 14 of this Tariff.

Gas Delivery Service Rates and Charges:

Customer Charge:	\$2,000.00 per month
Gas Delivery Service Rate:	\$0.15840 per therm

Minimum Bill:

The minimum monthly bill shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement.

Service Agreement:

A Service Agreement accepted by the Company is a condition precedent for Service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule FTS-4
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

**RATE SCHEDULE
FIRM TRANSPORTATION SERVICE 5 (FTS-5)**

Availability:

Throughout the Company's Service Area

Applicability and Character of Service:

Firm Transportation Service provided to any individually metered non-residential Customer whose annual Gas usage is equal to or greater than 1,000,000 therms, and for which the Company has received a Request for Transportation Service in compliance with the provisions of Section 14 of this Tariff.

Rates and Charges:

Customer Charge:	\$3,000.00 per month
Gas Delivery Rate:	\$0.03554 per therm

Minimum Bill:

The minimum monthly bill shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement.

Service Agreement:

A Service Agreement accepted by the Company is a condition precedent for Service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

Special Terms and Conditions of Service:

- (1) Service under this Rate Schedule is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

Rate Schedule FTS-5
(Continued)

- (3) In the event the Company agrees to provide for the installation costs associated with converting a Customer's premises, appliances or equipment to natural Gas, the Company and Customer shall enter into an agreement as to the terms and conditions governing recovery of such conversion costs from the Customer. Under such circumstances the initial term of Gas Delivery Service shall, at a minimum, be the same as the period of conversion cost recovery stated in the agreement. A conversion cost recovery charge will be listed as a separate line item on the customer's bill to collect costs incurred; including carrying costs at the Company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the conversion cost recovery charge will be removed from the customer's bill.

RATE SCHEDULE
CONTRACT TRANSPORTATION SERVICE RIDER (Rider CTS)

Availability:

Throughout the Company's Service Area. The CTS Rider enables the Company to respond to Customer's competitive fuel service and delivery options. The Company may, at its sole option, negotiate its Gas Delivery Service rates and charges to compete with a Customer's Alternate Fuel pricing or other service options resulting from but not limited to fuel switching, facility relocation or expansion, partial or complete plant production shifting, potential physical bypass, or other options available to the Customer.

Applicability:

Contract Transportation Service may be provided to any individually metered non-residential Customer whose annual Gas usage is equal to or greater than 150,000 therms, and for which the Company has executed a Service Agreement, upon submission of a properly completed Equivalent Current Cost of Alternate Fuel Form, or such other demonstration of pricing or service options as the Company may deem adequate to evaluate a rate adjustment.

Gas Delivery Service Rates and Charges:

Customer Charge: Equal to the Rate Schedule for which the Customer otherwise qualifies.

Transportation Charge:

- a) An amount not less than \$0.01 per therm or greater than one and one-half (1.5) times the Firm Transportation Service 5 (FTS-5) rate per therm. Unless changed by Company pursuant to this Rate Schedule, the Gas Delivery Charge per therm shall be equal to the FTS-5 rate.
- b) The one and one-half (1.5) times the Firm Transportation Service 5 (FTS-5) rate as used herein means the non-fuel Gas Delivery Service Charge prescribed in Rate Schedule FTS-5, adjusted pursuant to the applicable Billings Adjustments.

Rate Schedule Rider CTS

(Continued)

- c) The Gas Delivery Charge to Customer shall be determined by Company based upon Company's evaluation of competitive Conditions. Such conditions may include, but are not limited to: The cost of gas which is available to serve Customer; the Delivered price, including applicable taxes and transportation Costs and availability of Customer's designated alternative fuel; and the nature of Customer's operations (such as load factor, fuel efficiency and emissions alternative fuel capacity, etc.). Company may from time to time decrease or increase the Gas Delivery Charge as it deems necessary or appropriate to meet or remain competitive, but shall have no obligation to do so; provided, however, that the Gas Delivery Charge shall at all times remain within the limits set forth above.
- d) Company shall notify Customer at least 48 hours in advance of any change in the Gas Delivery Charge under this rates schedule.
- e) Customer may at any time request a reduction in its Gas Delivery Charge by completing the Company's Equivalent Current Cost of Alternate Fuel Form, or such other demonstration of pricing or service options as the Company may deem adequate to evaluate a rate adjustment.. In the case of Rider CTS rate adjustments related to an alternate fuel for which the price changes from time to time, the Customer shall resubmit such form, with the then current information, on the first day of each month thereafter, and at such time there is any change in any information contained in a form previously submitted. The Gas Delivery Charge for a Customer who submits no Equivalent Current Cost of Alternate Fuel Form to the Company, or who fails to submit such form (properly completed) as required hereunder or whose form is not accepted by the Company, shall be the FTS-5 rate per therm.

Rate Schedule Rider CTS
(Continued)

Special Terms and Conditions of Service:

- (1) Service under this CTS Rider is subject to the Rules and Regulations contained in this Tariff, as such may be amended from time to time, under the authority of the Commission.
- (2) In addition to the above Gas Delivery Service rates and charges, Customers served under this Rate Schedule may be subject to other applicable Billing Adjustments.

**RATE SCHEDULE
AREA EXPANSION PROGRAM RIDER
(Rider AEP)**

Availability:

Throughout the service area of the Company.

Applicability:

Consumers receiving Gas Delivery Service at a premise that has been activated within the first five (5) years of the in-service date of an extension of the Company's gas distribution facilities for which an AEP Charge has been established as provided in Section 11.4 of this tariff.

Monthly Rate:

The AEP Charge shall be calculated by dividing, (i) the estimated amount of additional revenue required (inclusive of the Company's estimated allowed cost of capital) in excess of the MACC by (ii) the number of Customer premises estimated to be served at the end of year five (5) following the in-service date of the extension of facilities. The result of said calculation shall be divided by the number of months in the amortization period. The AEP Charge shall be stated as a fixed dollar amount per Customer premise per month and added to the applicable rate schedule Customer Charge for each respective Customer receiving a AEP Charge. The initial AEP Charge shall be adjusted for the true-up provided in Section 11.4 of this tariff.

Existing Areas Subject to AEP Charge

Annual AEP Charge per Customer

None

**RATE SCHEDULE
BILLING ADJUSTMENTS**

1. Purchased Gas Adjustment Clause

- A. The fuel charge of the Monthly Purchase Gas Adjustment Rate for Gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG). The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period of January through December, in accordance with the methodology adopted by the Commission on May 19, 1998, in Order No. PSC-98-0691-FOF-PU, Docket No. 980269-PU, including seasonal factors, or as such methodology may be amended from time to time by further order of the Commission. The factor determined as set forth above shall be multiplied by 1.00503 for regulatory fees, and rounded to the nearest \$0.000001 per therm, to be applied to the total number of therms consumed by the customer during the billing period.
- B. The purchased gas cost recovery factor for the billing months of January 2019 through December 2019 is 81.5 cents per therm. This factor was approved by the Commission on December 4, 2018 by Order No. PSC-2018-0569-FOF-GU.
- C. The purchased gas cost recovery factor shall serve as a cap or maximum recovery factor. If re-projected expenses for the remaining period exceed projected recoveries by at least 10.0% for the twelve-month period, a mid-course correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG), or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current WACOG may be adjusted for prior month's differences between projected and actual costs of gas purchased, but may not exceed the approved cap.

**RATE SCHEDULE
BILLING ADJUSTMENTS
(Continued)**

2. Tax and Fee Adjustment

The rates and charges contained in this Tariff may be increased by any tax and/or fee of assessment applicable to the sale or transportation of gas which shall be imposed on the Company after October 1, 1966. This increase shall be on a per therm basis and shall be applied for billing periods commencing on or during thirty (30) days following the effective date of such tax, fee or assessment.

3. Energy Conservation Cost Recovery Adjustment Clause

The Gas Delivery Service rates per therm applied in any billing period shall be adjusted by the Company's conservation recovery factor made pursuant to the Conservation Cost Recovery Clause in accordance with the revised methodology adopted by the Commission on May 10, 1993 in Order No. PSC-93-0709-FOF-EG. Docket No. 930002-EG, or as such methodology may be amended from time to time by further order of the Commission. The cost recovery factor for the period January 1, 2019 through December 31, 2019 is as follows:

<u>RATE CLASS</u>	<u>ADJUSTMENT FACTOR</u>
RS-1	\$43.076 cents per therm
RS-2	\$26.408 cents per therm
RS-3	\$19.925 cents per therm
GS-1	\$17.245 cents per therm
GS-2	\$07.667 cents per therm
FTS-4	\$03.544 cents per therm

These factors were approved by the Commission on November 29, 2018 by Order No. PSC-2018-0563-FOF-GU.

4. Competitive Rate Adjustment Clause

The gas delivery service rate for gas supplied or transported after July 1, 1990 to customers other than those served under Company's Rate Schedules FTS-5 and CTS Rider is subject to adjustment, in accordance with the following provisions, for prior shortfalls or surpluses in Company's Contract Transportation Service revenues.

**RATE SCHEDULE
BILLING ADJUSTMENTS
(Continued)**

- A. For the purposes of this clause, the following definitions apply:
- 1) “Actual revenue” means Company’s actual transportation revenue derived from service provided under its Rate Schedule FTS-5 during a determination period.
 - 2) “Base revenue” means the transportation revenue which Company would have derived had all Gas transported under Company’s FTS-5 during a determination period been billed at the transportation charge, as appropriate, established in Company’s last base rate proceeding.
 - 3) “Surplus” means the amount, if any, by which Company’s actual revenue exceeds its base revenue for a determination period.
 - 4) “Shortfall” means the amount, if any, by which Company’s base revenue exceeds its actual revenue for a determination period.
- B. The existence of a shortfall or surplus shall be determined by comparing Company’s actual revenue with its base revenue. This determination shall be made each year for the twelve months ending September 30 (“determination period”).
- C. Adjustments to rates pursuant to this clause shall be implemented during an “adjustment period”, which shall be the eleven months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven successive months ending on a September 30 within five years following the determination period may be an adjustment period.
- D. In the event of a surplus, Company shall reduce rates to customers (other than customers served under Rate Schedule TS5 to credit them with revenues equal to the surplus.
- E. In the event of a shortfall, Company may increase rates to customers (other than customers served under Rate Schedule TS5 to recover an amount not to exceed the amount of the shortfall.

**RATE SCHEDULE
BILLING ADJUSTMENTS**
(Continued)

- F. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the Gas Delivery Charge prescribed in each rate schedule of this tariff (except Rate Schedule FTS-5) by an adjustment factor computed as follows and rounded to the nearest 0.00001 cent per therm.

In event of a surplus, subtract: Surplus Refund
To Customer
PTS

In event of a shortfall, add: Shortfall Recovery
To Customer
PTS

Where: PTS = Projected therm sales to and transportation for customers (excluding customers served under Rate Schedule FTS-5) during the adjustment period.

Any variation between the actual surplus refund to customer and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

- G. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

5. Conversion Factor

The factor representing the Btu content per cubic foot is used to convert cubic feet to therms for billings to Customers. The Btu content shall be the Btu per cubic foot as billed by Transporter for the current Month as adjusted.

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STANDARD FORM

APPLICATION FOR GAS DELIVERY SERVICE – PROPERTY OWNER

REVISED 12/2007

ST. JOE NATURAL GAS COMPANY, INC.
P. O. BOX 549 - PHONE 229-8216
PORT ST. JOE, FLORIDA 32456

Territory:	Port St. Joe	()	Gulf Aire	()
	North Port St. Joe	()	Beacon Hill	()
	Oak Grove	()	Mexico Beach	()
	Ward Ridge	()	Overstreet	()
	Highland View	()	White City	()
	St. Joe Beach	()	Wewahitchka	()
	Seashores	()	Other	()

Physical Address:

Billing Address:

Applicant hereby makes application to ST. JOE NATURAL GAS COMPANY, INC. (SJNG) for natural gas service at the above premises. Applicant agrees to take and pay for such natural gas in accordance with the rates, rules and regulations of SJNG, all as approved by the Florida Public Service Commission.

Applicant hands you herewith \$ _____ as a meter deposit with the request to tie on to the natural gas system. In the event Applicant should discontinue using natural gas, this deposit shall be refunded after all amounts due to SJNG have been paid. It is also understood this deposit can be used to offset any monies due SJNG for gas service up to the amount of the deposit.

The undersigned applicant authorizes and directs SJNG and its authorized agents to go on applicant's premises for the purpose of installing a natural gas service line from the gas main to the meter site, and also at SJNG's option to install a split service line on same property to any adjacent property and to make all necessary excavations on applicant's property for laying said service line and/or split service line(s). The location of said service line(s) and gas meter shall be determined by SJNG. Employees and authorized agents of SJNG are also granted the privilege of going on applicant's premises for the purpose of reading meters and making all necessary inspections and repairs.

Applicant hereby acknowledges receipt of written notice concerning CFR 192.16, Customer's responsibility for (buried) gas piping.

_____	_____	_____
Date	Signature	Print Name

COMPANY USE ONLY

Deposit	_____	()	Water Heater	_____
Cut On Fee	_____	()	Cook Stove	_____
Account No.	_____	()	Central Heater	_____
Date Installed	_____	()	Space Heater	_____
Remarks	_____	()	Dryer	_____
		()	Other	_____

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

**STANDARD FORM
APPLICATION FOR GAS DELIVERY SERVICE – RENTER**

REVISED 12/2007

ST. JOE NATURAL GAS COMPANY, INC.
P. O. BOX 549 PHONE 229-8216
PORT ST. JOE, FLORIDA 32456

DATE _____

NAME: (Please Print) _____

STREET ADDRESS: _____

MAILING ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

DO YOU RENT _____ OWN _____ IF RENT, WHO FROM? _____

ATTN: IF YOU RENT: ANY SERVICE WORK DONE BY THIS COMPANY MUST BE
APPROVED BY THE OWNER OF PROPERTY.

HAVE YOU HAD AN ACCOUNT WITH OUR COMPANY BEFORE? _____

IF YES, UNDER WHAT NAME? _____

WHAT ADDRESS? _____

SOCIAL SECURITY NO. _____

DRIVER'S LICENSE NO. _____

DATE OF BIRTH: _____

PLACE OF EMPLOYMENT: _____

ADDRESS: _____

SUPERVISOR'S NAME _____

NAME OF NEAREST RELATIVE _____

ADDRESS _____

APPLICANT HEREBY ACKNOWLEDGES RECEIPT OF WRITTEN NOTICE CONCERNING CFR 192.16,
CUSTOMER'S RESPONSIBILITY FOR (BURIED) GAS PIPING.

CUSTOMER PHONE: _____ SIGNATURE: _____

WE MUST HAVE 24 HOURS
NOTICE BEFORE GAS CAN
BE TURNED ON

METER DEPOSIT \$ _____
SERVICE CHARGE \$ _____
TOTAL \$ _____

APPLICATION RECEIVED BY: _____

**STANDARD FORM
EQUIVALENT CURRENT COST OF ALTERNATE FUEL**

To: St. Joe Natural Gas Co., Inc.
P. O. Box 549
Port St. Joe, FL 32456

Attention:

_____ has received a firm offer from _____
for our purchase of up to _____ gallons/barrels of
_____ for use by us at our facility located at _____,
Florida, delivery to commence on _____, at a price of \$ _____
per gallon/barrel. Copy of the offer, which will expire _____ is attached
hereto.

Taxes payable by us should we purchase the referenced fuel pursuant to the attached offer, would be
\$ _____ per gallon/barrel.

Transportation costs for delivery of the fuel to our facility at _____ from
_____ would be \$ _____ per gallon/barrel.

I hereby certify on behalf of _____ that the foregoing information is true,
complete and correct, and that _____ has the facilities to utilize the
fuel specified above in the amount specified above at its _____ facility. I hereby
further certify that we will notify St. Joe Natural Gas Co., Inc., on the first day of each month hereafter of
the price at which we are able to purchase the alternate fuel referred to above, and will further notify St. Joe
Natural Gas Co., Inc., at any time there is a change in the information contained herein.

I hereby certify that _____ will cease taking Gas delivery from St. Joe Natural
Gas Co., Inc. on _____ unless such Gas Delivery Service is priced at less than the
applicable rate per therm for as provided in the St. Joe Natural Gas Co. Gas Tariff.

(Customer Name)

By: _____
(Signature of Corporate Officer)

(Title)

STANDARD FORM
EQUIVALENT CURRENT COST OF ALTERNATE FUEL
(Continued)

STATE OF FLORIDA
COUNTY OF GULF

SWORN TO AND SUBSCRIBED before me this _____ day of _____, 20__.

My commission expires:

Notary Public

ACCEPTANCE

Based upon the foregoing information, and in accordance with Rate Schedule CIS, the non-gas energy charge for gas taken by _____ on and after _____ shall be \$ _____ per therm. This acceptance may be revoked or modified by St. Joe Natural Gas Co., Inc., in its sole discretion, at any time.

ST. JOE NATURAL GAS CO., INC.

By: _____

(Title)

**STANDARD FORM
TRANSPORTATION SERVICE AGREEMENT**

THIS AGREEMENT, entered into this ____ day of _____, 20____, by and between ST. JOE NATURAL GAS COMPANY, INC., a Florida corporation, (hereinafter called "Company"), and _____, a _____ corporation, (hereinafter called "Customer").

WITNESSETH:

WHEREAS, Customer is interested in obtaining transportation service from Company and Company is willing to provide firm Transportation Service to Customer; and

WHEREAS, Customer has completed and submitted to Company a Request for Transportation Service in accordance with the rules and regulations contained in Company's Gas tariff.

WHEREAS, Customer has arranged for the interstate transportation of its supplies of Gas to the Company's Receipt Point(s);

WHEREAS, Customer desires that, upon delivery of Customer's Gas for Customer's account at the Company's Receipt Point(s), Company cause such Gas to be redelivered to Customer at the Customer's Delivery Point(s) named on Exhibit B attached hereto;

WHEREAS, Company is willing to provide the service described above pursuant to Company's Gas tariff on file with the Florida Public Service Commission ("FPSC") and the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the Premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Customer do covenant and agree as follows:

ARTICLE I
Quantities

1. The Maximum Daily Transportation Quantity ("MDTQ") is set forth on a seasonal basis on Exhibit A attached hereto. The applicable MDTQ shall be the largest daily quantity of gas expressed in MMBtu, that Company is obligated to transport and make available for delivery to Customer under this Service Agreement on any one day.
2. Customer may nominate or tender Gas for transportation to Company any day, up to the MDTQ plus Company's Fuel, if applicable. Company agrees to receive the aggregate of the quantities of Gas that Customer tenders by nomination or for transportation at the Receipts Point(s), up to the maximum daily quantity specified for the Receipt Point(s) as set out on Exhibit A, and make available for delivery to Customer at Customer's Delivery Point(s), up to the maximum daily quantity at such Delivery Point(s) specified on Exhibit B, the amount nominated or tendered by Customer less Company's Fuel, if applicable; provided, however, that Company is not required to accept for transportation and make available for delivery more than the MDTQ on any one day.

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

**STANDARD FORM
TRANSPORTATION SERVICE AGREEMENT
(Continued)**

ARTICLE II
Rate and Payment

1. Customer shall pay for all gas service rendered hereunder, the price(s) established under Rate Schedule _____ contained in Company's gas tariff, as filed with the Florida Public Service Commission ("FPSC") and as the same may be legally amended or superseded from time to time.
2. Customer shall pay Company for all services rendered hereunder the rates established under Company's applicable Rate Schedule, as amended from time to time. Should Customer fail to pay all of the amount of any bill when the same becomes due, Customer's gas service shall be subject to interruption.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall become effective the first day of the month following Company's notice to Customer that all Gas facilities are ready for use and shall continue in effect for _____ consecutive months, and thereafter from year to year unless and until terminated either by Company or Customer upon twelve (12) months' written notice to the other specifying a termination date at the end of such period or yearly period thereafter.

ARTICLE IV
POINT(S) OF RECEIPT AND DELIVERY

1. The Primary Receipt Point(s) and the Maximum Daily Quantity(s), for all Gas delivered by Customer into Company's pipeline system under this Agreement shall be at the Point(s) of Receipt on Company's pipeline system as set forth in Exhibit A attached hereto.
2. The Primary Delivery Point(s) and the Maximum Daily Quantity(s), for all Gas made available for delivery by Company to Customer, under this Agreement shall be at the point(s) of Delivery as set forth in Exhibit B attached hereto.
 - A. The Point(s) of Delivery for all Gas delivered under this Agreement shall be at the outlet side of the meter to be installed and maintained by Company, at our adjacent to, Customer's site, to be determined by mutual agreement between Company and Customer.
 - B. Company shall have the privilege of entering upon the property and site of the Customer for the purpose of reading of the meter and providing proper maintenance of the metering equipment.

STANDARD FORM
TRANSPORTATION SERVICE AGREEMENT
(Continued)

ARTICLE V
Notices

1. All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other address designated in writing by the party:

ADMINISTRATIVE MATTERS & PAYMENT

Company: St. Joe Natural Gas Company, Inc.
301 Long Avenue
Post Office Box 549
Port St. Joe, Florida 32456-0549
Attention: Stuart Shoaf
Telephone: (904) 229-8216
Fax: (904) 229-8392

Customer: _____

Attention: _____

Telephone: _____

Fax: _____

ARTICLE VI
REGULATORY AUTHORIZATION AND APPROVALS

1. Company's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide service to Customer in accordance with the terms and conditions of this Agreement, the applicable Rate Schedule and General Terms and Conditions of Company's Gas tariff filed with the FPSC.

STANDARD FORM

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

TRANSPORTATION SERVICE AGREEMENT
(Continued)

ARTICLE VII
MISCELLANEOUS

1. Company may seek changes in its FPSC Gas tariff upon filing with and receiving approval from the FPSC.
2. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
3. No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.
4. Retainage. As an allowance for shrinkage in providing transportation service hereunder, Company shall be entitled to retain, at no cost to Company, a percentage of the quantity of Gas delivered by, or tendered to Company for the account of, Customer at each Company Receipt Point(s), in an amount equal to five tenths of one percent (0.5%) by volume. Notwithstanding the foregoing, then the Retainage hereunder shall, upon notice by Company to Customer, be increased or decreased prospectively as approved by the FPSC.
5. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA NOTWITHSTANDING ANOTHER JURISDICTION.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officials on the dates set forth below:

St. Joe Natural Gas Company, Inc.

“Customer”

By: _____

By: _____

Title: _____

Title: _____

Attest: _____

Attest: _____

STANDARD FORM
TRANSPORTATION SERVICE AGREEMENT

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

(Continued)

EXHIBIT A

TO

CONTRACT TRANSPORTATION SERVICE AGREEMENT

BETWEEN

ST. JOE NATURAL GAS COMPANY, INC.

AND

_____ (Customer) _____

MAXIMUM DAILY TRANSPORTATION QUANTITY:

SEASON	DESCRIPTION OF RECEIPT POINT(S)	MDTQ (MMBtu)*
October	_____	(MDQ)
November – March	_____	(MDQ)
April	_____	(MDQ)
May – September	_____	(MDQ)

TOTAL MDTQ

Customer to provide Retainage pursuant to Service Agreement and provisions of Company's FPSC Gas Tariff, Rules and Regulations.

* Exclusive of Company's Retainage

**STANDARD FORM
TRANSPORTATION SERVICE AGREEMENT
(Continued)**

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

EXHIBIT B

TO

CONTRACT TRANSPORTATION SERVICE AGREEMENT

BETWEEN

ST. JOE NATURAL GAS COMPANY, INC.

AND

(Customer)

POINT(S) OF DELIVERY:

SEASON	DESCRIPTION OF DELIVERY POINT(S)	MAXIMUM DAILY QUANTITIES (MMBtu)
October	(Customer Meter Site)	(MDQ)
November – March	(Customer Meter Site)	(MDQ)
April	(Customer Meter Site)	(MDQ)
May – September	(Customer Meter Site)	(MDQ)

**STANDARD FORM
REQUEST FOR TRANSPORTATION SERVICE**

St. Joe Natural Gas Company, Inc.
Attn: Stuart Shoaf, President

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

P. O. Box 549
Port St. Joe, Florida 32456
Phone: (904) 229-8216
Telecopy: (904) 229-8392
E-Mail: sjng@yahoo.com

Section 1 – Customer Information

Full Legal Name	STATUS	
_____	_____	
Address	End Use _____	
_____	_____	
_____	SIC Code _____	
_____	_____	
Gas Control Contact (Name)	Title	Telephone Number
_____	_____	_____
State of Incorporation	Location (By State) of Customer's Facilities	
_____	_____	
Address for Notices and Billings	Telephone Number	
_____	_____	
_____	_____	
_____	_____	

Section 2 – Service Requested

_____ TYPE	_____ CONTRACT
_____ Contract Transportation Service	_____ New Service
_____ Firm Transportation Service	_____ Amendment
	Original CR No. _____
Years _____	Commencement Date _____

	MMBTU
Total Volume Request for Transportation during Term of Agreement	_____
_____	_____
*** Maximum Annual Quantity	_____
Maximum Daily Quantity	OCT NOV-MAR APR MAY-SEP
_____	_____

***Minimum Monthly and Annual are set forth in the Transportation Service Agreement

**STANDARD FORM
REQUEST FOR TRANSPORTATION SERVICE
(Continued)**

Issued By:	Stuart L. Shoaf, President	Effective:	July 17, 2008
Issued On:	July 14, 2008		

Transporter: _____
Contract No: _____
Term (Firm Only): _____

Receipt Points (RP)
Delivery Points (DP)

RP	DP	POI	NAME	LEGAL DESCRIPTION	MDQ (MMBTU)

On behalf of Customer, the undersigned represents and warrants that the information provided herein is correct to the best of his/her knowledge and belief.

Customer:

By:

Title:

Attest:

Title:

**STANDARD FORM
DESIGNEE REQUEST FORM**

DESIGNEE REQUEST FORM

Issued By: Stuart L. Shoaf, President
Issued On: July 14, 2008

Effective: July 17, 2008

Please send Requests To:

St. Joe Natural Gas Company, Inc.
Attn: Stuart Shoaf
P. O. Box 549
Port St. Joe, Florida 32457
Telecopy: (850) 229-8392

Customer Information:

Full Legal Name
Address State Zip Code
Telephone Number Telecopy Number
Contact Name Title

Shipper Designee Information:

Full Legal Name
Address State Zip Code
Telephone Number Telecopy Number
Contact Name Title

Requested Term: Requested Effective Date:

Subject Agreements

Contract Number(s): _____

**STANDARD FORM
DESIGNEE REQUEST FORM
(Continued)**

Receipt and Delivery Nominations and Conformations (Yes or No)
Designee will perform all nomination obligations under Subject Agreement(s).

_____ For Receipt Point(s)
_____ For Delivery Point(s)

Designee will perform all conformation obligations under Subject Agreement(s).
_____ For Receipt Point(s)
_____ For Deliver Point(s)

Imbalance Resolution (1)

Designee will perform all receipt point imbalance resolution obligations under the Subject Agreement(s), which are transportation service agreements between Customer and St. Joe Natural Gas Company.

Designee will perform all delivery point imbalance resolution obligations under the Subject Agreement(s) which are delivery point operating account(s).

Invoicing/Payment (1)

Designee will perform all invoicing/payment obligations under the Subject Agreement(s), which are transportation service agreement(s) between Shipper and St. Joe Natural Gas Company.

Designee will perform all invoicing/payment obligations under the Subject Agreement(s) which are delivery point operating account(s).

Other Administrative Duties

Designee will perform all capacity relinquishment responsibilities consistent with St. Joe Natural Gas Company's FPSC Gas Tariff, including the execution of service agreements and/or amendments thereto as necessary to complete a capacity relinquishment transaction.

Other

(1) MUST MEET CREDITWORTHINESS PROVISIONS OF ST. JOE NATURAL GAS COMPANY'S FPSC GAS TARIFF PRIOR TO EFFECTIVENESS OF DESIGNATION.

St. Joe Natural Gas Company shall have the right to rely on written and verbal communications from Designee for all purposes for the duties specified above. Customer agrees to defend and hold St. Joe Natural Gas Company harmless from all of Designee's actions.

Communications by St. Joe Natural Gas Company to Designee shall be deemed to be notice to Customer for all purposes for the duties specified above.

Customer shall remain liable for any and all actions or failure to act of Designee and shall remain responsible for all liabilities and charges under each of the Agreements specified herein.

Customer Signature:

By: _____ Date _____

Printed Name/Title _____

Pg. 2 of 3

**STANDARD FORM
DESIGNEE REQUEST FORM
(Continued)**

Designee Request Form

Designee's Signature:

By: _____ Date _____

Printed Name/Title _____

Designee Accepted By:

By: _____ Date _____

STUART SHOAF, PRESIDENT
Printed Name/Title _____