

SOUTH FLORIDA NATURAL GAS
303 JULIA STREET
NEW SMYRNA BEACH, FLORIDA 32168

ORIGINAL

(305) 652-1100
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VIA HAND DELIVERY

February 13, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
8540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Reissue of Existing Tariff
South Florida Natural Gas

980137-6-11

980000

Dear Ms Bayo:

The Florida Public Service Commission ("Commission") has been notified by a Notice of Merger dated January 16, 1998, that Atlantic Utilities Corporation ("AUC") was merged with and into Southern Union Company ("Southern Union"). Pursuant to that merger, South Florida Natural Gas Company was merged with and into Southern Union. As the surviving corporation of the merger, Southern Union continues to provide the goods and services previously provided by South Florida Natural Gas Company under the name Atlantic Utilities, a division of Southern Union Company d/b/a South Florida Natural Gas ("SFNG")

Rule 25-9.044, Florida Administrative Code, requires a company that has a change in ownership, to within thirty (30) days after the filing of the adoption notice, to issue and file in its own name rate schedules and regulations on additional or revised sheets of its existing tariff, or by a complete reissue of its existing tariff. Attached please find SFNG's complete reissue of South Florida Natural Gas Company's tariff. This reissued tariff, entitled 'Original Volume No. 3', sets out the rates and regulations of SFNG's predecessor utility. These rates and regulations have been adopted by SFNG, without change, except for the minor administrative revisions enumerated below:

1. The refiled tariffs reflect the utility's name - South Florida Natural Gas.

Original Sheet No. 26, the Customer Application for Gas Service, previously specified an incorrect address for the utility. This sheet now correctly lists the address of "303 Julia Street" in New Smyrna Beach, Florida.

DOCUMENT NUMBER-DATE

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Page 2

3. Original Sheet No. 26, the Customer Application for Gas Service, incorrectly listed the Rate Classification Symbols as "RS - Residential" and "CS - Commercial". The attached Original Sheet No. 26 is updated to accurately reflect the form that was in use upon our acquisition of South Florida Natural Gas Company. This sheet now correctly lists the Rate Classification Symbols as "GS - General Service", "C - Commercial", "I - Industrial" and "S - Special".
4. Original Sheet No. 26, the Customer Application for Gas Service, and Original Sheet No. 27, the Nontransferable Certificate of Deposit, now both reflect the changed name of the utility in the text of the standard forms.
5. Original Sheet No. 27, the Nontransferable Certificate of Deposit, now contains blanks for the "Drivers License No." and for "Soc. Sec. No.". This change to Original Sheet No. 27 updates the form to accurately reflect the form that was in use upon our acquisition of Southern Florida Natural Gas Company.

Based on our local counsel's discussions with Commission staff, South Florida Natural Gas understands that the filing of this Reissue of Existing Tariff may be administratively approved by Commission staff. Accordingly, South Florida Natural Gas does not request that a formal docket be opened or that any action be taken by the Commission.

Please acknowledge receipt of this Reissue of Existing Tariff by date stamping the duplicate copy of this letter and returning it to my attention for SFNG's records.

South Florida Natural Gas looks forward to working with the Florida Public Service Commission. Thank you for your assistance.

Sincerely,



Alexander M. Kara
Regional Vice President
South Florida Natural Gas

cc: Ms. Cheryl Bulecza-Banks
Mr. Wayne Makin
D. Bruce May, Esquire

ORIGINAL

GAS TARIFF
ORIGINAL VOLUME NO. 3
OF
SOUTH FLORIDA NATURAL GAS
Filed With The
FLORIDA PUBLIC SERVICE
COMMISSION

**For Natural Gas Service Within The Corporate Limits of City of
New Smyrna Beach and The City of Edgewater, Florida, and
Environs Comprising All Of County Commissioners District 5 of
Volusia County, Florida.**

Communication Concerning This Tariff Should Be Addressed To:

**Mr. Alexander M. Kara
Regional Vice President
South Florida Natural Gas
P.O. Box 248
New Smyrna Beach, Florida**

**Issued By: Alexander M. Kara
Regional Vice President**

**DOCUMENT NUMBER DATE
Effective: April 22, 1982
02228 FEB 19 82**

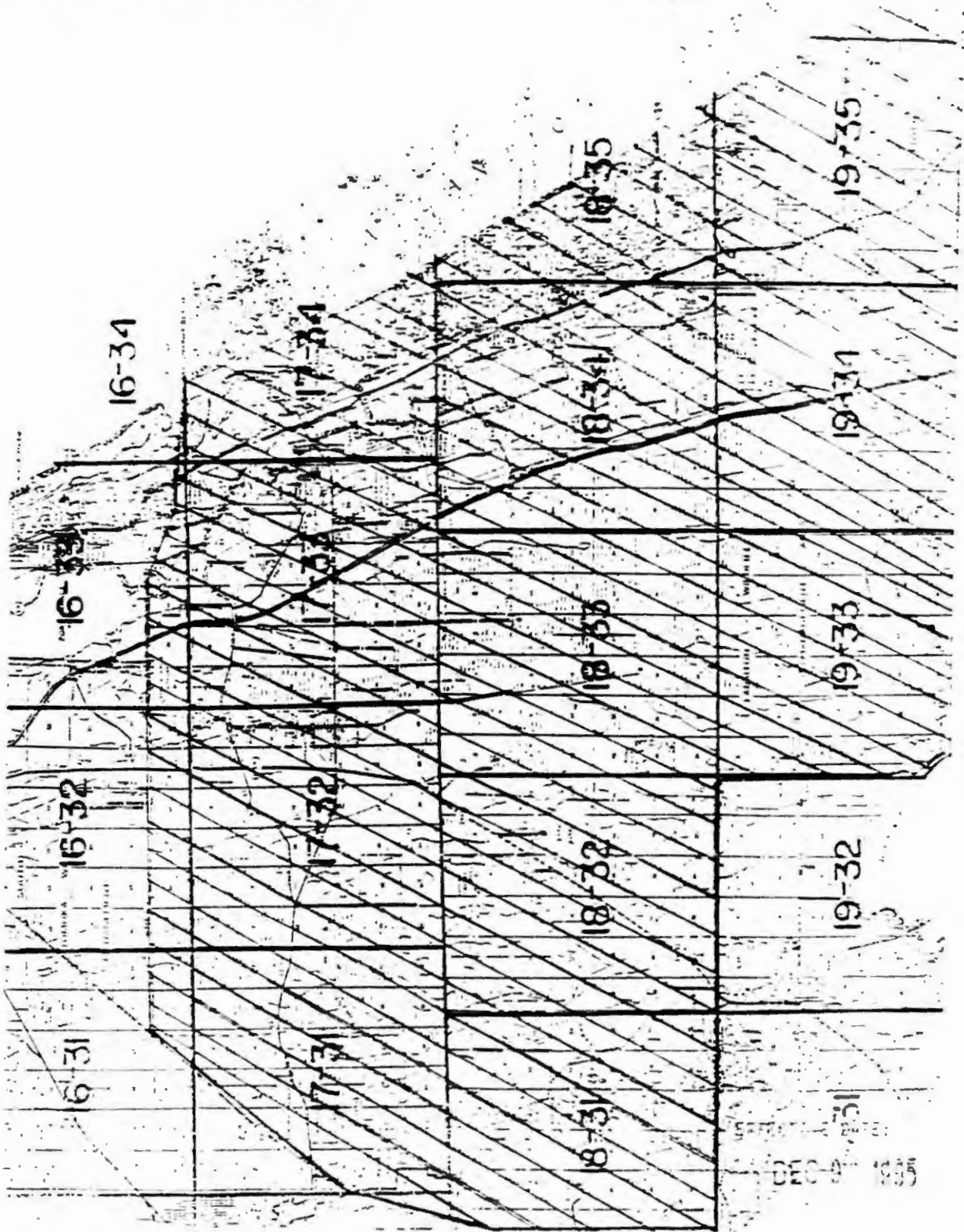
FPSC REGULAR REPORT 13

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Issued By: Alexander M. Kara
Regional Vice President

Effective: April 22, 1982

A. 400 COMMUNITIES SERVED AND AVAILABILITY OF RATE SCHEDULES

A. 401 - This tariff shall apply to all gas service rendered by the Company in accordance with the indicated rate schedules in the following service areas and geographical and political boundaries:

AREA	No. TYPE	APPLICABLE RATES		
		GS RESIDENTIAL	CS COMMERCIAL	IS INTERRUPTIBLE
SOUTHEAST VOLUSIA COUNTY DISTRICT 5		X	X	X
CITY OF NEW SMYRNA BEACH, FLORIDA		X	X	X
CITY OF EDGEWATER, FLORIDA		X	X	X

A. 000 GENERAL (Continued)

A. 500 DEFINITIONS

Wherever in this Gas Tariff the following listed words or phrases are used, they shall have the respective meanings hereinafter assigned to them:

A. 501 - COMPANY -- The South Florida Natural Gas Co., a "public utility" organized and existing as a corporation under the laws of the State of Florida.

A. 502 - COMMISSION -- Florida Public Service Commission.

A. 503 - CUSTOMER -- Any person, firm, partnership, company, corporation, municipality, cooperative, organization, governmental agency, or any other party to whom the Company renders Gas Service.

A. 504 - CUSTOMER'S INSTALLATION -- All pipe and fittings, regulators, cocks, valves, vents, circulating pipes, connections, appliances, and apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing gas for any purpose located on the Customer's side of Point of Delivery.

A. 505 - POINT OF DELIVERY -- The point where the Company's pipes or apparatus is connected with those of the Customer, usually at the fitting on the outlet side of the meter.

A. 506 - GAS SERVICE -- The supplying and furnishing of gas by the Company to a Customer pursuant to an Application of which there has been acceptance by the Company, or pursuant to a Service Agreement.

A. 507 - APPLICATION -- A form prepared by the Company by which, when the information and other requisites required thereby are furnished by a prospective Customer and when signed by such prospective Customer, Gas Service may be requested from Company.

A. 508 - INTENDED SERVICE AGREEMENT -- A written offer signed by a prospective Customer or its authorized agent which contains the terms and conditions upon which Gas Service is desired.

A. 509 - SERVICE AGREEMENT -- An Intended Service Agreement which has been accepted by the Company by the signing thereof by authorized officers or employees of the Company.

A. 000 GENERAL (Continued)

A. 510 - GAS -- Any gas or mixture of gases suitable for domestic or industrial fuel and transmitted or distributed to the user through a piping system, except Liquefied Petroleum Gas as defined herein, and having a total heating value of not less than 1000BTU per cubic foot of dry gas measured at 14.73 pounds per square inch absolute pressure and at a temperature of 60° Fahrenheit.

A. 511 - LIQUIFIED PETROLEUM GAS -- Any material which is composed predominantly of any of the following hydrocarbons or mixtures of same: propane, propylene, butanes (normal butane or isobutane), and butylenes.

A. 512 - UTILIZATION PRESSURE -- The pressure at which gas is supplied to the Customer at the Point of Delivery. The Company will design, install and operate its gas service facilities in order to maintain a standard delivery pressure of seven (7) inches of water column at the meter set and in no case will this pressure be less than 3-1/2 inches nor more than 14 inches of water column at the Point of Delivery unless specified by a Service Agreement.

A. 513 - MAIN -- A pipe installed in a community to convey gas to individual Gas Service Lines or other Mains.

A. 514 - GAS SERVICE LINE -- The pipe that runs between a main or a pipeline and a Customer's meter set.

A. 515 - METER -- Any device or instrument used by the Company in measuring a quantity of gas.

A. 516 - CUSTOMER'S METER SET -- All the appurtenances and equipment on the Company's side of the Point of Delivery necessary for the control, regulation, and measurement of the gas delivered to the Customer.

A. 517 - GAS SERVICE FACILITIES -- All apparatus and equipment including, but not limited to, mains, service lines and Customer meter sets necessary to render Gas Service. In particular the amount of any or all such apparatus and equipment required to be added new to the then existing apparatus and equipment of the Company for supplying gas service to a new Customer.

A. 518 - BRITISH THERMAL UNIT (BTU) -- The quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit.

A. 519 - THERM -- A unit of heating value equivalent to one hundred thousand (100,000) British Thermal Units.

A. 000 GENERAL (Continued)

A. 520 - METER READING DATE -- The day upon which an authorized employee of the Company reads the Meter of a Customer for regular billing purposes.

A. 521 - MONTH -- The interval of time between the same numbered days in any two consecutive calendar months (approximately 30 days).

A. 522 - CONNECTED LOAD -- The sum total of the BTU input ratings of all gas-consuming appliances and equipment located on the Customer's premises and connected to the Customer's piping, usually denoted by MBTU (1,000BTU).

A. 523 - YEAR ROUND AIR CONDITIONING -- The process of maintaining a desired condition of temperature, and either humidity, or purity of the air on a continuous annual basis including summer cooling and winter space heating for human comfort or for any other operation which requires similar control.

A. 524 - BILLING DATE -- The date indicated upon the Customer's bill as the date the bill was calculated.

Other technical terms, words, phrases and expressions used in this Tariff and not herein defined are to be given the meaning contained in the RULES AND REGULATIONS OF THE FLORIDA PUBLIC SERVICE COMMISSION.

B. 000 RULES AND REGULATIONS

B. 100 INITIATION OF SERVICE

B. 101 - REQUEST FOR GAS SERVICE -- Gas Service may be requested by a prospective Customer or his duly authorized representative by either of the two following methods:

- (1) By the submission to the Company of a completed Application;
- (2) By the submission to the Company of an Intended Service Agreement.

The Company may, at its discretion, require that Gas Service requested by any prospective Customer under any Rate Schedule be rendered pursuant to a Service Agreement.

B. 102 - ACCEPTANCE OF APPLICATION OR OF INTENDED SERVICE AGREEMENT -- Acceptance of an Application by the Company shall be deemed to be made only when Gas Service to Customer is begun as a result of the submission of the Application.

Acceptance of the Intended Service Agreement by the Company shall be deemed to be made only when the Intended Service Agreement has been signed by the Company by its authorized officers or employees.

B. 103 - OBLIGATION OF CUSTOMER AND COMPANY -- Upon commencement of Gas Service by the Company pursuant to an Application therefor, the terms and conditions of the Application, of these General Rules and Regulations, and of the applicable Rate Schedule shall be binding upon the Customer and the Company.

B. 104 - WITHHOLDING OF GAS SERVICE -- The Company may withhold Gas Service requested under an Application or Intended Service Agreement submitted by any member or agent of a family, household, organization or business unless all prior indebtedness to the Company for Gas Service of such family, household, organization, or business has been settled in full.

B. 105 - LIMITATION OF USE -- Gas Service rendered by the Company shall be used by the Customer only for the purposes specified in the Application or Service Agreement. Gas Service to a Customer shall be rendered directly to Customer through Company's meter and shall be for Customer's own use and not be resold by Customer to lessees, tenants or others, either by metering or otherwise, unless authorized by Commission Rule 25-7.071.

B. 000 RULES AND REGULATIONS (Continued)

In case of any unauthorized remetering, sale or disposition of gas by a customer, gas service to such Customer shall be subject to discontinuance until such unauthorized remetering, sale or disposition is discontinued and full payment is made of bills rendered to Customer by the Company, calculated on proper classifications and Rate Schedules, for gas so sold or disposed of by Customer, and reimbursement in full is made to the Company for any extra expenses incurred for clerical work, testing and inspections in connection therewith.

B. 200 CUSTOMER'S INSTALLATION

B. 201 - TYPE AND MAINTENANCE -- The Customer's installation shall be constructed and maintained in accordance with the standard practice as determined by the Rules and Regulations of the Florida Public Service Commission. The Customer shall not utilize any apparatus or device which is not properly constructed, controlled, or protected, or which may adversely affect Gas Service; and the Company reserves the right to discontinue or withhold Gas Service to any Customer on account of any defective piece of Customer's installation.

B. 202 - CHANGE OF CUSTOMER'S INSTALLATION -- No changes in Customer's installation which will affect the operation of any portion of the distribution system or production plants of the Company shall be made without written consent of the Company. The Customer will be liable for any damages to the Company resulting from a violation of this rule.

B. 203 - INSPECTION OF CUSTOMER'S INSTALLATION -- If municipal or other governmental inspection is required, the Company shall not be required to render Gas Service until such inspection has been made and approval from the inspecting authority has been received by the Company. The Company shall inspect Customer's installation prior to rendering service and from time to time thereafter, but assumes no responsibility whatsoever on account of having made such inspection.

B. 204 - INDEMNITY TO COMPANY -- The Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with or growing out of the transmission and use of gas by the Customer at or on the Customer's side of the Point of Delivery.

B. 000 RULES AND REGULATIONS (Continued)

B. 205 - PROTECTION OF COMPANY'S PROPERTY -- The Customer shall properly protect the Company's property on the Customer's premises and shall permit no one but the Company's agents, or persons authorized by law, to have access to the Company's piping, meters or apparatus.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

B. 206 - ACCESS TO THE PREMISES -- The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the Customer for the purpose of installing, maintaining, inspecting or removing the Company's property, reading meters and such other purposes as are incidental to rendering or terminating of Gas Service to the Customer. In such performance the Company and its agents shall not be liable for trespass.

B. 207 - RIGHT OF WAY -- The Customer shall grant or cause to be granted to the Company without cost to the Company all rights, easements, permits and privileges which in the Company's opinion are necessary for the installation of Gas Service Facilities pursuant to rendering of Gas Service. The Customer will furnish without charge to Company acceptable location for the Customer's meter set and service lines.

B. 300 DEPOSITS

B. 301 - DEPOSITS REQUIRED -- An applicant for service shall satisfactorily establish credit which will guarantee prompt and full payment of all bills rendered to Customer by Company for Gas Service, but such establishment of credit shall not relieve the Customer from complying with Company's rules for prompt payment of bills. Credit will be deemed so established if:

(a) The applicant for service furnished a satisfactory guarantor to secure payment of bills for the service requested. A satisfactory guarantor shall, at the minimum, be a Customer of the Utility with a satisfactory payment record.

(b) The applicant pays a cash deposit.

(c) The applicant for service furnishes an irrevocable letter of credit from a bank or surety bond.

B. 000 RULES AND REGULATIONS (Continued)

B. 302 - RECEIPT OF DEPOSIT -- A non-transferable certificate of deposit shall be issued to each Customer and means provided so that the Customer may claim the deposit if the certificate is lost. When a new or additional deposit is required, a Customer's cancelled check or validated bill coupon may serve as a deposit receipt.

B. 303 - DEPOSIT AMOUNT --

(a) **New Deposits -** The amount of the cash deposit, guarantor, letter of credit or bond shall be equal to the estimated or actual average gas charges for gas service for two billing periods.

(b) **Renewal or Additional Deposits -** Company may require, upon written notice of not less than thirty (30) days, such request or notice being separate and apart from any bill for service, a new deposit, where previously waived or returned, or additional deposit, in order to secure payment of current bills; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for gas service for two billing periods for the 12 month period immediately prior to the date of the notice. In the event the Customer has had service less than 12 months, then the utility shall base its new or additional deposit upon the average actual monthly billing available.

B. 304 - RECORD OF DEPOSIT -- Each deposit of a Customer shall show:

(a) The name of each Customer making the deposit.

(b) The premises occupied by the Customer.

(c) The date and amount of the deposit.

(d) Each transaction concerning the deposit, such as interest payments, interest credits, or similar transactions.

B. 305 - INTEREST ON DEPOSITS -- Where a cash deposit has been made by a Customer, the Company will pay simple interest at a rate of eight percent (8%) per annum or as may be prescribed by the Commission and will be paid annually or upon discontinuance of the deposit, except the Company shall pay nine percent (9%) interest on those non-residential customers' deposits it may elect to not refund per paragraph B.306(b) and who have met all the conditions of such paragraph. No Customer depositor shall be entitled to receive interest on his deposit until and unless the Customer relationship and the deposit have been in existence for a continuous period of six months; then he shall be entitled to receive interest from the day of commencement of the customer relationship and the placement of the deposit.

B. 000 RULES AND REGULATIONS (Continued)

B. 306 - REFUND OF DEPOSIT --

(a) After a residential customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has not, in the preceding 12 months:

- (1) Made more than one late payment of a bill (after the expiration of 20 days from the day of mailing or delivery by the utility),
- (2) Paid with a check refused by a bank,
- (3) Been disconnected for non-payment, or at any time,
- (4) Tampered with the gas meter, or
- (5) Used service in a fraudulent or unauthorized manner.

(b) After a non-residential customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company may refund the Customer's deposit provided the Customer has not, in the preceding 12 months:

- (1) Made more than one late payment of a bill (after the expiration of 20 days from the day of mailing or delivery by the utility),
- (2) Paid with a check refused by a bank,
- (3) Been disconnected for non-payment, or any time,
- (4) Tampered with the gas meter, or
- (5) Used service in a fraudulent or unauthorized manner.

(c) Refunding of non-residential customers' deposits will be at the Company's option except that deposits of condominium and homeowner associations and cooperative apartments will be refunded in like manner as residential customers.

B. 307 - REFUND OF DEPOSIT WHEN SERVICE IS DISCONNECTED -- Upon termination of service, the deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly to the Customer no later than fifteen (15) days after service is disconnected.

B. 000 RULES AND REGULATIONS (Continued)

B. 400 BILLING

B. 401 - BILLING PERIODS -- Bills for Gas Service shall be for all gas used during the period between two successive meter reading dates and will be rendered regularly. The billing period shall be as specified:

- (a) In the respective rate schedule
- (b) At the time of initiation of service, or
- (c) In the Service Agreement.

Bills are due when rendered and shall be considered as received by Customer when delivered or mailed to the address at which Gas Service is rendered or to some other place mutually agreed upon.

B. 402 - CALCULATION OF BILL -- Gas will be measured by a meter or meters at each Point of Delivery and the applicable rates, including Energy Charge provisions, set forth in the applicable Rate Schedule shall be applied to the quantity of gas so measured to determine the amount of the bill. The metering equipment will measure gas on a volumetric basis which will be converted to therms for the calculation of the bill.

B. 403 - MINIMUM OR CUSTOMER CHARGE -- Only 50% of the Customer Charge will be applied to the first bill of those customers who initiate gas service anytime during the period of less than fifteen (15) days prior to a regular meter reading date.

B. 404 - NON-RECEIPT OF BILLS -- Non-receipt of bills by Customer shall not release or diminish obligation of Customer with respect to payment thereof.

B. 405 - GAS DELIVERED UNDER MORE THAN ONE RATE SCHEDULE AND/OR AT MORE THAN ONE POINT OF DELIVERY -- If a Customer purchases gas under more than one Rate Schedule, the Gas Service rendered under each Rate Schedule shall be separately metered and separate bills shall be calculated for each type of Gas Service rendered. If a Customer purchases gas under a particular Rate Schedule but received deliver thereof at more than a single Point of Delivery, the Company will consider deliveries as separate Gas Services and will calculate separate bills thereof.

B. 000 RULES AND REGULATIONS (Continued)

B. 406 - CHANGE OF OCCUPANCY -- When change of occupancy takes place on any premises to which the Company rendered Gas Service, notice thereof shall be given by the Customer to the Company not less than three (3) days prior to the date of change. The Customer will be held responsible for all Gas Service furnished to such premises until such notice is received by the Company and the Company has had reasonable time to discontinue the Gas Service; however, the Company will automatically terminate Gas Service to the Customer upon receipt of an Application of a succeeding occupant, if such notice has not been received prior thereto. If the new application is received prior to the termination of service of the initial occupant such that the service will not need to be terminated, the new occupant will be charged \$10.00 in lieu of the initiation of service charge as provided by Paragraph B. 408 below.

B. 407 - TERM OF SERVICE -- Gas Service will be on a continuous basis until terminated under the Rules and Regulations herein contained, unless specified otherwise in a Service Agreement.

B. 408 - SERVICE CHARGES -- A charge will be made at the time of an initial connection of Gas Service or the reconnection of Gas Service where the Customer's Gas Service has been previously terminated for any reason:

- 1 - For a Residential Customer \$20.00
- 2 - For a Commercial Customer \$30.00

B. 409 - DELINQUENT BILLS -- Bills are due when rendered and if not paid in full within twenty (20) days from billing date, the bill becomes delinquent. Gas Service may be discontinued any time after the bill becomes delinquent, upon five (5) working days' written notice to the Customer, and, if discontinued, such service will not be restored until all amounts due the Company are paid in full. A working day for purposes of this paragraph shall be any day on which the Company's office is open and the U.S. mail is delivered. If it becomes necessary for the Company to dispatch an employee to the Customer's premises as the result of a Customer's non-compliance with a written delinquency notice, a bill collection charge of \$10.00 will be made unless the delinquent bill is not collected and the Customer's Gas Service is terminated. If the service is terminated and subsequently reinstated, a charge will be made at that time in accordance with Paragraph B. 408 above.

B. 410 - CHANGE OF RATE SCHEDULE -- If it becomes necessary for a Customer to change from one rate schedule to another, or from one service address to another, Company may request that all amounts due under the old rate or at the old address be paid in full prior to such change becoming effective. No change of rate schedule shall be retroactive.

B. 500 METERS

B. 501 - LOCATION OF METERS -- The Company will determine the location of, install and properly maintain at its own expense such meter or meters and metering equipment as it may deem necessary to measure the quantity of gas used by the Customer.

B. 000 RULES AND REGULATIONS (Continued)

B. 502 - UNAUTHORIZED WORK ON COMPANY'S METERS -- Only duly authorized agents of the Company or persons authorized by law shall set or remove, turn on or off, or in any way handle such meters. Connections to the Company's system shall be made only by Company's duly authorized agents. Unauthorized connections to, or tampering with, the Company's meter or metering equipment, or indications or evidence thereof, subjects the Customer to immediate discontinuance of Gas Service, prosecution under the laws of Florida, adjustment of prior bills for gas furnished, and reimbursement to the Company for all expenses incurred on this account.

B. 503 - METER ACCURACY AT INSTALLATION -- Meters when installed shall be no more than one percent (1%) fast or two percent (2%) slow, as determined by suitable tests using methods and equipment prescribed by the Commission.

B. 504 - METER TESTS -- The testing of all meters shall be in accordance with the applicable Rules and Regulations of the Commission.

B. 505 - ADJUSTMENT OF BILLS FOR METER ERROR -- Whenever a meter is found to have an average error of more than two percent (2%) fast, the Company shall refund to the Customer the amount billed in error in accordance with the rules and regulations of the Commission. Whenever a meter is found to have an average error of more than two percent (2%) slow, non-registering or partially registering, the Company may bill the Customer in accordance with the rules and regulations of the Commission.

B. 600 EXTENSIONS AND INSTALLATIONS OF GAS SERVICE FACILITIES

B. 601 - GENERAL POLICY -- The amount of free extension or installation made of Gas Service Facilities may be related to the investment that can prudently be made for the anticipated revenue to be received. No extension or installation of Gas Service Facilities shall be required to be made by the Company under the standard policy of the Company set forth unless the Gas Service Facilities as then constructed has sufficient capacity, without enlargement thereof, to provide the Gas Service requested in addition to the Gas Service then being rendered to other Customers by means of such Gas Service Facilities.

B. 602 - STANDARD POLICY -- The Company's standard policy in respect to extensions and installations of Gas Service Facilities shall be as follows:

B. 000 RULES AND REGULATIONS (Continued)

a. **FREE EXTENSIONS AND INSTALLATIONS:** The maximum capital investment to be made by the Company for main and service facilities without cost to the Customer shall be defined as the maximum allowable construction cost. The maximum allowable construction cost shall equal four times the estimated annual gas revenue to be derived from the facilities less the cost of gas.

b. **EXTENSION AND INSTALLATION ABOVE FREE LIMIT:** When the cost of the extension required to provide service is greater than the free limit specified in (a) above, the Company may require a non-interest bearing advance in aid of construction of the cost in excess of such free limit provided that:

(1) 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 calculated using actual gas revenues, less the actual cost of gas, over the maximum allowable construction cost used to determine the amount of the advance in aid of construction.

(2) For each additional Customer taking service at any point on the extension within a period of five (5) years from date of construction, the Company shall 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 shall have not been necessary to serve the additional Customer.

(3) The aggregate refund to any Customer made through the provisions of 1 and 2 above shall at no time exceed the original advance in aid of construction of such Customer.

c. **OWNERSHIP AND REFUND:** 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 utility.

d. **NONDISCRIMINATION:** Nothing in this section shall be construed as prohibiting the Company from establishing extension policies more favorable to consumers so long as no discrimination is practiced between consumers.

e. **SERVICE LINE:** The Customer may be required to install or to pay in full or in part for the service line from the property line to the Customer's piping in accordance with the Company's filed rules and regulations.

B. 000 RULES AND REGULATIONS (Continued)

B. 700 SUSPENSION OF CONTRACTUAL OBLIGATIONS

B. 701 - INABILITY TO PERFORM -- In the event of either party, Company or Customer, being rendered 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 cause relied on, then 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 any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

B. 702 - FORCE MAJEURE -- The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to 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 servitudes, right of way grants, permits or licenses to enable such party to fulfill its obligations hereunder, the liability of such party to acquire, or the delays on the part 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 servitudes, rights of way grants, permits or licenses; and

(b) In those instances where either party is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure grants or permissions from any governmental agency to enable such party to fulfill its obligation 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.

B. 000 RULES AND REGULATIONS (Continued)

B. 703 - SETTLEMENT OF LABOR DISPUTE -- It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the 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 course is inadvisable in the discretion of the party having the difficulty.

D. 100 Rate Schedule RS

Residential Service

D. 101 - AVAILABILITY -- Entire Service Area.

D. 102 - APPLICABILITY -- Applies to all gas delivered for domestic purposes, to any Customer for use in single family dwellings or in separately metered housing units or for non-commercial purposes in condominium and homeowner associations and cooperative apartments where the benefits accrue exclusively to the cooperative or association as prescribed by Commission Rule 25-7.071.

D. 103 - CHARACTER OF SERVICE -- Natural gas or its equivalent with heating value on the order 1,000 British Thermal Units per cubic foot.

D. 104 - MONTHLY RATE --	Customer Charge:	\$7.00
	Energy Charge:	\$0.56654 per therm
	Non-Gas Cost	

D. 105 - MINIMUM BILL -- \$7.00

D. 106 - TERMS OF PAYMENT -- Bills are due when rendered and become delinquent if unpaid after expiration of twenty (20) days from date of mailing.

D. 107 - ADJUSTMENTS -- See Billing Adjustment Sheet No. 24.

D. 108 - SPECIAL TERMS AND CONDITIONS OF SERVICE -- Application of this rate is subject to the rules and regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

D. 109 - LIMITATIONS OF SERVICE -- Under no conditions will service be rendered under any agreement whereby the Customer or tenants resell the gas either within or without the premises, nor under conditions by which gas is transmitted outside the premises under contract.

D. 200 RATE SCHEDULE CS

Commercial and Industrial Firm Service

D. 201 - AVAILABILITY -- Entire Service Area.

D. 202 - APPLICABILITY -- Service under this schedule is available to commercial and industrial consumers, schools and public institutions as prescribed by Commission Rule 25-7.071.

D. 203 - CHARACTER OF SERVICE -- Natural gas or its equivalent with heating value on the order of 1,000 British Thermal Units per cubic foot.

D. 204 - MONTHLY RATE --	Customer Charge:	\$12.00
	Energy Charge:	\$0.23514 per therm
	Non-Gas Cost	

D. 205 - MINIMUM BILL -- \$12.00

D. 206 - TERMS OF PAYMENT -- Bills are due when rendered and become delinquent if unpaid after expiration of twenty (20) days from date of mailing.

D. 207 - ADJUSTMENTS -- See Billing Adjustments Sheet No. 24.

D. 208 - SPECIAL TERMS AND CONDITIONS OF SERVICE -- Application of this rate is subject to the general rules and regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

D. 209 - LIMITATIONS OF SERVICE -- Under no conditions will service be rendered under any agreement whereby the customer or his tenants resell the gas either within or without the premises nor under conditions by which gas is transmitted outside the premises under contract.

D. 300 RATE SCHEDULE IS

Interruptible Service

D. 301 - AVAILABILITY -- Entire Service Area.

D. 302 - APPLICABILITY -- Service under this schedule is available to any consumer who shall by a contract in writing agree to use the gas purchased hereunder for industrial purposes.

D. 303 - STANDBY EQUIPMENT -- In all cases where continuous operation of the consumer's facilities is necessary, consumer shall continuously provide and maintain in operational condition, during the contract period, standby facilities and the fuel required for the operation thereof, of sufficient capacity to make possible the necessary interruption of the natural gas supply.

D. 304 - CHARACTER OF SERVICE -- Natural gas or its equivalent with an average heating value on the order of 1,000 British Thermal Units per cubic foot.

D. 305 - INTERRUPTION AND CURTAILMENT -- Deliveries under this schedule shall be subject to curtailment or complete interruption whenever, in the sole discretion of the Company, such curtailment or complete interruption of service is necessary for any reason. Curtailment and interruption notices shall be given at least two (2) hours in advance of their effective hour, except that when due to force majeure the notice given shall be such advance notice as may be practicable under the circumstances. Such notices specifying curtailment and restoration of service may be verbal or written.

D. 306 - MONTHLY RATE -- Customer Charge: \$3,400.00

D. 307 - MINIMUM MONTHLY BILL -- \$3,400.00

D. 308 - TERMS OF PAYMENT -- Bills are due when rendered and become delinquent if unpaid after expiration of twenty (20) days from mailing.

D. 309 - ADJUSTMENTS -- See Billing Adjustment Sheet No. 24.

D. 310 - OVERRUN PENALTY -- The charge for overrun gas shall be as specified in the contract.

D. 300 RATE SCHEDULE IS (Continued)

D. 311 - CURTAILMENT -- If Customer fails to comply with a curtailment notice calling for complete or partial curtailment of gas deliveries hereunder, Customer shall be billed for the amount of such penalties due to its failure to comply with such curtailment notices.

D. 312 - INDEMNIFICATION -- The payment of an overrun penalty shall not under any circumstances be considered as giving Customer the right to take unauthorized overrun gas nor shall such payment be considered to exclude or limit any other remedied (including turning off the gas valve at the Customer's premises) available to Company or another Customer against the offending Customer for failure to comply with its obligation to stay within the provisions of all curtailment orders.

D. 313 - TERMS OF SERVICE -- Will be as stated in the contract.

D. 314 - SPECIAL TERMS AND CONDITIONS OF SERVICE -- Application of this rate is subject to rules and regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

D. 315 - LIMITATION OF SERVICE -- Under no conditions will service be rendered under any agreement whereby the Customer or his tenants resell the gas either within or without his premises, nor under conditions by which gas is transmitted outside the premises under contract.

D. 400 BILLING ADJUSTMENTS - BA

APPLICABLE:

To the rate per month provision in each of the Company's rate schedules which reference the billing adjustments set forth below.

PURCHASED GAS COST RECOVERY FACTOR:

The energy charge of the monthly 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 six-month periods of April through September and October through March, in accordance with the methodology adopted by the Commission on May 2, 1991, in Order No. 24463, Docket No. 910003-GU, 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 1.00376 for regulatory fees, and rounded to the nearest \$.000001 per therm, to be applied to the total number of therms consumed by the customer during the billing period.

The purchased gas cost recovery factor approved by the Commission for the billing months of April 1997 through March 1998 is 43.569 cents per therm.

The purchased gas cost recovery factor shall serve as a cap or maximum recovery factor. 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 WACOG) or upward (increasing WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.

BILLING ADJUSTMENTS (Continued)

D. 403 - OVER - UNDER RECOVERY -- Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to paragraphs (a) and (b) above shall be "trued-up" (refunded to Customer or collected by Company), with interest, during the corresponding twelve (12) month period during the succeeding year, in accordance with the methodology adopted by the Commission on May 10, 1993, in Docket No. 930003-GU, Order No. PSC-93-0708-FOF-GU, or as such methodology may be amended from time to time by further order of the Commission.

D. 404 - TAXES AND OTHER ADJUSTMENTS -- There will be added to all bills rendered all applicable local utility and franchise taxes and state sales taxes presently assessed by governmental authority, as well as any future changes or new assessments by any governmental authority subsequent to the effective date of any rate schedule. All such assessments shall be shown separately on Customer's bills.

E. 000 STANDARD FORMS

E. 100 - CUSTOMERS APPLICATION FOR GAS SERVICE

SOUTH FLORIDA NATURAL GAS 303 JULIA STREET - NEW SMYRNA BEACH, FLORIDA 32168						CITY		
CUSTOMER APPLICATION FOR GAS SERVICE						ACCOUNT NO.		
CUSTOMER'S NAME				STREET		HOUSE NO.		
MAIL BILL TO:				LOT NO.	BLOCK NO.	SUBDIVISION		
CITY			STATE	OCCUPIED AS	ORDERED	WANTED		
I, the undersigned, hereby make application to South Florida Natural Gas for Industrial - Commercial - Residential natural gas service to the premises described above, and hereby agree to receive and pay for such service in accordance with the effective rates, rules and regulations of the company until discontinued.								
CUSTOMER'S SIGNATURE						DATE		
TYPE OF EQUIPMENT				EAT	EAR	METER		
						NO.	READING	
						DEPOSIT		
						AMOUNT	NO.	
SALESMAN		DATE	APPROVAL	DATE	COMPLETION	DATE	METER	DATE

INSTALLATION INSTRUCTION SYMBOLS

- SL - Run Service Line
- SM - Set Meter
- CM - Connect Meter
- RO - Record Only

RATE CLASSIFICATION SYMBOLS

- GS - General Service
- C - Commercial
- I - Industrial
- S - Special

METER SET

TYPE	CAPACITY
I	110 - 210
II	250 - 500
III	425 - 900
IV	800 - 1700
V	1400 - 3000

OTHER

Issued By: Alexander M. Kara
 Regional Vice President

Effective: April 22, 1982

Issued By: Alexander M. Kara
Regional Vice President

Effective: April 22, 1982

E. 200

NONTRANSFERABLE CERTIFICATE OF DEPOSIT

No. _____

THIS IS TO CERTIFY: that _____ DRIVERS LICENSE NO. _____

(CUSTOMER) SOC. SEC. NO. _____

has deposited with South Florida Natural Gas (Company) the sum of (_____) which (1) is to be held by the Company as a guarantee in respect of natural gas service to the Customer, (2) will bear interest at the required rate per annum (currently _____ %), and (3) will be refunded to the Customer when gas service is disconnected if all gas bills and charges to the Customer have been paid in full, or sooner, all in accordance with the Company's regulations promulgated under and subject to the rules and regulations of the Florida Public Service Commission.

SOUTH FLORIDA NATURAL GAS

Date: _____

By: _____