GUNSTER
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March 17, 2017

BY E-PORTAL

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

Re: Docket No. 170029-GU - Petition for approval of modifications to extension of facilities and area extension program tariffs, by Florida City Gas.

Dear Ms. Stauffer:

Attached, for electronic filing, on behalf of Florida City Gas, please find the following revised tariff pages (clean and legislative versions), which replace the tariff pages included in Attachment A to the Company's Petition filed on February 2, 2017.

Second Revised Sheet No. 16
First Revised Sheet No. 17
Original Sheet No. 17A

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

Sincerely,

Beth Keating
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Cc:// Margo Leathers
Sue Ollila

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required 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 ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

B. Extensions of Mains and Services Above Free Limit: When the cost of the extension required to provide service is greater than the free limit specified above, the Company may require a non-interest bearing advance in Aid to Construction ("ATC") equal to the cost in excess of such free limit provided that:

(1) At the end of the first year following construction, the Company shall refund to the person paying the ATC or their assigns an amount equal to the excess, if any, of the MACC as recalculated using actual gas revenues, less the actual cost of gas, over the estimated MACC used to determine the amount of the ATC.

(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 ATC or their assigns an amount by which the MACC 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 (a) and (b) above shall at no time exceed the original ATC of such Customer.

(4) The extension shall at all times be the property of the Company and any un-refunded portion of the ATC at the end of five (5) years shall be credited to the plant account of the Company.

(5) The Company may require a commitment by a customer to take or pay for a minimum volume of gas as deemed appropriate by the Company given the circumstances of facility cost and/or the service requirements of a particular customer. In no instance will the minimum volume commitment be set at a level that exceeds the volume amount used to calculate the MACC for the customer, nor will the volume commitment term exceed six (6) years.

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES (Continued)

C. Area Extension Program Charge: Notwithstanding the provisions of Sections A and B when facilities are to be extended to serve single or multiple delivery points in a discrete geographic area, the Company may require an Area Extension Program Charge ("AEP"). The Company, in its sole discretion, may require this charge when:

(1) The cost of the project facilities required to provide service through the area is greater than the aggregate MACC for the Customers to be served; and

(2) The Company reasonably forecasts Margin Revenues plus the AEP during the period ending ten years from when the mains required to serve the project facilities are placed in service (the Amortization Period), that are sufficient to recover the cost of the project facilities.

The AEP, which shall be stated on a per therm basis, shall apply with respect to all natural gas sold or transported to Company Customers located within the applicable discrete geographic area during the Amortization Period.

The AEP will be calculated by dividing (1) the amount of additional revenue required in excess of the Company's applicable tariff rates by (2) the volume of gas reasonably forecast to be sold or transported to Customers within the applicable discrete geographic area during the Amortization Period. The additional revenue required is that amount determined necessary to recover the excess cost of the facilities, including the Company's allowed cost of capital.

AEP collected shall be used specifically to amortize the cost of the project facilities within the applicable discrete geographic area that are in excess of the MACC. If the AEP collected is sufficient before the expiration of the Amortization Period to fully amortize the excess costs, including provision for the accumulated cost of capital, the AEP for that area shall terminate immediately, and the Company shall promptly credit the affected Customers for amounts over collected, if any.

Upon the earlier of (1) the third anniversary of the date when the project facilities are placed in service and (2) the date on which 80% of the originally forecast annual load is connected, the Company will reassess the amount of additional revenue required to recover the unamortized excess cost of the facilities and the calculation of the AEP. The resulting adjustment of the AEP (whether upward or downward) will be applied over the remainder of the Amortization Period.

The Company may require a commitment by a customer to take or pay for a minimum volume of gas as deemed appropriate by the Company given the circumstances of facility cost and/or the service requirements of a particular customer. In no instance will the minimum volume commitment be set at a level that exceeds the volume amount used to calculate the MACC for the customer, nor will the volume commitment term exceed ten (10) years.

The Company may enter into a guaranty agreement with the party or parties requesting the extension, whereby that party or parties agree to pay to the Company any unamortized balance remaining at the end of the Amortization Period. The Company's rights under the guaranty agreement will not be considered when calculating the AEP.

The length of the Amortization Period may be modified upon the specific approval of the Florida Public Service Commission.

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES (Continued)

D. General

The Company will own control and maintain all service pipes, regulators, vents, meters, meter connections, valves and other appurtenances from the main to the outlet side of the meter.

The extension of facilities provisions shall not require the Company to extend its mains across private property or in streets that are not at established grade; nor prohibit the Company from making extensions of mains of greater length than required herein.

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required 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 ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

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(1) At the end of the first year following construction, the Company shall refund to the person paying the ATC or their assigns an amount equal to the excess, if any, of the MACC as recalculated using actual gas revenues, less the actual cost of gas, over the estimated MACC used to determine the amount of the ATC.

(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 ATC or their assigns an amount by which the MACC 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 (a) and (b) above shall at no time exceed the original ATC of such Customer.

(4) The extension shall at all times be the property of the Company and any unrefunded portion of the ATC at the end of five (5) years shall be credited to the plant account of the Company.

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RULES AND REGULATIONS (Continued)

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(1) The cost of the project facilities required to provide service through the area is greater than the aggregate MACC for the Customers to be served; and

(2) The Company reasonably forecasts Margin Revenues plus the AEP during the period ending ten years from when the mains required to serve the project facilities are placed in service (the Amortization Period), that are sufficient to recover the cost of the project facilities.

Comment [WU1]: [existing language carry-over]

The AEP, which shall be stated on a per therm basis, shall apply with respect to all natural gas sold or transported to Company Customers located within the applicable discrete geographic area during the Amortization Period.

The AEP will be calculated by dividing (1) the amount of additional revenue required in excess of the Company's applicable tariff rates by (2) the volume of gas reasonably forecast to be sold or transported to Customers within the applicable discrete geographic area during the Amortization Period. The additional revenue required is that amount determined necessary to recover the excess cost of the facilities, including the Company's allowed cost of capital.

AEP collected shall be used specifically to amortize the cost of the project facilities within the applicable discrete geographic area that are in excess of the MACC. If the AEP collected is sufficient before the expiration of the Amortization Period to fully amortize the excess costs, including provision for the accumulated cost of capital, the AEP for that area shall terminate immediately, and the Company shall promptly credit the affected Customers for amounts over collected, if any.

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Comment [bk2]: Carry over of existing language from Sheet 17

The length of the Amortization Period may be modified upon the specific approval of the Florida Public Service Commission.

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES (Continued)

D. General

The Company will own control and maintain all service pipes, regulators, vents, meters, meter connections, valves and other appurtenances from the main to the outlet side of the meter.

Comment [WU3]: Carry over of existing language from Sheet 17

The extension of facilities provisions shall not require the Company to extend its mains across private property or in streets that are not at established grade; nor prohibit the Company from making extensions of mains of greater length than required herein.