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November 8, 2019

BY E-PORTAL

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

Re: [New Filing] - Petition by Florida Public Utilities Company, and Florida Public Utilities Company-Fort Meade for Approval of Revised Transportation Nomination Tariffs

Dear Mr. Teitzman:

Attached for electronic filing, please find the Joint Petition of Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade for approval of revised transportation nomination tariffs.

Included with this filing are the following revised tariff sheets:

FPUC – Sheets 33.1, 33.2, 33.2, and 35.1

FPUC-Fort Meade – Sheets 52.1, 53, 53.1 and 60

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Petition by Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade for Approval of Revised Transportation Nomination Tariffs | DOCKET NO. FILED: November 8, 2019 |
|---|---------------------------------------|

PETITION FOR AUTHORITY FOR APPROVAL OF REVISED TRANSPORTATION
NOMINATION TARIFFS

The Florida Public Utilities Company (“FPUC”) and Florida Public Utilities Company-Fort Meade (“Fort Meade”)(jointly herein “Companies”) by and through undersigned counsel, pursuant to Section 366.06, Florida Statutes, and in accordance with Rules 25-9.005, Florida Administrative Code, and 28-106.201, Florida Administrative Code, hereby respectfully petition the Florida Public Service Commission (“FPSC” or “Commission”) for approval of revised tariffs related to the Companies’ methodology regarding transportation nomination.

In support of this request, the Companies hereby state:

- 1) FPUC and Fort Meade are natural gas utilities subject to the Commission's jurisdiction. Their principal business address is:

Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach, FL 32034

- 2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, FL 32301-1839
bkeating@gunster.com
(850) 521-1706

Mike Cassel
Assistant Vice President, Regulatory and
Governmental Affairs
Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach, FL 32034
mcassel@fpuc.com

- 3) FPUC and Fort Meade are natural gas distribution companies subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes.
- 4) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein.
- 5) The Companies are unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact. The Companies' request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

I. BACKGROUND

- 6) FPUC and Fort Meade fulfill the function of traditional Local Distribution Companies ("LDCs") in that they maintain their role as gas provider for many customers on their systems. While they have implemented transportation tariffs, consistent with Rule 25-7.054, Florida Administrative Code, neither has exited the gas merchant function. Consequently, these two companies utilize the Purchased Gas Adjustment ("PGA") cost recovery mechanism to recover the costs associated with their performance of the gas merchant function.
- 7) The Florida Division of Chesapeake Utilities Corporation ("CFG") is the sister business unit of FPUC and Fort Meade and also operates in Florida as a natural gas utility

regulated by the Commission pursuant to Chapter 366, Florida Statutes. The CFG system is, however, fully unbundled, which means that CFG no longer performs the function of acquiring the gas commodity for customers, but instead provides gas transportation service only. By Order No. PSC-02-1646-TRF-GU, issued November 25, 2002, the Commission authorized CFG to implement the initial step of its unbundling proposal, allowing CFG to exit the gas merchant function.

8) The fourth sister business unit in Florida, Florida Public Utilities–Indiantown Division (“Indiantown”), is also fully unbundled. By Order PSC-02-1655-TRF-GU, issued November 26, 2002, the Commission authorized Indiantown to implement the initial step of its unbundling proposal, allowing Indiantown to exit the gas merchant function.

9) The Company filed a petition for approval of revised transportation imbalance tariffs on February 1, 2019. In that docket, the Company requested approval to make modifications to the Pool Manager imbalance cash out tiers and the associated cash out rates. The tariff changes were consistent with the CFG tariffs. By Order No. PSC-2019-00153-TRF-GU, issued April 24, 2019, in Docket No. 20190036-GU, the Commission approved the tariff changes.

II. ISSUES

10) Subsequent to the proceedings in Docket No. 20190036-GU, the Pool Managers on FPUC and FPUC-Fort Meade’s systems expressed concerns over the changes due to the penalties the Pool Managers will incur for any deviation from each Pool Manager’s Daily Delivery Quantities (DDQ) that are assigned by the Company. The Pool Managers

assert that they lack the ability to avoid penalties described in paragraph 2 of the “Daily Delivery Requirement” in Fort Meade’s tariff sheet 52.1 and FPUC’s tariff sheet 33.2 because they do not have the opportunity to adjust scheduled quantities during the month.

The wording the Pool Managers are concerned about is:

“The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by the Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager’s Daily Delivery Requirement during said weekly period. This charge will serve as the final resolution between Company and Customer for such variances”

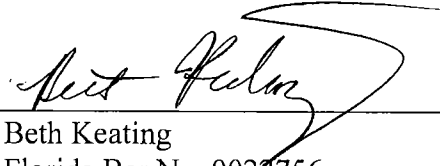
11) FPUC and Fort Meade propose to allow the Pool Managers one (1) mid-month nomination change, no later than the 15th of each month, to adjust the quantities delivered to the Company. The mid-month delivery quantity changes will be included in each Pool Manager’s Billing Period Delivery Quantity that is then compared to the Pool Manager’s Customer Pools aggregated measured quantities. This quantity will be used to calculate the Pool Manager’s monthly imbalances. Any capacity necessary to serve FPUC or Fort Meade Customers that exceeds the Company released quantities (DDQ) must be augmented by the Pool Manager.

III. REQUEST FOR RELIEF

12) The Companies request approval to make modifications to the Pool Manager Daily Delivery Requirement in order to reduce penalties to Pool Managers for which they do not have the ability to remedy. Attached and incorporated herein by reference are the appropriate revised

tariff pages, included as Attachment A, for the Commission's consideration.

RESPECTFULLY SUBMITTED this 8th day of November 2019.



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*Attorneys for Florida Public Utilities
Company (Gas Division) and Florida Public
Utilities Company-Fort Meade*

ATTACHMENT A

Revised Tariff Sheets – Clean and Legislative

FPUC – Sheets 33.1, 33.2, 33.2, and 35.1

FPUC-Fort Meade – Sheets 52.1, 53, 53.1 and 60

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 33)

Force Majeure

Except for making payments due, neither the Company nor the Pool Manager shall be liable in damage to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Customer or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or present any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

Neither party will be entitled to the benefit of the force majeure provision hereof under either or both of the following circumstances: (A) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts, short of litigation, if such remedy requires litigation, and having failed to resume performance of such commitments or obligations with reasonable dispatch; or (B) if the failure was caused by lack of funds, or with respect to the payment of any amount or amounts then due hereunder.

Daily Delivery Requirement

Company will calculate the Pool Manager's Daily Delivery Requirement by summing the Daily Delivery Quantity, plus applicable Shrinkage, by City gate for each Customer being served by Pool Manager and rounding the total to the next greatest dekatherm. The Company will inform Pool Manager via e-mail of Pool Manager's Daily Delivery Requirement by City gate for the upcoming month upon expiration of Company's enrollment deadline.

The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Daily Delivery Requirement ~~during said weekly period~~. This charge will serve as the final resolution between Company and Customer for such variances.

Pool Manager Nominations

Each Pool Manager shall submit to Company first of the month scheduling and nomination information simultaneously with its submission to Transporter(s). In addition, no later than the fifteenth (15th) of each month, Pool Manager may submit a mid-month nomination change for each Customer Pool. Pool Manager shall submit to Company, this scheduling and nomination information simultaneously with its submission to Transporter(s).

Pool Manager Warranty

Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title or good right to deliver the Gas. Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the

Florida Public Utilities Company

F.P.S.C. Gas Tariff

Third Revised Volume No. 1

~~First~~ Second Revised Sheet No. 33.1~~2~~

Cancels ~~Original~~ First Revised Sheet No. 33.1~~2~~

~~natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.~~

(Continued to Sheet No. 33.2)

Florida Public Utilities Company
F.P.S.C. Gas Tariff
Third Revised Volume No. 1

~~First~~ Second Revised Sheet No. 33.12
Cancels ~~Original~~ First Revised Sheet No. 33.12

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 33)

Force Majeure

Except for making payments due, neither the Company nor the Pool Manager shall be liable in damage to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Customer or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or present any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

Neither party will be entitled to the benefit of the force majeure provision hereof under either or both of the following circumstances: (A) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts, short of litigation, if such remedy requires litigation, and having failed to resume performance of such commitments or obligations with reasonable dispatch; or (B) if the failure was caused by lack of funds, or with respect to the payment of any amount or amounts then due hereunder.

Daily Delivery Requirement

Company will calculate the Pool Manager's Daily Delivery Requirement by summing the Daily Delivery Quantity, plus applicable Shrinkage, by City gate for each Customer being served by Pool Manager and rounding the total to the next greatest dekatherm. The Company will inform Pool Manager via e-mail of Pool Manager's Daily Delivery Requirement by City gate for the upcoming month upon expiration of Company's enrollment deadline.

The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Daily Delivery Requirement. This charge will serve as the final resolution between Company and Customer for such variances.

Pool Manager Nominations

Each Pool Manager shall submit to Company first of the month scheduling and nomination information simultaneously with its submission to Transporter(s). In addition, no later than the fifteenth (15th) of each month, Pool Manager may submit a mid-month nomination change for each Customer Pool. Pool Manager shall submit to Company, this scheduling and nomination information simultaneously with its submission to Transporter(s).

(Continued to Sheet No. 33.2)

RATE SCHEDULE PM
POOL MANAGER SERVICE

(Continued from Sheet No. 33.1)

Such Nomination shall include the following information:

1. The Customer, Shipper's Designee or Pool Manager's account number under which service is being nominated;
2. The Receipt Point location including applicable DRN and upstream pipeline name, upstream package ID, including Customer's or Pool Manager's Company account number, and quantity in Therms of Gas to be tendered at each Company Receipt Point;
3. The downstream deliver facility name, and quantity in Therms of Gas to be delivered for each Company Customer account or Pool;
4. A beginning and ending date for each Nomination;
5. The upstream contract identifier.

Only Nominations with clearly matching identifiers will be scheduled and subsequently delivered by Company.

Capacity Exceeding Released Quantities

Subsequent to any mid-month nomination change described above, if Pool Manager requires a quantity of Transporter capacity greater than the quantity of capacity released by Company, Pool Manager shall be responsible for taking such actions as are required to obtain sufficient Transporter capacity to meet its Customer Pool Requirements.

Pool Manager Warranty

Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title to the Gas. Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.

Responsibility for Natural Gas

The Company and the Pool Manager shall be jointly and severally liable for the natural gas while it is in the Company's distribution system between Company's City gate(s) and the point of delivery to the Customer. The Pool Manager shall be solely liable for the natural gas until it is delivered to Company's City gate(s). The party or parties thus responsible for the natural gas shall bear liability for all injury or damage caused thereby. Notwithstanding anything to the contrary stated herein, a Pool Manager shall indemnify the Company for all injury, damage, loss or liability of the Company caused by Pool Manager's delivery of natural gas not complying with the Natural Gas Quality section below.

(Continued on Sheet No. 33.3)

Natural Gas Quality

~~All natural gas delivered, or caused to be delivered, into Company's distribution system by or on behalf of a Pool Manager will be merchantable and shall conform to the natural gas quality specifications set forth in FGT's FERC Gas Tariff.~~

Monthly Rate

~~Customer Charge~~ _____ \$100.00 per month per Pool Manager

Billing

~~The Company shall render to a Pool Manager on or before the 20th Calendar Day of each Month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.~~

Payment

~~Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one-half percent (1.5%) per Month.~~

Billing Disputes

~~Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manger shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.~~

Termination of Service

~~Pool Manger will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form (See Tariff Sheet No. 36.013) not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.~~

RATE SCHEDULE PM
POOL MANAGER SERVICE

(Continued from Sheet No. 33.1)

Such Nomination shall include the following information:

1. The Customer, Shipper's Designee or Pool Manager's account number under which service is being nominated;
2. The Receipt Point location including applicable DRN and upstream pipeline name, upstream package ID, including Customer's or Pool Manager's Company account number, and quantity in Therms of Gas to be tendered at each Company Receipt Point;
3. The downstream deliver facility name, and quantity in Therms of Gas to be delivered for each Company Customer account or Pool;
4. A beginning and ending date for each Nomination;
5. The upstream contract identifier.

Only Nominations with clearly matching identifiers will be scheduled and subsequently delivered by Company.

Capacity Exceeding Released Quantities

Subsequent to any mid-month nomination change described above, if Pool Manager requires a quantity of Transporter capacity greater than the quantity of capacity released by Company, Pool Manager shall be responsible for taking such actions as are required to obtain sufficient Transporter capacity to meet its Customer Pool Requirements.

Pool Manager Warranty

Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title to the Gas. Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.

Responsibility for Natural Gas

The Company and the Pool Manager shall be jointly and severally liable for the natural gas while it is in the Company's distribution system between Company's City gate(s) and the point of delivery to the Customer. The Pool Manager shall be solely liable for the natural gas until it is delivered to Company's City gate(s). The party or parties thus responsible for the natural gas shall bear liability for all injury or damage caused thereby. Notwithstanding anything to the contrary stated herein, a Pool Manager shall indemnify the Company for all injury, damage, loss or liability of the Company caused by Pool Manager's delivery of natural gas not complying with the Natural Gas Quality section below.

(Continued on Sheet No. 33.3)

RATE SCHEDULE PM
POOL MANAGER SERVICE

(Continued from Sheet No. 33.2)

Natural Gas Quality

All natural gas delivered, or caused to be delivered, into Company's distribution system by or on behalf of a Pool Manager will be merchantable and shall conform to the natural gas quality specifications set forth in FGT's FERC Gas Tariff.

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

Billing

The Company shall render to a Pool Manager on or before the 20th Calendar Day of each Month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.

Payment

Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one-half percent (1.5%) per Month.

Billing Disputes

Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manager shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.

Termination of Service

Pool Manager will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form (See Tariff Sheet No. 36.013) not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.

RATE SCHEDULE PM
POOL MANAGER SERVICE

(Continued from Sheet No. 33.2)

Natural Gas Quality

All natural gas delivered, or caused to be delivered, into Company's distribution system by or on behalf of a Pool Manager will be merchantable and shall conform to the natural gas quality specifications set forth in FGT's FERC Gas Tariff.

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

Billing

The Company shall render to a Pool Manager on or before the 20th Calendar Day of each Month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.

Payment

Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one-half percent (1.5%) per Month.

Billing Disputes

Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manager shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.

Termination of Service

Pool Manager will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form (See Tariff Sheet No. 36.013) not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.

BILLING ADJUSTMENTS

(Continued from Sheet No. 35)

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

It is the intent of the Company that the monthly delivery of natural gas to Company by Pool Manager for Customer, less shrinkage, shall equal to the actual monthly delivery by Company to Customer. This monthly delivery of natural gas to Company by Pool Manager for Customer, adjusted for any mid-month nomination and scheduling changes less shrinkage, shall be referred to as Billing Period Delivery Quantity. If the Billing Period Delivery Quantity does not equal the actual monthly delivery by Company to Customer, a long or short imbalance is created.

Whenever the Billing Period Delivery Quantity is greater than the actual monthly delivery by Company to Customer a long imbalance is created. Conversely, whenever the Billing Period Delivery Quantity is less than the actual monthly delivery by Company to Customer a short imbalance is created.

Company will aggregate the short imbalances and long imbalances of Customers by Pool Manager. This net quantity shall be referred to as the Pool Manager Imbalance.

Whenever the Pool Manager Imbalance is a short position a Pool Manager Short Imbalance is created. Conversely, whenever the Pool Manager Imbalance is a long position a Pool Manager Long Imbalance is created.

A. Pool Manager Short Imbalance

Company shall sell to Pool Manager the necessary gas supplies to meet the Pool Manager Short Imbalance in accordance with the Imbalance Billing Adjustments
- Pool Manager section of this tariff.

B. Pool Manager Long Imbalance

Company shall retain all gas supplies resulting from a Pool Manager Long Imbalance and credit Pool Manager in accordance with the Imbalance Billing Adjustments – Pool Manager section of this tariff.

(Continued to Sheet No. 35.2)

BILLING ADJUSTMENTS

(Continued from Sheet No. 35)

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

It is the intent of the Company that the monthly delivery of natural gas to Company by Pool Manager for Customer, less shrinkage, shall equal to the actual monthly delivery by Company to Customer. This monthly delivery of natural gas to Company by Pool Manager for Customer, adjusted for any mid-month nomination and scheduling changes less shrinkage, shall be referred to as Billing Period Delivery Quantity. If the Billing Period Delivery Quantity does not equal the actual monthly delivery by Company to Customer, a long or short imbalance is created.

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Whenever the Pool Manager Imbalance is a short position a Pool Manager Short Imbalance is created. Conversely, whenever the Pool Manager Imbalance is a long position a Pool Manager Long Imbalance is created.

A. Pool Manager Short Imbalance

Company shall sell to Pool Manager the necessary gas supplies to meet the Pool Manager Short Imbalance in accordance with the Imbalance Billing Adjustments
- Pool Manager section of this tariff.

B. Pool Manager Long Imbalance

Company shall retain all gas supplies resulting from a Pool Manager Long Imbalance and credit Pool Manager in accordance with the Imbalance Billing Adjustments – Pool Manager section of this tariff.

(Continued to Sheet No. 35.2)

*RATE SCHEDULE PM
POOL MANAGER SERVICE*

(Continued from Sheet No. 52)

unusual weather conditions, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Customer or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or present any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

Neither party will be entitled to the benefit of the force majeure provision hereof under either or both of the following circumstances: (A) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts, short of litigation, if such remedy requires litigation, and having failed to resume performance of such commitments or obligations with reasonable dispatch; or (B) if the failure was caused by lack of funds, or with respect to the payment of any amount or amounts then due hereunder.

Daily Delivery Requirement

Company will calculate the Pool Manager's Daily Delivery Requirement by summing the Daily Delivery Quantity, plus applicable Shrinkage, by City Gate for each Customer being served by Pool Manager and rounding the total to the next greatest dekatherm. The Company will inform Pool Manager via e-mail of Pool Manager's Daily Delivery Requirement by City Gate for the upcoming month upon expiration of Company's enrollment deadline.

The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Daily Delivery Requirement ~~during said weekly period~~. This charge will serve as the final resolution between Company and Customer for such variances.

Pool Manager Nominations

Each Pool Manager shall submit to Company first of month scheduling and nomination information simultaneously with its submission to Transporter(s). In addition, no later than the fifteenth (15th) of each month, Pool Manager may submit a mid-month nomination change for each Customer Pool. Pool Manager shall submit to Company, this scheduling and nomination information simultaneously with its submission to Transporter(s).

Pool Manager Warranty

~~Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title or good right to deliver the Gas.~~
~~Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be~~

~~free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.~~

(Continued to Sheet No. 53)

*RATE SCHEDULE PM
POOL MANAGER SERVICE*

(Continued from Sheet No. 52)

unusual weather conditions, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze ups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Customer or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or present any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

Neither party will be entitled to the benefit of the force majeure provision hereof under either or both of the following circumstances: (A) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts, short of litigation, if such remedy requires litigation, and having failed to resume performance of such commitments or obligations with reasonable dispatch; or (B) if the failure was caused by lack of funds, or with respect to the payment of any amount or amounts then due hereunder.

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Company will calculate the Pool Manager's Daily Delivery Requirement by summing the Daily Delivery Quantity, plus applicable Shrinkage, by City Gate for each Customer being served by Pool Manager and rounding the total to the next greatest dekatherm. The Company will inform Pool Manager via e-mail of Pool Manager's Daily Delivery Requirement by City Gate for the upcoming month upon expiration of Company's enrollment deadline.

The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Daily Delivery Requirement. This charge will serve as the final resolution between Company and Customer for such variances.

Pool Manager Nominations

Each Pool Manager shall submit to Company first of month scheduling and nomination information simultaneously with its submission to Transporter(s). In addition, no later than the fifteenth (15th) of each month, Pool Manager may submit a mid-month nomination change for each Customer Pool. Pool Manager shall submit to Company, this scheduling and nomination information simultaneously with its submission to Transporter(s).

(Continued to Sheet No. 53)

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 52.1)

Such Nomination shall include the following information:

1. The Customer, Shipper's Designee or Pool Manager's account number under which service is being nominated;
2. The Receipt Point location including applicable DRN and upstream pipeline name, upstream package ID, including Customer's or Pool Manager's Company account number, and quantity in Therms of Gas to be tendered at each Company Receipt Point;
3. The downstream deliver facility name, and quantity in Therms of Gas to be delivered for each Company Customer account or Pool;
4. A beginning and ending date for each Nomination;
5. The upstream contract identifier.

Only Nominations with clearly matching identifiers will be scheduled and subsequently delivered by Company.

Capacity Exceeding Released Quantities

Subsequent to any mid-month nominations change described above, if Pool Manager requires a quantity of Transporter capacity greater than the quantity of capacity released by Company, Pool Manager shall be responsible for taking such actions as are required to obtain sufficient Transporter capacity to meet its Customer Pool requirements.

Pool Manager Warranty

Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title to the Gas.

Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.

Responsibility for Natural Gas

The Company and the Pool Manager shall be jointly and severally liable for the natural gas while it is in the Company's distribution system between Company's City Gate(s) and the point of delivery to the Customer. The Pool Manager shall be solely liable for the natural gas until it is delivered to Company's City Gate(s). The party or parties thus responsible for the natural gas shall bear liability for all injury or damage caused thereby. Notwithstanding anything to the contrary stated herein, a Pool Manager shall indemnify the Company for all injury, damage, loss or liability of the Company caused by Pool Manager's delivery of natural gas not complying with the Natural Gas Quality section below.

Natural Gas Quality

All natural gas delivered, or caused to be delivered, into Company's distribution system by or on behalf of a Pool Manager will be merchantable and shall conform to the natural gas quality specifications set forth in FGT's FERC Gas Tariff.

(Continued on Sheet No. 53.1)

Monthly Rate

~~Customer Charge~~ ————— ~~\$100.00 per month per Pool Manager~~

Billing

~~The Company shall render to a Pool Manager on or before the 20th Day of each month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.~~

Payment

~~Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one half percent (1.5%) per Month.~~

Billing Disputes

~~Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manger shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.~~

Termination of Service

~~Pool Manger will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.~~

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RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 52.1)

Such Nomination shall include the following information:

1. The Customer, Shipper's Designee or Pool Manager's account number under which service is being nominated;
2. The Receipt Point location including applicable DRN and upstream pipeline name, upstream package ID, including Customer's or Pool Manager's Company account number, and quantity in Therms of Gas to be tendered at each Company Receipt Point;
3. The downstream deliver facility name, and quantity in Therms of Gas to be delivered for each Company Customer account or Pool;
4. A beginning and ending date for each Nomination;
5. The upstream contract identifier.

Only Nominations with clearly matching identifiers will be scheduled and subsequently delivered by Company.

Capacity Exceeding Released Quantities

Subsequent to any mid-month nominations change described above, if Pool Manager requires a quantity of Transporter capacity greater than the quantity of capacity released by Company, Pool Manager shall be responsible for taking such actions as are required to obtain sufficient Transporter capacity to meet its Customer Pool requirements.

Pool Manager Warranty

Each Pool Manager warrants that it will have at the time it delivers or causes the delivery of natural gas into the Company's distribution system good title to the Gas.

Each Pool Manager warrants that the natural gas it delivers or causes to be delivered shall be free and clear of all liens, encumbrances, and claims whatsoever; that it will indemnify the Company and hold it harmless from all suits, actions, debts, losses and expenses arising from any adverse claims of any person to the natural gas; and that it will indemnify the Company and hold it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by the party making delivery.

Responsibility for Natural Gas

The Company and the Pool Manager shall be jointly and severely liable for the natural gas while it is in the Company's distribution system between Company's City Gate(s) and the point of delivery to the Customer. The Pool Manager shall be solely liable for the natural gas until it is delivered to Company's City Gate(s). The party or parties thus responsible for the natural gas shall bear liability for all injury or damage caused thereby. Notwithstanding anything to the contrary stated herein, a Pool Manager shall indemnify the Company for all injury, damage, loss or liability of the Company caused by Pool Manager's delivery of natural gas not complying with the Natural Gas Quality section below.

Natural Gas Quality

All natural gas delivered, or caused to be delivered, into Company's distribution system by or on behalf of a Pool Manager will be merchantable and shall conform to the natural gas quality specifications set forth in FGT's FERC Gas Tariff.

(Continued on Sheet No. 53.1)

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 53)

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

Billing

The Company shall render to a Pool Manager on or before the 20th Day of each month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.

Payment

Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one-half percent (1.5%) per Month.

Billing Disputes

Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manager shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.

Termination of Service

Pool Manager will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 53)

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

Billing

The Company shall render to a Pool Manager on or before the 20th Day of each month a bill for Pool Manager's monthly Customer Charge and for all imbalance charges as defined in Billing Adjustments during the preceding Month.

Payment

Pool Manager shall pay the Company the amount due under any bill from the Company within ten (10) Days after receipt by the Pool Manager of the bill from the Company. The Company may at its option require the Pool Manager to make payment of any bill by electronic transfer within such ten (10) Day period. Any bill not paid within such ten (10) Day period shall bear interest at the rate of one and one-half percent (1.5%) per Month.

Billing Disputes

Pool Manager may dispute the amount of any bill by notifying the Company within sixty (60) days of receipt by the Pool Manager of the bill from the Company. If a Pool Manager in good faith disputes the amount of any bill, the Pool Manager shall nevertheless pay to the Company the amount of such bill. Company shall have thirty (30) days to resolve such disputes with Pool Manager and will refund to Pool Manager any amount resolved in favor of Pool Manager within ten (10) days of such resolution.

Termination of Service

Pool Manager will be responsible for providing Company with a duly executed Pool Manager Termination of Service Form not less than thirty (30) Working Days prior to the Pool Manager's desired date for termination of service to Customer.

BILLING ADJUSTMENTS

Applicability

Gas service under all rate schedules which specify that the rates are subject to adjustment in accordance with the provisions of the "Billing Adjustments" Rider.

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 any duly authorized governmental authorities, as well as any future changes or new assessments by and duly authorized governmental authorities subsequent to the effective date of any rate schedule.

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

It is the intent of the Company that the monthly delivery of natural gas to Company by Pool Manager for Customer, less shrinkage, shall equal to the actual monthly delivery by Company to Customer. This monthly delivery of natural gas to Company by Pool Manager for Customer, adjusted for any mid-month nomination and scheduling changes less shrinkage, shall be referred to as Billing Period Delivery Quantity. If the Billing Period Delivery Quantity does not equal the actual monthly delivery by Company to Customer, a long or short imbalance is created.

Whenever the Billing Period Delivery Quantity is greater than the actual monthly delivery by Company to Customer a long imbalance is created. Conversely, whenever the Billing Period Delivery Quantity is less than the actual monthly delivery by Company to Customer a short imbalance is created.

Company will aggregate the short imbalances and long imbalances of Customers by Pool Manager. This net quantity shall be referred to as the Pool Manager Imbalance.

Whenever the Pool Manager Imbalance is a short position a Pool Manager Short Imbalance is created. Conversely, whenever the Pool Manager Imbalance is a long position a Pool Manager Long Imbalance is created.

A. Pool Manager Short Imbalance

Company shall sell to Pool Manager the necessary gas supplies to meet the Pool Manager Short Imbalance in accordance with the Imbalance Billing Adjustments-Pool Manager section of this tariff.

B. Pool Manager Long Imbalance

Company shall retain all gas supplies resulting from a Pool Manager Long Imbalance and credit Pool Manager in accordance with the Imbalance Billing Adjustments Pool Manager section of this tariff.

(Continued to Sheet 61)

Florida Public Utilities Company-Fort Meade
F.P.S.C. Gas Tariff

~~Original Volume No. 1~~

First Revised Sheet No. 60
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BILLING ADJUSTMENTS

Applicability

Gas service under all rate schedules which specify that the rates are subject to adjustment in accordance with the provisions of the "Billing Adjustments" Rider.

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 any duly authorized governmental authorities, as well as any future changes or new assessments by and duly authorized governmental authorities subsequent to the effective date of any rate schedule.

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

It is the intent of the Company that the monthly delivery of natural gas to Company by Pool Manager for Customer, less shrinkage, shall equal to the actual monthly delivery by Company to Customer. This monthly delivery of natural gas to Company by Pool Manager for Customer, adjusted for any mid-month nomination and scheduling changes less shrinkage, shall be referred to as Billing Period Delivery Quantity. If the Billing Period Delivery Quantity does not equal the actual monthly delivery by Company to Customer, a long or short imbalance is created.

Whenever the Billing Period Delivery Quantity is greater than the actual monthly delivery by Company to Customer a long imbalance is created. Conversely, whenever the Billing Period Delivery Quantity is less than the actual monthly delivery by Company to Customer a short imbalance is created.

Company will aggregate the short imbalances and long imbalances of Customers by Pool Manager. This net quantity shall be referred to as the Pool Manager Imbalance.

Whenever the Pool Manager Imbalance is a short position a Pool Manager Short Imbalance is created. Conversely, whenever the Pool Manager Imbalance is a long position a Pool Manager Long Imbalance is created.

A. Pool Manager Short Imbalance

Company shall sell to Pool Manager the necessary gas supplies to meet the Pool Manager Short Imbalance in accordance with the Imbalance Billing Adjustments-Pool Manager section of this tariff.

B. Pool Manager Long Imbalance

Company shall retain all gas supplies resulting from a Pool Manager Long Imbalance and credit Pool Manager in accordance with the Imbalance Billing Adjustments Pool Manager section of this tariff.

(Continued to Sheet 61)