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RECORDS AND  
REPORTING

June 30, 2000

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**BY HAND DELIVERY**

Ms. Blanca Bayó, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

000801-60

Dear Ms. Bayó:

Enclosed for filing on behalf of Sebring Gas System, Inc. is an original and fifteen copies of its Florida Rate Schedule T-1 Firm Transportation Service Tariff.

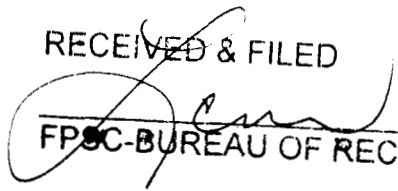
Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

  
Floyd R. Self

FRS/amb  
Enclosure  
cc: Mr. Jerry Melendy

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RECORDS AND REPORTING

FIRM TRANSPORTATION SERVICE  
TARIFF  
OF  
SEBRING GAS SYSTEM, INC.  
FILED WITH THE  
FLORIDA PUBLIC SERVICE COMMISSION  
TALLAHASSEE, FLORIDA

Communications concerning this Tariff should be addressed to:

Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 u.s. hwy 27, South  
Sebring, Fl 33870

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Issued By: Jerry H. Melendy, Jr., V. P.  
Issued On: June 27, 2000

Effective:

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FPSC-RECORDS/REPORTING

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RATE SCHEDULE FTS  
FIRM TRANSPORTATION SERVICE

**AVAILABILITY**

This Rate Schedule is a firm rate schedule and is available for firm transportation service provided by SEBRING GAS SYSTEM to any class of customer, other than those classified as residential customers, who transport a minimum annual quantity of 100,000 therms on SEBRING GAS SYSTEM's system.

**APPLICABILITY AND CHARACTER OF SERVICE**

Transportation from Primary Receipt Points to Primary Delivery Points under this Rate Schedule shall be performed on a firm basis.

SEBRING GAS SYSTEM shall receive for transportation, the quantity of Gas made available by or for the account of the Customer, and transport and make available for delivery to, or for the account of Customer, in accordance with this Rate Schedule; provided however, that such quantity made available by or for the account of the Customer shall not exceed on any day the applicable Maximum Daily Transportation Quantity (MDTQ) specified in the executed Transportation Agreement Contract for service under this Rate schedule.

Service shall commence under this Rate Schedule on the earlier of: (1) the date Customer, or Customer's Agent first tenders Gas to SEBRING GAS SYSTEM for transportation under an executed Transportation Agreement Contract; or (2) 10 days after the execution of a Transportation Agreement Contract by Customer, but in no event prior to the in-service date of any Facilities necessary to provide such service. Gas received for transportation will be commingled with other Gas in SEBRING GAS SYSTEM'S system, and the specific Gas made available by the Customer for its account, may not be the same Gas delivered to the Customer or for its account.

A standardized Request for Transportation Service form is available from SEBRING GAS SYSTEM. If the standardized Request for Transportation Service form is not used, the Customer must submit a request that includes the following information:

1. Customer's legal name.

2. Customer's principal place of business.
3. Customer's contact person and telephone number.
4. Customer's business address for notices and billing.
5. Maximum Daily Transportation Quantity (MDTQ) requested stated in therms
6. Maximum Monthly Transportation Quantity (MMTQ) requested stated in therms.
7. Requested date of commencement of service.
8. Requested term of service (if greater than one year).
9. Requested Primary Receipt Point(s) by legal description or quantity requested at each Primary Receipt Point; provided however, that the aggregate maximum daily quantities at such Primary Receipt Points shall not exceed the Customer's MDTQ.
10. A legal description of the Customer's requested Delivery Point.

Requests for service that do not include all of the above-referenced information shall be deemed null and void; provided, however, requests for changes need only contain the information relevant to the changes requested.

For any Customer who choose to engage an Agent to arrange and oversee its Gas service, that Customer must submit an affidavit identifying the legal name of the Agent chosen by Customer. Billing information, telephone and facsimile number shall also be submitted.

For any Customer who is currently receiving sales service from SEBRING GAS SYSTEM, SEBRING GAS SYSTEM will, for a fee of \$50.00, provide a historical monthly usage summary to assist the Customer or Customer's Agent in calculating the Maximum Daily Transportation Quantity. For potential customers or non-customers, SEBRING GAS SYSTEM will, for a fee of \$100.00, determine each the Maximum Daily Transportation Quantity (MDTQ), and Daily Delivered Quantity (DDQ) for each month of the upcoming year pursuant to Section XVI of the General Terms and Condition for Firm Transportation Service.

At the time of execution of the Transportation Agreement Contract, the Customer must supply to SEBRING GAS SYSTEM, the curtailment classification for the requested transportation in accordance with Section XIX. of the General Terms and Conditions for Transportation Service.

Prior to execution of the Transportation Agreement Contract, a letter from the Customer, or Customer's Agent, certifying that, (1) Customer, or Customer's Agent, has, or will have, title to the Gas in accordance with the provision of Section XVII. of the General Terms and Conditions for Firm Transportation Service, and (2) that the Customer, or Customer's Agent, has secured or will have secured, from SEBRING GAS SYSTEM, firm capacity upstream of SEBRING GAS SYSTEM'S distribution system, prior to commencement of service.

Prior to execution of the Transportation Agreement Contract, the Customer, or Customer's Agent, shall comply with the deposit provisions (Section IV) or creditworthiness provisions (Sections XXV. C.) of the General Terms and Conditions for Firm Transportation Service.

The applicable rates for service under this Rate Schedule are set forth below and are hereby incorporated herein.

For all Transportation Service rendered hereunder, the Customer shall pay SEBRING GAS SYSTEM each month the sum of the charges listed below if applicable:

1) Monthly Customer Charge:

The Monthly Customer Charge shall be equal to the Customer Charge for Rate Schedule GSLV-1, General Service Large Volume - 1, as filed with the Florida Public Service Commission, in Sebring Gas System, Natural Gas Tariff. The Rate is listed on Sheet No. 10.0401 of the Tariff.

2) Non-Fuel Transportation Charge:

The Non-Fuel Transportation Charge shall be equal to the Non-Gas Energy Charge for Rate Schedule GSLV-1, General Service Large Volume - 1, as filed with the Florida Public Service Commission, in Sebring Gas System, Natural Gas Tariff. The Rate is listed on Sheet No. 10.0401 of the Tariff.

3) Minimum Bill:

The Monthly Customer Charge

4) Taxes, Franchise Fees, Regulatory Assessment Fee and/or any applicable fees..

SEBRING GAS SYSTEM shall have the unilateral right to seek, through a filing under Chapter 366, Florida Statutes, with the Florida Public Service Commission, to

Sebring Gas System, Inc.  
Firm Transportation Service Tariff  
Original Volume No. 1

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Original Sheet No. 7

make changes in the rates and charges applicable to this Rate Schedule. The Customer may protest or contest any filings.

The General Terms and Conditions of SEBRING GAS SYSTEM'S Tariff are hereby made a part of this Rate Schedule.

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Issued By: Jerry H. Melendy, Jr., V. P.  
Issued On: June 27, 2000

Effective:



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General Terms and Conditions  
For Firm Transportation Service

**I. DEFINITIONS**

The following terms shall have the meanings defined below:

- A. Affected Area -- shall mean area(s) of the distribution system that may be subject to actions SEBRING GAS SYSTEM may institute to maintain system integrity.
- B. Agent -- shall mean a contractually authorized Marketer or Broker of Customer under these General Terms and Conditions.
- C. Aggregation -- shall mean the pooling of transportation customers for nominating and balancing purposes.
- D. Aggregator -- shall mean a qualified Marketer/Broker providing service to a pool of customers under the conditions (1) each customer in the pool has executed a Transportation Agreement Contract with SEBRING GAS SYSTEM (2) the Marketer/Broker is qualified in accordance rules governing Marketers/Brokers in this tariff.
- E. Aggregated Daily Delivery Quantity (ADDQ) -- the total of the Daily Delivery Quantities for an aggregated pool of Customers.
- F. Alternate Delivery Point(s) -- shall mean Delivery Point(s) other than those listed in Customer's Transportation Agreement Contract.
- G. Alternate Fuel -- shall mean a fuel other than natural gas, including substitute or back-up electrical energy available from the electric power grid, that is used in lieu of natural gas during a curtailment event. Alternate Fuel is not considered available when either no facilities exist to enable the utilization of Alternate Fuel; or facilities exist for the use of Alternate Fuel but Alternate Fuel, although available, cannot be legally, or operationally, used in such facilities.
- H. Alternate Receipt Point(s) -- Point(s) of Receipt other than those listed in Customer's Transportation Agreement Contract.

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- I. Average Atmospheric Pressure -- shall mean the average atmospheric pressure at sea level, 14.969 pounds per square inch.
- J. Billing Period -- shall mean bills rendered each month, approximately 30 days apart.
- K. Btu -- Shall mean a British thermal unit and is further defined as the quantity of heat required to raise the temperature of one pound (avoirdupois) of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. The Btu shall be reported to three, or more, decimal places.
- L. Business Day -- shall mean the days Monday through Friday, exclusive of federal banking holidays, unless notified otherwise.
- M. Company -- shall mean SEBRING GAS SYSTEM, the party receiving gas at the receipt points (city gates) and transporting volumes to the points of delivery (customers meters).
- N. Cubic Foot of Gas -- shall be the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty (60) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.). May be designated as CCF or C.C.F..
- O. Customer -- shall mean, any person (i.e., individual, firm, partnership, company, corporation, municipality, cooperative, organization, governmental agency, or similar organization) supplied with Gas or transportation service.
- P. Curtailment -- shall mean the suspension of scheduled firm and/or interruptible transportation service provided by SEBRING GAS SYSTEM to affected Customers, as more particularly described in Section XIX. of this Tariff.
- Q. Curtailment Order -- shall mean the notice of suspension of scheduled firm and/or interruptible transportation service provided by SEBRING GAS SYSTEM to affected Customers, as more particularly described in Section XIX. of this Tariff.
- R. Daily Delivered Quantity (DDQ) -- shall mean a uniform quantity of Gas established by SEBRING GAS SYSTEM to be delivered by the transportation Customer or Marketer/Broker on a daily basis.

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- S. Draft Notice -- shall mean a Notice to correct an imbalance due Customer.
- T. Eastern Clock Time -- shall be the Eastern Time, as adjusted for Daylight Savings Time and Standard Time. Unless otherwise stated, as used herein "Eastern Time" shall mean Eastern Clock Time.
- U. Facilities -- shall mean equipment or devices needed for transportation service.
- V. FERC -- shall mean the Federal Energy Regulatory Commission
- W. FGT -- shall mean Florida Gas Transmission.
- X. Firm Rate Schedules -- shall mean SEBRING GAS SYSTEM'S firm transportation rate schedules.
- Y. FPSC -- shall mean the Florida Public Service Commission.
- Z. Gas -- shall mean natural gas meeting the quality specifications set forth in this tariff.
- AA. Gas Utility -- shall mean SEBRING GAS SYSTEM.
- AB. Main and Service Amortization Surcharge (MSEA) -- shall mean a surcharge applied to persons requesting an extension, where the actual costs of extending necessary Main and Service Facilities exceeds the MACC.
- AC. Marketing Affiliate -- shall mean any arm of SEBRING GAS SYSTEM, either owned or subject to common control, as a function within SEBRING GAS SYSTEM or part of a separate legal entity, which engages in or arranges an unregulated retail sale of Gas to a transportation customer on SEBRING GAS SYSTEM'S system.
- AD. MACC -- shall mean Maximum Allowable Construction Costs.
- AE. Month -- a period beginning on the first day and ending on the last day of the calendar month.
- AF. Monthly Imbalance Amount -- shall mean the Operational Imbalance amount for a

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billing period.

- AG. MCF -- shall mean one thousand (1,000) cubic feet of Gas.
- AH. Meter -- an instrument for measuring and indicating or recording the volume of Gas passing through it.
- AI. MMBtu -- shall mean a million Btu and shall be deemed equivalent to one Dekatherm.
- AJ. NGPA - shall mean the Natural Gas Policy Act of 1978.
- AK. Nomination -- shall mean a notice delivered by Customer or Customer's Agent, to SEBRING GAS SYSTEM in accordance with nomination procedures.
- AL. Operational Balancing Agreement -- shall mean Operational Balancing Agreement between SEBRING GAS SYSTEM and Customer, or Customer's Agent.
- AM. Pack Notice -- shall mean a Notice to correct an imbalance due SEBRING GAS SYSTEM.
- AN. Point of Delivery or Delivery Point -- shall mean the point at the connection of the Facilities of SEBRING GAS SYSTEM at which the Gas leaves the outlet side of the measuring equipment of SEBRING GAS SYSTEM and enters Customer's meter.
- AO. Point of Receipt or Receipt Point -- shall mean the point at which Gas is received into SEBRING GAS SYSTEM'S system from an upstream source or facility.
- AP. Posted Price -- shall mean price for Gas in a specified area as reported in a specified publication.
- AQ. Primary Delivery Point(s) -- shall mean those Delivery Point(s) listed in Customer's Transportation Agreement Contract.
- AR. Primary Receipt Point(s) -- shall mean Point(s) of Receipt listed in Customer's Transportation Agreement Contract.
- AS. p.s.i.a. -- shall mean pounds per square inch absolute.

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- AT. Release -- shall mean a release of firm capacity right(s) pursuant to the General Terms and Conditions.
- AU. Retainage -- shall mean a percentage of the Customer's or Customer's Agent's Gas that SEBRING GAS SYSTEM is allowed to retain for Gas shrinkage at no cost to SEBRING GAS SYSTEM.
- AV. Service Year -- a period of time beginning on a specific date of each year and ending at the next succeeding exact date.
- AW. Scheduled Quantities -- shall mean the amount of Gas SEBRING GAS SYSTEM is entitled to bill a Customer for a Day or other specified time period.
- AX. Submetering -- shall mean the practice of remetering beyond Customer's utility meter.
- AY. Taxes-- The term "tax" wherever used, or referred to in this Tariff shall mean any tax, fee, charge or assessment and shall include, but not be limited to, occupation, production, severance, gathering transportation, pipeline, footage, sales or other excise tax or tax of similar nature now or hereafter imposed by any lawful authority upon SEBRING GAS SYSTEM whether under direct imposition by Federal, State or local authorities or pursuant to the terms of any present or future contract.
- AZ. Therm -- shall mean a unit of heat equal to 100,000 Btu's.
- BA. Transportation Agreement Contract -- shall mean the dated Transportation Agreement Contract between SEBRING GAS SYSTEM and Customer.
- BB. Transporting Pipeline -- shall mean any interstate pipeline system on which SEBRING GAS SYSTEM holds firm transportation rights.

## II. GENERAL INFORMATION

- A. REQUEST FOR TRANSPORTATION SERVICE. Gas Service may be requested by a prospective transportation Customer by submitting to SEBRING GAS SYSTEM a completed Request for Transportation Service form.

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- B. ACCEPTANCE OF REQUEST FOR TRANSPORTATION SERVICE. A Request for Transportation Service shall be deemed to be accepted by SEBRING GAS SYSTEM when the Customer and SEBRING GAS SYSTEM have entered into a Transportation Agreement Contract and transportation service pursuant thereto is initiated.
- C. OBLIGATION OF CUSTOMER AND SEBRING GAS SYSTEM. All terms and conditions of a Customer's Request For Transportation Service, these Rules and Regulations, the Transportation Agreement Contract, and the applicable Rate Schedules shall become binding upon the Customer and SEBRING GAS SYSTEM upon acceptance by SEBRING GAS SYSTEM of the Customer's Request for Transportation Service, and an executed Transportation Agreement Contract.
- D. ACCOUNT OPENING CHARGE. An account opening charge will be assessed when a change of customer occurs, and transportation service is not shut off at the premises. The amount of the charge is \$ 10.00.
- E. METER TURN ON OR METER RECONNECTION CHARGE. A meter turn on or meter reconnection charge will be assessed when the meter is turned on or reconnected. . The amount of the charge is \$ 50.00.
- F. TRIP CHARGE/COLLECTION AT CUSTOMER PREMISES. This charge applies when SEBRING GAS SYSTEM'S employee, agent, or representative makes a trip to Customer's premises for the purpose of terminating Transportation Service for nonpayment of bills, and, on arrival is paid the amount due SEBRING GAS SYSTEM. The amount of the charge is \$ 10.00
- G. SERVICE INITIATED BY SPECIAL APPOINTMENT OR OUTSIDE NORMAL BUSINESS HOURS. Where Transportation Service is established outside of normal business hours or by special appointment, a charge of 1.5 times the regular rate will be assessed.
- H. WITHHOLDING OF TRANSPORTATION SERVICE. SEBRING GAS SYSTEM will refuse to establish Transportation Service to any location where it finds that establishment of Transportation Service will create an unsafe or hazardous condition on Customer's premises.
- I. DISCONTINUANCE OF SERVICE. SEBRING GAS SYSTEM may discontinue

Transportation Service to an existing Customer or refuse to serve a prospective Customer where such Customer's use of Gas is or will be detrimental or hazardous to the Transportation Service supplied to other Customers.

- J. DENIAL OF TRANSPORTATION SERVICE. SEBRING GAS SYSTEM will not establish Transportation Service to any Customer where that Customer is in arrears for Transportation Service (or Sales Service) at that location or another location in SEBRING GAS SYSTEM'S service area.
- K. UNAUTHORIZED OR FRAUDULENT USE OF TRANSPORTATION SERVICE: SEBRING GAS SYSTEM will discontinue Transportation Service without notice:
1. in the event of tampering with regulators, valves, meters or other facilities furnished and owned by SEBRING GAS SYSTEM, or
  2. in the event of other unauthorized or fraudulent use of Transportation Service;
  3. when Transportation Service is discontinued for unauthorized or fraudulent use thereof SEBRING GAS SYSTEM, before restoring Transportation Service, may require Customer to make, at Customer's expense, all changes in piping or equipment necessary to eliminate the unauthorized or fraudulent use, and to pay an amount reasonably estimated as the deficiency in SEBRING GAS SYSTEM'S revenue and all costs incurred by SEBRING GAS SYSTEM resulting from such unauthorized or fraudulent use;
  4. in case of any unauthorized submetering, sale, or disposition of Gas by a Customer, Transportation Service to such Customer may be discontinued and, if discontinued, such service will not be restored until such unauthorized activities have ceased and all bills outstanding have been paid in full. Billings for Gas sold or disposed of by Customer may be recalculated under appropriate rate schedules and, in addition, a bill may be rendered to a Customer for all expenses incurred by SEBRING GAS SYSTEM for clerical work, testing, and inspections in connection with such recalculation.
- L. LIMITATION OF USE. Gas transported to a Customer shall be for such Customer's own use and shall not be resold by such Customer, either by submetering, (or otherwise,) unless such resale has been authorized by the FPSC.

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**III. CUSTOMER'S INSTALLATIONS**

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

B. INSPECTION OF CUSTOMER'S INSTALLATION. Where governmental inspection of a Customer's Installation is required, SEBRING GAS SYSTEM will not supply Transportation Service to such installation until the necessary inspections have been made and SEBRING GAS SYSTEM has been authorized to provide Gas Service.

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

SEBRING GAS SYSTEM may discontinue Transportation Service to a Customer's gas equipment whenever it finds a hazardous condition or a condition that is in violation of a code, ordinance, regulation or statute governing the installation or use of gas equipment or the Customer's installation, and Transportation Service will be rendered or restored only when the hazardous condition or noncompliance has been corrected.

C. CHANGES IN CUSTOMER'S INSTALLATION. A Customer shall notify SEBRING GAS SYSTEM of any change in Customer's requirements for Transportation Service and receive authorization from SEBRING GAS SYSTEM prior to making any such change so that SEBRING GAS SYSTEM may be in a position to meet the Customer's requirements. The Customer will be liable for any damage resulting from violation of this rule.

D. RIGHT OF WAY. The Customer shall grant to SEBRING GAS SYSTEM, without cost to SEBRING GAS SYSTEM all rights, easements, permits and privileges which, SEBRING GAS SYSTEM determines are necessary for the rendering of Transportation Service. The Customer will furnish to SEBRING GAS SYSTEM,



- without charge, an acceptable location for SEBRING GAS SYSTEM'S meter.
- E. PROTECTION OF SEBRING GAS SYSTEM'S PROPERTY. The customer shall properly protect SEBRING GAS SYSTEM'S property on the Customer's premises, and shall permit no one but SEBRING GAS SYSTEM'S employees or agents, or persons authorized by law, to have access to SEBRING GAS SYSTEM'S piping, meters or apparatus. In the event of any loss or damage to SEBRING GAS SYSTEM'S property caused by or arising out of carelessness or misuse thereof by Customer, Customer shall pay to SEBRING GAS SYSTEM the cost of replacing such loss or repairing such damage. This section does not apply to Customer's check meter, if one is so installed.
- F. OPERATION OF SEBRING GAS SYSTEM'S FACILITIES. No Customer or other person shall, unless authorized by SEBRING GAS SYSTEM to do so, operate or change any of SEBRING GAS SYSTEM'S Facilities.

**IV. DEPOSITS**

- A. ESTABLISHMENT OF CREDIT; NEW DEPOSITS. A Customer shall establish credit prior to the commencement by SEBRING GAS SYSTEM of Transportation Service (and shall maintain credit during the term hereof) by either: (1) making a cash deposit with SEBRING GAS SYSTEM, or (2) furnishing an irrevocable letter of credit from a bank, or a surety bond issued by a company holding a certificate of authority as an acceptable surety on Federal bonds. The amount of such cash deposit, irrevocable letter of credit or surety bond, shall be equal to two (2) times the estimated average monthly bill for service provided by SEBRING GAS SYSTEM.
- B. RECORD OF DEPOSIT. With respect to a cash deposit, SEBRING GAS SYSTEM will keep records to show:
- (1) The name of Customer making the deposit;
  - (2) The premises occupied by Customer;
  - (3) The date and amount of the deposit; and
  - (4) Each transaction concerning the deposit, such as, interest payments, interest credited, or similar transactions.
- C. INTEREST ON DEPOSIT. SEBRING GAS SYSTEM will pay interest annually on any cash deposit at the simple interest rate per annum approved from time to time by the FPSC, which, as of the date first written above, is seven percent (7%).

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Payment shall be made either in cash, or by a credit on a bill rendered to the Customer. The Customer shall receive no interest on a cash deposit until six (6) Months after making the deposit. Thereafter, Customer shall be entitled to receive interest from the date of the deposit.

- D. REFUND OF DEPOSIT. Upon termination of Transportation Service, SEBRING GAS SYSTEM shall credit the amount of any cash deposit and accrued interest thereon against the final amount due SEBRING GAS SYSTEM from the Customer, and the balance, if any, shall be returned to the Customer no later than 15 days after the final bill for service is rendered.
- E. RECEIPT FOR CASH DEPOSIT. A non-transferable receipt will be issued to a Customer for any cash deposit and means provided so that such Customer may claim the deposit if the receipt is lost. When a new or additional cash deposit is required under Section IV. F. of this Tariff, a Customer's canceled check or validated bill coupon may serve as a deposit receipt.
- F. NEW OR ADDITIONAL DEPOSITS. SEBRING GAS SYSTEM may require, upon reasonable written notice of not less than 15 days, such request or notice being separate and apart from any bill for Transportation Service, a new cash deposit, guaranty, letter of credit or surety bond (where previously waived or returned), or an additional cash deposit (or increase in the amount of a guaranty, letter of credit or surety bond), in order to secure payment of current bills; provided, however, that the total amount of the required cash deposit or other security shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice, the 30 day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. If Customer has received Transportation Service for less than 12 months, SEBRING GAS SYSTEM will base the amount of the new or additional cash deposit or other security upon the average actual monthly billing available.
- G. RETURNED CHECKS. A service charge of \$ 20.00 or 5% of the amount of the check, whichever is greater, shall be added to Customer's bill for Transportation Service for each check dishonored by the bank upon which it is drawn. Termination of Transportation Service shall not be made for failure to pay such returned check charge, however, any payment received from a Customer will be considered as paying the oldest amounts due, which may include service charges.

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V. **BILLING**

- A. **BILLS RENDERED** The Customer's meter will be read, by SEBRING GAS SYSTEM at regular intervals and bills for Transportation Service will be rendered regularly on a monthly basis.

Bills for Transportation Service will be rendered as soon as practical after determination of their amount and shall be due and payable at the office of SEBRING GAS SYSTEM in accordance with the Florida Public Service Commission rules and regulations.

Bills for Transportation Service shall be considered received by the Customer when mailed or delivered to the most recent billing address supplied by the Customer to SEBRING GAS SYSTEM.

If, during the preceding month, SEBRING GAS SYSTEM has purchased gas from the Customer pursuant to Section XIX. D. of this Tariff, such bill shall show a credit for the estimated or actual amount due the Customer from SEBRING GAS SYSTEM on account of such purchases. If the estimated amount owed by SEBRING GAS SYSTEM to the Customer exceeds the amount the Customer owes to SEBRING GAS SYSTEM, SEBRING GAS SYSTEM shall pay to Customer the net amount estimated to be due Customer at the time SEBRING GAS SYSTEM provides the bill to the Customer. Bills shall be considered received by the Customer when mailed or delivered to the most recent billing address supplied by the Customer to SEBRING GAS SYSTEM.

- B. **PAYMENT**. The Customer shall pay the bills rendered by SEBRING GAS SYSTEM, minus any disputed amounts, to SEBRING GAS SYSTEM by wire transfer to the account and bank specified in the invoice, or by other means specified by SEBRING GAS SYSTEM on or before 20th the Day following, or a longer period specified by SEBRING GAS SYSTEM, the date of SEBRING GAS SYSTEM'S mailing (as signified by the postmark) or other delivery of such bill. All sums not paid by the Customer (or credited or paid by SEBRING GAS SYSTEM) shall be considered delinquent.
- C. **BILLING DISPUTES**. In the event of a bona fide billing dispute, the Customer or

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SEBRING GAS SYSTEM, as the case may be, shall (1) pay (or credit) to the other, all amounts not in dispute, and (2) pay any disputed amount into an escrow account established for the benefit of SEBRING GAS SYSTEM and the Customer with an escrow agent and pursuant to terms reasonably acceptable to SEBRING GAS SYSTEM and Customer. SEBRING GAS SYSTEM and the Customer shall exercise commercially reasonable efforts to resolve any such billing dispute as soon as reasonably practicable. Any amounts deposited into the escrow account (together with any interest accrued thereon) shall be paid by the escrow agent to the party in whose favor the dispute is resolved. Failure by the Customer to pay a disputed amount into the applicable escrow account shall be deemed a conclusive resolution of the dispute in favor of the other.

- D. ERRORS OR ESTIMATES. In any case where an estimate has been used to determine the amount due a Customer on account of purchases of gas by SEBRING GAS SYSTEM pursuant to Section XIX. D. of this Tariff, SEBRING GAS SYSTEM shall make any adjustment necessary to reflect the actual amount due the Customer on account of such purchases in the next bill rendered to the Customer after the actual amount due for such purchases is determined. If an error is discovered in any bill rendered (or credit given or payment made), or in any of the information used in the calculation of such bill, or such credit or payment, SEBRING GAS SYSTEM shall, to the extent practicable, make an adjustment to correct such error in the next bill rendered after the date on which the error is confirmed.
- E. OTHER REMEDY OF SEBRING GAS SYSTEM. If a Customer fails to make any payment when due and such failure is not remedied by or on behalf of Customer within 5 Days after written notice of such default in payment by SEBRING GAS SYSTEM, then SEBRING GAS SYSTEM, in addition to any other remedy it may have, may without damage, suspend further services to Customer until such amount is paid; provided, however, that SEBRING GAS SYSTEM shall not suspend services Gas to a Customer if (1) the Customer's failure to pay is the result of a bona fide dispute, (2) the Customer has paid SEBRING GAS SYSTEM for all amounts not in dispute and (3) the dispute is in the process of being resolved.
- F. OTHER REMEDY OF CUSTOMER. If SEBRING GAS SYSTEM fails to pay or credit a Customer's account as a result of gas purchased with respect to Section XIX. D. of this Tariff, and such failure is not remedied by or on behalf of SEBRING GAS SYSTEM within 30 days after the Customer's written notice of such default,

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then the Customer, in addition to any other remedy it may have, may without damage suspend SEBRING GAS SYSTEM'S right to retain and purchase the Customer's gas pursuant to Section XIX. D.; provided, however, that Customer shall not suspend SEBRING GAS SYSTEM'S right to retain and purchase Customer's Gas pursuant to Section XVII. D. if, (1) SEBRING GAS SYSTEM'S failure to provide a credit or make payment to the Customer is the result of a bona fide dispute, (2) SEBRING GAS SYSTEM has provided a credit or made payment to the Customer for all amounts not in dispute and (3) the dispute is in the process of being resolved.

- G. NON-RECEIPT OF BILLS. Failure of a Customer to receive a bill shall not relieve the Customer of its obligation to pay the bill.
- H. DELINQUENT BILLS AND LATE PAYMENT CHARGES. A bill shall be considered delinquent upon the expiration of 20 days from the date of mailing or other delivery by SEBRING GAS SYSTEM. Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of the highest allowed by law, per month, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a matter permitted by applicable law.
- I. DISCONTINUANCE OF TRANSPORTATION SERVICE TO RETURN TO SALES SERVICE. Transportation customers wishing to return to Sales Service must provide a written request 6 months in advance of the desired in-service date. SEBRING GAS SYSTEM may provide sales service earlier if it can accommodate the request. If SEBRING GAS SYSTEM can provide sales service prior to the expiration of the 6th month waiting period, it shall do so on a nondiscriminatory basis
- J. DISCONTINUANCE OF TRANSPORTATION SERVICE AND/OR CHANGE OF OCCUPANCY. Unless otherwise provided in the specific Rate Schedule, or Transportation Agreement Contract under which a Customer receives Transportation Service, a Customer intending to discontinue Transportation Service shall furnish written notice of such intent to SEBRING GAS SYSTEM not less than 6 months prior to contract expiration. The Customer shall be responsible for all

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Transportation Service provided to the premises at which discontinuance is desired until the expiration of the contract term.

- K. DISCONTINUANCE OF TRANSPORTATION SERVICE FOR NON-PAYMENT OF BILLS. Transportation Service will be discontinued for non-payment of bills but only after SEBRING GAS SYSTEM has made a diligent attempt to have the Customer make payment, including at least 5 business days' written notice to the Customer, such notice being separate and apart from any bill for Transportation Service, unless the controversy over the nonpayment has been resolved through mutual agreement, or successfully disputed by the Customer.
- L. INSPECTION OF BOOKS AND RECORDS. SEBRING GAS SYSTEM and the Customer shall have the right, upon reasonable prior notice, and during normal business hours, to examine the books, records and documents of each other to the extent necessary to verify the accuracy of any statement, charge, computation or demand made pursuant to this Tariff. Each party shall keep any and all such books, records and documents for a period of 1 year from the date such book, record or document is created or any entry or adjustment thereto is made.

VI. OBLIGATION TO SERVE.

OBLIGATION TO SERVE. SEBRING GAS SYSTEM is responsible for the transportation of the Customer's own gas. SEBRING GAS SYSTEM is not responsible for providing gas. If the Customer's supplier, or Agent, fails to provide gas, SEBRING GAS SYSTEM may disconnect service to Customer.

If it would not be economically feasible to disconnect the Customer, SEBRING GAS SYSTEM may provide gas supply to the Customer if adequate system supply is available. The choice to provide gas supply shall be done on a nondiscriminatory basis. Where several transportation customers are in need of gas supply, and SEBRING GAS SYSTEM does not have sufficient supply to fulfill all customer needs, gas supply will be allocated based on each customer's average daily consumption to the total consumption of the customers in need of supply. If adequate system supply is not available and the Customer continues to use Gas, the Imbalance provisions contained in Section XXI. A. will be applied.

**VII. DELIVERY POINT(S)**

POINT OF DELIVERY. The point of delivery for all Gas Transported shall be at the outlet side of such billing meter(s) as installed at SEBRING GAS SYSTEM Delivery Point(s).

**VIII. GAS QUALITY**

A. GAS QUALITY SPECIFICATIONS: All Gas delivered into SEBRING GAS SYSTEM'S system by the Customer, or Customer's Agent, shall be merchantable and shall, upon delivery, conform to each of the following quality specifications:

1. be commercially clean and free from objectionable odors, solid matter, dust, gums, and gum-forming constituents, or any other substance which might interfere with the merchantability of the Gas stream, or cause interference with proper operation of the lines, meters, regulators, or other appliances through which it may flow;
2. contain not more than 200 grains of total sulphur, or 15 grains of hydrogen sulphide per Mcf; and
3. have a gross heating value of not less than 950 Btu per cubic Foot of Gas, measured at 14.73 p.s.i.a. at 60 Degrees Fahrenheit on a dry basis.

B. QUALITY AND HEATING VALUE. All gas which Customer causes to be received by SEBRING GAS SYSTEM for Customer's account at SEBRING GAS SYSTEM'S Receipt Point(s) for transportation and delivery by SEBRING GAS SYSTEM shall conform to the quality and heating value specifications set forth within or incorporated in Transporting Pipeline's tariff. In addition to any other remedies available to SEBRING GAS SYSTEM, SEBRING GAS SYSTEM shall have the right to refuse to accept at SEBRING GAS SYSTEM'S Receipt Point(s) any gas which fails to conform to such quality and heating value specifications.

C. QUALITY AND MERCHANTABILITY. Gas delivered into SEBRING GAS SYSTEM'S system on behalf of Customer shall be commercially clean and merchantable. Such Gas will be comparable and interchangeable with system supply. SEBRING GAS SYSTEM reserves the right to refuse any gas that does not conform to such quality and merchantability.

**IX. PRESSURE**

STANDARD DELIVERY PRESSURE. SEBRING GAS SYSTEM shall make reasonable efforts to maintain its Standard Delivery Pressure of 14.98 p.s.i.a. (14.73 plus .25 p.s.i.g.) (seven inches water column) at the point of delivery. Where the delivery pressure higher than Standard Delivery Pressure is supplied, SEBRING GAS SYSTEM will make reasonable efforts to maintain such higher-delivery pressure. SEBRING GAS SYSTEM does not undertake to deliver gas at a pressure higher than the Standard Delivery Pressure throughout its service areas. Prospective or actual customers who desire to utilize gas at pressures higher than the Standard Delivery Pressure should inquire of SEBRING GAS SYSTEM to determine the pressure that SEBRING GAS SYSTEM can make available at any given location in its service territory before obtaining any equipment requiring pressures higher than the Standard Delivery Pressure.

**X. MEASUREMENT**

A. DETERMINATION OF VOLUME AND HEATING VALUE. The volume and total heating value of the Gas shall be determined as follows:

(1) Base Conditions

- (a) A standard cubic foot for measurement purposes shall be the volume of such cubic foot at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 p.s.i.a.
- (b) The Average Atmospheric Pressure shall be assumed to be fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.) irrespective of actual elevation or location of the point of measurement or of variations in such atmospheric pressure from time to time.

B. UNIT OF TRANSPORTATION VOLUME.

- (1) The Standard Delivery Pressure shall be 14.98 p.s.i.a. The Standard Delivery Temperature shall be 60 degrees Fahrenheit.



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- (2) For purposes of billing computations, a Cubic Foot of Gas shall be that quantity which, at a pressure of 14.98 p.s.i.a. and a temperature of 60 degrees Fahrenheit, occupies one cubic foot.
  - (3) When deliveries are made at flowing pressures in excess of the Standard Delivery Pressure, metered volumes shall be corrected for such variation through utilization of recorded flowing pressure data, correction devices which are an integral part of the Meter installation, or by correction factors for fixed pressure deliveries.
  - (4) With respect to gas delivered at High Pressure, flowing gas temperature shall be assumed to average 60 degrees Fahrenheit for all measurement, unless the Customer and SEBRING GAS SYSTEM agree otherwise. When an assumed flowing temperature of 60 degrees Fahrenheit is not used, the temperature shall be determined as the arithmetic average of flowing temperatures as recorded by a temperature recorder, if such a recorder is utilized, or through the use of correcting indices or temperature compensating meters, where recording or compensating devices are not installed, the temperature of the Gas shall be assumed to be the climatological 30-year average monthly temperature as established by the nearest National Oceanic and Atmospheric Administration Weather Bureau, and published by the Department of Commerce.
  - (5) Unless determined to be otherwise by a gravity balance, the specific gravity of the flowing gas shall be assumed to be 0.6.
  - (6) When sales or transportation volumes are metered at pressures of 10 p.s.i.g. (pounds per square inch gauge) and over, and where such volumes are also corrected for flowing temperatures other than assumed 60 degrees Fahrenheit, such volumes shall be corrected for deviations from Boyles Law by use of the appropriate supercompressibility factor.

C. TRANSPORTATION UNIT

- (1) The sales and transportation unit of the gas shall be the therm, being 100,000 BTU. The number of therms billed to the Customer shall be

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determined by multiplying the number of Cubic Feet of gas delivered at 14.98 p.s.i.a. and 60 degrees Fahrenheit, by the total heating value of such gas and dividing the product by 100,000,

- (2) The total heating value of the gas delivered to Customer shall be determined as that reported monthly by the Customer's Gas supplier, provided such value is applicable to the gas delivered to the Customer, or such value shall be determined by SEBRING GAS SYSTEM by use of a calorimeter or other instrument suitable for heating value determination. The total heating value shall be corrected to and expressed as that contained in the Unit of Transportation Volume addressed in Section X. B.

- D. GAS COMMINGLING. Gas transported under this Tariff is not the property of SEBRING GAS SYSTEM. SEBRING GAS SYSTEM reserves the right to commingle such gas with other system supplies.

**XI. METERS AND MEASUREMENT**

- A. FACILITIES AND EQUIPMENT. Facilities and equipment necessary to receive and measure the quantities of gas delivered or redelivered to the Customer shall be located at SEBRING GAS SYSTEM'S Delivery Point(s) specified in the Transportation Agreement Contract. Meters will be read monthly, unless the Customer and SEBRING GAS SYSTEM agree otherwise. Measurement of the gas received at SEBRING GAS SYSTEM'S Delivery Point(s) shall be conducted using primary measurement devices of standard manufacture installed and operated in accordance with the applicable specifications in Report No.3 or Report No.7 of the Gas Measurement Committee of the American Gas Association, as amended from time to time, or standards in the industry, whichever may apply. The determination of the volumes of Gas received by Customer at SEBRING GAS SYSTEM'S Delivery Point(s) shall be calculated from the measurements taken at the meter and corrected for pressure, temperature and specific gravity in accordance with standard methods and practices in use in the natural gas pipeline industry.
- B. COMBINATION OF SALES SERVICE AND TRANSPORTATION SERVICE. Where a Customer uses a combination of Sales Service and Transportation Service, the Sales Service will be deemed as moving through the meter first. The Customer may have a second meter installed so that Sales Service and Transportation Service can be segregated. The Customer will be responsible for all costs regarding

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the installation, and will pay the applicable monthly service charge to cover the costs of maintaining the additional meter. The Customer must provide 60 days notice when altering the percentages between Sales Service and Transportation Service.

- C. CUSTOMER METERING. SEBRING GAS SYSTEM may maintain and operate, at or near SEBRING GAS SYSTEM'S Delivery Point(s), metering equipped to measure Customer's Actual Daily Takes. Costs associated to this metering shall be assessed to the Customer.
- D. MEASUREMENT DEEMED ACCURATE. Measurements on SEBRING GAS SYSTEM'S meter(s) shall be conclusive on both parties except where the meter is defective or fails to register (in either case, SEBRING GAS SYSTEM shall repair or replace the meter at its expense). If the meter is found defective or fails to register, the quantity of Gas delivered while the meter was out of order or failed to register shall be estimated:
1. By using the registration of any check meter, if installed and accurately registering, or in the absence thereof;
  2. By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or, in the absence of both (a) and (b); then
  3. By estimating the quantities delivered from deliveries during periods under similar conditions when the meter was registering accurately.
- E. BILLING ADJUSTMENT. An appropriate billing adjustment shall be made for such period during which SEBRING GAS SYSTEM'S meter was defective or failed to register.
- F. METER ACCURACY / METER TESTING . SEBRING GAS SYSTEM shall maintain the Customer's meter or meters in good working order. For Customer's whose annual consumption is greater than 500,000 therms, SEBRING GAS SYSTEM may make Monthly tests of each such meter to ensure that it accurately measures the gas delivered to the Customer. If the Customer is dissatisfied with the accuracy of the meter at any time, SEBRING GAS SYSTEM will have the meter tested, and if a test has not been made within one Month, will make such test without charge. If the

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meter has been tested within one month, SEBRING GAS SYSTEM will nevertheless make the test required, but if the meter, when tested, is proved to be accurate within plus or minus two percent (2%), the Customer will pay SEBRING GAS SYSTEM for the costs incurred in conducting such test.

- G. SMALL CONSUMERS METER TESTING. SEBRING GAS SYSTEM shall maintain the Customer's meter or meters in good working order. Upon written request of a Customer whose annual consumption is less than 200,000 therms, SEBRING GAS SYSTEM shall, without charge, make a test of the accuracy of the meter in use at the Customer's premises; provided, first, that the meter has not been tested by SEBRING GAS SYSTEM or by the FPSC within 12 (twelve) months previous to such request and, second, that Customer agrees to accept the results of such test as the basis for the adjustment of disputed charges. Should a Customer request a meter test more frequently than once a year, SEBRING GAS SYSTEM may require a deposit to defray cost of testing, such deposit not to exceed \$ 100.00 for each test. If the meter is found to be more than two percent (2%) fast, the deposit shall be refunded, but if below this accuracy limit, the deposit may be retained by SEBRING GAS SYSTEM as a service charge for conducting the test.
- H. WITNESS OF METER TEST. If the Customer so desires, he or his authorized Agent, or representative may witness the test. A written report, giving the results of the test, shall be furnished to the Customer upon request.
- I. METER TEST - REFEREE.
- (1) Upon written application to the FPSC by a Customer, a test of the Customer's meter will be made or supervised as soon as practicable by a representative of the FPSC.
  - (2) A meter shall not be disturbed after SEBRING GAS SYSTEM has received notice that application has been made for such referee test unless a representative of the FPSC is present or unless authority to do so is first given in writing by the FPSC or by the Customer.
  - (3) A written report of the results of the test will be made by the FPSC to the Customer.
- J. METERS. SEBRING GAS SYSTEM will own, operate, and maintain the meters and regulating equipment needed to accurately measure Transportation Service

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provided to the Customer. The Customer will provide a location, satisfactory to SEBRING GAS SYSTEM, for installation of necessary meter(s), regulator(s), and ancillary equipment. The Customer will safeguard SEBRING GAS SYSTEM'S facilities on the Customer's property and will not permit unauthorized persons to operate or alter SEBRING GAS SYSTEM'S facilities in any manner.

K. TYPE OF METERING PROVIDED.

- (1) Except as provided in paragraph (2) below, each separate occupancy unit (as defined in Commission Rule 25-7.071) for which construction commenced after January 1, 1987, shall be individually metered
- (2) Individual meters shall not be required, and master metering is permitted, for separate occupancy units where dimensions or physical configurations of the units are subject to alteration; where gas is used in central heating, water heating, ventilating and air conditioning systems, or gas back up service to storage heating and cooling systems; in specialized-use housing accommodations such as hospitals and other health care facilities specified in Commission Rule 25-7.071, college dormitories, convents, sorority or fraternity houses, motels, hotels and similar facilities; in specially designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks where permanent residency is not established; in marinas where living aboard is prohibited by permanent means; or where individual Gas Service would otherwise be required above the second story, in accordance with Commission Rule 25-7.071.
- (3) When individual metering is not required and master metering is used, submeters may be purchased and installed at Customer's request and expense, for use in allocating the cost of providing service at the master meter.

L. METER ACCURACY AT INSTALLATION. All meters, when installed, shall be not more than 1% fast or 2% slow and will have been tested not more than two months prior to being installed.

M. MEASUREMENT OF QUANTITIES. SEBRING GAS SYSTEM shall measure the Gas delivered to Customer each Day at SEBRING GAS SYSTEM'S Delivery Point(s). However, if the annual consumption of Customer is less than 500,000

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therms, SEBRING GAS SYSTEM shall measure the gas delivered to the Customer each month at SEBRING GAS SYSTEM'S Delivery Point(s).

- N. INSTALLATION AND OPERATION. SEBRING GAS SYSTEM will install, maintain and operate, at the Customers expense, a meter or meters, and other necessary measuring equipment by which the volume of gas delivered to the Customer shall be measured.
- O. CHECK MEASURING EQUIPMENT. A Customer may install, maintain and operate beyond SEBRING GAS SYSTEM'S Delivery Point(s), at its expense, such operating equipment, pressure regulators and check measuring equipment as the Customer shall desire; provided, however, that such equipment shall not be installed or operated in a manner that would affect the accuracy or operation of the measurement facility maintained by SEBRING GAS SYSTEM. The Customer shall grant access to such check measuring equipment at reasonable hours, but the reading, calibrating and adjusting thereof, and any changing of charts shall be done only by the Customer.
- P. ACCESS TO EQUIPMENT AND RECORDS. Both SEBRING GAS SYSTEM and the Customer shall be notified and shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the other's measuring equipment used in measuring deliveries. The records from such measuring equipment shall remain the property of the owner, who upon request will submit to the other such records and charts, together with calculations therefrom, for the other's inspection and verification, subject to return within 30 days after receipt thereof.
- Q. CARE IN INSTALLATION. All installations of measuring equipment, applying to or affecting deliveries of gas, shall be made in such manner as to permit an accurate determination of the volume of gas delivered and ready verification of the accuracy of measurement. Reasonable care shall be exercised by both SEBRING GAS SYSTEM and the Customer in the installation, maintenance and operation of pressure regulating equipment so as to avoid, so far as practicable, any inaccuracy in the determination of the volume of gas delivered hereunder.
- R. CORRECTION OF METER ERRORS. Whenever a meter is found to have an average error of more than two percent fast, SEBRING GAS SYSTEM shall refund to the Customer the amount billed, in error, for one half the period since the last

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test, said one half period not to exceed twelve months except that if it can be shown that the error was due to some cause, the date of which can be fixed, the overcharge shall be computed back to, but not beyond such date, based upon available records. If the meter has not been tested in accordance with Rule 25-7.064, the period for which it has been in service beyond the regular test period shall be added to the twelve months in computing the refund. The refund shall not include any part of any minimum charge.

- S. BACK BILLING. SEBRING GAS SYSTEM may back bill in the event that a meter is found to be slow, non-registering or partially registering. SEBRING GAS SYSTEM may not back bill for any period longer than twelve months from the date it removes the meter of the Customer, which meter is later found by SEBRING GAS SYSTEM to be slow, non-registering, or partially registering for less than twelve months prior to removal, then SEBRING GAS SYSTEM may back bill only for the lesser period of time. In any event, a Customer may extend the payments of the back bill over the same amount of time for which SEBRING GAS SYSTEM issued the back bill. However, in the event of unauthorized use, the Customer may be billed on a reasonable estimate of the Gas consumed.
- T. PRESERVATION OF RECORDS. Both SEBRING GAS SYSTEM and the Customer shall preserve all test data, charts and other similar records for 5 years.

## XII. FACILITIES

- A. INSTALLATION OF FACILITIES. If, prior to the commencement of Transportation Service SEBRING GAS SYSTEM deems it necessary to purchase, install, construct and/or upgrade certain equipment, devices and facilities (collectively, the "facilities") to provide the services requested and to provide accurate and up-to-date communication of the volumes and the Btu content of the Gas flowing through SEBRING GAS SYSTEM'S Receipt Point(s) and SEBRING GAS SYSTEM'S Delivery Point(s), a description of the Facilities, together with the anticipated cost for the purchase, installation, construction and/or upgrading thereof will be provided to the Customer. For Customers whose annual consumption is less than 200,000 therms, daily or real-time metering will not be deemed necessary.
- B. REIMBURSEMENT OF SEBRING GAS SYSTEM. The Customer shall reimburse SEBRING GAS SYSTEM for all reasonable costs incurred and paid by SEBRING GAS SYSTEM with respect to the purchase, installation, construction, and/or

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upgrading of Facilities (except for costs to upgrade or expand any existing electronic measurement and data communications equipment on existing meters). The total cost of the Facilities to be reimbursed to SEBRING GAS SYSTEM by the Customer will be payable upon receipt of SEBRING GAS SYSTEM'S invoice.

- C. OWNERSHIP OF FACILITIES. Unless SEBRING GAS SYSTEM and the Customer otherwise agree, all facilities used to provide service to the Customer (but specifically excluding facilities owned by the Customer), shall be designed, constructed, installed, owned, controlled, operated and maintained by SEBRING GAS SYSTEM.

### **XIII. MAIN AND SERVICE EXTENSIONS**

- A. REQUEST FOR SERVICE REQUIRING MAIN EXTENSION. Whenever a prospective Customer or other person, requests Transportation Service at a location where SEBRING GAS SYSTEM does not have a main, SEBRING GAS SYSTEM will extend its Mains and Services to serve the prospective Customer or Customers under the following conditions:

- (1) The extension of Transportation Service to the prospective Customer will not jeopardize service to existing customers.
- (2) The maximum capital cost incurred by SEBRING GAS SYSTEM for an extension of Main and Service Facilities shall be defined as the Maximum Allowable Construction Cost. The Maximum Allowable Construction Cost shall equal 5 times the estimated annual revenue to be derived from the Facilities. If SEBRING GAS SYSTEM, in its reasonable discretion, believes that there is significant uncertainty regarding the revenues to be derived from revenues generated from the requested extension of Main and Service Facilities, it shall use reasonable efforts to calculate the Maximum Allowable Construction Cost giving due consideration to such uncertainty,
- (3) Where the Facilities to be installed will require an investment by SEBRING GAS SYSTEM in excess of the Maximum Allowable Construction Cost, it will construct the necessary Facilities provided the Customer or Depositor, deposits with SEBRING GAS SYSTEM, an amount equal to the excess of the estimated actual construction cost over the Maximum Allowable Construction Cost. In this case, SEBRING GAS SYSTEM and the Depositor



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will then enter into a Construction Deposit Agreement providing for receipt of the deposit by SEBRING GAS SYSTEM and including terms and conditions for refund to the Depositor. In consideration of SEBRING GAS SYSTEM having to use the deposit to finance the installation of Facilities, the deposit made by the Depositor will be non-interest bearing.

B. REFUND OF DEPOSITS. Deposits shall be refunded to Depositors in accordance with the following procedures.

- (1) As new customers connect to the extended Main or Service Facilities, and no less often than on each of the first 4 anniversaries of the date on which the deposit is made to SEBRING GAS SYSTEM, SEBRING GAS SYSTEM shall refund to the Depositor an amount equal to (1) the actual or estimated annual revenue, less the cost of Gas, derived from sales to Customers served by the extended Facilities, less (2) the Maximum Allowable Construction Cost divided by 5 as determined in Section XIII. A. (2), above.
- (2) For each additional customer taking Transportation Service from any point on the extended Main or Service Facilities within a period of 5 years from the date of construction, SEBRING GAS SYSTEM shall refund to the Depositor the amount by which the, Maximum Allowable Construction Cost of the new customer(s) exceeds the cost of connecting such new customer(s), provided that an additional Main extension shall not have been necessary to serve the additional customer(s). Where the Depositor and SEBRING GAS SYSTEM agree that new customers are likely to connect to the extended Facilities over a period longer or shorter than 5 years, the Depositor and SEBRING GAS SYSTEM may agree, within the Construction Deposit Agreement, to provide for refunds over such longer or shorter period as the parties agree is reasonable and appropriate under the circumstances.
- (3) The aggregate refund to any Depositor made through the provisions of (1) and (2) above shall not exceed the original deposit of such Depositor.
- (4) The extension shall at all times be the property of SEBRING GAS

SYSTEM, and any unrefunded portion of said deposit at the end of 5 years, or such longer or shorter period as may be agreed to by the Depositor and SEBRING GAS SYSTEM, shall accrue to SEBRING GAS SYSTEM.

- C. SERVICE EXTENSIONS FROM EXISTING MAINS. SEBRING GAS SYSTEM will install, at no charge to Customer, the Transportation Service Facilities, commencing from an existing Main, necessary to serve a Customer applying for Transportation Service, where the cost of such service extension does not exceed the Maximum Allowable Construction Cost as defined in Section XIII. A. (2), above. Any Customers not meeting the above criteria will be required to make a contribution in aid of construction based on the difference between the cost of the required service Facilities and the Maximum Allowable Construction Cost as calculated for each respective customer.
- D. RELOCATION OF TRANSPORTATION SERVICE FACILITIES. When alterations or additions to structures or improvements on premises to which SEBRING GAS SYSTEM renders Transportation Service necessitate the relocation of SEBRING GAS SYSTEM'S metering equipment, or when such relocation is requested by a Customer, that Customer may be required to reimburse SEBRING GAS SYSTEM for all or any part of the costs incurred by SEBRING GAS SYSTEM in the performance of such relocation.
- E. MAIN AND SERVICE EXTENSION AMORTIZATION SURCHARGE. In cases where (1) the estimated actual cost of extending necessary Main and Service Facilities exceeds the Maximum Allowable Construction Cost; (2) SEBRING GAS SYSTEM, in its reasonable discretion, determines that there is reasonable likelihood that such extension will produce sufficient revenue to justify the necessary investment in such Facilities; and (3) SEBRING GAS SYSTEM determines that the credit-worthiness of the party(ies) requesting the extension is satisfactory to assure recovery of the additional investment above the Maximum Allowable Construction Cost, SEBRING GAS SYSTEM may provide the Facilities subject to a Main and Service Extension Amortization Surcharge (MSEA Surcharge). In such cases, in lieu of a Construction Deposit Agreement, the party (ies) requesting an extension subject to the MSEA Surcharge shall enter into a guaranty agreement with SEBRING GAS SYSTEM by which the party(ies) shall agree to pay to SEBRING GAS SYSTEM any remaining unamortized balance of the amount subject to the MSEA Surcharge at the end of the Amortization Period,

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**XIV. THE FLORIDA PUBLIC SERVICE COMMISSION (FPSC)**

- A. TRANSPORTATION CHARGES. The amount to be paid by a Customer to SEBRING GAS SYSTEM each Month for Transportation Service rendered by SEBRING GAS SYSTEM shall be determined in accordance with SEBRING GAS SYSTEM'S current applicable transportation rate schedule filed with and approved by the FPSC. The quantities of Gas anticipated to be transported by SEBRING GAS SYSTEM to the Customer, and the applicable rate schedule shall be stated in the Transportation Agreement Contract.
- B. REQUEST FOR EXEMPTION. Whenever the application of these rules and regulations appear to be unjust or impractical, either SEBRING GAS SYSTEM or Customer may request permission from the FPSC for an exemption.
- C. CHANGES IN APPLICABLE TARIFF. SEBRING GAS SYSTEM and the Customer recognize that (1) the applicable rate schedule(s), as stated in the Transportation Agreement Contract, may change from time to time due to changes in Customer's operations, and (2) that the otherwise applicable rates and rate schedules may be revised, amended or superseded from time to time subject to the approval of the FPSC. SEBRING GAS SYSTEM and the Customer agree that in any such case, the newly applicable rate schedule that supersedes any applicable rate schedule or the revised or amended rate schedule, as the case may be, shall apply.

**XV. STANDBY/BACK-UP SERVICE**

SEBRING GAS SYSTEM shall offer Standby Service to any customer electing to utilize Transportation Service. SEBRING GAS SYSTEM has no obligation to provide Gas to any transportation customer who declines to elect Standby Service. Any customer electing Standby Service must complete a Request for Standby Service Form. The Standby Service will be available up to Customer's maximum daily contract quantity of Transportation Service, but may not exceed that level. Those customers who do not elect to utilize Standby Service must sign an affidavit acknowledging they are declining the service and may be unable to obtain Gas supply if SEBRING GAS SYSTEM is unable to provide such Gas from its system supply.

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**XVI. MAXIMUM HOURLY, DAILY, AND MONTHLY VOLUMES**

- A. MAXIMUM DAILY TRANSPORTATION QUANTITY (MDTQ). The MDTQ shall be the volume as defined in the applicable Rate Schedule and stated in the Transportation Agreement Contract. The MDTQ for any single receipt or delivery point if applicable, shall be the volume as set forth in the Transportation Agreement Contract.
- B. MAXIMUM HOURLY QUANTITY. The Maximum Hourly Quantity shall be the maximum quantity that SEBRING GAS SYSTEM is capable of delivering through its metering Facilities at the delivery points set out in the Transportation Agreement Contract between the Customer and SEBRING GAS SYSTEM in any one-hour period. Unless otherwise specifically agreed in writing by authorized personnel between SEBRING GAS SYSTEM and Customer, the Maximum Hourly Quantity shall not exceed five (5)% percent of the MDTQ for each delivery point as set forth in Section XVI. A. above.
- B. MAXIMUM MONTHLY QUANTITY. The Maximum Monthly Quantity shall be the maximum quantity that SEBRING GAS SYSTEM is required to deliver through its metering Facilities at the delivery points set out in the Transportation Agreement Service Contract between Customer and SEBRING GAS SYSTEM.
- C.
- D. MAXIMUM QUANTITY AT SEBRING GAS SYSTEM'S RECEIPT POINT(S). The maximum quantity of Gas that the Customer may tender, or cause to be tendered, to SEBRING GAS SYSTEM on any given Day of Facility operation at SEBRING GAS SYSTEM'S Receipt Point(s) is the MDTQ as agreed to between SEBRING GAS SYSTEM and the Customer, provided, however, that such MDTQ may, be changed from time to time upon mutual agreement of the parties if SEBRING GAS SYSTEM determines in its reasonable discretion that such change will not have an adverse effect on the operation of its distribution system. Any such change in the MDTQ as to which the parties agree shall be in writing.
- E. MDTQ AND DDQ FOR SMALL CONSUMERS. For customers whose annual consumption is less than 200,000 therms per year, SEBRING GAS SYSTEM will, for a cost-based fee, determine each customer's Maximum Daily Transportation Quantity (MDTQ), and Daily Delivered Quantity (DDQ) for each month of the upcoming year. The Customer or Customer's Agent, has a maximum of 20 business days to confirm the accuracy of the MDTQ and DDQ. If Customer or

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Customer's Agent, and SEBRING GAS SYSTEM cannot reach an agreement as to the appropriate MDTQ or DDQ, SEBRING GAS SYSTEM shall file a petition with the FPSC detailing the events that have transpired along with the supporting calculations used to develop the MDTQ and DDQ. The Customer, or Customer's Agent, is not obligated to use this service.

- F. ADJUSTMENTS TO MDTQ AND DDQ. SEBRING GAS SYSTEM may suggest an adjustment be made to Customer's MDTQ to reflect changes in the Customer's Gas equipment, or pattern of consumption. SEBRING GAS SYSTEM must inform the Customer or Customer's Agent that a change in MDTQ is recommended. The Customer or Customer's Agent, if applicable, has a maximum of twenty (20) business days to confirm the accuracy of the MDTQ and DDQ. If Customer or Customer's Agent, and SEBRING GAS SYSTEM cannot reach an agreement as to the appropriate MDTQ or DDQ, SEBRING GAS SYSTEM shall file a petition with the FPSC detailing the events that have transpired along with the supporting calculations used to develop the MDTQ and DDQ.
- G. ESTIMATION OF MDTQ AND DDQ. If SEBRING GAS SYSTEM has inadequate historical consumption data, SEBRING GAS SYSTEM may estimate the Customer's MDTQ based on, among other things, the rating of Customer's Gas equipment and the expected utilization of such equipment. The Customer or Customer's Agent, if applicable, has a maximum of twenty ( 20 ) business days to confirm the accuracy of the MDTQ and DDQ. If the Customer or Customer's Agent, and SEBRING GAS SYSTEM cannot reach an agreement as to the appropriate MDTQ or DDQ, SEBRING GAS SYSTEM shall file a petition with the FPSC detailing the events that have transpired along with the supporting calculations used to develop the MDTQ and DDQ.
- H. SERVICE OFFERINGS. Where the Customer uses a combination of Sales Service and Transportation Service, SEBRING GAS SYSTEM will, for a cost-based fee, determine Customer's Monthly Delivered Quantity (MDTQ) and Daily Delivered Quantity (DDQ) for each month of the upcoming year, segregated by Gas for purchase from SEBRING GAS SYSTEM and Gas for purchase from the Customer, Customer's Agent, or his Supplier. The Customer or Customer's Agent, has a maximum of twenty ( 20 ) business days to confirm the accuracy of the MDTQ's and DDQ's. If the Customer or Customer's Agent, and SEBRING GAS SYSTEM cannot reach an agreement as to the appropriate MDTQ's or DDQ's, SEBRING GAS

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SYSTEM shall file a petition with the FPSC detailing the events that have transpired along with the supporting calculations used to develop the MDTQ's and DDQ's. The Customer, or Customer's Agent, is not obligated to use this service.

**XVII. POSSESSION OF GAS, INDEMNIFICATION AND TITLE**

**A. WARRANTY OF TITLE**

1. By Customer, or Customer's Agent. The Customer, or Customer's Agent, warrants that it will have good title to all Gas delivered for the Customer's account or sold to SEBRING GAS SYSTEM under the provisions of Section XVI. A, that such Gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify SEBRING GAS SYSTEM and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas.
  
2. By SEBRING GAS SYSTEM. For any Customers who have contracted for Standby Service, or has contracted for Sales Service in addition to Transportation Service, SEBRING GAS SYSTEM warrants that it will have good title to all Gas sold to Customer, that such Gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify Customer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas.

SEBRING GAS SYSTEM agrees to indemnify any Customer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to Gas delivered for the account of the Customer, to SEBRING GAS SYSTEM for transportation which arise from or related to SEBRING GAS SYSTEM'S transportation of the Gas on SEBRING GAS SYSTEM'S distribution system; and that SEBRING GAS SYSTEM will have good title to all Gas confirmed for delivery to the Customer, that such Gas will be free and clear of all liens, encumbrances and claims, and that SEBRING GAS SYSTEM will indemnify the Customer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the Gas.

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- B. POSSESSION OF GAS AND RESPONSIBILITY. SEBRING GAS SYSTEM shall be deemed to be in control and possession of the Gas upon receipt of such Gas at SEBRING GAS SYSTEM'S Receipt Points until delivered to Customer, or Customer's account, and the Customer shall be deemed to be in control and possession of such Gas prior to such receipt by SEBRING GAS SYSTEM and after such delivery to the Customer for its account. SEBRING GAS SYSTEM and the Customer while deemed to be in control and possession of such Gas shall be responsible for, and will indemnify and hold the other harmless from, any and all claims, actions, suits, including attorney fees, arising out of or relating in any way to the custody and control of such Gas.
- C. RELEASE AND INDEMNIFICATION. A Customer shall waive and release SEBRING GAS SYSTEM from any claims for any and all damages, costs, losses or expenses resulting from or arising out of interruption of service, whether caused by capacity or supply constraints on SEBRING GAS SYSTEM'S, or Transporting Pipeline's system, where such interruption is caused by (1) the failure of the Customer(s) or Customer's Agent to have delivered to SEBRING GAS SYSTEM or Transporting Pipeline sufficient quantities of Gas to meet their delivery requirements from SEBRING GAS SYSTEM; (2) the failure of the Customer(s) or Customer's Agent to comply with a directive of SEBRING GAS SYSTEM; or (3) the Customer(s) taking deliveries in excess of scheduled or authorized quantities, provided however that the foregoing shall not result in the waiver or release of a claim against SEBRING GAS SYSTEM for SEBRING GAS SYSTEM'S negligence or willful misconduct. Further, the Customer shall indemnify and hold SEBRING GAS SYSTEM harmless from many and all suits, actions, debts, accounts, damages, costs, loss and/or expenses brought by or accruing to or for the benefit of end-users downstream of such Customer's Delivery Point resulting from or arising out of curtailment of service whether caused by capacity or supply constraints on SEBRING GAS SYSTEM'S systems including without limitation, such constraints caused by the failure of the Customer, or Customer's Agent, if applicable, to have delivered to SEBRING GAS SYSTEM or Transporting Pipelines sufficient quantities of Gas to meet their delivery requirements from SEBRING GAS SYSTEM; provided however, that the foregoing shall not require the Customer to indemnify and hold SEBRING GAS SYSTEM harmless from a claim against SEBRING GAS SYSTEM for SEBRING GAS SYSTEM'S negligence or willful misconduct. Nothing in this Section shall prevent a Customer from asserting a claim against another Customer; in the event of such a claim between Customers, SEBRING GAS SYSTEM will make available such information in its possession relevant to such claim.

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**XVIII. FORCE MAJEURE**

- A. DEFINITION OF FORCE MAJEURE. The term "force majeure" as employed in this Tariff, 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 of pipe, planned or unplanned outages on the Customer's Facilities, planned or unplanned outages on SEBRING GAS SYSTEM'S or Transporting Pipeline's system, the inability of SEBRING GAS SYSTEM'S or Transporting Pipeline's system to deliver Gas, acts of civil or military authority (including, but not limited to, courts or administrative or regulatory agencies). 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 in those instances where either party is required to obtain servitude, rights of way grants, permits or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence such servitude, rights of way grants, permits or licenses; and 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 obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions (provided that to the extent such party has contracted with an affiliate to obtain such materials and supplies, permits and permissions such party shall be entitled to rely on this provision to excuse such inability or delay only to the extent of inability or delay reasonable in comparison to arms length transactions with nonaffiliated).
- B. STRIKES, LOCKOUT, AND INDUSTRIAL DISTURBANCES. The settlement of strikes or lockouts or other industrial disturbances 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



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settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

- C. OBLIGATIONS UNDER FORCE MAJEURE. In the event that either SEBRING GAS SYSTEM or the Customer is unable, wholly or in part, by force majeure to carry out its obligations, other than to make payments due thereunder, it is agreed that subject to SEBRING GAS SYSTEM, the Customer, or Customer's Agent giving notice and full particulars of such force majeure in writing to the other 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.
- D. NOTIFICATION OF FORCE MAJEURE. In the event of any nonperformance caused by any of the forces described in this Section, SEBRING GAS SYSTEM, the Customer, or Customer's Agent, whichever affected, shall as soon as reasonably practicable notify the other verbally and s provide the other party with written confirmation within three (3) business day of the nature, cause, date of commencement, and anticipated extent of such nonperformance.

**XIX. CURTAILMENTS AND OTHER OPERATIONAL CONTROLS**

- A. OBLIGATIONS; CURTAILMENT AND INTERRUPTION. Obligations and Limitations. With respect to Gas received by SEBRING GAS SYSTEM from (or for the account of) the Customer for redelivery hereunder, the Customer shall bear the sole responsibility for any and all costs incurred for such Gas and the delivery thereof to SEBRING GAS SYSTEM'S Receipt Point(s). The receipt and delivery of Gas by SEBRING GAS SYSTEM is subject to curtailment or interruption of service as provided in this Section. SEBRING GAS SYSTEM shall be deemed to be in control and possession of all Gas from the time of its receipt at SEBRING GAS SYSTEM'S Receipt Point(s) until such Gas has been delivered to Customer at SEBRING GAS SYSTEM'S Delivery Point(s), after which Customer shall again be deemed to be in control and possession of such Gas. Customer shall have no responsibility with respect to any Gas after it has been delivered to SEBRING GAS SYSTEM at SEBRING GAS SYSTEM'S Receipt Point(s) on account of anything which may be done, happen or arise with respect to such Gas, until said Gas is

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delivered to Customer at SEBRING GAS SYSTEM'S Delivery Point(s). SEBRING GAS SYSTEM shall have no responsibility with respect to any Gas prior to its delivery to SEBRING GAS SYSTEM at SEBRING GAS SYSTEM'S Receipt Point(s) or after its delivery to Customer at SEBRING GAS SYSTEM'S Delivery Point(s) on account of anything which may be done, happen or arise with respect to such Gas prior to such receipt at SEBRING GAS SYSTEM'S Receipt Point(s) or after such delivery at SEBRING GAS SYSTEM'S Delivery Point(s). SEBRING GAS SYSTEM reserves the right to commingle Gas delivered to it by (or for the account of) Customer with Gas delivered by (or for the account of) other Customers and with SEBRING GAS SYSTEM'S other supplies of Gas.

- B. CHANGES TO TARIFF OR CURTAILMENT PLAN. If the FPSC or any other governmental agency or department having jurisdiction over SEBRING GAS SYSTEM orders or accepts a change in SEBRING GAS SYSTEM'S curtailment plan or Tariff, the newly applicable curtailment plan or Tariff shall apply and/or interruption of service shall be made on whatever basis or priority is so ordered or established.
- C. RIGHT TO CURTAIL; NO LIABILITY FOR CURTAILMENT. SEBRING GAS SYSTEM shall be relieved from any and all liabilities, penalties, alternate fuel subsidies, price adjustments and claims of whatever kind or type, resulting from or arising out of a full or partial curtailment or interruption of service made pursuant to the then-applicable SEBRING GAS SYSTEM curtailment plan or Tariff approved or accepted by the FPSC, or as a result of taking any steps necessary to comply with any law, regulation or order of the FPSC or any governmental agency with jurisdiction to regulate, allocate, direct, or control Gas supplies or the rendition of service (regardless of any defect in such law, regulation or order) or pursuant to any one of the following events (except to the extent that SEBRING GAS SYSTEM fails to give notice to Customer of interruption or curtailment unless the giving of timely notice is impracticable): (1) SEBRING GAS SYSTEM is notified by Transporting Pipeline to interrupt or curtail deliveries of Gas to Customer or deliveries of Gas for uses of the same type or category as the uses of Gas by Customer, or (2) when necessary to maintain the operational reliability of SEBRING GAS SYSTEM'S distribution system, or (3) during periods in which SEBRING GAS SYSTEM experiences pipeline capacity or Gas supply shortages, provided, however, that no Gas supply shortage shall be deemed to exist solely because Customer's Gas is determined by SEBRING GAS SYSTEM to be less expensive than Gas which is, at

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the time, otherwise available to SEBRING GAS SYSTEM.

- D. RIGHT TO USE CUSTOMER'S GAS SUPPLY. In the event deliveries of Gas to any Customer are curtailed or interrupted pursuant to this Section, the Customer or Customer's Agent, shall sell to SEBRING GAS SYSTEM, and SEBRING GAS SYSTEM may purchase from the Customer or Customer's Agent, that portion of Scheduled Quantities of the Customer's Gas that is curtailed or interrupted pursuant to this Section; provided, however, that the Customer or Customer's Agent, have no obligation to sell such Gas to SEBRING GAS SYSTEM if the Customer or Customer's Agent, has no Gas flowing at the time the interruption or curtailment is noticed. However, after receiving a curtailment or interruption notice from SEBRING GAS SYSTEM, unless otherwise directed by SEBRING GAS SYSTEM, the Customer or Customer's Agent, shall not curtail, cause to be curtailed, redirect, or cause to be redirected, any of its Scheduled Quantities in a manner which would have the effect of reducing the quantities of Gas delivered to SEBRING GAS SYSTEM'S Receipt Point(s). For all Gas sold by the Customer or Customer's Agent to SEBRING GAS SYSTEM pursuant to this Section, SEBRING GAS SYSTEM shall pay to the Customer or Customer's Agent, an amount per MMBtu equal to the sum of (1) the price at which such gas was purchased by the Customer or Customer's Agent and, (2) the 100 % load factor rate the Customer or Customer's Agent paid to the Transporting Pipeline, less 50% of the difference between the 100% percent load factor rate and Customer's average monthly load factor, for transportation of such Gas. If SEBRING GAS SYSTEM pays Customer an amount determined pursuant to (1)(a) above, the Customer or Customer's Agent shall furnish to SEBRING GAS SYSTEM a notarized letter indicating the price the Customer or Customer's Agent was obligated to pay for Gas during the curtailment period. SEBRING GAS SYSTEM warrants that it will not at any time exercise its right to use Customer's or Customer's Agent, Gas supply pursuant to this section based solely upon a determination that the Customer's or Customer's Agent's Gas is less expensive than Gas which is, at the time of the exercise of such right, otherwise available to SEBRING GAS SYSTEM. SEBRING GAS SYSTEM shall, if it purchases Customer's or Customer's Agent Gas pursuant to this Section, continue to make such purchases until deliveries of such Gas for Customer's or Customer's Agent's account using the Transporting Pipeline's Capacity at SEBRING GAS SYSTEM'S Receipt Point(s) can be resumed.
- E. EXCESS GAS TAKEN BY CUSTOMER DURING CURTAILMENT. Any Gas taken by Customer in excess of the volume of Gas allocated to the Customer by

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SEBRING GAS SYSTEM during a period of curtailment or interruption of service pursuant to this Section shall be considered to be unauthorized overrun Gas. SEBRING GAS SYSTEM shall have the right to bill the Customer or Customer's Agent, for such unauthorized overrun Gas, in addition to all other charges payable by the Customer or Customer's Agent, at a price equal to the greater of (1) SEBRING GAS SYSTEM'S actual realized cost of the gas or (2) in the event SEBRING GAS SYSTEM incurs overrun charges or penalties from Transporting Pipeline, an additional amount equal to the rate per Therm paid by or due from SEBRING GAS SYSTEM to Transporting Pipeline. Within 72 hours after service has been resumed, Customer will submit a notarized affidavit to SEBRING GAS SYSTEM stating the amount of Gas consumed, if any, during the Curtailment period. If Gas was consumed during the Curtailment period in excess of Customer's entitlement, SEBRING GAS SYSTEM will assess penalties based on Customer's excess daily consumption, multiplied by a penalty factor of \$10 per therm. The payment of an overrun penalty shall not, under any circumstances be considered as giving the Customer the right to take unauthorized overrun Gas, nor shall such payment be considered to preclude or limit any other remedies available to SEBRING GAS SYSTEM against the Customer or Customer's Agent for failure to comply with interruption or Curtailment Orders issued by SEBRING GAS SYSTEM.

- F. PENALTIES - PROCEDURES. Any penalties collected by SEBRING GAS SYSTEM under Section XIX. E. will be placed in a separate account and paid out, pro rata, to the curtailed Customers receiving less capacity than their pro rata share. Customers shall not be subject to penalties under this Section for failure to adjust quantities to comply with a Curtailment order until after the time period for compliance set forth in a Curtailment Order has expired.
- G. NOTICE OF CURTAILMENT. SEBRING GAS SYSTEM agrees to give Customer or Customer's Agent, if applicable, as much advance notice of a curtailment or interruption of service as is reasonably practicable, which notice shall, in non-emergency circumstances, be at least 24 hours.
- H. CONFINEMENT OF CURTAILMENT. To the maximum extent possible, SEBRING GAS SYSTEM shall confine Curtailment or interruption of scheduled volumes to Customers in Affected Areas and shall not institute the system-wide suspension of services if such action in the Affected Area can remedy the operating condition.

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- I. SUSPENSION OF UNSCHEDULED VOLUMES PRIOR TO CURTAILMENT. Prior to issuing a Curtailment Order under this Section SEBRING GAS SYSTEM shall utilize the provisions of its Tariff to the extent practicable to attempt to suspend deliveries of scheduled volumes to any Customer of Customer's Agent which has not delivered scheduled volumes to SEBRING GAS SYSTEM'S Receipt Points, unless Customer's actions were taken in reasonable reliance on a Pack Order, Draft Order or Operational Flow Order.
- J. PROPER SCHEDULING. SEBRING GAS SYSTEM shall not knowingly schedule or permit scheduling service which will result in the need to issue a Curtailment Order.
- K. PROCEDURE FOR THE CURTAILMENT OF TRANSPORTATION SERVICES. The Curtailment of Transportation Services for any period shall, within the limits of dispatching accuracy and available Facilities, be accomplished as follows:
1. SEBRING GAS SYSTEM shall determine: (1) the Affected Area, (2) whether any firm capacity must be curtailed in the Affected Area, (3) the pro rata share of firm capacity available for each customer, as applicable, in the Affected Area,
  2. Following the determination procedure described in subsection 1. above, SEBRING GAS SYSTEM shall then issue a Curtailment Order to all Customers in Affected Area, by telephone, to be followed by facsimile as soon as possible thereafter.
  3. In its Curtailment Order, SEBRING GAS SYSTEM shall state the quantity suspended as measured from currently scheduled levels.
  4. In its Curtailment Order, SEBRING GAS SYSTEM shall give Customer (or Customer's Agent, if applicable) as much notice as is operationally feasible of the deadline for compliance with a Curtailment Order; provided, however, SEBRING GAS SYSTEM will not specify a time period for compliance which is less than two (2 ) hours after issuance of the Curtailment Order. SEBRING GAS SYSTEM'S Curtailment Order shall include information as to the anticipated extent and duration of the situation.
  5. Order of suspension of service. To the extent SEBRING GAS SYSTEM is unable to make deliveries, or receive Gas in accordance with scheduled

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volumes, SEBRING GAS SYSTEM shall curtail or interrupt up to 100 percent of lower priority categories of service before curtailment or interruption of customers in the next higher priority category of service, except where such curtailment or interruption is necessary when service to specific areas is impaired as a result of a local operating condition, unplanned outage, or other such circumstances. The order of priorities of service will be used to determine the order of interruption or curtailment:

- a) Category 1 - Firm high priority requirements as defined in Section 401 of the NGPA.
- b) Category 2 - Firm essential agricultural use requirements as determined under Section 401 of the NGPA.
- c) Category 3 - Firm essential industrial requirements for process or feedstock use when, and to the extent, determined and provided under Section 402 NGPA.
- d) Category 4 - Firm industrial uses not specified in Category 3; firm commercial use requirements of 500 therms on a peak day or more.
- e) Category 5 - Interruptible high priority requirements as defined in Section 401 of the NGPA.
- f) Category 6 - Interruptible requirements for uses classified as essential agricultural as determined under Section 401 of the NGPA; interruptible requirements for process and feedstock uses when, and to the extent, determined and provided under Section 402 of the NGPA; cogeneration Facilities.
- g) Category 7 - Interruptible requirement under 3,000 therms on a peak day not specified in Categories 5 or 6.
- h) Category 8 - Interruptible requirements over 3,000 therms per day not specified in Categories 5, 6, and 7.

- l) Category 9 - Interruptible industrial requirements of the lowest priority category as defined by contract.

**XX. OPERATIONAL CONTROLS**

- A. CONTACT PERSONS. The Customer or Customer's Agent, taking delivery of Gas from SEBRING GAS SYSTEM or tendering Gas to SEBRING GAS SYSTEM, shall cooperate fully with SEBRING GAS SYSTEM in maintaining the integrity of its system. Customer shall name contact person(s) available to receive communication from SEBRING GAS SYSTEM on operating matters at any time, on a 24-hour a day, 365-day a year basis. If SEBRING GAS SYSTEM is unable after reasonable efforts to contact any Customer or Customer's contact person, such Customer shall be solely responsible for any consequences arising from such failure of communication.
- B. PROPER SCHEDULING. SEBRING GAS SYSTEM shall not knowingly schedule or permit scheduling of service which will result in an operating condition in which system pressure rises or falls to operationally unacceptable levels or would otherwise jeopardize the integrity of the system and the ability of SEBRING GAS SYSTEM to provide service under firm rate schedules.
- C. MAINTAINING PROPER SYSTEM PRESSURE. In the event that SEBRING GAS SYSTEM determines in its sole discretion, reasonably exercised, that action is required to avoid an operating condition in which system pressure is not maintained, in which system pressure is maintained at an operationally unacceptably high level, or in which the overall operational integrity of the system is jeopardized, SEBRING GAS SYSTEM may, on a not unduly discriminatory basis, cause implementation of any one or a combination of the following actions, or other similar actions, to the extent such actions would tend to alleviate the operating condition or anticipated operating condition:
- (1) Issue an Operational Flow Order ("OFO").
  - (2) Invoke an Alert Day pursuant to Section XX. J. To the extent a Customer is subject to an OFO for Gas day which is also an Alert Day, the provisions of the OFO shall override the Alert Day provisions as to the specific Customer.

- (3) Utilize Pack/Draft Notices.
- D. OPERATIONAL FLOW ORDERS (OFO). SEBRING GAS SYSTEM may issue an Operational Flow Order when (1) an individual Customer's actual receipts or deliveries deviate from scheduled receipts or deliveries in a manner that threatens scheduled services, or (2) a Transporting Pipeline issues an OFO to SEBRING GAS SYSTEM.
- E. OPERATIONAL FLOW ORDERS - ACTION REQUIRED. Such Operational Flow Orders may require a Customer, (or Customer's Agent) or other entity(ies) selected by Customer to undertake any of the following:
- (1) To commence or increase supply inputs by a specific quantity.
  - (2) To cease or reduce supply inputs by a specified quantity.
  - (3) To commence or increase takes of Gas from the system by a specified volume.
  - (4) To reduce takes of Gas from the system by specified volumes.
  - (5) In the event the action(s) set forth in (1)-(4) are not operationally feasible, the Operational Flow Order may require Customer, or Customer's Agent, to take other such action within Customer's control which would tend to alleviate the operating condition to be addressed.
- F. NOTIFICATION OF OPERATIONAL FLOW ORDERS. Operational Flow Orders, issued pursuant to Section XX. D., shall be given by SEBRING GAS SYSTEM to Customer's Contact Person(s) by telephone, to be followed by facsimile.
- G. FAILURE TO COMPLY WITH OPERATIONAL FLOW ORDERS. If any Customer or Customer's Agent if applicable, fails to comply with an Operational Flow Order issued pursuant to Section XX. D., such Customer or Customer's Agent, shall be subject to a penalty of \$10 per therm times any volume of Gas by which Customer deviated from the requirements of the Operational Flow Order. Within 72 hours after expiration of the Operational Flow Order, Customer will submit a notarized affidavit to SEBRING GAS SYSTEM stating the amount of Gas consumed, if any, during the period in which the Operational Flow Order was in effect. If, Customer or Customer's Agent did not comply with the Operational Flow Order, SEBRING GAS SYSTEM will assess penalties based on Customer's total deviation from its allowed consumption for the period the Operational Flow Order was in effect, multiplied by a



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penalty factor of \$10 per therm.

- H. PENALTY REVENUE. All penalty revenue collected by SEBRING GAS SYSTEM from Customers, or Customers' Agents, if applicable, for failure to comply with an Operational Flow Order issued pursuant to Section XX. D. (1) will be credited to fuel expense in SEBRING GAS SYSTEM'S, Purchased Gas Adjustment Mechanism. If a Customer or Customer's Agent fails to comply with an Operational Flow Order issued pursuant to Section XX. D. (2), any penalties, directed to SEBRING GAS SYSTEM, for Customer's failure to comply with the Operational Flow Order, will in turn, be assessed to Customer or Customer's Agent, if applicable.
- I. ALERT DAY NOTICES. At least twelve (12) hours prior to the start of the delivery Gas day, or upon at least two (2) hours notice within a delivery Gas day, SEBRING GAS SYSTEM shall give notice, by telephone, to be followed by facsimile, to all affected customers or customers' contact persons, that the Alert Day provisions of this Section are in effect, whether any customers have been interrupted, and indicating the duration of the Alert Day condition; provided further that, SEBRING GAS SYSTEM will provide daily notices that coincide with the delivery Gas day.
- J. CONDITIONS FOR INVOKING ALERT DAY. Alert Day Notices may be issued by SEBRING GAS SYSTEM when (1) in its sole discretion, reasonably exercised, SEBRING GAS SYSTEM determines that the distribution system is experiencing or may experience in the next Gas day, operating conditions which threaten the ability to render firm services; or (2) Transporting Pipeline issues an Alert Day Notice. Alert Days will be used when Pack/Draft Notices and other tools are reasonably perceived to be inappropriate to resolve the operating situation. Alert Day notices may be issued in addition to other actions taken by SEBRING GAS SYSTEM with regard to individual Customers, including issuance of Operational Flow Orders and Pack/Draft Notices; however, such other actions are not required prior to the issuance of an Alert Day notice. SEBRING GAS SYSTEM shall indicate in the Alert Day Notice whether the notice applies to all transportation customers, or only those located in the Affected Area. In addition, SEBRING GAS SYSTEM shall issue an Alert Day notice for any periods in which system wide Curtailment Orders are in effect pursuant to Section XIX. The Alert Day notice shall indicate whether the alert condition applies to overages (Overage Alert Day) or underages (Underage Alert Day) from Scheduled Deliveries.

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- K. ALERT DAY ACCOUNT TOLERANCES. On an overage Alert Day, to the extent delivery quantities exceed Scheduled Deliveries, such overages shall be recorded in an Alert Day Account specific to the particular Alert Day.
- L. UNDERAGE ALERT DAY TOLERANCES. To the extent delivery quantities are less than Scheduled Deliveries by the greater of ten (10) percent, such underages shall be recorded in an Alert Day Account specific to the particular Alert Day.
- M. OVERAGE ALERT DAY BALANCING PURSUANT TO SECTION XX. J. (1). If SEBRING GAS SYSTEM issues an Alert Day Notice, pursuant to Section XX. J. (1), and Customer exceeds the tolerances indicated in Section XX. (K), Customer, or Customer's Agent, will be subject to Alert Day Balancing from SEBRING GAS SYSTEM. Within 72 hours after the Alert Day Notice has expired, the Customer, or Customer's Agent, will submit a notarized affidavit to SEBRING GAS SYSTEM stating the amount of Gas consumed, if any, during the Alert Day period. If Gas was consumed during the Alert Day period in excess of the tolerances indicated in Section XX. (K), the overage recorded in the Alert Day Account shall be subject to An Alert Day Charge of ten (\$10) per therm.
- N. OVERAGE ALERT DAY BALANCING PURSUANT TO SECTION XX. J. (2). If an Alert Day Notice is issued by SEBRING GAS SYSTEM, pursuant to Section XX. J. (2), and Customer exceeds the tolerances indicated in Section XX. (K), Customer, or Customer's Agent, if applicable, will be subject to Alert Day Balancing charges. Balancing charges assessed on SEBRING GAS SYSTEM by Transporting Pipeline, that may result from Customer's overages pursuant to Section XX. K., will, in turn, be assessed on Customer, or Customer's Agent, if applicable. In no case shall SEBRING GAS SYSTEM assess Customer, or Customer's Agent, if applicable, Alert Day Balancing charges, greater than the Alert Day Balancing charges relating to Customer's Alert Day Balancing, Transporting Pipeline imposed on SEBRING GAS SYSTEM.
- O. UNDERAGE ALERT DAY BALANCING PURSUANT TO SECTION XX. J. (1) If SEBRING GAS SYSTEM issues an Alert Day Notice, pursuant to Section XX. J. (1), and Customer's delivery quantities are less than Scheduled Deliveries by ten (10 % ), the Customer, or Customer's Agent, shall receive an Alert Day Credit from SEBRING GAS SYSTEM. SEBRING GAS SYSTEM will notify the Customer or Customer's Agent, that an Alert Day is in effect. Within 72 hours after the Alert

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Day Notice has expired, Customer, or Customer's Agent, will submit a notarized affidavit to SEBRING GAS SYSTEM stating the amount of Gas consumed, if any, during the Alert Day period.

- P. UNDERAGES ALERT DAY BALANCING PURSUANT TO SECTION XX. J. (2). If SEBRING GAS SYSTEM issues an Alert Day Notice, pursuant to Section XX. J. (2), and Customer's delivery quantities are less than Scheduled Deliveries by the greater of ten (10 %) percent the Customer, or Customer's Agent, will be subject to an Alert Day Balancing credit. Balancing credits provided to SEBRING GAS SYSTEM by Transporting Pipeline, that result from Customer's underages pursuant to Section XX. L., will in turn, be credited to Customer, or Customer's Agent, if applicable.
- Q. ALERT DAY CHARGES PURSUANT TO SECTION XX. J. (1). All Alert Day charges collected pursuant to Section XX. J. (1) will be credited or debited to fuel expense, through the Purchased Gas Adjustment Mechanism.
- R. PACK AND DRAFT NOTICES. If Transporting Pipeline issues a Pack or Draft Notice, SEBRING GAS SYSTEM, may in turn, issue a Pack or Draft Notice. A Pack Notice shall mean a notice to correct an imbalance due SEBRING GAS SYSTEM. A Draft Notice shall mean a Notice to correct an imbalance due Customer, or Customer's Agent. SEBRING GAS SYSTEM will indicate if the Pack or Draft conditions exist system wide or in an Affected Area.
- S. NOTIFICATION OF PACK OR DRAFT. SEBRING GAS SYSTEM will provide a telephone notice, followed by facsimile, giving the specifics of any such Notice. The Notice shall indicate whether it is a Pack or Draft Notice, the basis for the Notice, the specific pack or draft percentage which Customer will apply to the balance, and the Gas day or days in which a response is required. The Customer or Customer's Agent must submit an Acceptable Response to the Notice by the nomination deadline.
- T. ACCEPTABLE PACK NOTICE RESPONSE. An Acceptable Pack Notice Response shall mean that Scheduled Receipt quantities exceed Scheduled Delivery Quantities by the quantity calculated pursuant to the percentage specified in the Pack Notice for the upcoming Gas day, unless SEBRING GAS SYSTEM specifies that the Pack Notice will be effective for a subsequent Gas day or days.

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- U. ACCOMPLISHMENT OF PACK. The Customer, or Customer's Agent, may accomplish the Pack Notice response by: (1) tendering additional supplies for receipt into SEBRING GAS SYSTEM'S system, or (2) reducing Delivery Quantities without a corresponding reduction in Receipt Quantities.
- V. PACK QUANTITY AND ASSESSMENT. Pack Assessments imposed on SEBRING GAS SYSTEM by Transporting Pipeline, that result from Customer's Scheduling of Pack volumes, will in turn, be assessed on Customer, or Customer's Agent. In no case will SEBRING GAS SYSTEM impose Pack Assessments relating to Customer's Scheduling of Pack volumes, greater than Transporting Pipeline's Assessment to SEBRING GAS SYSTEM.
- W. ACCEPTABLE DRAFT NOTICE RESPONSE. An Acceptable Draft Notice Response shall mean that Scheduled Deliveries exceed Scheduled Receipts by the quantity calculated pursuant to the percentage specified in the Draft Notice for the upcoming Gas day, unless SEBRING GAS SYSTEM specifies that the Draft Notice will be effective for a subsequent Gas day or days.
- X. ACCOMPLISHMENT OF DRAFT. The Customer, or Customer's Agent, if applicable, may accomplish the Draft Notice response by: (1) reducing receipt quantities; or (2) increasing Delivery Quantities without a corresponding increase in Receipt Quantities.
- Y. COMPLIANCE WITH A PACK OR DRAFT NOTICE. Compliance with a pack or draft notice shall mean: (1) an Acceptable Pack or Draft Notice Response submitted by the nomination deadline or, (2) Satisfaction of the Performance Test for the Gas day in which the Pack or Draft Order is in effect.
- Z. FAILURE TO COMPLY WITH A PACK OR DRAFT NOTICE. Failure to comply with a Pack or Draft Notice will result in a separate balancing of the quantities by which a Customer or Customer's Agent fails to comply with the Pack or Draft Notice. Any separate balancing assessments or credits, directed to SEBRING GAS SYSTEM, for Customer's failure to comply with a Pack or Draft Notice, will in turn, be assessed on, or credited to, Customer or Customer's Agent, if applicable.

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**XXI. MONTHLY BALANCING**

A. RESOLUTION OF MONTHLY OPERATIONAL IMBALANCE AMOUNTS . It is the intent of SEBRING GAS SYSTEM that all Daily Imbalance Amounts shall be resolved as of the end of each Billing Period. At the end of each Billing Period, all Daily Imbalance Amounts incurred during such Billing Period shall be summed or calculated, and the result shall be the Monthly Imbalance Amount, which shall be resolved in cash as follows:

1. If a Monthly Imbalance Amount is Positive, SEBRING GAS SYSTEM shall have the right to transfer these imbalances to another transportation Customer or Customer's Agent. Any positive Monthly Imbalance transferred shall be subject to an administration fee of \$.25 per MCF. SEBRING GAS SYSTEM shall have the right to waive any administration fee on a non-discriminatory basis. If the transfer does not completely clear the Positive Monthly Imbalance, SEBRING GAS SYSTEM .purchase from Customer (and Customer shall sell to SEBRING GAS SYSTEM) such Monthly Imbalance Amount at a price per therm; (the "Unit Price") equal to the sum of (1) the average Zone 1 Price for the Billing Period in which such Monthly Imbalance Amount was incurred, multiplied by the applicable factor set forth below:

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

plus, (2) an amount equal to the sum of (a) the usage rate (including, but not limited to, usage charges, surcharges, fuel reimbursement charges, and other charges, taxes, assessments and fees) paid to Transporting Pipeline by Customer, or Customer' Agent, if applicable (b) the 100 percent load factor equivalent of the reservation charge paid to Transporting Pipeline by Customer or Customer's Agent, if applicable. If, due to Force Majeure (as defined in the Transportation Agreement Contract), Customer, or Customer's Agent, if applicable, is unable (by adjusting its Scheduled Quantities and/or Actual Takes) to correct any Positive Daily Imbalance Amount(s), the Unit Price to be paid to Customer, or Customer's Agent, if applicable, by SEBRING GAS SYSTEM for such Monthly Imbalance Amount shall also include the Transportation Component. The total amount due Customer, or

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Customer's Agent, if applicable, shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount. The Imbalance Level shall be calculated by dividing the Monthly Imbalance Amount by the Scheduled Quantities for the Billing Period in which such Monthly Imbalance Amount accumulated.

2. If a Monthly Imbalance Amount is Negative, SEBRING GAS SYSTEM shall sell to Customer (and Customer shall purchase from SEBRING GAS SYSTEM) such Monthly Imbalance Amount at a price per therm, (the "Unit Price") equal to the sum of (1) the average Zone 3 Price for the Billing Period in which such Monthly Imbalance Amount accumulated, multiplied by the applicable factor set forth below:

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

plus (2) an amount equal to the sum of (a) the usage rate (including, but not limited to, usage charges, surcharges, fuel reimbursement charges, and other charges, taxes, assessments and fees) paid to Transporter by SEBRING GAS SYSTEM, (b) the 100 percent load factor equivalent of the reservation charge of Transporting Pipeline, and (c) the applicable transportation rate of SEBRING GAS SYSTEM stated in the Transportation Agreement Contract. The total amount due SEBRING GAS SYSTEM shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount. The Imbalance Level shall be calculated by dividing the Monthly Imbalance Amount by the Scheduled Quantities for the Billing Period in which such Monthly Imbalance Amount accumulated.

- B. SMALL CONSUMERS IMBALANCE PROVISIONS. It is the intent of SEBRING GAS SYSTEM and Customer that all Imbalance Amounts shall be resolved as of the end of each Billing Period. For Customers whose annual consumption is less than \_\_\_\_\_ therms per year that are not daily metered, and not part of an aggregated pool, the following balancing provisions will apply:

Positive Imbalances:

If a Monthly Imbalance Amount is Positive, SEBRING GAS SYSTEM shall purchase from Customer (and Customer shall sell to SEBRING GAS SYSTEM) such Monthly Imbalance Amount at a price per Therm; (the "Unit Price") equal to the sum of (1) the average Zone 1 Price for the Billing Period in which such Monthly Imbalance Amount was incurred, multiplied by the applicable factor set forth below:

Imbalance Level	Factor
___% to ___%	
Greater than %	

plus, (2) an amount equal to the sum of (a) the usage rate (including, but not limited to, usage charges, surcharges, fuel reimbursement charges, and other charges, taxes, assessments and fees) paid to Transporter by Customer and (b) the 100 percent load factor equivalent of the reservation charge paid to Transporting Pipeline by Customer or Customer's Agent, if applicable. If, due to Force Majeure (as defined in SEBRING GAS SYSTEM'S Transportation Agreement Contract), Customer is unable (by adjusting its Scheduled Quantities and/or Actual Takes) to correct any Positive Daily Imbalance Amount(s), the Unit Price to be paid to Customer by SEBRING GAS SYSTEM for such Monthly Imbalance Amount shall also include the Transportation Component. The total amount due Customer shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount. The Imbalance Level shall be calculated by dividing the Monthly Imbalance Amount by the Scheduled Quantities for the Billing Period in which such Monthly Imbalance Amount accumulated.

Negative Imbalance:

If a Monthly Imbalance Amount is Negative, SEBRING GAS SYSTEM shall sell to Customer, or Customer's Agent, if applicable (and Customer, or Customer's Agent, if applicable, shall purchase from SEBRING GAS SYSTEM) such Monthly Imbalance Amount at a price per therm, (the "Unit Price") equal to the sum of (1) the average Zone 3 Price for the Billing Period in which such Monthly Imbalance Amount accumulated, multiplied by the applicable factor set forth below:

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Imbalance Level	Factor
___% to ___%	
Greater than ___%	

plus, (2) an amount equal to the sum of (a) the usage rate (including, but not limited to, usage charges, surcharges, fuel reimbursement charges, and other charges, taxes, assessments and fees) paid to Transporting Pipeline by SEBRING GAS SYSTEM, (b) the 100 percent load factor equivalent of the reservation charge of Transporting Pipeline, and (c) the applicable transportation rate of SEBRING GAS SYSTEM stated in the Transportation Agreement Contract. The total amount due SEBRING GAS SYSTEM shall be the product of the Unit Price (calculated as set forth herein) and such Monthly Imbalance Amount. The Imbalance Level shall be calculated by dividing the Monthly Imbalance Amount by the Scheduled Quantities for the Billing Period in which such Monthly Imbalance Amount accumulated.

In lieu of applying the above imbalance calculations for small consumers, SEBRING GAS SYSTEM may impose an absolute dollar imbalance charge to simplify the imbalance procedure.

- C. CASH-OUT PROVISIONS. It is the responsibility of SEBRING GAS SYSTEM, Customer, or Customer's Agent, if applicable, to eliminate end-of-month imbalances by cash settlement. SEBRING GAS SYSTEM and Customer, or Customer's Agent, if applicable, shall settle, in cash, all remaining Receipt Imbalances, and Delivery Imbalances unless otherwise mutually agreed. SEBRING GAS SYSTEM will send Customer, or Customer's Agent, if applicable, a statement detailing the unresolved imbalance quantities and payment of the amount due SEBRING GAS SYSTEM or an invoice stating the amount due Customer.
- D. IMBALANCE REVENUES. SEBRING GAS SYSTEM will sum the total monthly imbalance monies assessed to Customers on its distribution system. If the imbalance dollars assessed to its Transportation Customers is greater than the imbalance charges assessed by Transporting Pipeline on SEBRING GAS SYSTEM, the difference will be credited to fuel expense through SEBRING GAS SYSTEM'S Purchased Gas Adjustment Mechanism.



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**XXII. NOMINATIONS**

- A. NOMINATION FOR PURCHASE. If Customer does not utilize Transportation Service for 100 percent of his requirements, Customer, or Customer's Agent, must nominate to SEBRING GAS SYSTEM, the volume of Gas he intends to purchase from SEBRING GAS SYSTEM. Unless otherwise agreed, Customer, or Customer's Agent, shall nominate Gas for purchase notifying SEBRING GAS SYSTEM in writing of the daily quantity of Gas in MMBtu (such quantity not to exceed the Maximum Sales Quantity) that Customer desires SEBRING GAS SYSTEM to make available for delivery for purchase by Customer at SEBRING GAS SYSTEM'S Delivery Point(s). Such notice shall be given at least two (2) Business Days prior to the beginning of the Day on which Customer desires the delivery of such Gas at SEBRING GAS SYSTEM'S Delivery Point(s); provided, however, that if Customer desires SEBRING GAS SYSTEM to deliver such Gas for purchase at SEBRING GAS SYSTEM'S Delivery Point(s) on the first Day of any Month, such notice shall be given at least \_\_\_\_\_ (#) Business Days prior to the beginning of such Day. SEBRING GAS SYSTEM and Customer may establish a uniform daily purchase quantity in which instance Customer, or Customer's Agent shall not be required to nominate daily quantities of Gas for purchase until Customer, or Customer's Agent, requires a change in such uniform daily purchase quantity. If Customer, or Customer's Agent, if applicable, has nominated a purchase quantity for a particular Day, then SEBRING GAS SYSTEM shall confirm to Customer, or Customer's Agent, if applicable, the quantity of such Gas that SEBRING GAS SYSTEM will tender for purchase by Customer, or Customer's Agent, if applicable, at SEBRING GAS SYSTEM'S Delivery Point(s) on such Day (the "Sales Quantity") by not later than \_\_\_\_\_ Eastern Time on the Business Day immediately preceding such Day. Customer, or Customer's Agent, if applicable, shall promptly notify SEBRING GAS SYSTEM in writing of any change in such Sales Quantity for any Day, and SEBRING GAS SYSTEM will use commercially reasonable efforts to accept any such requested change as soon as practicable after notification. Such Sales Quantity shall be considered a Scheduled Quantity. SEBRING GAS SYSTEM will not make any changes to the Sales Quantity during any day except upon \_\_\_\_ ( ) hours' prior notice to Customer, or Customer's Agent, if applicable. Unless otherwise agreed in Advance by SEBRING GAS SYSTEM, Customer will receive from SEBRING GAS SYSTEM at SEBRING GAS SYSTEM'S Delivery Point(s), on a uniform hourly basis, that quantity of Gas that has been established as the Sales Quantity. Customer, or Customer's Agent, if applicable, shall provide to SEBRING

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GAS SYSTEM good faith estimates of the daily quantities of Gas it is likely to nominate for purchase from SEBRING GAS SYSTEM as far in advance as reasonably practicable.

- B. NOMINATION FOR TRANSPORTATION. On any Day, Customer, or Customer's Agent, if applicable, may not nominate quantities pursuant to this Section unless it has nominated the Maximum Sales Quantity (if applicable) pursuant to Section XX.
- A. Except as the parties may otherwise agree, Customer, or Customer's Agent, if applicable, shall, for each Month, and each Day during such Month that Customer seeks to change any aspect of any prior nomination, notify SEBRING GAS SYSTEM in writing of:
- (1) the daily quantity of Gas in MMBtu that "Customer has nominated for purchase from Supplier(s);
  - (2) the daily quantity of Gas in MMBtu (not to exceed the Maximum Transportation Quantity) to be made available for delivery of "Customer's account at SEBRING GAS SYSTEM'S Receipt Point(s);
  - (3) the name(s) of Transporting Pipeline(s);
  - (4) the transportation contract number(s);
  - (5) the name(s) of Customer(s) and Customer(s)'s authorized contact persons;
  - (6) the authorized allocation format, protocol, agreement, or arrangement at each upstream point where Gas flow is or may be allocated to or for the account of Customer, and the identity of the person performing such allocation;
  - (7) the upstream contract number from which Gas is being allocated to or for the account of Customer;
  - (8) SEBRING GAS SYSTEM'S contract number; and
  - (9) the daily quantity of Gas in MMBtu that it desires to have made available for redelivery at SEBRING GAS SYSTEM'S Delivery Point(s) which except for:

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- a) Retainage,
  - b) SEBRING GAS SYSTEM authorized and mutually identified imbalance correction quantities, and
  - c) SEBRING GAS SYSTEM authorized sales of Gas to Customer,

shall equal the quantities confirmed at SEBRING GAS SYSTEM'S Receipt Point(s).

- C. DISPATCHING NOTICES. Customer, or Customer's Agent, if applicable, shall be responsible for giving all dispatching notices to Supplier(s), for giving notice to Supplier(s) of any changes in the Transportation Quantity, and for ensuring that Supplier(s) comply with such notices. Upon request, Customer, or Customer's Agent, if applicable, shall provide to SEBRING GAS SYSTEM, on a timely basis, all information required by SEBRING GAS SYSTEM in order to (1) provide dispatching, nominating, and confirmation notices to Transporting Pipeline, (2) give or confirm notice to Transporting Pipeline of any change in the Transportation Quantity, (3) determine Scheduled Quantities, and (4) ensure that Transporting Pipeline complies with such notices. All billings and payments for Gas received and purchased by Customer, or Customer's Agent, if applicable, from Supplier(s), shall be handled in a manner agreed to by Customer, or Customer's Agent, Supplier, and SEBRING GAS SYSTEM.
- D. RELIANCE BY SEBRING GAS SYSTEM ON CONFIRMATION. Upon request by Transporting Pipeline to SEBRING GAS SYSTEM to verify a nomination for the account of Customer, SEBRING GAS SYSTEM shall confirm the lesser of such nomination, the Transportation Quantity or, in the case of non- or partial operation of the Facility, that quantity which in SEBRING GAS SYSTEM'S reasonable judgment (after consultation with Customer) is likely to be consumed at the Facility. Subject to the foregoing, SEBRING GAS SYSTEM shall be entitled to rely conclusively on Customer's, or Customer's Agent's, nomination of any quantity of Gas as being authorized for purchase from Supplier(s) and for delivery at SEBRING GAS SYSTEM'S Receipt Point(s) by Transporting Pipeline. SEBRING GAS SYSTEM shall bear no responsibility with respect to verification or rejection of quantities of Gas not requested by Customer, or Customer's Agent, if applicable.
- E. CORRECTION OF IMBALANCES. It is the intent that, for each Day, the Scheduled Quantities less such portion thereof, if any, as has been purchased by SEBRING

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GAS SYSTEM from Customer, or Customer's Agent, if applicable, pursuant to Section XIX. shall be equal to the Actual Takes. To the extent that the Scheduled Quantities (less the portion thereof purchased by SEBRING GAS SYSTEM) vary from the Actual Takes on any Day, or the sum of the Scheduled Quantities (less the portion thereof purchased by SEBRING GAS SYSTEM) for a Month varies from the sum of the Actual Takes for such Month, the obligations of SEBRING GAS SYSTEM or Customer or Customer's Agent, with respect to such variations shall be governed by the provisions set forth in Section XXI. of this Tariff.

- F. NOMINATIONS BY CUSTOMER'S DESIGNATED AGENT. SEBRING GAS SYSTEM must have written confirmation from the customer designating its Agent. Nominations will only be accepted from pre-approved Marketers, Brokers, or Agents.
- G. NOMINATION PROTOCOL. Nominations must be made in written or otherwise acceptable electronic format. Quantities of Gas will be in MMBtu/therm format as requested by SEBRING GAS SYSTEM. SEBRING GAS SYSTEM shall notify Customer, or Customer's Agent, if applicable, of the quantities of Gas scheduled for receipt for the account of Customer and delivery to Customer.
- H. NOMINATION BASIS. Customer, or Customer's Agent will nominate Gas on a daily basis. In the event Customer and SEBRING GAS SYSTEM establish a Daily Delivery Quantity in which instance, Customer, or Customer's Agent will not be required to make daily nominations until a change to such quantity is desired. If Customer's annual consumption is less than \_\_\_\_\_ therms, and is not part of an aggregated pool, nominations will not be required on a monthly basis.

### **XXIII. CAPACITY ASSIGNMENT AND RECALL**

- A. CAPACITY ASSIGNMENT. SEBRING GAS SYSTEM will require any Customer requesting Transportation Service to obtain firm capacity on the Transporting Pipeline from the "Gas Utility." SEBRING GAS SYSTEM and Customer, or Customer's Agent, if applicable, will enter into a prearranged pipeline Capacity Release Transaction for a term corresponding to the term of the Transportation Agreement Contract. The prearranged pipeline Capacity Release Transaction will include; (1) the amount of capacity to be released in therms or MMBtu's (2) the

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Transporting Pipeline capacity rate being applied (3) the rate schedule of the capacity (4) the term of the release. Release of any capacity under this section may not exceed the FERC-approved maximum rate applicable to the released capacity.

- B. NOTIFICATION OF ASSIGNMENT TO TRANSPORTING PIPELINE. SEBRING GAS SYSTEM shall provide notice of firm capacity release to Transporting Pipeline as required under the General Terms and Conditions of the Transporting Pipeline's Gas Tariff. SEBRING GAS SYSTEM shall also diligently and in a timely manner take all other actions required under the General Terms and Conditions of Transporting Pipeline's Gas Tariff governing such capacity releases.
- C. ACCEPTANCE OF FIRM CAPACITY ASSIGNMENT. The Customer, or Customer Agent's, if applicable, shall accept the firm capacity release from SEBRING GAS SYSTEM subject to SEBRING GAS SYSTEM'S Capacity Release Agreement and General Terms and Conditions of the Transporting Pipeline's Gas Tariff. Customer, or Customer's Agent, if applicable, shall also diligently, and in a timely manner take all other actions required under the General Terms and Conditions of the Transporting Pipeline's Gas Tariff governing such capacity releases.
- D. CAPACITY RELEASE AGREEMENT. Customer shall pay Transporting Pipeline directly commencing on the effective date of the Capacity Release Agreement between SEBRING GAS SYSTEM and Customer, or Customer's Agent, if applicable, and continuing until (1) the agreement terminates or expires or, (2) the transportation customer returns to Sales Service on SEBRING GAS SYSTEM'S system.
- E. ASSIGNMENT METHODOLOGY. SEBRING GAS SYSTEM may choose to apply any of the following Capacity Assignment Methodologies to meet the needs of its distribution system.
- (1) When assigning FGT capacity to transportation customers, SEBRING GAS SYSTEM must first exhaust its supply of FTS-2 capacity. For all capacity release transactions under Transportation Service, SEBRING GAS SYSTEM will charge the acquiring party a rate equivalent to FERC-approved Transporting Pipeline's maximum rate for FTS-1 capacity. Where FTS-2 capacity is released at FTS-1 maximum rates, the difference will be applied to the Capacity Release Charge as specified in this Section. In the event

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SEBRING GAS SYSTEM does not possess or completely exhausts its supply of FTS-2, it may release FTS-1 capacity at maximum rates to the extent of availability.

SEBRING GAS SYSTEM will apply a Capacity Release Charge to mitigate costs in situations where FTS-2 capacity is released to transportation customers at FTS-1 FERC-approved maximum rates. The incremental difference in cost will be applied to the Capacity Release Balance. Each month SEBRING GAS SYSTEM will calculate a Capacity Release Charge by dividing the Capacity Release Balance by the projected monthly total therm throughput on SEBRING GAS SYSTEM'S system. The Capacity Release Charge will be applied to the total therm throughput for the billing period for each customer on SEBRING GAS SYSTEM'S system. SEBRING GAS SYSTEM will true-up the Capacity Release Balance for any over/under recovery from Capacity Release Charge. SEBRING GAS SYSTEM will apply any over/under recovery Capacity Release Balance and establish a new Capacity Release Charge.

When assigning capacity to transportation customers on a Transporting Pipeline other than FGT, SEBRING GAS SYSTEM will charge "Customer or Customer's Agent, a rate equivalent to applicable FERC approved maximum rate.

This capacity assignment methodology will remain in effect until market conditions warrant change. At such time, SEBRING GAS SYSTEM may file a petition with the FPSC to amend the capacity assignment methodology.

OR

(2) SEBRING GAS SYSTEM will assign capacity, to each Customer requesting Transportation Service, in proportion to SEBRING GAS SYSTEM'S total capacity portfolio. The applicable FERC-approved maximum rate will be applied to each portion of the released capacity.

F. ALTERNATE CAPACITY ASSIGNMENT METHODOLOGIES. Nothing in this section shall preclude SEBRING GAS SYSTEM from filing a petition to seek approval of an alternate capacity assignment that better meets the needs of

SEBRING GAS SYSTEM'S system.

- G. CAPACITY RECALL. Released capacity on the Transporting Pipeline would be subject to recall only under the following conditions; (1) to maintain the integrity of SEBRING GAS SYSTEM'S system (2) to provide stand-by service in the event such service is utilized by the customer (3) in the event the customer leaves the system or returns to sales service. In the event Customer changes Agents, the released capacity will follow Customer to the new Agent.
- H. RATES SUBSEQUENT TO RECALL. Upon the effective date of any capacity recall, pursuant to this Section, by SEBRING GAS SYSTEM for any portion or all of the released capacity, SEBRING GAS SYSTEM would be subject to the applicable rates and charge from the Transporting Pipeline for the duration of such capacity recall.

#### **XXIV. AGGREGATION SERVICE**

- A. OFFERING OF AGGREGATION SERVICE. SEBRING GAS SYSTEM shall offer aggregation service to any qualified Customer Agent, with two or more transportation customers. The individual Gas loads of smaller transportation customers will be aggregated into a pool on SEBRING GAS SYSTEM'S system. The Aggregator will be responsible for delivering Gas to SEBRING GAS SYSTEM'S city gate on behalf of the aggregation pool. SEBRING GAS SYSTEM will redeliver to the individual members of the pool pursuant to the Transportation Aggregation Agreement between SEBRING GAS SYSTEM and Aggregator.
- B. NOMINATIONS BY AGGREGATORS. The Aggregator will place nominations on behalf of the entire aggregated pool. The Aggregator will follow the same nomination procedures and requirements detailed in Section XXII of this Tariff.
- C. AGGREGATED QUANTITY. SEBRING GAS SYSTEM will, for a cost-based fee, determine an Aggregated Daily Delivery Quantity (ADDQ) calculated monthly for each Aggregator. The ADDQ shall be equal to the sum of the DDQ's for all customers in the Agent's aggregation pool. The Agent has a maximum of twenty (20) business days to confirm the accuracy of the ADDQ. If SEBRING GAS SYSTEM and the Aggregator cannot reach an agreement as to the appropriate ADDQ, SEBRING GAS SYSTEM shall file a petition with the FPSC detailing the events that have transpired along with the supporting calculations used to develop the ADDQ. Aggregator is not obligated to use this service.

- D. AGGREGATED IMBALANCES. Imbalances will be calculated on an aggregated basis, not by individual account or delivery point. Imbalances will be determined by comparing the amount of Gas delivered to SEBRING GAS SYSTEM and the Gas actually consumed by Aggregator's pool to determine the overall pool imbalance position. SEBRING GAS SYSTEM'S balancing requirements would be applied to that overall position. Unless otherwise agreed to by Customer, Aggregator, and SEBRING GAS SYSTEM, Aggregator will be responsible for imbalance charges as addressed Section XXI of this Tariff.
- E. RATE IMPACT OF AGGREGATION. Aggregated loads will not result in lower transportation rates for individual customers. Individual customers in an aggregated pool must individually transport the minimum annual quantity of 100,000 therms. The Aggregators will be allowed to establish one or more customer aggregations. Customers in an aggregated group must be located within the territory of SEBRING GAS SYSTEM and in the same operating area.

**XXV. AGENTS**

- A. AGENT SERVICE AGREEMENT. Marketers, Brokers, or other third party suppliers of Gas that wish to either act as agents for customers, or sell and/or deliver natural Gas on SEBRING GAS SYSTEM'S system, will be required to sign an Agent Service Agreement. The Agent Service Agreement shall set forth the applicable terms and conditions, in which they agree to be bound by, as well as, other applicable terms and condition of SEBRING GAS SYSTEM'S Tariff.
- B. TERM OF CONTRACT. Unless otherwise agreed between SEBRING GAS SYSTEM and the Customer, or Customer's Agent, the term of the Transportation Agreement Contract, and the Agent Service Agreement shall be one (1) year and from month to month thereafter, unless terminated on six (6) months notice, or renewed by SEBRING GAS SYSTEM and the Customer or Customer's Agent for a term acceptable to the two parties..
- C. CREDITWORTHINESS. SEBRING GAS SYSTEM shall not be required to permit any Agent who fails to meet SEBRING GAS SYSTEM'S standards for creditworthiness to sell or deliver Gas on its system. SEBRING GAS SYSTEM may require that Agent provide the following information:



1. Financial Information
2. References
3. Other items to prove creditworthiness.

Unless otherwise agreed to between SEBRING GAS SYSTEM and Agent, no information shall be required from Agent that would qualify as Confidential under Chapter 366.093, Florida Statutes.

- D. IDENTIFICATION OF CUSTOMER NAMES AND CONTRACT NUMBERS. An Agent must identify the Customer names and contract number(s) on which deliveries will be made. The Agent will follow the nomination procedures set forth in Section XXII of this Tariff. Failure to comply with SEBRING GAS SYSTEM'S nominating procedures may result in curtailment of the Agent's Gas deliveries or additional monthly cash-outs.
- E. INDEMNIFICATION. The Agent warrants clear title to any Gas delivered into SEBRING GAS SYSTEM'S system, and the Agent shall be deemed to be in exclusive control and possession of Gas prior to delivery into SEBRING GAS SYSTEM'S system for redelivery to Customer. The Agent agrees to indemnify, defend and hold harmless SEBRING GAS SYSTEM from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting customer.

## **XXVI. MARKETING AFFILIATES**

- A. DEFINITION. The term Marketing Affiliate is defined to include any arm of SEBRING GAS SYSTEM, either owned or subject to common control, as a function within SEBRING GAS SYSTEM or part of a separate legal entity, which engages in or arranges an unregulated retail sale of Gas to a transportation customer on SEBRING GAS SYSTEM'S system.
- B. APPLICATION OF TARIFF PROVISIONS. SEBRING GAS SYSTEM will apply tariff provisions relating to Transportation in the same manner to similarly situated affiliated and non-affiliated marketers / brokers, or agents. In addition, SEBRING GAS SYSTEM will abide by the following provisions:
1. SEBRING GAS SYSTEM will not, through a Tariff provision or

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- otherwise, give its Marketing Affiliate or its Marketing Affiliate's customers, preference over non-affiliated marketers or non-affiliated marketer's customers in matters relating to transportation or curtailment priority;
2. SEBRING GAS SYSTEM will not give its Marketing Affiliate or the Marketing Affiliate's customers a preference in the processing of a request for Transportation Services, specifically including the manner and timing of such processing;
  3. SEBRING GAS SYSTEM will not disclose, or cause to be disclosed, to its Marketing Affiliate or any non-affiliated marketer any information SEBRING GAS SYSTEM receives through its processing of requests for or provision of Transportation Service;
  4. To the extent SEBRING GAS SYSTEM provides a Marketing Affiliate information related to transportation which is not readily available or generally known to other marketers, SEBRING GAS SYSTEM shall provide that information contemporaneously to all non-affiliated marketers on its system.
- 4.. Employees having direct responsibility for the day-to-day operations of SEBRING GAS SYSTEM'S transportation, including employees involved in:
- a. receiving Transportation Service requests or tariff sales requests from customers (customer service inquiry employees);
  - b. scheduling Gas deliveries on SEBRING GAS SYSTEM'S system;
  - c. making Gas scheduling or allocation decisions;
  - d. purchasing Gas or capacity; and
  - e. selling Gas to end users behind the city gate,

will not be shared with, and will be physically separated from its Marketing Affiliate.

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6. SEBRING GAS SYSTEM will charge the Marketing Affiliate the fully allocated costs for any general and administrative and support services provided to Marketing Affiliate.
  7. SEBRING GAS SYSTEM will not condition or tie an offer or agreement to provide a transportation discount to a customer in which a Marketing Affiliate is involved.
  8. SEBRING GAS SYSTEM will not give preference to its Marketing Affiliate regarding surplus Gas or capacity. SEBRING GAS SYSTEM will place surplus Gas and/or capacity on the Transporting Pipeline's electronic bulletin board in order to make it available to all similarly situated marketers.
  9. SEBRING GAS SYSTEM will maintain its books and records separately from those of its Marketing Affiliate.