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April 25, 2019

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

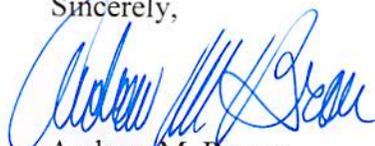
**Re: NEW FILING - In re: Petition of Peoples Gas System for Recovery of Costs Associated with Hurricane Michael and Replenishment of Storm Reserve**

Dear Mr. Teitzman:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' Petition referenced above.

We appreciate your usual assistance.

Sincerely,

  
Andrew M. Brown

AB/plb

Attachment

cc: Ms. Paula K. Brown  
Ms. Kandi M. Floyd  
Ms. Karen Bramley  
Mr. Luke Buzard

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Peoples Gas System )  
for Recovery of Costs Associated with )  
Hurricane Michael and )  
Replenishment of Storm Reserve )  
\_\_\_\_\_)

DOCKET NO. \_\_\_\_\_

FILED: April 25, 2019

**PETITION OF PEOPLES GAS SYSTEM  
FOR RECOVERY OF COSTS ASSOCIATED  
WITH HURRICANE MICHAEL  
AND REPLENISHMENT OF STORM RESERVE**

Peoples Gas System ("Peoples" or "the Company"), by and through its undersigned attorneys, hereby requests the Florida Public Service Commission's ("the Commission") approval for recovery of incremental storm response and restoration costs associated with Hurricane Michael (named by the National Hurricane Center ("NHC") during the 2018 hurricane season) in the amount of \$3,382,702 subject to final true-up, and in support thereof, says:

The persons to whom all notices and other documents should be sent in connection with this docket are:

Andrew M. Brown  
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## **Background**

1. Peoples is a natural gas local distribution company providing sales and transportation delivery of natural gas throughout most of the state of Florida and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, Florida Statutes. The company's principal offices are located at 702 N. Franklin Street, Tampa, Florida 33602.

2. At the time of this filing, Peoples' base rates are currently governed by the June 9, 2009, final order issued by the Commission in Peoples' most recent base rate proceeding in Docket No. 20080318-GU, as modified by the settlement agreements approved by the Commission's Orders Nos. PSC-2017-0066-AS-GU and PSC-2018-0501-S-GU, in Dockets Nos. 20160159-GU and 20180044-GU, respectively. Paragraph IV.H. of the final order in Docket No. 20080318-GU addresses the company's establishment of a storm damage reserve.<sup>1</sup>

3. Rule 25-6.0413, FAC, governs the use of accumulated provision accounts, and by this Petition Peoples seeks the Commission's authority to recover its storm damage costs pursuant to such rule.

## **Hurricane Michael**

4. In 2018, Peoples incurred prudent and reasonable storm costs related to Hurricane Michael. This named storm required storm preparation, response and restoration activities.

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<sup>1</sup> See Order No. PSC-2009-0411-FOF-GU at pages 33-34.

5. The tropical storm that became Hurricane Michael began in the Caribbean Sea. On Saturday, October 6, 2018, the National Hurricane Center (“NHC”) began issuing advisories on potential tropical cyclone fourteen. On Sunday, October 7, 2018, as the depression moved past Central America, the NHC upgraded it to Tropical Storm Michael and predicted that it would track north through the Gulf of Mexico. On the afternoon of Monday, October 8, 2018, Tropical Storm Michael rapidly strengthened into Hurricane Michael and the NHC began issuing warnings for the Florida panhandle to brace for a category 3 hurricane with 120 mph sustained winds. Hurricane Michael continued to intensify on Tuesday, October 9, 2018, reaching major hurricane status. At the time, the NHC predicted landfall would be near Panama City, Florida. On the afternoon of Wednesday, October 10, 2018, Hurricane Michael made landfall east of Panama City near Mexico Beach as a category 5 hurricane with winds of 160 mph and a minimum central pressure of 919 mb. In just over 72 hours, Hurricane Michael went from being named a tropical storm with 40 mph winds to a hurricane that made landfall as one of the most powerful hurricanes in U.S. history and the strongest storm ever to make landfall in Northwest Florida.

6. On Sunday, October 7, 2018, Florida Governor Rick Scott declared a state of emergency in 26 Florida counties and the next day expanded the declaration to include 35 counties. On Saturday, October 6, 2018, prior to Governor Scott’s emergency declaration, Peoples began conducting calls to discuss the storm and initiate preparatory actions. On Monday, October 8, 2018, Peoples activated the Incident Command System (ICS) emergency response protocols and began internal preparations for the storm, including steps to secure additional crews from other Peoples’ divisions, and additional materials, resources and services to support damage assessment and restoration efforts. On Wednesday, October 10, 2018, Peoples went into full emergency

operations and began to convoy storm responders towards the panhandle to begin damage assessments to make its distribution system safe. Preparations were complicated because the area was beginning to feel the impacts of lodging, fuel and bottled water shortages.

### **Hurricane Michael Impacts to Peoples**

7. After Hurricane Michael cleared Peoples' Panama City division, damage assessments to make the system safe began the morning of Thursday, October 11, 2018. The company had to deal with numerous unforeseen challenges due to the extreme devastation caused by Hurricane Michael, including but not limited to the closure of Interstate 10, shortages in the panhandle of fuel, livable accommodations for responders, restaurants, electricity, and limited mobile phone service. Communication was a difficult issue to overcome due to the major damage to almost every communication system in the area. Hurricane Michael caused numerous gas leaks when gas infrastructure was damaged due to significant structural damage to homes and buildings and the uprooting of trees. Peoples initially responded to emergency calls from the Emergency Operations Center, fire departments and police departments reporting safety hazards such as gas leaks and blowing gas lines. To ensure its system was safe, Peoples systematically inspected gas lines in the entire distribution system in its Panama City division, going door to door to each premise, conducting leak surveys, cutting and capping service lines, removing meters, and replacing damaged facilities. After Hurricane Michael passed, Peoples responded to approximately 1,550 emergency leak orders.

8. Peoples' utilized approximately twenty personnel from embedded contractors to assist with emergency response and repair work, as well as employees from affiliates in Customer Service,

TECO Shared Services Emergency Management Department, IT Department, as well as personnel from New Mexico Gas Company.

9. The damage wreaked by Hurricane Michael was unprecedented. Livable conditions for responders was a challenge as there was no available lodging for the company's team members. Peoples contracted with Storm Services, LLC to bring in necessary and critical infrastructure for a turnkey base camp operation. These services included sleeping trailers, lighting, bathrooms, showers, and dining facilities. Peoples also entered into a lodging arrangement with a Christian camp for the company's response team.

10. Tyndall Air Force Base sustained severe damage and gas had to be shut off to the base. Tyndall Air Force Base is considered critical infrastructure, as it relates to national security. Therefore, Peoples worked with the base to conduct damage assessments and make required repairs to restore gas on an expedited basis.

11. On Thursday, November 1, 2018, the Peoples response team demobilized, and the remaining storm activities were handled by the Panama City division operations team and a few contractors. Peoples remains committed to aiding customers to restore their gas service as they make repairs to their homes and businesses.

### **Communication and Coordination**

12. Prior to and throughout the storm restoration process, Peoples made it a priority to communicate and coordinate accurately with customers, state and local governments and the public. Peoples maintained a presence at the state emergency operations center in Tallahassee, which helped facilitate Peoples' ability to communicate and coordinate efficiently and directly

with regulators, state governmental officials and agencies. Peoples coordinated both pre- and post-storm directly with military installations and large commercial/industrial customers. Ongoing pre- and post-storm communications with the company's general body of customers and the public via a variety of media were also conducted. These messages focused around safety assessments, restoration of gas service, and safely resuming gas use for cooking, hot water heating, etc. Peoples staffed its customer service department for extended hours and responded to approximately 3,500 calls to address the needs of its customers.

13. All costs charged by Peoples to Account 228.1 with respect to Hurricane Michael are consistent with the descriptions set forth in Rule 25-6.0143(e), FAC, and as such are the types of incremental costs allowed to be charged to the reserve under the ICCA methodology.

#### **Total Cost Requested to be Recovered**

14. Peoples' long-standing ICS accounting control processes and procedures were employed for Hurricane Michael and continue to ensure proper storm accounting and ratemaking. The ICCA methodology found in Rule 25-6.0143, F.A.C. was applied to each storm cost type to determine the amount recoverable from Peoples' customers. Peoples incurred a total of \$3,872,698 of Hurricane Michael related storm response and restoration costs. This includes \$205,553 of capital and \$355,093 of operation and maintenance expense costs the company is not seeking to recover. The total recoverable Hurricane Michael related response and restoration costs is \$3,312,052, excluding regulatory assessment fees, which will fully deplete and exceed the September 30, 2018 pre-storm balance of \$79,125 in the company's reserve account.

15. Peoples requests recovery of the actual Hurricane Michael incremental storm response and restoration costs together with regulatory assessment fees that will be incurred in the recovery. The

total recoverable amount including regulatory assessment fees is \$3,382,702 as detailed in Exhibit A which provides the total costs that were incurred by Peoples in performing the damage assessment, safety assessment and restoration processes in response to Hurricane Michael. The total response and restoration costs include charges made to the storm reserve, capital and O&M under the ICCA methodology. The charges made to the reserve under the ICCA methodology plus interest on the unamortized costs make up the recoverable storm costs. Exhibit B provides the calculation of interest.

16. Peoples established a unique order number to account for all storm response and restoration costs incurred for financial reporting and regulatory recovery purposes. The company uses these order numbers to account for all costs directly associated with storm response and restoration, including costs that will not be charged to Peoples' storm reserve based on the Commission's requirements under the ICCA methodology. All storm related costs charged to the storm order are captured in Federal Energy Regulatory Commission ("FERC") Account 186, Miscellaneous Deferred Debits. All incremental storm costs charged to FERC Account 186 are subsequently cleared and charged to the storm reserve. Other storm related costs are charged to O&M or capital, accordingly. Peoples began charging costs for Hurricane Michael to the storm order on October 8, 2018.

17. Once all storm related costs were incurred and recorded to FERC Account 186, the accounting department completed a detailed review to determine amounts which were not incremental under the ICCA methodology prescribed in Rule 25-6.0143, F.A.C. Per the ICCA methodology, non-incremental costs are those that are included in normal base rate operations. The company excluded the following restoration costs that were incurred: (1) payroll costs that are already recovered in base rates; (2) bonuses for utility personnel not eligible for overtime pay; (3) utility call center and customer service budgeted overtime; (4) employee assistance costs; and (5)

non-incremental costs associated with the storm event. Peoples incurred uncollectible accounts expense of \$27,255 related to write-off of accounts receivable for service provided prior to Hurricane Michael. Certain Panama City customer accounts were written off due to the customers' financial difficulties resulting from their homes being uninhabitable after Hurricane Michael. The company is seeking Commission approval to charge the deferred costs to Account 228.1 and receive recovery of these uncollectible accounts.

18. Peoples' maintains a property insurance reserve account (Account No. 228.1), in accordance with Rule 25-6.0143, F.A.C., which is designated to cover the costs of storm-related damages to the utility's own property or property leased by others that is not covered by insurance. Peoples does not expect any insurance reimbursement from Hurricane Michael.

19. Commission Order No. PSC-09-0411-FOF-GU in Peoples' last base rate proceeding approved a storm accrual of \$57,500 per year and established a storm reserve target balance of \$1,000,000. Prior to 2018, Peoples incurred storm costs related to Hurricanes Irma and Matthew in the amounts of \$354,520 and \$103,023, respectively, which left the company's storm reserve balance at \$79,125 as of September 30, 2018. Peoples incurred \$3,312,052 of incremental storm response and restoration costs due to Hurricane Michael. Due to the severity of Hurricane Michael and the proximity of its landfall to Peoples service area, the storm response, logistics requirements, and restoration effort was unprecedented. The incremental costs related to the unprecedented impact of Hurricane Michael far exceeded the pre-storm reserve balance leaving it fully depleted.

20. Peoples is seeking recovery of its incremental Hurricane Michael related storm costs and the related regulatory assessment fees through a Storm Cost Recovery Surcharge to be applied to all bills starting with the first billing cycle of the August 2019 billing period and concluding at the end of the billing cycle when the aforementioned storm costs have been recovered and the reserve

has been restored to its September 30, 2018 level of \$79,125 (anticipated to be December 19, 2019). Peoples proposes that any over-recovery variance between the surcharge dollars collected and the \$3,382,702 in incremental storm costs incurred including interest would be applied to Peoples' storm reserve.

21. This request is within the parameters of other Commission orders<sup>2</sup> stating that recovery of storm costs from customers will begin, on a temporary basis, 60 days following the filing of a cost recovery petition and tariff with the Commission.

22. Peoples requests approval of the following 2019 Storm Cost Recovery Surcharge factors as calculated consistent with the methodology utilized for calculation of Peoples Energy Conservation Cost Recovery Clause factors. The calculation is contained in Exhibit "C" for each rate class and the rates are identified as follows:

**Temporary Storm Recovery Surcharge Factors**

<b>Rate Schedule</b>	<b>(cents per therm)</b>
RS, RS-SG & RS-GHP	0.05921
SGS	0.03173
GS-1, CS-SG & CS-GHP	0.01476
GS-2	0.01060
GS-3	0.00874
GS-4	0.00640
GS-5	0.00471
SIS	0.00295
IS	0.00143
NGVS	0.00941
CSLS	0.00757

The temporary storm cost recovery surcharge represents an incremental charge of approximately \$0.76 per month on the typical residential customer bill during the timeframe Peoples' anticipates

<sup>2</sup> See Order Nos. PSC-13-0023-S-EI at page 3; PSC-2018-0103-PCO-EI at page 2; PSC-2018-0125-PCO-EI at page 8

collecting this surcharge.

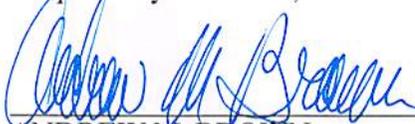
23. Attached hereto as Exhibit "D" are Peoples' Proposed Legislative and Clean Tariff Sheets reflecting the addition of the Storm Cost Recovery Surcharge and incorporating the appropriate storm cost recovery factor designed to allow the company to recover its prudently incurred storm restoration costs.

24. Peoples has reviewed the \$470,478 in outside embedded contractor costs shown on Exhibit A and will provide the detailed breakdowns of the costs incurred and billed upon request.

WHEREFORE, Peoples requests that the Commission approve the company's proposed Storm Cost Recovery Charge Factors for each rate class as set forth in Exhibit "C".

DATED this 25th day of April 2019.

Respectfully submitted,



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ANDREW M. BROWN  
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Post Office Box 1531  
Tampa, FL 33601-1531  
(813) 273-4209

ATTORNEYS FOR PEOPLES GAS SYSTEM

EXHIBIT "A"

EXHIBIT "A"

**EXHIBIT A**  
**Peoples Gas System**  
**Storm Response and Restoration Costs Related to Hurricane Michael**

Line No.		\$
1	Regular Payroll and Related Costs	470,960
2	OT Labor	789,630
3	Affiliated Payroll and Related Costs <sup>1</sup>	221,827
4	Outside Services - Contractors	470,478
5	Logistics	1,577,230
6	Vehicle & Fuel	51,730
7	Materials & Supply	213,387
8	Safety Public Service Announcements	50,200
9	Uncollectible Amounts	27,255
10	<b>Total Recoverable Storm-Related Costs/Losses</b>	<b>3,872,698</b>
11	Non-Incremental Costs (per FPSC Rule 25-6.0143)	(355,093)
12	Capital Costs	(205,553)
13	Recoverable Storm Response and Restoration Costs	3,312,052
14	Interest on Unamortized Costs	53,720
15	Adjusted Recoverable Storm Response and Restoration Costs	3,365,772
16	Regulatory Assessment Fee Multiplier	1.00503
17	<b>Total System Storm Losses to be Recovered from Customers ("Recoverable Storm Amount")</b>	<b>\$ 3,382,702</b>

Notes: <sup>1</sup> Includes incremental labor provided by New Mexico Gas Company, TECO Services Inc., and Tampa Electric.

EXHIBIT "B"

**Exhibit B**

**Peoples' Storm Costs Interest Calculation**  
**Hurricane Michael**  
(In \$ Thousands)

		<b>Beginning</b>		<b>Interest</b>		<b>Ending</b>	<b>Average</b>	<b>Interest</b>
		<b>Balance</b>	<b>Amortization</b>	<b>Cost</b>		<b>Balance</b>	<b>Balance</b>	<b>Rate</b>
1	March	3,312	-	6		3,318	3,312	2.25%
2	April	3,318	-	6		3,324	3,315	2.25%
3	May	3,324	-	6		3,331	3,321	2.25%
4	June	3,331	-	6		3,337	3,328	2.25%
5	July	3,337	-	6		3,343	3,334	2.25%
6	August	3,343	574	6		2,776	3,340	2.25%
7	September	2,776	582	6		2,200	3,060	2.25%
8	October	2,200	603	5		1,602	2,488	2.25%
9	November	1,602	703	4		903	1,901	2.25%
10	December	903	906	2		(0)	1,253	2.25%
11	Total		<u>3,366</u>	<u>54</u>				

Note: Interest Calculation begins in March as not all Storm Cost payments were paid until March 2019.

EXHIBIT "C"

**Exhibit C**  
**TEMPORARY STORM RECOVERY SURCHARGE**

<u>RATE SCHEDULE</u>	<u>BILLS</u>	<u>THERMS</u>	<u>CUSTOMER CHARGE</u>	<u>NON-GAS ENERGY CHARGE</u>	<u>TOTAL CUST. &amp; ENGY CHG REVENUE</u>	<u>SURCHARGE AS % OF TOTAL REVENUES</u>	<u>SURCHARGE REVENUES</u>	<u>SURCHARGE VOLUMETRIC BILLING FACTOR \$/THERM</u>
RS, RS-SG & RS-GHP	1,801,712	23,011,000	26,406,279	5,859,751	32,266,030	4.2%	1,362,547	0.05921
SGS	57,433	3,179,239	1,364,601	1,023,906	2,388,507	4.2%	100,863	0.03173
GS-1, CS-SG & CS-GHP	95,672	33,580,682	3,182,063	8,552,328	11,734,391	4.2%	495,526	0.01476
GS-2	41,244	56,400,471	1,959,903	12,190,962	14,150,865	4.2%	597,570	0.01060
GS-3	4,858	34,549,345	692,569	6,457,964	7,150,533	4.2%	301,957	0.00874
GS-4	860	29,719,500	204,319	4,297,143	4,501,462	4.2%	190,090	0.00640
GS-5	690	51,082,143	196,712	5,495,417	5,692,129	4.2%	240,370	0.00471
SIS	123	17,358,084	35,066	1,176,357	1,211,423	4.2%	51,157	0.00295
IS	50	28,282,765	22,570	938,422	960,992	4.2%	40,581	0.00143
NGVS	20	17,794	855	3,110	3,965	4.2%	167	0.00941
CSLS	0	247,399	0	44,339	44,339	4.2%	1,872	0.00757
<b>TOTAL</b>	<b>2,002,663</b>	<b>277,428,422</b>	<b>34,064,937</b>	<b>46,039,699</b>	<b>80,104,636</b>	<b>4.2%</b>	<b>3,382,702</b>	

EXHIBIT "D"

## INDEX OF RATE SCHEDULES

	<u>SHEET NO.</u>
<b>GENERAL APPLICABILITY PROVISIONS:</b>	
A. Character of Service	7.101
B. Purchased Gas Adjustment Clause	7.101-1
C. Energy Conservation Cost Recovery Adjustment Clause	7.101-2
D. Swing Service Charge	7.101-3
E. RESERVED FOR FUTURE USE	7.101-4
F. Tax and Fee Adjustment Clause	7.101-5
G. Competitive Rate Adjustment Clause	7.101-5
H. Conditions for Transportation of Customer-Owned Gas	7.101-7
I. Main Extension Program	7.101-7
J. <del>Temporary Storm Recovery Surcharge</del>	<del>7.101-10</del>

## RATE SCHEDULES

<b>RESIDENTIAL RATES:</b>	
Residential Service (RS)	7.201
<b>GENERAL SERVICE RATES:</b>	
Small General Service (SGS)	7.301
General Service - 1 (GS-1)	7.302
General Service - 2 (GS-2)	7.303
General Service - 3 (GS-3)	7.303-2
General Service - 4 (GS-4)	7.303-4
General Service - 5 (GS-5)	7.304
Commercial Street Lighting Service (CSLS)	7.306
<b>SPECIAL FIRM GAS RATES:</b>	
Natural Gas Vehicle Service-1 (NGVS-1)	7.401
Natural Gas Vehicle Service-2 (NGVS-2)	7.401-2
Natural Gas Vehicle Service-3 (NGVS-3)	7.401-4
Residential Standby Generator Service (RS-SG)	7.402-1
Commercial Standby Generator Service (CS-SG)	7.403
Renewable Natural Gas Service (RNGS)	7.404
Commercial Gas Heat Pump Service Rate Schedule (CS-GHP)	7.405
<b>WHOLESALE RATES:</b>	
Wholesale Service - Firm (WHS)	7.501
<b>INTERRUPTIBLE RATES:</b>	
Small Interruptible Service (SIS)	7.601
Interruptible Service (IS)	7.603
Interruptible Service - Large Volume (ISLV)	7.605
Contract Interruptible Service (CIS)	7.607

**RATE SCHEDULE TEMPORARY STORM RECOVERY SURCHARGE**

**APPLICABILITY**

Applicable to Customers receiving Gas Service under the following rate schedule.

**DETERMINATION OF TEMPORARY STORM RECOVERY SURCHARGE**

The Temporary Storm Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after August 1, 2019, beginning with the first or applicable billing cycle through the last billing cycle for December 2019. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Recovery Surcharge determined in accordance with this tariff.

**Temporary Storm Recovery Surcharge factors are shown below:**

<b><u>Rate Schedule</u></b>	<b><u>(cents per therm)</u></b>
<u>RS, RS-SG &amp; RS-GHP</u>	<u>0.05921</u>
<u>SGS</u>	<u>0.03173</u>
<u>GS-1, CS-SG &amp; CS-GHP</u>	<u>0.01476</u>
<u>GS-2</u>	<u>0.01060</u>
<u>GS-3</u>	<u>0.00874</u>
<u>GS-4</u>	<u>0.00640</u>
<u>GS-5</u>	<u>0.00471</u>
<u>SIS</u>	<u>0.00295</u>
<u>IS</u>	<u>0.00143</u>
<u>NGVS</u>	<u>0.00941</u>
<u>CSLS</u>	<u>0.00757</u>

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**Issued By:** T. J. Szelistowski, President  
**Issued On:**

**Effective:**

**RESIDENTIAL SERVICE** (Continued)

Note 1 – Company’s BudgetPay plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3).

The bill for the Therms billed under this schedule shall be increased in accordance with the provisions of the Company’s Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

**Special Conditions:**

1. The rates set forth under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company’s Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. When the Customer receives service under the Company’s Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company’s Swing Service Charge set forth on Sheet No. 7.101-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**SMALL GENERAL SERVICE (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Note: Company's Budget Billing Plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3)

**GENERAL SERVICE – 1 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

## GENERAL SERVICE - 2 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 3 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 4 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
- ~~8-9.~~ Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 5 (Continued)**

5. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

### COMMERCIAL STREET LIGHTING SERVICE (Continued)

7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

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**NATURAL GAS VEHICLE SERVICE-1 (Continued)**

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

**RESIDENTIAL STANDBY GENERATOR SERVICE (Continued)**

6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**COMMERCIAL STANDBY GENERATOR SERVICE**  
**Rate Schedule CS-SG (Continued)**

5. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.
6. Subject to Special Condition 7 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
7. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.
8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
10. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**COMMERCIAL GAS HEAT PUMP SERVICE (~~Continued~~Continued)**

8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
10. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
11. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

### SMALL INTERRUPTIBLE SERVICE (Continued)

4. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.  
  
Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for firm service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

### INTERRUPTIBLE SERVICE (Continued)

3. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.  
  
Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. A Customer which qualifies for service under this rate schedule shall continue to qualify for service hereunder if its usage is decreased below 4,000,000 Therms per year due solely to the Customer's taking thermal energy from a cogeneration facility to which the Company sells Gas or provides transportation service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

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**RATE SCHEDULE TEMPORARY STORM RECOVERY SURCHARGE**

**APPLICABILITY**

Applicable to Customers receiving Gas Service under the following rate schedule.

**DETERMINATION OF TEMPORARY STORM RECOVERY SURCHARGE**

The Temporary Storm Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after August 1, 2019, beginning with the first or applicable billing cycle through the last billing cycle for December 2019. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Recovery Surcharge determined in accordance with this tariff.

**Temporary Storm Recovery Surcharge factors are shown below:**

<b>Rate Schedule</b>	<b>(cents per therm)</b>
RS, RS-SG & RS-GHP	0.05921
SGS	0.03173
GS-1, CS-SG & CS-GHP	0.01476
GS-2	0.01060
GS-3	0.00874
GS-4	0.00640
GS-5	0.00471
SIS	0.00295
IS	0.00143
NGVS	0.00941
CSLS	0.00757

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**Issued By:** T. J. Szelistowski, President  
**Issued On:**

**Effective:**

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**RESIDENTIAL SERVICE (Continued)**

Note 1 – Company’s BudgetPay plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3).

The bill for the Therms billed under this schedule shall be increased in accordance with the provisions of the Company’s Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

**Special Conditions:**

1. The rates set forth under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company’s Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. When the Customer receives service under the Company’s Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company’s Swing Service Charge set forth on Sheet No. 7.101-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**SMALL GENERAL SERVICE (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Note: Company's Budget Billing Plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3)

**GENERAL SERVICE – 1 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 2 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 3 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 4 (Continued)**

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**GENERAL SERVICE - 5 (Continued)**

5. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**COMMERCIAL STREET LIGHTING SERVICE (Continued)**

7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

**NATURAL GAS VEHICLE SERVICE-1 (Continued)**

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

**RESIDENTIAL STANDBY GENERATOR SERVICE (Continued)**

6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**COMMERCIAL STANDBY GENERATOR SERVICE**  
**Rate Schedule CS-SG (Continued)**

5. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.
6. Subject to Special Condition 7 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
7. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.
8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
10. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**COMMERCIAL GAS HEAT PUMP SERVICE (Continued)**

8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
10. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
11. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

### SMALL INTERRUPTIBLE SERVICE (Continued)

4. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.  
  
Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for firm service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

### INTERRUPTIBLE SERVICE (Continued)

3. Interruption and curtailment:  
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.  
  
Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. A Customer which qualifies for service under this rate schedule shall continue to qualify for service hereunder if its usage is decreased below 4,000,000 Therms per year due solely to the Customer's taking thermal energy from a cogeneration facility to which the Company sells Gas or provides transportation service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.