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April 20, 2012

BY HAND DELIVERY

Ms. Ann Cole, Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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12 APR 20 PM 3 23
COMMISSION
CLERK

120126-GU

Re: Petition for Approval of Standby Generator Services by Florida City Gas

Dear Ms. Cole:

Enclosed for filing, please find the original and seven (7) copies of Florida City Gas's Petition for Approval of Standby Generator Services, which includes the following tariff pages from Volume 8 of FCG's Natural Gas Tariff:

- Second Revised Sheet No. 2 Original Sheet No. 45.2 Ninth Revised Sheet No. 65
- First Revised Sheet No. 16 Tenth Revised Sheet No. 64 First Revised Sheet No. 67
- Original Sheet No. 45.1

As always, please don't hesitate to contact me if you have any questions or concerns in this regard.

Sincerely,

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

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CC:/Ms. Connie Kummer (PSC/ECR)

DOCUMENT NUMBER 02470
12 APR 20 02470 APR 20 02
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of standby generator)
services, by Florida City Gas)
)
)
_____)

Docket No.
Filed: April 20, 2012

PETITION

Florida City Gas ("FCG" or "Company") through its undersigned attorneys, files this petition for approval of a new Residential Standby Generator Service (RSG) and new Commercial Standby Generator Service (CSG), and submits herewith new tariff sheets to become effective the date of the Commission's approval, and in support of its petition states:

1. The name, address and telephone number of the petitioner are:

Florida City Gas
933 East 25th Street
Hialeah, FL 33013-3498

2. The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Beth Keating
Gunster Law Firm
215 South Monroe St.
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Brian Sulmonetti
Manager, Regulatory Affairs
Florida City Gas
10 Peachtree Place
Atlanta, GA 30309

3. FCG is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas in parts of Florida, and is a public

utility subject to the Commission's regulatory jurisdiction under Chapter 366, Florida Statutes.

4. By this petition, FCG seeks the Commission's approval for two new services: Residential Standby Generator Services (RSG) and Commercial Standby Generator Services (CSG) which would be available to any residential or commercial customer whose only gas appliance or equipment consists of a gas-fired electric generator.

BACKGROUND

5. FCG has received several requests to provide natural gas service to customers who only need gas service to fuel standby electric generators. The proposed tariff offerings provide service to generators that would only operate during periods when electric service to the customer's premise is interrupted as a result of a natural disaster or other causes. For this reason, FCG has filed this petition in advance of the 2012 hurricane season. The Company's goal is to have this service in place before the hurricane season starts in June. FCG notes that this type of new service was not contemplated in the Company's last rate case.¹

6. In the interim since FCG's last rate case, the periodic spate of hurricanes and other violent weather has caused occasional, extended power outages, which in turn have prompted many customers in FCG's territory to invest in stand-by generators. In a number of instances, the generator is the only gas appliance owned by the customer, and it is an appliance that is not used at regular intervals. However, when a generator is in use, the gas needed to fuel it

¹ Docket 030569-GU, Order No. PSC-04-0128-PAA-GU, issued February 9, 2004.

is of a more significant quantity than that required to run other typical household gas appliances. Thus, in order to serve customers whose only gas appliance is a generator, the Company must not only extend service to serve a customer that, on average, is a relatively low use customer, but must also be prepared to provide a rather significant amount of gas to the customer at a moment's notice, and likewise, be prepared to adjust appropriately when the generator is not in use. This creates a number of cost issues for the Company, as more specifically outlined below. In response, the Company has crafted a service option that will enable the Company to provide service to such customers, while ensuring no negative impacts to the Company's general body of ratepayers.

7. The Commission has considered and approved similar service offerings by other Florida LDCs.²

REQUEST FOR APPROVAL OF PROPOSED RATE SCHEDULES

8. Again, the Company emphasizes that these proposed standby generator service offerings allow the Company to meet the requests of uniquely situated customers without the need to shift costs to any other rate classes.³

9. In crafting these new service options, the Company was particularly concerned with its ability to recover on-going O & M expenses associated with

² See Order No. PSC-08-0643-TRF-GU, issued October 6, 2008, in Docket No. 080072-GU, In re: Petition for approval of a residential standby generator rate schedule, by Florida Public Utilities Company (approving GS service for new customers), and Order No. PSC-09-0375-PAA-GU, issued May 27, 2009, in Docket No. 080366-GU, In re: Petition for rate increase by Florida Public Utilities Company (approving transition of all generator-only customers to GS service). See also, Order No. PSC-07-0530-TRF-GU, issued June 26, 2007, in Docket No. 070260-GU, In re: Petition for approval of standby generator rate schedules RS-SG and CS-SG, by Peoples Gas System.

³ Moreover, the application of this tariff does not violate the provisions of Order No. PSC-07-0913-PAA-GU, issued November 7, 2007, in that there is no rate increase to the general body of ratepayers. In that Order, the Commission approved a 5-year base rate "stay out" commitment from the Company. However, the "stay out" provision does not preclude the Company from proposing new tariffed service offerings. See Order No. PSC-07-0913-PAA-GU at p. 13.

this class of service. When the Company extends its facilities to enable it to provide service to a typical new customer, that customer has usually installed a year-round appliance (generally a water heater) or multiple gas appliances, including a water heater and a gas heating system. In the case of such a typical customer, the Company has some assurance of a year-round load that can be estimated with some degree of certainty. In order for FCG to provide reliable service to this generator-only class of customers, the Company must - at a minimum - receive the same base revenue that the average residential or commercial customer provides for a full 12 months.

10. In the case of a standby generator customer who owns no other gas appliances, the gas consumption (if any) of the generator is speculative at best. It will operate only during power outages, such as may occur as a result of hurricanes or other violent weather.⁴ Unless there is an outage, the generator is not run, and consequently, there will be no throughput of gas to the customer. As the Commission has noted in the past, “[s]ince generators only operate during outages, it is typical for these customers to have minimal monthly usage (for monthly maintenance of the generator) and may go several years without using any gas.”⁵ Thus, the Company’s only real avenue to recover its costs to provide service is the monthly customer charge component.

11. Once service is established, a secondary problem presents in that a standby generator-only customer could avoid paying the customer charge during

⁴ While some generators operate periodically for short intervals in order to “exercise,” very little gas is consumed during such exercise sessions. In fact, customers are encouraged to “exercise” their generator on a monthly basis to ensure it is in working order as recommended by the manufacturer.

⁵ Order No. PSC-08-0643-TRF-GU at p.m 4.

most months of each year by discontinuing service until hurricane season (or until a hurricane approached), and then seeking to reestablish service. Should this occur in a large number of cases, these customers could be at risk of having no gas service during a hurricane, if the influx of calls to the Company for turn-ons exceeded the Company's capacity. Moreover, the Company would be unable to recover the costs to serve such customers, because the customer charge is, again, the primary means for the Company to recoup its costs to serve such customers.

12. The proposed rates for RSG & CSG (Exhibit A-Summary) are designed to remedy or mitigate the challenges described above. The rates are designed to recover the Company's average aggregate annual customer and distribution charges from each generator-only customer, and customers taking service under either of these tariffs will be required to stay on the service for 12 months, which will ensure the appropriate allocation of costs to this class of customers. Moreover, as shown in Exhibit B, FCG's proposed rates for these new services are structured similarly to prior Commission-approved offerings by other LDCs.

13. Based on the Company's last cost of service study, General Service ("GS") -100 customers consumed an average of 178 therms annually, which is equivalent to aggregate annual base rate revenue of \$202. GS-220 customers consumed an average 642 therms annually, which is equivalent to aggregate annual base rate revenue of \$288. These average annual revenue amounts were used to develop the minimum charges (based on the customer class) in the

proposed new rate schedules. The minimum bill each month would be the applicable customer charge plus the average monthly usage determined by the cost of service study, plus other applicable charges (e.g., taxes, riders, fees).⁶ Any usage above the monthly average usage determined by the cost of service study would be billed at the applicable per-therm distribution charge. The purchased gas adjustment and other applicable per-therm charges (e.g., energy conservation cost recovery, competitive rate adjustment) would be billed to the extent of the customer's actual monthly consumption of gas.

14. The following table shows generally the effect of the change in rate schedules for a typical residential customer:

| | Residential Customer A | Residential Customer B |
|---------------|---|---|
| Appliances | Water Heater, Range, Generator | Generator Only |
| Monthly Usage | 14.0 Therms (usage assumes no power outage) | 0 Therms (usage assumes no power outage) |
| Customer Bill | Customer Charge: \$9.50 Distribution: $14.0 \times 0.52248 =$ <u>7.32</u> \$16.81 | Customer Charge: \$16.81 Distribution: $0 \times \$0.52248 =$ 0.00 \$16.81 |

FCG used a similar approach for developing the rate for commercial users based on the GS-220 tariff.

15. A customer served under RSG or CSG would be required to remain on the rate schedule for 12 months. This 12-month requirement would renew at the end of each 12-month term unless the customer terminated service with the Company, in writing, 30 days prior to the end of the term. This provision would

⁶ Also, all riders (e.g., PGA, ECCR, and CRA), taxes, and fees would apply to these new services.

ensure recovery by the Company of the applicable base rate revenue for at least one year from the time service was initiated (or accepted) under the proposed new rate schedule and minimize the potential risk of customers not having gas service during an approaching hurricane. If the customer terminates service before the 12-month term, the customer would be billed the monthly minimum bill for the remaining months, unless the customer added another gas appliance in which case the customer would be converted to the appropriate rate schedule.

16. FCG believes the proposed new rate schedules will better enable the Company to respond to the requests of generator-only customers and to appropriately recover the cost of providing gas service to such customers without detriment to the Company's other customer classes. Absent the minimum bill provisions of the rate schedules (coupled with their required one-year termination provisions); FCG's opportunity to recover the cost of service generally recovered through the distribution charge component of its base rates would be speculative at best. FCG believes that its proposed charges are reasonable and appropriately recover the Company's costs to serve these uniquely situated customers, thereby avoiding improper subsidization by the Company's other rate payers.

17. Finally, in structuring the pricing under these rate schedules, FCG has taken into account regular testing commonly recommended by most major generator manufacturers. Specifically, FCG's threshold term ranges, which determine the per therm distribution charge that will be assessed, have been developed using the Company-average customer consumption as the primary

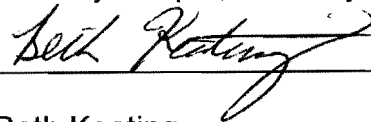
basis. However, FCG has also reviewed and confirmed that therm usage during normal test runs of most commonly used generators will not exceed the minimum range; thus, a normal test run, by itself, should not result in the assessment of the additional distribution charge to the typical customer taking service under these rate schedules.

18. These proposed service rate schedules will be available for new customers taking service consistent with the description herein. In addition, during the Company's annual review of customer usage, certain existing customers may be transferred at that time to either of these service classes, as may be appropriate and consistent with the Company's tariff.

19. Attached to this petition as Exhibit C is the legislative format version of the new tariff sheets for which this petition seeks the Commission's approval.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter an Order approving FCG's proposed RSG and CSG service tariffs and corresponding tariff sheets to become effective on the date of the Commission's vote on this petition.

Respectfully submitted this
20th day of April, 2012, by:



Beth Keating
Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301

Attorneys for Florida City Gas

EXHIBIT A

**FLORIDA CITY GAS
STANDBY GENERATOR SERVICE
SUMMARY**

**Summary of Florida City Gas
Standby Generator-Only rate classification**

Customer on this rate schedule must remain on this schedule for 12 months. At the end of the 12-month period the customer may renew or terminate gas service.

If the customer installs another gas appliance at their premise, then their account will be placed at the applicable GS-xxx rate schedule

Proposed Rate Schedule: RSG (Residential Standby Generator Service):

Applies to residential customers who qualify to receive Gas Service under FCG's tariff and who use natural gas for a standby generator which is the only natural gas appliance installed at the customer's premise.

Monthly Rate:

Customer Charge: \$ 16.81

Distribution Charge:

| | |
|-----------------------------|----------------------------|
| 0 - 14 therms: | \$0.00000 per Therm |
| More than 14 therms: | \$0.52248 per Therm |

Minimum Monthly Bill: \$16.75

PGA, ECP, CRA, Taxes, Misc. Fees apply

Proposed Rate Schedule: CSG (Commercial Standby Generator Service)

:

Applies to commercial customers who qualify to receive Gas Service under FCG's tariff and who use natural gas for a standby generator which is the only natural gas appliance installed at the customer's premise.

Monthly Rate:

Customer Charge: \$ 24.00

Distribution Charge:

| | |
|-----------------------------|----------------------------|
| 0 - 26 therms: | \$0.00000 per Therm |
| More than 26 therms: | \$0.49531 per Therm |

Minimum Monthly Bill: \$24.00

PGA factor applies (unless customer is Transportation), ECP, CRA, Taxes, Misc. Fees apply.

FLORIDA CITY GAS
STANDBY GENERATOR SERVICE
RATE COMPARISON

Comparison Chart of Generator-Only
Rates in Florida

Residential

| <u>Company</u> | <u>Monthly Charge</u> | <u>Distribution Charge</u> | |
|----------------------|-----------------------|----------------------------|-------------------------|
| | | <u>Range (therms)</u> | <u>Rate (per therm)</u> |
| Peoples ¹ | \$20.00 | 0-20 | \$0.000 |
| | | >20 | \$0.26782 |
| FPUC ² | \$21.25 | 0-19.8 | \$0.0000 |
| | | >19.8 | \$0.49828 |
| FCG | \$16.81 | 0-14 | \$0.0000 |
| | | >14 | \$0.52248 |

Commercial

| <u>Company</u> | <u>Monthly Charge</u> | <u>Distribution Charge</u> | |
|----------------------|-----------------------|----------------------------|-------------------------|
| | | <u>Range (therms)</u> | <u>Rate (per therm)</u> |
| Peoples ³ | \$35.00 | 0-40 | \$0.000 |
| | | >40 | \$0.33894 |
| FPUC ⁴ | \$35.81 | 0-39.52 | \$0.0000 |
| | | >39.52 | \$0.39136 |
| FCG | \$24.00 | 0-26 | \$0.0000 |
| | | >26 | \$0.49531 |

Note: In all tariff offerings: all riders, taxes and fees apply and the service is at minimum for 12 months.

¹ As of June 18, 2009 Natural Gas Tariff, Peoples Gas System a Division of Tampa Electric Company, Original Volume No. 3, page 7.402

² As of January 14, 2010 F.P.S.C. Gas Tariff, Florida Public Utilities Company, Third Revised Volume No. 1, page 26.1

³ Peoples Tariff page 7.403

⁴ F.P.U.C. Tariff page 24.2

EXHIBIT C

FLORIDA CITY GAS
STANDBY GENERATOR SERVICE TARIFF PAGES
(CLEAN AND LEGISLATIVE FORMATS)

INDEX TO RATE SCHEDULES AND RIDERS

RATE SCHEDULES:

Sheet No.

General Service ("GS") Rates:

| | <u>Therms per Year</u> | |
|-----------|------------------------|----|
| GS-1 | 0 – 99 | 23 |
| GS-100 | 100 – 219 | 25 |
| GS-220 | 220 – 599 | 27 |
| GS-600 | 600 - 1,199 | 29 |
| GS-1.2k | 1,200 - 5,999 | 31 |
| GS-6k | 6,000 - 24,999 | 33 |
| GS-25k | 25,000 - 59,999 | 35 |
| GS-60k | 60,000 - 119,999 | 37 |
| GS-120k | 120,000 - 249,999 | 39 |
| GS-250k | 250,000 - 1,249,999 | 41 |
| GS-1,250k | 1,250,000+ | 43 |

Others:

| | | |
|-----|---------------------------------------|------|
| GL | Gas Lighting Service | 45 |
| RSG | Residential Standby Generator Service | 45.1 |
| CSG | Commercial Standby Generator Service | 45.2 |
| NGV | Natural Gas Vehicle Service | 46 |
| FGS | Flexible Gas Service | 47 |
| KDS | Contract Demand Service | 49 |
| LES | Load Enhancement Service | 51A |
| TPS | Third Party Supplier | 52 |
| TSS | Transportation Supply Service | 60 |
| OSS | Off-System Sales Service | 62 |

RIDERS:

| | | |
|---|---|----|
| A | Purchased Gas Adjustment ("PGA") | 64 |
| B | Energy Conservation Cost Recovery Adjustment ("ECCR") | 65 |
| C | Competitive Rate Adjustment ("CRA") | 66 |
| D | Load Enhancement Discount ("LED") | 67 |
| E | Alternate Fuel Discount ("AFD") | 68 |

Issued by: Jesse Killings
 Vice President, Southern Operations

Effective:

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required to be made by the Company for main and service facilities without cost to the Customer shall be defined as the Maximum Allowable Construction Cost ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

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

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

(2) For each additional Customer taking service at any point on the extension within a period of five (5) years from date of construction, the Company shall refund to the person paying the ATC or their assigns an amount by which the MACC for the new Customer exceeds the cost of connecting the Customer, provided that an additional main extension shall have not been necessary to serve the additional Customer.

(3) The aggregate refund to any Customer made through the provisions of (a) and (b) above shall at no time exceed the original ATC of such Customer.

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

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

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

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

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

RESIDENTIAL STANDBY GENERATOR SERVICE (RSG)

APPLICABILITY

Service is available to residential customers whose only gas usage is for a standby electric generator.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

*MONTHLY RATE

| | | |
|----------------------|---------------------|---------------------|
| Customer Charge: | \$16.81 | |
| Distribution Charge: | 0 - 14 therms | \$0.00000 per therm |
| | More than 14 therms | \$0.52248 per therm |

*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving 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 term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

COMMERCIAL STANDBY GENERATOR SERVICE (CSG)

APPLICABILITY

Service is available to non-residential customers whose only gas usage is for a standby electric generator with annual consumption of less than 120,000 therms.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

*MONTHLY RATE

| | | |
|----------------------|---------------------|---------------------|
| Customer Charge: | \$24.00 | |
| Distribution Charge: | 0 - 26 therms | \$0.00000 per therm |
| | More than 26 therms | \$0.49531 per therm |

*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving 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 term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

RIDER "A"

Purchased Gas Adjustment ("PGA")

Applicable to all Customers taking Sales Service from the Company under all GS, GL, RSG, CSG and NGV Rate Schedules. The PGA Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

A. The rate per therm for gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG), and other adjustments as specified and approved by the Florida Public Service Commission. The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period ending December 31st, in accordance with the methodology adopted by the Commission. The factor determined as set forth above shall be multiplied by 1.00503 for regulatory fees, and rounded to the nearest \$0.00001 per therm, to be applied to the total number of therms consumed by the Customer during the billing period.

B. The PGA cap recovery factor approved by the Commission for the billing months of January 2012 through December 2012 is \$0.82045 per therm.

C. If re-projected gas cost expenses for the remaining period exceed projected recoveries by at least 10% for the twelve-month period, a midcourse correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG) or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.

D. Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to the above shall be "trued-up" (refunded to Customer or collected by Company) with interest, during succeeding billing periods as an adjustment to the WACOG, in accordance with the methodology adopted by the Commission, or as such methodology may be amended from time to time by further order of the Commission.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

RIDER "B"

Energy Conservation Cost Recovery Adjustment ("ECCR")

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

The Distribution Charge for the applicable Rate Schedules shall be increased or decreased for the ECCR Rider to reflect the recovery of conservation related expenditures by the Company. The ECCR factor shall be multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for review, approval, recovery, and recording of such costs and revenues is set forth in PSC Rule 25-17.015.

The cost recovery factors including tax multiplier for the twelve month period from January 1, 2012 through December 31, 2012 are:

| | |
|-----------------------------------|---------------------|
| GS-1, GS-100, GS-220, RSG and CSG | \$0.17120 per therm |
| GS-600 | \$0.09061 per therm |
| GS-1.2k | \$0.05493 per therm |
| GS-6k | \$0.04551 per therm |
| GS-25k | \$0.04526 per therm |
| GS-60k | \$0.04425 per therm |
| GS-120k | \$0.03161 per therm |
| GS-250k | \$0.02966 per therm |
| Gas Lighting Customers | \$0.08821 per therm |

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

RIDER "D"

LOAD ENHANCEMENT DISCOUNT ("LED")

APPLICABILITY

Service pursuant to this rider is available to all Customers, except those served under RSG and CSG Rate Schedules, who install new gas equipment with a summer peak requirement. A summer peak requirement is defined as equipment which has its peak requirements between April and October. The presence of such new gas equipment shall be verified by a Company representative prior to commencement of service. This rider is applicable to a Customer's incremental summer peak load.

MONTHLY DISCOUNT

Distribution Charge Discount: For the period April 1 to October 31 a discount of fifty percent (50%) of the rate set forth in the applicable Rate Schedule will apply to the incremental load of the summer peak equipment.

SPECIAL CONDITIONS

1. Service provided under this rider shall be provided at the same facility / location as service provided under the applicable tariff which this rider relates to.
2. Service pursuant to this rider will be initiated only if requested by Customer, and the discount or surcharge provided herein shall be applicable prospectively from the time service hereunder is initiated by the Company.
3. Service pursuant to this rider shall be metered separately for Non-Residential Customers.
4. Additional facilities costs above the Company's extension of facilities maximum construction cost, as defined in Extension of Facilities and the Piping and Appliances section of the tariffs rules and regulations, necessary to provide service under this schedule shall be paid for by the Customer. This includes, but is not limited to metering equipment.
5. Volumes sold pursuant to this Rider shall not be used in determining a Customers eligibility for assignment to a particular Rate Schedule.
6. For Residential Customers' separate metering will be at the Customers sole option and expense. For Customers not separately metered, consumption greater than 35 therms per month will be billed at the Discounted Rate.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

EXHIBIT C
Continued/legislative format

FLORIDA CITY GAS

INDEX TO RATE SCHEDULES AND RIDERS

RATE SCHEDULES:

Sheet No.

General Service ("GS") Rates:

| | <u>Therms per Year</u> | |
|-----------|------------------------|----|
| GS-1 | 0 – 99 | 23 |
| GS-100 | 100 – 219 | 25 |
| GS-220 | 220 – 599 | 27 |
| GS-600 | 600 - 1,199 | 29 |
| GS-1.2k | 1,200 - 5,999 | 31 |
| GS-6k | 6,000 - 24,999 | 33 |
| GS-25k | 25,000 - 59,999 | 35 |
| GS-60k | 60,000 - 119,999 | 37 |
| GS-120k | 120,000 - 249,999 | 39 |
| GS-250k | 250,000 - 1,249,999 | 41 |
| GS-1,250k | 1,250,000+ | 43 |

Others:

| | | |
|------------|--|-------------|
| GL | Gas Lighting Service | 45 |
| <u>RSG</u> | <u>Residential Standby Generator Service</u> | <u>45.1</u> |
| <u>CSG</u> | <u>Commercial Standby Generator Service</u> | <u>45.2</u> |
| NGV | Natural Gas Vehicle Service | 46 |
| FGS | Flexible Gas Service | 47 |
| KDS | Contract Demand Service | 49 |
| LES | Load Enhancement Service | 51A |
| TPS | Third Party Supplier | 52 |
| TSS | Transportation Supply Service | 60 |
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RIDERS:

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| B | Energy Conservation Cost Recovery Adjustment ("ECCR") | 65 |
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Issued by: Jesse Killings Melvin D. Williams Effective: March 13, 2012
 Vice President, Southern Operations & General Manager

RULES AND REGULATIONS (Continued)

11. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required to be made by the Company for main and service facilities without cost to the Customer shall be defined as the Maximum Allowable Construction Cost ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

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

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

(2) For each additional Customer taking service at any point on the extension within a period of five (5) years from date of construction, the Company shall refund to the person paying the ATC or their assigns an amount by which the MACC for the new Customer exceeds the cost of connecting the Customer, provided that an additional main extension shall have not been necessary to serve the additional Customer.

(3) The aggregate refund to any Customer made through the provisions of (a) and (b) above shall at no time exceed the original ATC of such Customer.

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

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

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

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

RESIDENTIAL STANDBY GENERATOR SERVICE (RSG)

APPLICABILITY

Service is available to residential customers whose only gas usage is for a standby electric generator.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

*MONTHLY RATE

Customer Charge: \$16.81

| | | |
|-----------------------------|----------------------------|----------------------------|
| <u>Distribution Charge:</u> | <u>0 - 14 therms</u> | <u>\$0.00000 per therm</u> |
| | <u>More than 14 therms</u> | <u>\$0.52248 per therm</u> |

*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving 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 term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

COMMERCIAL STANDBY GENERATOR SERVICE (CSG)

APPLICABILITY

Service is available to non-residential customers whose only gas usage is for a standby electric generator with annual consumption of less than 120,000 therms.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

*MONTHLY RATE

| | |
|----------------------|---|
| Customer Charge: | \$24.00 |
| Distribution Charge: | 0 - 26 therms \$0.00000 per therm |
| | More than 26 therms \$0.49531 per therm |

*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving 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 term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

Issued by: Jesse Killings
Vice President, Southern Operations

Effective:

RIDER "A"

Purchased Gas Adjustment ("PGA")

Applicable to all Customers taking Sales Service from the Company under all GS, GL, RSG, CSG and NGV and GL Rate Schedules. The PGA Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

A. The rate per therm for gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG), and other adjustments as specified and approved by the Florida Public Service Commission. The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period ending December 31st, in accordance with the methodology adopted by the Commission. The factor determined as set forth above shall be multiplied by 1.00503 for regulatory fees, and rounded to the nearest \$0.00001 per therm, to be applied to the total number of therms consumed by the Customer during the billing period.

B. The PGA cap recovery factor approved by the Commission for the billing months of January 2012 through December 2012 is \$0.82045 per therm.

C. If re-projected gas cost expenses for the remaining period exceed projected recoveries by at least 10% for the twelve-month period, a midcourse correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG) or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.

D. Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to the above shall be "trued-up" (refunded to Customer or collected by Company) with interest, during succeeding billing periods as an adjustment to the WACOG, in accordance with the methodology adopted by the Commission, or as such methodology may be amended from time to time by further order of the Commission.

RIDER "B"

Energy Conservation Cost Recovery Adjustment ("ECCR")

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

The Distribution Charge for the applicable Rate Schedules shall be increased or decreased for the ECCR Rider to reflect the recovery of conservation related expenditures by the Company. The ECCR factor shall be multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for review, approval, recovery, and recording of such costs and revenues is set forth in PSC Rule 25-17.015.

The cost recovery factors including tax multiplier for the twelve month period from January 1, 2012 through December 31, 2012 are:

| | |
|---------------------------------------|---------------------|
| GS-1, GS-100, and GS-220, RSG and CSG | \$0.17120 per therm |
| GS-600 | \$0.09061 per therm |
| GS-1.2k | \$0.05493 per therm |
| GS-6k | \$0.04551 per therm |
| GS-25k | \$0.04526 per therm |
| GS-60k | \$0.04425 per therm |
| GS-120k | \$0.03161 per therm |
| GS-250k | \$0.02966 per therm |
| Gas Lighting Customers | \$0.08821 per therm |

Issued by: Jesse Killings Steve Lindsey
Sr. Vice President, Southern Operations

Effective: January 1, 2012

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RIDER "D"

LOAD ENHANCEMENT DISCOUNT ("LED")

APPLICABILITY

Service pursuant to this rider is available to all Customers, except those served under RSG and CSG Rate Schedules, who install new gas equipment with a summer peak requirement. A summer peak requirement is defined as equipment which has its peak requirements between April and October. The presence of such new gas equipment shall be verified by a Company representative prior to commencement of service. This rider is applicable to a Customer's incremental summer peak load.

MONTHLY DISCOUNT

Distribution Charge Discount: For the period April 1 to October 31 a discount of fifty percent (50%) of the rate set forth in the applicable Rate Schedule will apply to the incremental load of the summer peak equipment.

SPECIAL CONDITIONS

1. Service provided under this rider shall be provided at the same facility / location as service provided under the applicable tariff which this rider relates to.
2. Service pursuant to this rider will be initiated only if requested by Customer, and the discount or surcharge provided herein shall be applicable prospectively from the time service hereunder is initiated by the Company.
3. Service pursuant to this rider shall be metered separately for Non-Residential Customers.
4. Additional facilities costs above the Company's extension of facilities maximum construction cost, as defined in Extension of Facilities and the Piping and Appliances section of the tariffs rules and regulations, necessary to provide service under this schedule shall be paid for by the Customer. This includes, but is not limited to metering equipment.
5. Volumes sold pursuant to this Rider shall not be used in determining a Customers eligibility for assignment to a particular Rate Schedule.
6. For Residential Customers' separate metering will be at the Customers sole option and expense. For Customers not separately metered, consumption greater than 35 therms per month will be billed at the Discounted Rate.