

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for authority for approval of revised transportation nomination tariffs, by Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade.

DOCKET NO. 20190201-GU
ORDER NO. PSC-2020-0055-TRF-GU
ISSUED: February 24, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

ORDER GRANTING FLORIDA PUBLIC UTILITIES COMPANY AND
FLORIDA UTILITIES COMPANY-FORT MEADE'S PETITION FOR
APPROVAL OF REVISED TRANSPORTATION NOMINATION TARIFFS

BY THE COMMISSION:

Background

On November 8, 2019, Florida Public Utilities Company (FPUC) and Florida Public Utilities Company-Fort Meade (FPUC-Fort Meade) (collectively Companies) filed a petition for approval of revised tariffs related to gas transportation nomination methodology. The intent of the revised tariffs is to allow pool managers one mid-month gas nomination change, no later than the 15th of each month, to adjust the quantities of gas delivered to FPUC and FPUC-Fort Meade.

Gas is delivered by the pool managers to the Local Distribution Company's (LDC) gate station at a constant level daily even though transportation customers' daily therm usage varies, creating negative or positive imbalances. At the end of each month, the Companies calculate each pool manager's imbalance level by aggregating customer usage in their pool and comparing it to each pool manager's natural gas deliveries.

A negative (short) imbalance results when the gas consumption of a transportation customer pool exceeds what the pool manager delivered that month; therefore, the Companies sell natural gas to the pool manager. A positive (long) imbalance results when more natural gas was delivered than was needed for the transportation customers; therefore, the Companies purchase the excess gas delivered by the pool manager.

During the review process of the petition, Commission staff issued a data request to the Companies, for which the responses were received on December 19, 2019. The revised tariff pages of FPUC are in Attachment 1 and revised tariff pages for FPUC-Fort Meade are in

Attachment 2 to this Order. On November 15, 2019, the Companies provided a waiver of the 60-day file and suspend provision of Section 366.06(3), Florida Statutes (F.S.), until the February 4, 2020 Agenda Conference. We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

Decision

Rule 25-7.0335, Florida Administrative Code (F.A.C.), requires local distribution companies (LDCs), such as FPUC and FPUC-Fort Meade, to make gas transportation service available to non-residential customers. Transportation service is a voluntary program that allows customers to use a pool manager, or third-party marketer/shipper, rather than the LDC, to supply their natural gas requirements.

Both FPUC and FPUC-Fort Meade function as traditional LDCs providing gas service for sales customers and provide optional transportation service as required by Rule 25-7.0335, F.A.C.¹ Currently, there are 12 pool managers for FPUC and Fort Meade combined. The transportation customers pay the pool manager's charges for the supply of natural gas and are not subject to the Companies' Commission-approved Purchased Gas Adjustment (PGA) rates. We do not approve or review the natural gas prices of third-party marketers.

In April 2019, we approved tariff revisions² which allowed FPUC and FPUC-Fort Meade to modify pool manager monthly imbalance cash out tiers and the associated cash out rates.³ The imbalance tariffs apply to pool managers who are responsible for purchasing natural gas for the Companies' transportation customers. The intent of the April 2019 revisions was to discourage pool managers from purchasing extra quantities of gas and then selling the excess gas back to the Companies at the PGA rate.

In the instant docket, the Companies state that subsequent to the above approval, pool managers expressed concern over the penalties pool managers may incur on their daily delivery quantities (DDQ) that are assigned to the Companies. Currently, the tariff allows the Companies to assess a penalty for pool managers who deliver more natural gas than what is consumed by the pool managers' customers, and the Companies must pay the pool managers the full PGA rate for the excess gas. Pursuant to the petition, the pool managers assert that they lack the ability to avoid penalties described in FPUC Tariff sheet No. 33.2 and FPUC-Fort Meade Tariff Sheet No. 52.1, because they do not have the opportunity to adjust nominated quantities of gas during the month.

¹ FPUC currently has 2,436 transportation customers and 60,958 sales customers while FPUC-Fort Meade currently has 9 transportation customers and 579 sales customers (source: Response #4 in Commission Staff's First Data Request, Document No. 11400-2019.).

² Order No. PSC-2019-0153-TRF-GU, issued April 24, 2019, in Docket No. 20190036-GU, *In re: Petition for authority for approval of revised transportation imbalance tariffs, by Florida Public Utilities Company; Florida Public Utilities Company-Ft. Meade.*

³ When pool managers deliver more natural gas than what is consumed by their customers (resulting in an imbalance), the Companies pay the pool managers for the excess gas. The payments to pool managers are based on natural gas cash-out rates as reported in the *Platts Gas Daily* and published pipeline capacity charges.

In order to remedy the pool managers' concerns, FPUC and FPUC-Fort Meade in the instant docket are proposing to allow pool managers one mid-month nomination change, no later than the 15th of each month, allowing them to adjust the quantities of gas delivered to the Company. The proposed tariff revisions appear on FPUC tariff sheets 33.1, 33.2, and 35.1 and FPUC-Fort Meade tariff revisions appear on sheets 52.1, 53, 53.1, and 60.

The proposed revisions also include requirements of additional information to be provided by the pool managers twice a month to the Companies such as customer name, pool manager account number, receipt location, upstream and downstream delivery points, and quantity of gas for each nomination. In responses to Commission staff's data request, the Companies stated that such information is consistently required by other LDCs in Florida. The Companies will notify all participating pool managers of the required information which would become effective as of the first day of the month following our approval. The revised tariff sheets are in Attachments 1 and 2 to this Order.

The Companies stated that they have communicated with the pool managers about the requested tariff modifications and that the pool managers have been receptive of the mid-month nomination change opportunity. The Companies' data responses also state that the Companies will notify all participating pool managers about the requisite changes to be effective as of the first day of the month following our vote.

Conclusion

The requested tariff revisions are intended to provide the pool managers an opportunity to make an intra-monthly modification (no later than the 15th of each month) to the quantity of gas delivered to the Companies pursuant to the daily delivery requirement methodology, thereby reducing penalties for excessive gas purchased.

The requested tariff revisions are consistent with Peoples Gas System's tariff which allows pool managers, by the 20th of each month, to request an increase or a decrease in the quantity of gas delivered.⁴

In light of the foregoing, we hereby approve FPUC and FPUC-Fort Meade's tariff modifications, as shown in Attachments 1 and 2 to this Order, effective February 4, 2020.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade's petition for authority for approval of revised transportation nomination tariffs is hereby approved, effective February 4, 2020. It is further

⁴ See Peoples Gas System Tariff Sheet No. 8.119-5, Section 4.4 and Order No. PSC-16-0503-TRF-GU, issued October 31, 2016, in Docket No. 20160120-GU, *In re: Petition for approval of tariff modifications to rider NCTS, the firm delivery and operational balancing agreement, and negative imbalance cash-out prices, by Peoples Gas System.*

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ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariffs shall remain in effect with any revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 24th day of February, 2020.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

BYL

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 16, 2020.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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

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

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 33)

Force Majeure

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

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

Daily Delivery Requirement

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

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

Pool Manager Nominations

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

Pool Manager Warranty

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

Issued by: Kevin Webber, J. T. English, President & CEO

Effective: AUG 1 2001

Florida Public Utilities Company

F.P.S.C. Gas Tariff

Third Revised Volume No. 1

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

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

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

(Continued to Sheet No. 33.2)

Issued by: Kevin Webber~~J. T. English~~, President & CEO

Effective: AUG 1 2001

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

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

Issued by: Kevin Webber~~J. T. English~~, President & CEO

Effective: AUG 1 2001

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

~~First~~ Second Revised Sheet No. 33.2
Cancels ~~Original~~ First Revised Sheet No. 33.2

*RATE SCHEDULE PM
POOL MANAGER SERVICE*

(Continued from Sheet No. 33.1)

Such Nomination shall include the following information:

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

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

Capacity Exceeding Released Quantities

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

Pool Manager Warranty

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

Responsibility for Natural Gas

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

(Continued on Sheet No. 33.3)

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

~~First~~ Second Revised Sheet No. 33.2
Cancels ~~Original~~ First Revised Sheet No. 33.2

Natural Gas Quality

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

Monthly Rate

Customer Charge _____ \$100.00 per month per Pool Manager

Billing

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

Payment

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

Billing Disputes

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

Termination of Service

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

Florida Public Utilities Company

F.P.S.C. Gas Tariff

Third Revised Volume No. 1

Original Sheet No. 33.3

RATE SCHEDULE PM
POOL MANAGER SERVICE

(Continued from Sheet No. 33.2)

Natural Gas Quality

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

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

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Termination of Service

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

Issued by: Kevin Webber, President

Effective:

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

~~Fourth~~ ~~Fifth~~ Revised Sheet No. 35.1
Cancels ~~Third~~ ~~Fourth~~ Revised Sheet No. 35.1

BILLING ADJUSTMENTS

(Continued from Sheet No. 35)

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

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

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

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

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

A. Pool Manager Short Imbalance

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

B. Pool Manager Long Imbalance

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

(Continued to Sheet No. 35.2)

Issued by: Jeffrey Householder Kevin Webber, President

Effective: JAN 01 2019

Florida Public Utilities Company - Fort Meade
F. P. S. C. Gas Tariff
Original Volume No. 1

First Revised Sheet No. 52.1
Cancels Original Sheet No. 52.1

*RATE SCHEDULE PM
POOL MANAGER SERVICE*

(Continued from Sheet No. 52)

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

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

Daily Delivery Requirement

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

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

Pool Manager Nominations

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

Pool Manager Warranty

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

Issued by: ~~Jeffrey Householder~~Kevin Webber, President

Effective: JUL-08-2014

Florida Public Utilities Company - Fort Meade
F. P. S. C. Gas Tariff
Original Volume No. 1

First Revised Sheet No. 52.1
 Cancels Original Sheet No. 52.1

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

(Continued to Sheet No. 53)

Florida Public Utilities Company-Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

First Revised Sheet No. 53
Cancels Original Sheet No. 53

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 52.1)

Such Nomination shall include the following information:

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

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

Capacity Exceeding Released Quantities

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

Pool Manager Warranty

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

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

Responsibility for Natural Gas

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

Natural Gas Quality

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

(Continued on Sheet No. 53.1)

Monthly Rate

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

Issued by: ~~Jeffrey Householder~~Kevin Webber, President

Effective: ~~DEC 03 2014~~

~~Florida Public Utilities Company-Fort Meade~~

~~F.P.S.C. Gas Tariff
Original Volume No. 1~~

~~First Revised Sheet No. 53~~

~~Cancels Original Sheet No. 53~~

~~Billing~~

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

~~Payment~~

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

~~Billing Disputes~~

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

~~Termination of Service~~

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

Florida Public Utilities Company-Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

First Revised Sheet No. 53
Cancels Original Sheet No. 53

Florida Public Utilities Company-Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

Original Sheet No. 53.1

RATE SCHEDULE PM POOL MANAGER SERVICE

(Continued from Sheet No. 53)

Monthly Rate

Customer Charge \$100.00 per month per Pool Manager

Billing

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Payment

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Termination of Service

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

Issued by: Kevin Webber, President

Effective:

Florida Public Utilities Company-Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

First Revised Sheet No. 60
Cancels Original Sheet No. 60

BILLING ADJUSTMENTS

Applicability

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

Taxes and Other Adjustments

There will be added to all bills rendered, all applicable local utility and franchise taxes and state sales taxes presently assessed by any duly authorized governmental authorities, as well as any future changes or new assessments by and duly authorized governmental authorities subsequent to the effective date of any rate schedule.

Imbalance Adjustments – Pool Manager

The following billing adjustments apply only to Rate Schedule PM.

Pool Manager Imbalances

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

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

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

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

A. Pool Manager Short Imbalance

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

B. Pool Manager Long Imbalance

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

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