

DOCKET NO. 20210088-GU FILED 4/21/2021 DOCUMENT NO. 03632-2021 FPSC - COMMISSION CLERK

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April 21, 2021

VIA E-PORTAL

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

Re: [New Docket] – Joint Petition of Florida Public Utilities Company (All Natural Gas Divisions) and the Florida Division of Chesapeake Utilities Corporation for Approval of Tariff Modifications to Address Receipt and Transportation of Renewable Natural Gas.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Joint Petition of Florida Public Utilities Company (All Natural Gas Divisions) and the Florida Division of Chesapeake Utilities Corporation for Approval of Tariff Modifications to Address Receipt and Transportation of Renewable Natural Gas, along with the associated tariff sheets in clean and legislative format, submitted on behalf of Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions or concerns.

Sincerely,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

cc:

Elisabeth Draper (PSC) Richard Gentry (OPC)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Florida Public Utilities	
Company (Natural Gas Division), Florida) Docket No.
Public Utilities Company – Indiantown	,)
Division, Florida Public Utilities Company –	,)
Fort Meade, and the Florida Division of)
Chesapeake Utilities Corporation for) Filed: April 21, 2021
Approval of Tariff Modifications to Address)
Receipt and Transportation of Renewable)
Natural Gas	,)

JOINT PETITION OF FLORIDA PUBLIC UTILITIES COMPANY (NATURAL GAS DIVISIONS) AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION TO MODIFY TARIFFS TO ACCOMMODATE THE RECEIPT AND TRANSPORT OF RENEWABLE NATURAL GAS

Florida Public Utilities Company, Florida Public Utilities – Indiantown Division, and Florida Public Utilities – Fort Meade (jointly "FPUC"), as well as the Florida Division of Chesapeake Utilities Corporation ("Central Florida Gas" or "CFG"), (herein, all FPUC divisions and CFG, are referred to jointly as "Companies" or "Applicants"), by and through undersigned counsel, and pursuant to Rules 25-7.033, 25-9.004, 25-9.005, and Rule 28-106.201, Florida Administrative Code, hereby respectfully submit for Florida Public Service Commission ("Commission" of "FPSC") approval tariff modifications to accommodate the receipt and transportation of Renewable Natural Gas ("RNG") in the Companies' distribution systems. The Companies submit that accommodating the receipt and transportation of RNG can provide locally sourced renewable energy for the Companies' customers, creating significant environmental and economic benefits in furtherance of important public policies. Submitted herewith are new and revised tariff sheets to become effective upon Commission approval. In support of these proposed tariff changes, the Companies state the following:

Introduction

- The Applicants are natural gas local distribution companies subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. The principal business address for all is:
 Wildlight Avenue, Yulee, FL 32097
- 2. All communications and correspondence concerning this matter should be sent to the following persons at the addresses stated below:

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 (850) 521-1980 (BKeating@gunster.com) Matthew Everngam, Director Regulatory Strategy & Alternative Energy Chesapeake Utilities Corporation 500 Energy Lane, Suite 100 Dover, DE 19901 (meverngam@chpk.com)

- 3. Florida Public Utilities Company is a natural gas local distribution company ("LDC") serving customers in Nassau, Marion, Seminole, Orange, Volusia, Okeechobee, Martin, Palm Beach, Seminole, and Broward Counties, FL. Florida Public Utilities Company Indiantown Division is a natural gas LDC serving customers in Martin County, FL. Florida Public Utilities Company Fort Meade is a natural gas LDC serving customers in Polk County, FL. Florida Gas is a natural gas LDC serving customers in Alachua, Citrus, DeSoto, Escambia, Gadsden, Gilchrist, Hernando, Highlands, Hillsborough, Holmes, Jackson, Liberty, Osceola, Polk, Suwannee, Union, and Washington Counties, FL. Each of the Applicants is a "public utility" as defined in Section 366.02, F.S., and is subject to the regulatory jurisdiction of the Commission.
- 4. With this petition, the Applicants seek the FPSC's approval of modifications to their tariff to accommodate the upgrade and receipt and transport of RNG on the Companies' distribution systems.

5. This is a petition seeking agency action. The supporting, facts, rules, and statutes are further set forth herein. The Applicants are unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact. The Applicants request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, FL 32399.

Background on Renewable Natural Gas

- 6. Renewable natural gas, or RNG, is the term used to describe pipeline-quality biomethane produced from biomass. It encompasses anaerobically generated biogas, landfill gas, or wastewater treatment gas refined to a methane content of 90 percent or greater. Refined RNG can be used as a transportation fuel or for electric generation, and meets the quality standards necessary to be eligible to injection into natural gas pipelines. Common sources of biomass used in the production of RNG include, but are not limited to livestock operations, landfills, and wastewater treatment facilities. Refined RNG is interchangeable with conventional natural gas and can serve as a readily-available, regionally-sourced, carbon neutral fuel source for a variety of applications and customers. The Companies' ability to access and receive RNG is expected to enhance the reliability of the Companies' conventional natural gas systems, while providing a safe and environmentally-friendly fuel resource to the Company's customers.
- 7. From a greenhouse gas (GHG) emissions perspective, RNG has the potential to provide impressive benefits. According to the EPA's 2019 Greenhouse Gas Inventory, wastewater treatment, landfills, and manure management account for 27 percent of methane emissions. RNG production captures methane from animal waste and other biomass sources that otherwise would have directly entered the atmosphere. When it is eventually combusted, the RNG releases

significantly fewer GHG emissions than the total that otherwise would have entered the atmosphere. Production of RNG from food and livestock waste is considered net carbon negative because it avoids methane emissions that occur when the waste is simply left to decompose.¹

- 8. Through the collection of biomass waste and the efficient production of RNG, other environmental benefits can be realized by the State of Florida. The anaerobic digestion process used to transform agricultural biomass into RNG can have the added benefit of creating an efficient organic fertilizer. This organic fertilizer can be used to help local farmers become less reliant on chemical fertilizers and potentially help reduce Florida's algae blooms and red tide through efficient nutrient management. Collecting and processing waste from agricultural activities for RNG production may potentially reduce waste run-off into local waterways and thereby reduce groundwater contamination.
- 9. In addition to the potential environmental benefits, the production of RNG offers additional revenue streams to local farmers and agricultural businesses by providing the opportunity to turn their organic waste into a clean renewable energy source. Both local municipalities and privately-operated wastewater treatment facilities and landfills will also benefit from additional revenue opportunities as both types of facilities are proven sources of biogas to be converted to RNG.
- 10. Having supportive RNG regulatory policies can encourage investment and job growth within the state. Throughout the country numerous RNG facilities are being constructed and are in service, providing clean RNG. These facilities represent significant job opportunities to the surrounding communities in which they operate. Each facility represents an investment of funds in local infrastructure, both increasing tax revenues and making them leaders in new, innovative

¹ When methane is burned, such as through the combustion of RNG, it emits carbon dioxide, a less potent GHG than that produced when emitted directly into the atmosphere.

energy and waste clean-up technologies. Additionally, RNG opportunities can help protect and encourage growth in the agriculture industry by providing a solution to waste management.

- 11. The ability to access locally and regionally produced RNG adds supply source diversity and resiliency to the Companies' distribution systems. Should pipeline interruptions or natural disasters occur impacting the upstream infrastructure supplying local distribution systems, RNG sourced in Florida can provide clean gas to meet the needs of the Companies' customers.
- 12. The proposed RNG tariffs provide environmental, economic, gas supply benefits to both the existing body of rate payers and the state of Florida as a whole.

Requested Renewable Natural Gas Tariff Modifications

- 13. The Companies' seek to create a new Rate Schedule Renewable Natural Gas Service RNGS, which will provide the rules under which the Companies may provide services to RNG producers. The services provided by the Companies may include conditioning or upgrading biogas into pipeline quality RNG and for interconnection, injection, and delivery into and on the Companies' distribution systems. Each unique RNG project will vary based on size, scope, biomass feedstock, cleaning requirements, and the costs required to perform services. As such, each RNG project will require a mutually satisfactory agreement between the Customer and the appropriate Company for the design, location, construction, and operation of RNG facilities.
- 14. The Customer will be charged a monthly service charge, or other agreed upon rate and rate structure, designed to collect the required return on investment for the respective Company's plant investment, depreciation and amortization expenses, operations and maintenance expenses, taxes, and all other expenses incurred by the Company to perform the requisite services to upgrade the biogas and to inject and transport on the Company's system for the respective project. The Company's plant investment in the RNG project may include, but is not limited to biogas upgrade

facility equipment, compressors, blowers, anaerobic digesters, site work, piping, heat exchangers, driers, metering, system interconnects, injection equipment, storage vessels, and other equipment deemed necessary for the safe and reliable operation of the biogas conditioning site and system interconnect/injection point(s). The Company's provision of RNG services to the Customer may require an agreement between the Company and the Customer to purchase RNG services for a minimum period of time, to take or pay for a minimum amount of RNG service, to pay a contribution in aid of construction, to furnish a guarantee, and to comply with other service provisions as determined appropriate by the Company.

- 15. RNG service under the proposed tariff will not include the expense associated with furnishing electricity, natural gas, or any other fuels required to operate the RNG facilities. The Customer will be required to reimburse the pertinent Company for all electricity and fuel expenses incurred by the Company to provide RNG services to the Customer, if any.
- 16. All RNG delivered into the Companies' distribution systems must meet the gas quality standard as set forth in the "Quality of Gas" section of the Companies' consolidated tariff. The Companies, at their sole discretion, may accept or reject gas that does not meet such standards. Here, the Companies note that they specifically revised the standard set forth in the tariff regarding quality of gas in order to accommodate RNG, which was approved by the Commission in Docket No. 20200046-GU, and is incorporated in the now-consolidated tariff recently approved by the Commission in Docket No. 20200214-GU.
- 17. Further, unless otherwise agreed between the Customer and the Company, ownership and title to the RNG commodity will remain with the Customer, and the Customer will remain solely responsible for determining the end-user of its RNG unless the Company and the Customer enter into an RNG commodity purchase agreement.

18. The Companies proposed Rate Schedule RNGS is similar to and consistent with the Commission-approved renewable natural gas tariffs for both Peoples Gas System (See In re: Petition for approval of tariff modifications to accommodate receipt and transportation of renewable natural gas from customers, by Peoples Gas System, Order No. PSC-2017-0497-TRF-GU, Docket No. 20170206-GU (FPSC Dec. 20, 2017) and Florida City Gas (See In re: Florida City Gas Petition for Approval of Tariff Modifications to Accommodate Receipt and Transportation of Renewable Natural Gas from Customers, by Florida City Gas, Order No. PSC-PSC-2021-0086-TRF-GU, Docket No. 20200216-GU (FPSC Feb. 19, 2021). Tariff Sheet Nos. 5.005 – 5.006, 6.029 – 6.031, 7.002 – 7.003, and 7.506-7.508, for which the Companies' seek approval, are attached hereto, in clean and legislative format, as Exhibit A.

Conclusion

19. The ability to access RNG supplies can provide substantial environmental, economic, and gas supply benefits for the Companies, their customers, the communities that they serve, and the State of Florida as a whole. For the reasons stated, the Companies submit that the proposed Rate Schedule RNGS and associated tariff modifications are appropriate and in the public interest, and should be approved.

Relief Requested

WHEREFORE, Florida Public Utilities Company, Florida Public Utilities – Indiantown Division, Florida Public Utilities – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation, respectfully request that the Commission:

1) Approve the Applicants' proposed Rate Schedule RNGS with all terms and conditions as set forth therein, and all associated tariff modifications, which are attached and

incorporated herein as Exhibit A, to become effective on the date of the Commission's vote disposing of this matter.

Respectfully submitted this 21st day of April, 2021.

Beth Keating

Gunster, Yoakley, & Steward, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

Attorney for Florida Public Utilities Company, Florida Public Utilities Company- Ft. Meade Florida Public Utilities Company – Indiantown Florida Division of Chesapeake Utilities Corp.

Exhibit A

Tariff Sheets (Clean and Legislative)

Sheet Nos. 5.005, 5.006, 6.029, 6.030, 6.031, 6.032, 7.002, 7.003, 7.506, 7.507

TECHNICAL TERMS AND ABBREVIATIONS - CONTINUED

<u>Relinquishment.</u> The release of firm capacity right(s) pursuant to the Rules and Regulations in this Natural Gas Tariff and FERC rules.

Renewable Natural Gas (RNG). Pipeline-quality biomethane that is interchangeable with conventional natural gas.

<u>Request for Gas Sales or Transportation Service</u>. Company's Natural Gas Service Agreement which, when properly executed by a prospective Customer, requests Gas Service from the Company.

<u>Retainage.</u> A percentage of Customer's or Customer's Agent's Gas that Company is allowed to retain for Gas shrinkage at no cost to Company.

<u>Service Line.</u> All piping between the Main tap up to and including the first valve or fitting of the Meter or regulator setting.

<u>Shipper</u>. Customer or Pool Manager who has executed a Transportation Service Agreement or an Aggregated Transportation Service Agreement, and who has acquired capacity with a Transportation Service Provider.

Shipper's Designee. A contractually authorized Marketer or Agent of an Individual Transportation Service Customer or CFG Off-system Delivery Point Operator Service Customer under these Rules and Regulations who is appointed by Customer and approved by Company to perform the obligations of an ITS and CFG OS-DPO Customer or Pool Manager on the Company's system such as invoicing and payment, nominations, monthly imbalance resolution or operator order responsibility.

Standard Delivery Pressure. Gas delivered at Standard Delivery Pressure may vary from three (3) inches to fifteen (15) inches of water column. No adjustment will be made for variation from the normal Atmospheric Pressure at the Customer's Meter.

<u>Sub-metering</u>. The practice of installing additional metering equipment beyond the Company installed utility Meter.

<u>Therm.</u> A unit of heating value equivalent to one hundred thousand (100,000) British Thermal Units.

Total Heating Value. The number of British Thermal Units produced by combustion in a recording calorimeter at a constant pressure of the amount of gas which would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60°F.) if saturated

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Original Sheet No. 5.006

TECHNICAL TERMS AND ABBREVIATIONS - CONTINUED

Total Heating Value continued

with water vapor, and under a pressure equal to that of thirty inches (30") of mercury at thirty-two degrees Fahrenheit (32°F.) and under standard gravitational force (acceleration 980.665 centimeters per second) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.

Company will determine a monthly average heating value of natural gas to be effective as of the first Day of each Month. Said monthly average heating value will be in effect on a calendar Month basis. It will reflect the average monthly heating value of the natural gas delivered to Company during the immediately preceding calendar Month.

<u>Transportation Service</u>. The service provided by Company where Customer-owned Gas is received by Company from a Transportation Service Provider at the Company Receipt Point(s), transported through Company's distribution system, and delivered by Company at the Company's Delivery Points to Customer.

<u>Transportation Service Agreement.</u> The fully executed Transportation Service Agreement or Contract Transportation Service Agreement between Company and Customer.

<u>Transportation Service Provider.</u> Any interstate pipeline, intrastate pipeline, or local distribution company that transports Gas to Company's Receipt Point(s).

<u>Transportation Service Provider Delivery Point(s)</u>. The point at the connection of the facilities of Transportation Service Provider, at which the gas leaves the outlet side of the measuring equipment of Transportation Service Provider and enters an off-system facility.

<u>Upstream Pipeline Capacity Costs.</u> Expenses incurred by the Company including but not limited to reservation, demand, usage, commodity, fuel, and applicable fuel charges incurred by the Company as a result of Company's contractual arrangements with Transportation Service Provider(s).

Working Day. Shall have the same meaning as Business Day, previously defined herein.

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f. Flexible Gas Service (FGS):

This service is available at the Company's option to Customers meeting the applicability standards which include i) the Customer must demonstrate to the Company that Customer has a viable economic energy alternative including verifiable documentation of Customer's energy alternative; and ii) the Company must demonstrate that this new Customer will not cause any additional costs to, or cross-subsidization by, the Company's other rate classes. The Company is under no obligation to grant service under this Tariff.

g. Off System Sales Service (OSSS-1):

Interruptible Natural Gas delivered by Company to any person not connected to Company's distribution system. Customer and Company shall rely on measurement made by the Transportation Service Provider. Unless curtailed, all Nominations to Customer's Transportation Service Provider Pipeline Delivery Point shall be considered to have been made by the Transportation Service Provider. Off-System Sales include i) intrastate and interstate pipeline capacity releases made by the Company, ii) commodity sales made by the Company, and / or iii) delivered sales made by the Company. Fifty percent (50%) of the net revenues shall be retained by Company. The remaining fifty percent (50%) of the net revenues shall be used to reduce Company's costs recovered through the Company's Purchase Gas Cost Recovery Clause.

h. Renewable Natural Gas Service (RNG):

Service provided to RNG producers which includes conditioning or upgrading biogas into pipeline quality RNG for interconnection, injection, and delivery into the Company's distribution systems. The Company may provide upgrade equipment, compressors, blowers, anaerobic digestors, site work, piping, heat exchangers, driers, metering, system interconnects, injection equipment, storage vessels, and other equipment deemed necessary for the safe and reliable operation of the biogas conditioning site and system interconnect/injection point(s). The Company's provision of RNG service to the Customer may require an agreement between the Company and the Customer. RNG shall conform to the Quality of Gas provisions contained in this tariff.

i. Pool Manager Services:

i. <u>Shipper Administrative and Billing Service (SABS):</u>
Administrative and billing service provided to a Pool Manager under the SABS rate schedule, in accordance with the Rules and Regulations and Agreements set forth in this Tariff. The Company shall provide the following services to Pool Managers under the SABS; i) reading of

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Customer's Meters, ii) provision of Customer projected monthly usage information, along with Transportation Service Provider capacity quantity to be released to Pool Manager, iii) provision of Customer usage information to Pool Manager each Month, iv) retention of Customer's historical usage information, v) LOA retention and administration, vi) receipt and administration of Pool Manager's Gas rates for Customer billing, vii) calculation and presentation of Pool Manager's gas billing charges on Company's monthly bill or, at Company's sole option, on a separate bill to Customer, viii) collection and application of Customer payments for Pool Manager's Gas billing charges, ix) remittance of Customer payments for Pool Manager's gas billing charges to Pool Manager, net of Pool Manager's billing charges that are bad debt write-

Shipper Administrative and Billing Service (SABS) Continued

offs and recovery of said bad debts, the SABS Tariff-approved charges and other applicable charges and adjustments, and x) other services as the Company may determine necessary to administer Gas deliveries by Pool Managers to Customers. This service is required for TTS Pool Managers and is not available to CI Pool Managers. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply.

ii. Shipper Administrative Service (SAS):

Administrative service provided to a Pool Manager under the SAS rate schedule, in accordance with the Rules and Regulations ser forth in this Tariff. The Company shall provide the following services to Pool Managers under the SAS; i) reading of Customer's Meters, ii) provision of Customer projected monthly usage information, along with Transportation Service Provider capacity quantity to be released to Pool Manager, iii) provision of Customer usage information to Pool Manager each Month, iv) retention of Customer's historical usage information, v) Letter of Authorization retention and administration, and vi) other service as the company may determine necessary to administer Gas deliveries by Pool Managers to Customers. This service is required for CI Pool Manager or Customers that have executed an FGS or Special Contract Agreement, as may be negotiated by Company, and is not available to TTS Pool Manager. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply.

iii. Delivery Point Operator Service (DPO):

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Administrative service provided to a Pool Manager by Company, or Company's agent acting as DPO, in accordance with the Rules and Regulations set forth in this Tariff. Company shall provide the following services to Pool Managers receiving DPO service; i) receipt and administration of scheduled Gas quantities for Pool Manager's Customer Pool, ii) compilation of measured Gas quantities for Pool Manager's Customer Pool, iii) resolution of monthly imbalances with Transportation Service Provided (difference between scheduled Gas quantities for all Pool Managers and measured Gas quantities at the Company's Receipt Points), using approved book-out and/or cash-out processes of Transportation Service Provider(s), iv) resolution of monthly imbalances with Pool Manager (difference between scheduled Gas quantities and measured Gas quantities for Pool Manager's Customer Pool), in

Delivery Point Operator Service (DPO) Continued

accordance with this Tariff, v) administration of the Operational Balancing Account ("OBA"), in accordance with this Tariff, vi) administration of Transportation Service Provider Operational Orders, including financial transactions, if any, and vii) other service as Company may determine necessary to administer Gas deliveries by Shippers to Customers.

iv. Off-System Delivery Point Operator Service (OS-DPO): Administrative service, in accordance with an executed Off-System Delivery Point Operator Agreement, provided at Company Receipt Point(s) to a Pool Manager by Company, or Company's agent acting as DPO, in accordance with the Rules and Regulations set forth in this Tariff, as applicable. Company shall provide the following services to Pool Managers under the OS-DPO Service, i) receipt and administration of scheduled Gas quantities for Pool Manager's Customer Pool, ii) compilation of measured Gas quantities for Pool Manager's Customer Pool, iii) resolution of monthly imbalances with Transportation Service Provider (difference between scheduled Gas quantities for all Pool Managers and measured Gas quantities at the Company Receipt Point(s)), using approved book-out and/or cash-out processes of Transportation Service Provider, iv) resolution of monthly imbalances with Pool Manager (difference between scheduled Gas quantities and measured Gas quantities for Pool Manager's Customer Pool), in accordance with this Tariff, v) administration of the OBA account, in accordance with this Tariff, vi) administration of Transportation Service Provider Operational

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Original Sheet No. 6.032

RULES AND REGULATIONS - CONTINUED

Orders, including financial transactions, if any, in accordance with this Tariff, and vii) other services as Company may determine necessary to administer Gas deliveries by Pool Managers to Customers. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply. Upon initiation of service, any TTS Pool Manager or CI Pool Manager who has executed an Off-System Delivery Point Operator Agreement will be assigned to the OS-DPO rate schedule.

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INDEX OF RATE SCHEDULES - CONTINUED

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OFF SYSTEM SALES SERVICE – 1 – (OSSS-1)	7.503
RENEWABLE NATURAL GAS SERVICE – (RNGS)	7.506
POOL MANAGER RATE SCHEDULES	7.600
All Companies	7.600
POOL MANAGER SERVICE – (PMS)	7.600
SHIPPER ADMINISTRATIVE AND BILLING SERVICE - (SABS)	7.605
SHIPPER ADMINISTRATIVE SERVICE - (SAS)	7.606
CFG	7.700
OFF-SYSTEM DELIVERY POINT OPERATOR SERVICE - (OSDPOS)	7.700
CUSTOMER RIDERS	7.800
All Companies	7.800
CONTRACT TRANSPORTATION SERVICE - RIDER - (CTS - RIDER)	7.800
AREA EXTENSION PROGRAM – RIDER – (AEP - RIDER)	7.803
BILLING ADJUSTMENTS	7.900
All Companies	7.900
COMPETITIVE RATE ADJUSTMENT	7.900
COMPETITIVE RATE ADJUSTMENT - FIXED	7.902
ENERGY CONSERVATION COST RECOVERY	7.903
ENERGY CONSERVATION COST RECOVERY - FIXED	7.905
GAS RELIABILITY INFRASTRUCTURE PROGRAM	7.906
GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED	7.910
TRANSPORTATION COST RECOVERY ADJUSTMENT	7.912
SWING SERVICE RIDER	7.913
OPERATIONAL BALANCING ACCOUNT	7.915
TAXES AND OTHER ADJUSTMENTS	7.918
Ft. Meade and FPUC	7.919
PURCHASED GAS COST RECOVERY FACTOR	7.919
CFG	7.920
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Original Sheet No. 7.506

All Companies RENEWABLE NATURAL GAS SERVICES – (RNGS) - CONTINUED

Availability:

Throughout all service areas of the Companies, and within the area served by an interstate or intrastate natural Gas pipeline also service the Company.

Applicability:

For services provided to eligible Customers for biogas upgrading and conditioning services to generate Renewable Natural Gas ("RNG") and for requisite gas services as agreed upon in the service agreement between the Customer and the Company. Service under this schedule is contingent upon mutually satisfactory arrangements between the Company and the Customer for the design, location, construction, and operation of RNG facilities.

Renewable Natural Gas Service Agreement:

The Customer and the Company will enter into a service agreement with terms designed to recover the Company's costs to provide services, including but not limited to return on investment, amortization and depreciation, and taxes, as well as any terms necessary to comply with other provisions as determined appropriate by the Company. Absent an executed RNG service agreement, this rate schedule is not available to Customers.

Service Charges:

The Customer will be charged a monthly service charge, or other agreed upon rate and rate mechanism, designed to collect the required return on investment for the Company's plant investment, depreciation and amortization expenses, operation and maintenance expenses, taxes, and all other expenses incurred by the Company to perform the services necessary to upgrade the biogas and to inject and transport the RNG on the Company's distribution system for the RNG project. The Company's plant investment in the RNG project may include, but is not limited to biogas upgrade facility equipment, compressors, blowers, anaerobic digestion equipment, site work, piping, heat exchangers, driers, metering, system interconnects, injection equipment, storage vessels, and any other equipment deemed necessary for the safe and reliable operation of the biogas conditioning site and system interconnect/injection points. The Company's provision of RNG services to the customer will require an agreement by the Customer to purchase RNG services for a minimum period of time, to take or pay for a minimum amount of RNG service, to pay a contribution in aid of construction, if necessary, to provide adequate security as determined by the Company, and to comply with other provisions as determined necessary by the Company.

Additional Terms:

The Company's provision of RNG service does not include the provision of electricity, natural gas, or any other fuels required to operate the RNG facilities. The customer shall reimburse the Company for all such electricity and fuel expenses incurred by the Company to provide RNG services to the customer.

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Original Sheet No. 7.507

All Companies RENEWABLE NATURAL GAS SERVICES – (RNGS) - CONTINUED

Additional Terms Continued:

'Service provided under this Rate Schedule shall be subject to the Rules and Regulations as set forth in the Company's tariff, except as modified under this Rate Schedule and in the executed service agreement.

All RNG delivered into the Company's distribution system must meet the gas quality standards as set forth in the "Quality of Gas" section of the Company's tariff. The Company, at its sole discretion, may accept or reject RNG that does not meet those standards.

Unless otherwise agreed to between the Customer and the Company, ownership of the RNG commodity will remain with the Customer, and the Customer shall remain solely responsible for determining the end-user of such RNG unless the Company and the Customer enter into a RNG commodity purchase agreement.

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TECHNICAL TERMS AND ABBREVIATIONS - CONTINUED

Relinquishment. The release of firm capacity right(s) pursuant to the Rules and Regulations in this Natural Gas Tariff and FERC rules.

Renewable Natural Gas (RNG). Pipeline-quality biomethane that is interchangeable with conventional natural gas.

Request for Gas Sales or Transportation Service. Company's Natural Gas Service Agreement which, when properly executed by a prospective Customer, requests Gas Service from the Company.

Retainage. A percentage of Customer's or Customer's Agent's Gas that Company is allowed to retain for Gas shrinkage at no cost to Company.

Service Line. All piping between the Main tap up to and including the first valve or fitting of the Meter or regulator setting.

Shipper. Customer or Pool Manager who has executed a Transportation Service Agreement or an Aggregated Transportation Service Agreement, and who has acquired capacity with a Transportation Service Provider.

Shipper's Designee. A contractually authorized Marketer or Agent of an Individual Transportation Service Customer or CFG Off-system Delivery Point Operator Service Customer under these Rules and Regulations who is appointed by Customer and approved by Company to perform the obligations of an ITS and CFG OS-DPO Customer or Pool Manager on the Company's system such as invoicing and payment, nominations, monthly imbalance resolution or operator order responsibility.

Standard Delivery Pressure. Gas delivered at Standard Delivery Pressure may vary from three (3) inches to fifteen (15) inches of water column. No adjustment will be made for variation from the normal Atmospheric Pressure at the Customer's Meter.

Sub-metering. The practice of installing additional metering equipment beyond the Company installed utility Meter.

Therm. A unit of heating value equivalent to one hundred thousand (100,000) British Thermal Units.

Total Heating Value. The number of British Thermal Units produced by combustion in a recording calorimeter at a constant pressure of the amount of gas which would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60°F.) if saturated

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TECHNICAL TERMS AND ABBREVIATIONS - CONTINUED

Total Heating Value continued

with water vapor, and under a pressure equal to that of thirty inches (30") of mercury at thirty-two degrees Fahrenheit (32°F.) and under standard gravitational force (acceleration 980.665 centimeters per second) with air of the same temperature and pressure as the gas,

the products of combustion are cooled to the initial temperature of the gas and air, and when

TECHNICAL TERMS AND ABBREVIATIONS—CONTINUED

Total Heating Value continued

the water formed by combustion is condensed to the liquid state.

Company will determine a monthly average heating value of natural gas to be effective as of the first Day of each Month. Said monthly average heating value will be in effect on a calendar Month basis. It will reflect the average monthly heating value of the natural gas delivered to Company during the immediately preceding calendar Month.

Transportation Service. The service provided by Company where Customer-owned Gas is received by Company from a Transportation Service Provider at the Company Receipt Point(s), transported through Company's distribution system, and delivered by Company at the Company's Delivery Points to Customer.

Transportation Service Agreement. The fully executed Transportation Service Agreement or Contract Transportation Service Agreement between Company and Customer.

Transportation Service Provider. Any interstate pipeline, intrastate pipeline, or local distribution company that transports Gas to Company's Receipt Point(s).

<u>Transportation Service Provider Delivery Point(s)</u>. The point at the connection of the facilities of Transportation Service Provider, at which the gas leaves the outlet side of the measuring equipment of Transportation Service Provider and enters an off-system facility.

Upstream Pipeline Capacity Costs. Expenses incurred by the Company including but not limited to reservation, demand, usage, commodity, fuel, and applicable fuel charges incurred by the Company as a result of Company's contractual arrangements with Transportation Service Provider(s).

Working Day. Shall have the same meaning as Business Day, previously defined herein.

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f. Flexible Gas Service (FGS):

This service is available at the Company's option to Customers meeting the applicability standards which include i) the Customer must demonstrate to the Company that Customer has a viable economic energy alternative including verifiable documentation of Customer's energy alternative; and ii) the Company must demonstrate that this new Customer will not cause any additional costs to, or cross-subsidization by, the Company's other rate classes. The Company is under no obligation to grant service under this Tariff.

Off System Sales Service (OSSS-1):

Interruptible Natural Gas delivered by Company to any person not connected to Company's distribution system. Customer and Company shall rely on measurement made by the Transportation Service Provider. Unless curtailed, all Nominations to Customer's Transportation Service Provider Pipeline Delivery Point shall be considered to have been made by the Transportation Service Provider. Off-System Sales include i) intrastate and interstate pipeline capacity releases made by the Company, ii) commodity sales made by the Company, and / or iii) delivered sales made by the Company. Fifty percent (50%) of the net revenues shall be retained by Company. The remaining fifty percent (50%) of the net revenues shall be used to reduce Company's costs recovered through the Company's Purchase Gas Cost Recovery Clause.

Renewable Natural Gas Service (RNG):

Service provided to RNG producers which includes conditioning or upgrading biogas into pipeline quality RNG for interconnection, injection, and delivery into the Company's distribution systems. The Company may provide upgrade equipment, compressors, blowers, anaerobic digestors, site work, piping, heat exchangers, driers, metering, system interconnects, injection equipment, storage vessels, and other equipment deemed necessary for the safe and reliable operation of the biogas conditioning site and system interconnect/injection point(s). The Company's provision of RNG service to the Customer may require an agreement between the Company and the Customer. RNG shall conform to the Quality of Gas provisions contained in this tariff.

h. Pool Manager Services:

Shipper Administrative and Billing Service (SABS): Administrative and billing service provided to a Pool Manager under the SABS rate schedule, in accordance with the Rules and Regulations and Agreements set forth in this Tariff. The Company shall provide the following services to Pool Managers under the SABS; i) reading of

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Customer's Meters, ii) provision of Customer projected monthly usage information, along with Transportation Service Provider capacity quantity to be released to Pool Manager, iii) provision of Customer usage information to Pool Manager each Month, iv) retention of Customer's historical usage information, v) LOA retention and administration, vi) receipt and administration of Pool Manager's Gas rates for Customer billing, vii) calculation and presentation of Pool Manager's gas billing charges on Company's monthly bill or, at Company's sole option, on a separate bill to Customer, viii) collection and application of Customer payments for Pool Manager's Gas billing charges, ix) remittance of Customer payments for Pool Manager's gas billing charges to Pool Manager, net of Pool Manager's billing charges that are bad debt write-

RULES AND REGULATIONS—CONTINUED

Shipper Administrative and Billing Service (SABS) Continued

offs and recovery of said bad debts, the SABS Tariff-approved charges and other applicable charges and adjustments, and x) other services as the Company may determine necessary to administer Gas deliveries by Pool Managers to Customers. This service is required for TTS Pool Managers and is not available to CI Pool Managers. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply.

ii. Shipper Administrative Service (SAS):

Administrative service provided to a Pool Manager under the SAS rate schedule, in accordance with the Rules and Regulations ser forth in this Tariff. The Company shall provide the following services to Pool Managers under the SAS; i) reading of Customer's Meters, ii) provision of Customer projected monthly usage information, along with Transportation Service Provider capacity quantity to be released to Pool Manager, iii) provision of Customer usage information to Pool Manager each Month, iv) retention of Customer's historical usage information, v) Letter of Authorization retention and administration, and vi) other service as the company may determine necessary to administer Gas deliveries by Pool Managers to Customers. This service is required for CI Pool Manager or Customers that have executed an FGS or Special Contract Agreement, as may be negotiated by Company, and is not available to TTS Pool Manager. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply.

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iii. Delivery Point Operator Service (DPO):

RULES AND REGULATIONS - CONTINUED

Administrative service provided to a Pool Manager by Company, or Company's agent acting as DPO, in accordance with the Rules and Regulations set forth in this Tariff. Company shall provide the following services to Pool Managers receiving DPO service; i) receipt and administration of scheduled Gas quantities for Pool Manager's Customer Pool, ii) compilation of measured Gas quantities for Pool Manager's Customer Pool, iii) resolution of monthly imbalances with Transportation Service Provided (difference between scheduled Gas quantities for all Pool Managers and measured Gas quantities at the Company's Receipt Points), using approved book-out and/or cash-out processes of Transportation Service Provider(s), iv) resolution of monthly imbalances with Pool Manager (difference between scheduled Gas quantities and measured Gas quantities for Pool Manager's Customer Pool), in

RULES AND REGULATIONS CONTINUED

Delivery Point Operator Service (DPO) Continued

accordance with this Tariff, v) administration of the Operational Balancing Account ("OBA"), in accordance with this Tariff, vi) administration of Transportation Service Provider Operational Orders, including financial transactions, if any, and vii) other service as Company may determine necessary to administer Gas deliveries by Shippers to Customers.

iv. Off-System Delivery Point Operator Service (OS-DPO):
Administrative service, in accordance with an executed Off-System
Delivery Point Operator Agreement, provided at Company Receipt
Point(s) to a Pool Manager by Company, or Company's agent acting as
DPO, in accordance with the Rules and Regulations set forth in this Tariff,
as applicable. Company shall provide the following services to Pool
Managers under the OS-DPO Service, i) receipt and administration of
scheduled Gas quantities for Pool Manager's Customer Pool, ii)
compilation of measured Gas quantities for Pool Manager's Customer
Pool, iii) resolution of monthly imbalances with Transportation Service
Provider (difference between scheduled Gas quantities for all Pool
Managers and measured Gas quantities at the Company Receipt Point(s)),
using approved book-out and/or cash-out processes of Transportation
Service Provider, iv) resolution of monthly imbalances with Pool Manager

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(difference between scheduled Gas quantities and measured Gas quantities for Pool Manager's Customer Pool), in accordance with this Tariff, v) administration of the OBA account, in accordance with this Tariff, vi) administration of Transportation Service Provider Operational

RULES AND REGULATIONS - CONTINUED

Orders, including financial transactions, if any, in accordance with this Tariff, and vii) other services as Company may determine necessary to administer Gas deliveries by Pool Managers to Customers. Billing Adjustments and Taxes and Fees, as set forth on Sheet Nos. 7.900-7.922, may also apply. Upon initiation of service, any TTS Pool Manager or CI Pool Manager who has executed an Off-System Delivery Point Operator Agreement will be assigned to the OS-DPO rate schedule.

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All Companies

RENEWABLE NATURAL GAS SERVICES - (RNGS) - CONTINUED

Availability:

Throughout all service areas of the Companies, and within the area served by an interstate or intrastate natural Gas pipeline also service the Company.

Applicability:

For services provided to eligible Customers for biogas upgrading and conditioning services to generate Renewable Natural Gas ("RNG") and for requisite gas services as agreed upon in the service agreement between the Customer and the Company. Service under this schedule is contingent upon mutually satisfactory arrangements between the Company and the Customer for the design, location, construction, and operation of RNG facilities.

Renewable Natural Gas Service Agreement:

The Customer and the Company will enter into a service agreement with terms designed to recover the Company's costs to provide services, including but not limited to return on investment, amortization and depreciation, and taxes, as well as any terms necessary to comply with other provisions as determined appropriate by the Company. Absent an executed RNG service agreement, this rate schedule is not available to Customers.

Service Charges:

The Customer will be charged a monthly service charge, or other agreed upon rate and rate mechanism, designed to collect the required return on investment for the Company's plant investment, depreciation and amortization expenses, operation and maintenance expenses, taxes, and all other expenses incurred by the Company to perform the services necessary to upgrade the biogas and to inject and transport the RNG on the Company's distribution system for the RNG project. The Company's plant investment in the RNG project may include, but is not limited to biogas upgrade facility equipment, compressors, blowers, anaerobic digestion equipment, site work, piping, heat exchangers, driers, metering, system interconnects, injection equipment, storage vessels, and any other equipment deemed necessary for the safe and reliable operation of the biogas conditioning site and system interconnect/injection points. The Company's provision of RNG services to the customer will require an agreement by the Customer to purchase RNG services for a minimum period of time, to take or pay for a minimum amount of RNG service, to pay a contribution in aid of construction, if necessary, to provide adequate security as determined by the Company, and to comply with other provisions as determined necessary by the Company.

Additional Terms:

The Company's provision of RNG service does not include the provision of electricity, natural gas, or any other fuels required to operate the RNG facilities. The customer shall reimburse the Company for all such electricity and fuel expenses incurred by the Company to provide RNG services to the customer.

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All Companies RENEWABLE NATURAL GAS SERVICES – (RNGS) - CONTINUED

Additional Terms Continued:

<u>Service provided under this Rate Schedule shall be subject to the Rules and Regulations as set forth in the Company's tariff, except as modified under this Rate Schedule and in the executed service agreement.</u>

All RNG delivered into the Company's distribution system must meet the gas quality standards as set forth in the "Quality of Gas" section of the Company's tariff. The Company, at its sole discretion, may accept or reject RNG that does not meet those standards.

<u>Unless otherwise agreed to between the Customer and the Company, ownership of the RNG commodity will remain with the Customer, and the Customer shall remain solely responsible for determining the end-user of such RNG unless the Company and the Customer enter into a RNG commodity purchase agreement.</u>

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