

INDEX OF RULES AND REGULATIONS

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RULES AND REGULATIONS

I

INITIATION OF SERVICE

A. REQUEST FOR GAS SERVICE

Gas Service may be requested by a prospective Customer by:

1. Verbal, telephonic or electronic request to a business office of the Company (in the case of residential Gas Service), or
2. By submission to Company of a completed Gas Service Agreement (in the case of Gas Service other than residential Gas Service).

B. ACCEPTANCE OF REQUEST FOR GAS SERVICE

A Gas Service Agreement shall be deemed to be accepted by the Company when Gas Service pursuant thereto is initiated.

C. OBLIGATION OF CUSTOMER AND COMPANY

The terms and conditions of the Customer's Gas Service Agreement, these Rules and Regulations, and the applicable rate schedules shall become binding upon the Customer and Company upon acceptance by the Company of the Customer's Gas Service Agreement.

D. MISCELLANEOUS SERVICE CHARGES

Whenever Gas Service is established or re-established at any location, the charges set forth below will be made:

	RESIDENTIAL	OTHER
ACCOUNT OPENING CHARGE (applies only where a change of Customer occurs and Gas Service is not shut off at the premises)	\$31.00	\$31.00
METER TURN ON / SERVICE INITIATION CHARGE (applies where service is inactive)	\$94.00 for initial unit or meter \$36.00 for each additional unit or meter	\$121.00 for initial unit or meter \$54.00 for each additional unit or meter

RULES AND REGULATIONS (Continued)

	RESIDENTIAL	OTHER
METER RECONNECTION/ SERVICE RESTORATION CHARGE (applies where service has been turned off for cause and includes cost of turn-off)	\$100.00 for initial unit or meter \$33.00 for each additional unit or meter	\$115.00 for initial unit or meter \$43.00 for each additional unit or meter
TRIP CHARGE/COLLECTION AT CUSTOMER PREMISES (applies when Company's employee, agent, or representative makes a trip to Customer's premises for the purpose of terminating Gas Service or providing final notice of termination for nonpayment of bills)	\$25.00	\$25.00
FAILED TRIP CHARGE AT CUSTOMER PREMISES (applies when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative)	\$31.00	\$31.00
TEMPORARY METER TURN-OFF CHARGE (applies when Company's employee, agent or representative, turns off Customers' meter temporarily at Customer's request)	\$33.00 per meter	\$33.00 per meter

Where Gas Service is established outside of normal business hours, by special appointment, or same day service the charges set forth above multiplied by 1.5. Same day service is offered on an as-available basis.

RULES AND REGULATIONS (Continued)

E. WITHHOLDING OF GAS SERVICE

Company will refuse to establish Gas Service to any location where it finds that establishment of Gas Service will create an unsafe or hazardous condition on the Customer's premises or affecting the general public.

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

Company may discontinue service to an existing Customer or refuse to establish Gas Service for actions or threats made by a Customer, or anyone on the Customer's premises, which are reasonably perceived by a Company employee as violent or unsafe, after affording the Customer reasonable opportunity to cease from any further act of violence or unsafe condition.

Company will not establish Gas Service to any Customer where that Customer is in arrears for Gas Service at that location or another location in the Company's service area.

If a prospective Customer requests connection for Gas Service but denies the Company's employees and representatives access to the Customer's Installation for the purpose of inspecting the appliances prior to establishing Gas Service, the Company may refuse to provide Gas Service to the prospective Customer.

Fraudulent Use of Gas:

Company will discontinue Gas Service without notice:

- a. In the event of tampering with regulators, valves, Meters or other facilities furnished and owned by Company, or
- b. In the event of other fraudulent use of Gas Service.

Whenever Gas Service is discontinued for unauthorized or fraudulent use thereof, the Company, before restoring Gas Service, may require Customer to make, at Customer's expense, all changes in piping or equipment necessary to eliminate the fraudulent use and to pay an amount reasonably estimated as the deficiency (if any) in Company's revenue and all costs incurred by Company resulting from such unauthorized or fraudulent use.

Cut and Cap

As used herein, "costs incurred by Company" shall include the Company's cost to cut and cap the Customer's service line at the Main, together with the cost incurred by the Company to restore service to the Customer, in the event the Company, in order to discontinue service to the Customer pursuant to this section, has been required (after final notice to the Customer requesting payment, and the Customer's denial of access by Company to its meter for the purpose of discontinuing service) to cut and cap the Customer's service line at the Main.

If a Customer whose service line has been cut and capped for any reason thereafter requests restoration of Gas Service, Company may require such Customer to pay (in addition to any other charges payable pursuant to these Rules and Regulations) all costs incurred by Company to effect the previous discontinuance of Gas Service to such Customer, as well as all costs incurred by Company to restore Gas Service to such Customer.

RULES AND REGULATIONS (Continued)

F. LIMITATION OF USE

Gas delivered to a Customer shall be for such Customer's own use and shall not be resold by such Customer, either by submetering or otherwise, unless such resale has been authorized by the Commission.

In case of any unauthorized submetering, sale, or disposition of Gas by a Customer, Gas Service to such Customer may be discontinued and, if discontinued, such Gas Service will not be restored until such unauthorized activities have ceased and all bills outstanding have been paid in full. Billings for Gas sold or disposed of by the Customer may be recalculated under appropriate rate schedules and, in addition, a bill may be rendered to the Customer for all expenses incurred by the Company including but not limited to, clerical work, testing, and inspections in connection with such recalculation.

G. PRESSURE

Company shall make reasonable efforts to maintain its Standard Delivery Pressure at the point of delivery. Where delivery pressure higher than Standard Delivery Pressure is supplied, Company will make reasonable efforts to maintain that delivery pressure.

Prospective industrial and large commercial Customers who desire to utilize Gas at pressures higher than the Standard Delivery Pressure should inquire of the Company to determine the pressure that the Company can make available at any given location in its service territory before obtaining any equipment requiring pressures higher than the Standard Delivery Pressure.

H. SPECIAL CONTRACTS

At the sole option of the Company, service may be provided by entering into an agreement with a Customer memorializing a special contract pursuant to Commission Rule 25-9.034, FAC, where the rates, terms, and conditions for service may be different from those set forth in the Company's approved Tariff. Such agreement is subject to the approval of the Commission. Billing Adjustments and Taxes and Fees, as set forth in Sheet Nos. 7.101- 7.101-10, may also apply to any such agreement.

II

CUSTOMER'S INSTALLATION

A. GENERAL

Customer's Installation shall be constructed, installed and maintained in accordance with standard practice as determined by local codes and ordinances applicable thereto, these Rules and Regulations and other applicable governmental requirements; provided, however, that Company shall have no responsibility whatsoever for determining whether any local code or ordinance or any other governmental requirement is applicable to Customer's Installation, or for enforcing or determining whether Customer's Installation is in compliance with any local code or ordinance or any other governmental requirement. A Customer installing a Gas fired electric generator shall also ensure that the installation and operation of such equipment complies with the Tariff and the requirements of the Customer's electric provider. The Company shall not be responsible for the installation and maintenance of carbon monoxide or methane gas detectors within the Customer's premises.

The Customer's piping, appliances, equipment and apparatus shall be installed and maintained in accordance with standard practice, and in full compliance with all applicable laws, codes and governmental and Company regulations. The Customer expressly agrees to utilize no apparatus or device which is not properly constructed, controlled, and protected, or which may adversely affect service to others, and the Company reserves the right to discontinue or withhold service for such apparatus or device.

Customer shall give immediate notice to the Company when any leakage of Gas is detected, discovered, or suspected. Whenever a leakage of Gas is suspected, detected, or discovered, Customer agrees not to use any potential source of ignition, such as flame, electrical source, or other igniting medium in the proximity of escaping Gas, which could ignite such Gas.

B. INSPECTION OF CUSTOMER'S INSTALLATION

Where governmental inspection of a Customer's Installation is required, Company will not supply Gas Service to such installation until the necessary inspections have been made and Company has been authorized to provide Gas Service.

Company may also inspect Customer's Installation prior to rendering Gas Service, and from time to time thereafter, but assumes no responsibility whatsoever as a result of having made such inspection. Company will not render (and may discontinue) Gas Service to any Customer Installation which Company finds to be hazardous. Customer has sole responsibility to insure that the hazardous condition has been corrected prior to initiation of Gas Service.

CUSTOMER'S INSTALLATION (Continued)

C. RESIDENTIAL GENERATORS

A Customer shall notify Company of the installation of any gas-fired electric generation at the premises. Gas-fired electric generators and their associated equipment shall not be connected to the Company's system without prior approval.

D. CHANGES IN CUSTOMER'S INSTALLATION

A Customer shall notify Company of any change in Customer's requirements for Gas Service, including the installation of gas-fired electric generation, and receive authorization from Company prior to making any such change so that the Company may be in a position to meet the Customer's requirements. A Customer will be liable for any damage resulting from violation of this rule.

E. RIGHT OF WAY

Customer shall grant to Company, without cost to Company, all rights, easements, permits and privileges which in Company's opinion are necessary for the rendering of Gas Service. Customer will furnish to Company, without charge, an acceptable location for Company's Meter.

F. PROTECTION OF COMPANY'S PROPERTY

All property of Company installed in or upon Customer's premises is placed there under Customer's protection. Customer shall exercise all reasonable care to prevent loss of or damage to such property, ordinary wear and tear excepted. Customer will be held liable for any such loss of property or damage thereto and shall pay to Company the cost of necessary repairs or replacements.

Customer will be held responsible for broken seals, tampering or interfering with Company's meter or meters or other equipment of Company installed on Customer's premises, and no one except employees of Company or Company agents will be allowed to make any repairs or adjustments to any meter or other piece of apparatus belonging to Company except in case of emergency.

G. ACCESS TO PREMISES

Customer shall give Company's employees and representatives access to Customer's property so that Company may operate, inspect and maintain its facilities on Customer's premises. Installation of the Company's facilities may require that Company be granted an easement.

H. OPERATION OF COMPANY'S FACILITIES

No Customer or other person shall tamper with any of the Company's facilities. No Customer or other person shall, unless authorized by the Company to do so, operate or change any of the Company's facilities.

III

DEPOSITS

A. ESTABLISHMENT OF CREDIT

Each prospective Customer shall establish credit prior to the commencement of Gas Service by Company by one of the following methods:

1. Making a cash deposit with Company equal to two (2) times the estimated average monthly bill to be rendered by Company, in all cases such cash deposit being calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes. Cash deposit amounts will be recalculated on an annual basis. If the recalculated deposit amount is less than the deposit then held by the Company, the difference between the amounts will be refunded or applied as a credit to the Customer's account. If the recalculated deposit amount exceeds the customer's current deposit amount, the Company may request an additional deposit amount to secure the Customer's account.
2. In the case of a residential Customer, at the customer's option, the Company will perform a credit verification through an external credit monitoring service to determine if the Customer meets the Company's creditworthiness criteria allowing the security deposit to be waived. This type of credit verification will have no impact on the customer's credit score.

A former residential Customer of the Company who (within six months of the time of discontinuing service, and who has, for the twelve (12) months immediately preceding his termination, established a satisfactory payment record as set forth in Section F below) requests service under the same rate schedule shall be deemed to have established credit.

3. In the case of a residential Customer, furnishing a guarantor, satisfactory to Company, to secure payment of bills for the Gas Service requested. A satisfactory guarantor shall, at the minimum, be a Customer of Company with a satisfactory payment record.
4. Furnishing an irrevocable letter of credit from a bank, or a surety bond, issued by a Company with an A.M. Best Rating Service rating of B/VI or higher for bonds up to \$50,000 in amount and a rating of A/VII or higher for bonds over \$50,000 in amount.

The amount of such deposit, letter of credit or surety bond shall be equal to two (2) times the estimated average monthly bill for service hereunder.

5.
 - a. By possessing and maintaining a Standard & Poor's (S & P) Long Term Debt Rating of A- or better; or by possessing and maintaining a Moody's rating of A3 or better. Comparable ratings may be considered from other nationally recognized rating organizations acceptable to the Company.
 - b.
 - (i) If the Customer's debt is not rated and the Customer's aggregate annual usage is 500,000 Therms or more, credit may be established by demonstrating adequate financial strength and stability. Upon request of a Customer whose annual usage is 500,000 Therms or more, the Company will evaluate the Customer's credit-worthiness by reviewing the Customer's audited financial statements for at least the two most recently completed fiscal years. These audited financial statements must be furnished by the Customer and must be accompanied by the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing.

III

DEPOSITS (Continued)

- (ii) In evaluating the Customer's credit-worthiness, the Company will consider the following financial factors: the Customer's tangible net worth, the interest coverage ratio, the ratio of long term debt to tangible net worth, and the Customer's net cash flow. In evaluating the Customer's credit-worthiness, the Company may also consider other known factors relating to the Customer's credit-worthiness.
- (iii) Accounts for which credit is established pursuant to this section (5) (b) are subject to periodic review by the Company to assure that no material changes adversely affecting the Customer's credit-worthiness have occurred. Each Customer for whom credit is established pursuant to this section (5) (b) shall annually furnish audited financial statements, together with the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing, to the Company within ninety (90) days following the conclusion of the Customer's fiscal year.
- (iv) Credit may be established by either a cash deposit, a letter of credit or a surety bond in the event (A) the debt rating or audited financial statements are unacceptable to the Company, or become unacceptable, or (B) the Customer pays with a check dishonored by a bank, or (C) the Customer fails to comply with the Company's Rules and Regulations.

6. A parent Company may serve as a guarantor for a subsidiary Company to secure the payment of bills for Gas Service. A satisfactory guarantor shall meet the terms of established credit as stated in section (5) (a) or (5) (b) above.

B. RECEIPT FOR CASH DEPOSIT

Company will provide a receipt to Customer for any deposit received from the Customer. When a new or additional cash deposit is required under Section C of this rule, a Customer's canceled check or validated bill coupon may serve as a deposit receipt.

C. NEW OR ADDITIONAL DEPOSITS

Company may charge, upon written notice to an existing Customer of not less than 30 days, a deposit (including a guaranty, letter of credit or surety bond), in order to secure payment of bills. Such request for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required cash deposit or other security shall not exceed an amount calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes.

III

DEPOSITS (Continued)

The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment.

D. RECORD OF DEPOSIT

With respect to a cash deposit, Company will keep records to show:

1. The name of the Customer making the deposit;
2. The premises for which the deposit applies;
3. The date and amount of the deposit; and
4. Each transaction concerning the deposit, such as interest payments, interest credited, or similar transactions.

E. INTEREST ON CASH DEPOSIT

Company will pay interest on cash deposits at the rate of two percent (2%) per annum. Company will pay interest on a non-residential cash deposit at the rate of three percent (3%) per annum after the deposit has been held for twenty-three months.

Deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on Customer's current bill. No Customer making a cash deposit shall be entitled to receive interest thereon until and unless the Customer relationship and such deposit have been in existence for a continuous period of six (6) months; then such Customer shall be entitled to receive interest from the date of commencement of the Customer relationship and the placement of the cash deposit.

F. REFUND OF RESIDENTIAL DEPOSIT

After a residential Customer has established a satisfactory payment record and has had continuous service for a period of twenty-three (23) months, Company will refund the Customer's cash deposit provided Customer has not:

1. in the preceding twelve (12) months:
 - a. made more than one (1) late payment of a bill (after the expiration of twenty (20) days from the date of mailing or delivery by Company);
 - b. paid with a check refused by a bank; or
 - c. been disconnected for nonpayment; or

III

DEPOSITS (Continued)

2.
 - a. tampered with the Gas Meter; or
 - b. used service in a fraudulent or unauthorized manner.

G. REFUND OF DEPOSIT WHEN GAS SERVICE IS DISCONNECTED

Upon termination of Gas Service, a cash deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly (in no event later than fifteen (15) days after Gas Service is discontinued) to the Customer or agency.

H. RETURNED CHECKS

If the Customer's check for Gas Service is returned to the Company and not paid by the drawer's bank, the Company will follow the procedures set forth in Section 832.07, Florida Statutes. Termination of Gas Service shall not be made for failure to pay such returned check charge.

IV

BILLING

A. BILLING PERIODS

Bills for Gas Service will be rendered each month. Bills shall be considered received by Customer when mailed to the most recent billing address supplied by Customer to Company or by any other delivery method expressly agreed to by both the Company and Customer to reach and bill the Customer.

It is the Customer's (both sales service and transportation service Customers) obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

B. INITIAL OR FINAL BILLS

When the period of Gas Service for which an initial or final bill is rendered is less than fifty (50) percent of the normal billing period, the Customer charge or minimum bill shall be one-half (1/2) of the charge per applicable rate schedule. When the period of Gas Service is fifty (50) percent or more of the normal Billing Period, there shall be no reduction in the Customer charge or minimum bill. The distribution charge for Gas consumed shall be at the applicable billing rate.

C. NON-RECEIPT OF BILLS

Failure of Customer to receive a bill shall not relieve Customer of its obligation to pay the bill.

D. METER READINGS NOT COMBINED

If a Customer takes Gas Service under more than one rate schedule at a single delivery point, the bill shall be calculated separately for the Gas Service provided under each such rate schedule.

If a Customer takes Gas Service under one or more rate schedules at two or more Points of Delivery, a bill shall be calculated separately for Gas Service provided under each rate schedule at each Point of Delivery.

If Company must, for reasons of its convenience, establish more than one Point of Delivery at a single premise, the readings of the Meters for like classes of service will be combined.

E. DELINQUENT BILLS

A bill shall be considered delinquent if payment thereof has not been received by Company (or an Authorized Payment Agent of the Company) upon the expiration of twenty (20) days from the date of Company's mailing or other delivery of such bill. Charges for services due and rendered which are unpaid as of the past due date may be subject to a Late Payment Charge of 1.5 percent, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge may be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a matter permitted by applicable law.

BILLING (Continued)

F. DISCONTINUANCE OF SERVICE AND/OR CHANGE OF OCCUPANCY

Unless otherwise provided in the specific rate schedule under which Customer receives Gas Service, a Customer intending to discontinue Gas Service shall furnish notice of such intent to Company not less than five (5) business days prior to the desired date of such discontinuation.

Customer shall be responsible for all Gas Service provided to the premises at which discontinuance is desired until the expiration of five (5) business days following Company's receipt of the notice required above.

Company will automatically terminate Gas Service to a Customer after acceptance by Company of a Gas Service Agreement from a succeeding occupant of the premises previously occupied by the Customer requesting termination of Gas Service.

G. DISCONTINUANCE OF SERVICE FOR NON-PAYMENT OF BILLS

Gas Service may be discontinued for non-payment of bills but only after Company has made a diligent attempt to have the Customer make payment, including at least five (5) business days' written notice to Customer, such notice being separate and apart from any bill for Gas Service, unless the controversy over the non-payment has been resolved through mutual agreement, or successfully disputed by Customer.

Notwithstanding the foregoing sentence, Company shall provide a limited extension of time, not to exceed thirty (30) days beyond the date Gas Service would normally be subject to discontinuance for non-payment of bills, to a residential Customer whose Gas Service is medically essential, as affirmed by the certificate of a medical doctor licensed to practice in Florida (a "Medically Essential Service Customer"). Gas Service is "medically essential" if the residential Customer has a medical dependence on Gas-powered equipment that must be operated continuously or as circumstances require to avoid the loss of life or immediate hospitalization of the Customer or another permanent resident of the premises where Gas Service is rendered. The physician's certificate shall explain briefly and clearly, in non-medical terms, why continuance of Gas Service is medically essential. The Company shall provide the Medically Essential Service Customer with written notice specifying the date service will be discontinued based on the limited extension referenced above. The Medically Essential Service Customer shall be responsible for making mutually satisfactory arrangements to ensure payment within this additional extension of time for Gas Service rendered by Company and for which payment is past due, or making other arrangements for meeting the medically essential needs. No later than 12 noon one day prior to the scheduled disconnection of service to a Medically Essential Service Customer, the Company shall attempt to contact such customer by telephone in order to provide notice of the scheduled disconnect date. If the Medically Essential Service Customer does not have a telephone number listed on the account, or if the Company cannot reach such customer or other adult resident of the premises by telephone by the specified time, a Company field representative will be sent to the residence to attempt to contact the Medically Essential Service Customer, no later than 4 p.m. of the day prior to scheduled disconnection. If contact is not made, however, the Company may leave written notification at the residence advising the Medically

BILLING (Continued)

Essential Service Customer of the scheduled disconnect date. The Company may thereafter discontinue Gas Service to the Medically Essential Service Customer on the scheduled disconnect date if payment is not made on or before such date.

During the period that Gas Service is continued under the provisions of this section, the Customer shall continue to be responsible for the cost of the residential Gas Service.

H. ADJUSTMENT OF BILLS FOR METER ERROR

Whenever a Meter is found to have an average error as defined in Commission Rule 25-7.062, FAC, of more than two percent (2%) fast, Company will refund to Customer the amount billed in error for one-half the period since the last Meter test. This one-half period will not exceed twelve (12) months unless it can be shown that the error was due to some cause, the date of which can be fixed, in which case the overcharge will be computed back to, but not beyond, such date, based upon available records. If the Meter has not been tested in accordance with Commission Rule 25-7.064, FAC, the period for which it has been in service beyond the regular test period will be added to the twelve (12) months in computing the refund. The refund will not include any part of any minimum or Customer charge.

Except as provided by this subsection, Company may back bill Customer in the event that a Meter is found to be slow, non-registering or partially registering. Company may not back bill for any period greater than twelve (12) months from the date it removes the Meter of a Customer, which Meter is later found by Company to be slow, non-registering or partially registering. If it can be ascertained that the Meter was slow, non-registering or partially registering for less than twelve (12) months prior to removal, then Company may back bill only for the lesser period of time. In any event, Customer may extend the payments of the back bill over the same amount of time for which Company issued the back bill.

1. Whenever a Meter tested is found to have an average error of more than two percent (2%) slow, Company may bill Customer an amount equal to the unbilled error in accordance with this subsection. If Company has required a Meter test deposit as permitted under Commission Rule 25-7.065(2), FAC, Customer may be billed only for the portion of the unbilled error which is in excess of the deposit retained by Company.
2. In the event of a non-registering or a partially registering Meter, unless the provisions of subsection (3) of this rule apply, Customer may be billed on an estimate based on previous bills for similar usage.
3. It shall be understood that when a Meter is found to be in error in excess of the prescribed limits of two percent (2%) fast or slow, the figure to be used for calculating the amount of refund or charge shall be that percentage of error as determined by the test.
4. In the event of unauthorized use, Customer may be billed on a reasonable estimate of the Gas consumed.

BILLING (Continued)

I. BUDGET BILLING PLAN (optional)

Residential Customers (RS) and non-Residential Customers served under Rate Schedules SGS, CS-GHP, GS-1, GS-2, and GS-3 may elect to make budgeted monthly payments of amounts due the Company to help stabilize their monthly payments. To qualify for the Budget Billing Plan, a customer must be in good financial standing. In determining whether a Customer is in good financial standing, the Company will consider such factors as whether the Customer has an overdue balance, whether the Customer has a pending service disconnection for non-payment, whether the Customer has a history of late payment or returned payments for insufficient funds, or other similar factors. The Company shall have 30 days following a Customer's request to participate in the Budget Billing Plan to deny or implement participation in the program. The Company retains the option to remove customers from the program if customers do not remain in good financial standing.

If a Customer requests to participate in the program, the initial budgeted payment amount will be based on an average of the previous twelve (12) months consumption. If the Customer has not received Gas Service from the Company at the requesting location for the preceding twelve (12) months, the Company may deny enrollment. After the Customer's budgeted monthly payment amount has been initially established, the Company may recalculate the payment from time to time, and the Company may begin charging the recalculated amount on the Customer's next successive bill. The Company will perform periodic reviews.

Any current and total deferred balance will be shown on the Customer's bill. When a Customer's budgeted payment amount is recalculated, any deferred credit balance will be credited to the Customer's account only during an annual true-up period; any deferred debit balance will be embedded into the Customer's budgeted monthly payment amount.

An electing Customer's participation in the Budget Billing Plan will be continuous unless the customer requests that participation in the plan be terminated, Gas Service is terminated, or the Company elects to terminate the customer from participating in the program. At that time of termination, the Customer shall settle their account with the Company in full; customers who remain a Customer of the Company shall pay any deferred debit balance with their next regular monthly bill, and any deferred credit balance shall be used to reduce the amount due for the next regular monthly bill. An electing customer may request that participation be terminated at any time. Any Customer terminated from the program by the Company or any Customer who voluntarily terminates participation in the program may not rejoin the program for at least twelve (12) months.

BILLING (Continued)

J. SUMMARY BILLING PLAN (optional)

A Customer with ten (10) or more Company accounts and no bill in arrears may request a single statement for the billing and payment of those accounts under this Summary Billing Plan. With Summary Billing, the Customer designates which accounts are to be included in the plan. Those accounts may be separated into groups each of which will be billed once a month on cycle billing days as designated by the Company.

The Company will read each meter and calculate a billing amount for each account separately. The billing amount for each of the designated accounts will be totaled on a Summary Billing statement, with each of the individual account bills attached as backup, and a single totaled bill will be included for remittance. Summary bills are due when rendered. If the summary bill is not paid in full within ten (10) days after mailing or other delivery method used by the Company to reach the Customer, the Customer may be removed from the Summary Billing Plan.

V

MEASUREMENT

A. METERS

Company will own, operate and maintain the Meters and regulating equipment needed to accurately measure Gas Service provided to Customer.

Customer will provide a convenient, accessible, and safe location, satisfactory to Company, for installation of necessary Meters, regulators, and ancillary equipment.

Customer will safeguard Company's facilities on Customer's property and will not permit unauthorized persons to tamper with such facilities or otherwise operate or alter them in any manner.

If changes in conditions not caused by the Company on Customer's premises adversely affect the convenience, accessibility, or safety of the Meter location, the Customer shall be responsible for the cost of relocating the Meter, its appurtenances, and related piping.

All Gas delivered to Customers shall be measured by commercially acceptable measuring devices owned and maintained by the Company, except where it is impractical to Meter loads, such as street lighting, and temporary or special installations, in which case the consumption may be calculated or billed on a rate or as provided in the Company's filed Tariff.

B. TYPE OF METERING PROVIDED

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

C. METER ACCURACY AT INSTALLATION

All Meters, when installed, shall be not more than 1 percent fast or 1 percent slow and will have been tested not more than twelve (12) months prior to being installed.

MEASUREMENT (Continued)

D. METER TESTS

Company will periodically test Meters to ensure they properly and accurately measure the Gas Service provided to Customer.

E. METER TEST BY REQUEST

1. Upon written request of a Customer, the Company shall, without charge, make a test of the accuracy of the Meter in use at the Customer's premises; provided, first, that the Meter has not been tested by Company or by the Commission within twelve (12) months previous to such request and, second, that Customer agrees to accept the results of such test as the basis for the adjustment of disputed charges.
2. Should the Customer request a Meter test more frequently than once a year, the Company may require a deposit to defray the cost of testing in accordance with Commission Rule 25-7.065(2), FAC, and such deposit not to exceed the following for each test: (a) Meters with a capacity rating of 250 cfh or less - \$34.00 dollars; (b) Meters with a capacity rating of over 250 cfh through 2500 cfh - \$85.00 dollars; (c) Meters with a capacity rating over 2500 cfh - \$129.00 dollars. If the Meter is found to be more than two percent fast, the deposit shall be refunded, but if below this accuracy limit, the deposit may be retained by Company as a service charge for conducting the test.
3. If Customer so desires, he or his authorized representative may witness the test. A written report, giving the results of the test, shall be furnished to Customer upon request.
4. At the request of the Customer, the Company shall make arrangements for a meter test to be conducted by an independent meter testing facility of the Customer's choosing. Where appropriate, the meter may be field tested. The Customer shall be responsible for all the costs to the Company associated with a meter test by an independent meter testing facility. The Company shall provide a detailed estimate of such costs and may require payment of such costs prior to the actual meter test. If the meter is found to be running fast in excess of the limits established by these rules, such costs shall be refunded, but if within the allowable limits, the Company may retain the costs.

F. METER TEST - REFEREE

1. Upon written application to the Commission by a Customer, a test of the Customer's Meter will be made or supervised as soon as practicable by a representative of the Commission.
2. A Meter shall not be disturbed after Company has received notice that application has been made for such referee test unless a representative of the Commission is present or unless authority to do so is first given in writing by the Commission or by Customer.
3. A written report of the results of the test will be made by the Commission to Customer.

MEASUREMENT (Continued)

G. MEASUREMENT CONDITIONS

1. Base Conditions
 - a. A standard cubic foot for measurement purposes shall be the volume of such cubic foot at a temperature of 60 degrees Fahrenheit and an Absolute Pressure of 15.09 pounds per square inch absolute (p.s.i.a.) for Panama City Operating Area and 14.98 p.s.i.a. for the remainder of PGS service territory.
 - b. The Average Atmospheric Pressure shall be assumed to be 14.73 p.s.i.a. irrespective of actual elevation or location of the point of measurement or of variations in such atmospheric pressure from time to time.
2. Unit of Sales and Transportation Volume
 - a. The Standard Delivery Pressure for Panama City Operating Area shall be 10 inches of water column (.35 p.s.i.g.). The Standard Delivery Pressure for the remainder of PGS service territory shall be 7 inches of water column (.25 p.s.i.g.). The Standard Delivery Temperature shall be 60 degrees Fahrenheit.
 - b. For purposes of billing computations a Cubic Foot of Gas shall be that quantity which, at a pressure of 15.09 p.s.i.a. for Panama City Operating Area and 14.98 p.s.i.a. for the remainder of PGS service territory, and a temperature of 60 degrees Fahrenheit, occupies one cubic foot.
 - c. When deliveries are made at flowing pressures in excess of the Standard Delivery Pressure, metered volumes shall be corrected for such variation through utilization of recorded flowing pressure data, correction devices which are an integral part of the Meter installation, or by correction factors for fixed pressure deliveries.
 - d. With respect to Gas delivered at High Pressure, flowing Gas temperature shall be assumed to average 60 degrees Fahrenheit for all measurement, unless the Customer and the Company agree otherwise. When an assumed flowing temperature of 60 degrees Fahrenheit is not used, the temperature shall be determined as the arithmetic average of flowing temperatures as recorded by a temperature recorder, if such a recorder is utilized, or through the use of correcting indices or temperature compensating Meters. Where recording or compensating devices are not installed, the temperature of the Gas shall be assumed to be the climatological thirty (30) year average monthly temperature as established by the nearest National Oceanic and Atmospheric Administration Weather Bureau, and published by the Department of Commerce.

MEASUREMENT (Continued)

- e. Unless determined to be otherwise by a gravity balance the specific gravity of the flowing Gas shall be assumed to be 0.6.
- f. When sales or transportation volumes are metered at pressures of 10 p.s.i.g. (pounds per square inch gauge) and over, and where such volumes are also corrected for flowing temperatures other than assumed 60 degrees Fahrenheit, such volumes shall be corrected for deviations from Boyles Law by use of the appropriate supercompressibility factor.

3. Sales and Transportation Unit
 - a. The sales and transportation unit of the Gas shall be the Therm, being 100,000 BTUs. The number of Therms billed to a Customer shall be determined by multiplying the number of Cubic Feet of Gas delivered at the Standard Delivery Pressure and 60 degrees Fahrenheit, by the total heating value of such gas in BTUs per cubic foot and dividing the product by 100,000.
 - b. The total heating value of the Gas delivered to the Customer shall be determined as that reported monthly by the Company's Gas transporters, provided such value is applicable to the Gas delivered to the Customer, or such value shall be determined by the Company by use of a calorimeter or other instrument suitable for heating value determination. The total heating value shall be corrected to and expressed as that contained in the Unit of Sales and Transportation Volume defined above.
4. Quality

All Gas delivered or caused to be delivered into the Company's facilities shall conform to the Gas quality specifications set forth in the FERC or FPSC Tariff of the pipeline company that delivers such Gas to a Receipt Point on the Company's system or in the event Gas is delivered to the Company's facilities other than by a pipeline company, such Gas shall be merchantable and

 - a. be free of objectionable liquids and solids and be commercially free from dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the Gas in the course of transportation through the interstate or intrastate pipeline or the Company's system or which could cause inaccurate measurement;
 - b. be free from noxious and harmful fumes when burned in a properly designed and adjusted burner;
 - c. not contain more than 20 grains of total sulfur or 0.25 grains of hydrogen sulfide per 100 cubic feet of Gas;
 - d. not contain more than 3% by volume of carbon dioxide or nitrogen;

MEASUREMENT (Continued)

- e. not contain more than 1% by volume of oxygen;
- f. not contain more than 7 pounds of water per 1,000 MCF;
- g. have a temperature of not more than 120 degrees Fahrenheit, nor less than 40 degrees Fahrenheit;
- h. have a maximum Wobbe value of 1,396
- i. have a gross heating value of at least 1,000 BTU per cubic foot of dry Gas but not higher than 1,075 BTU per cubic foot of dry Gas at 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

To the extent within its control, the Company shall deliver Gas which is free of dangerous or objectionable quantities of impurities such as hydrogen sulfide or other impurities which may cause excessive corrosion of Mains or piping or from noxious or harmful fumes when burned in a properly designed and adjusted burner. This provision is intended to protect the health and safety of the public and in no manner does it guarantee compatibility with the operation of delicate or sensitive machinery, instruments, or other types of apparatus which may be damaged by moisture, grit, chemicals or other foreign substances which may be present in the Gas but which are nevertheless within limits recognized as allowable in good practice.

Company may refuse to accept any Gas or RNG tendered to Company by a Customer or for its account which fails to conform with the Quality standards described above. Company, in its reasonable discretion, may waive the Quality standards for gas delivered into its pipeline system, provided such waiver will not affect Company's ability to maintain adequate service to its Customers. Such waiver must be in writing and duly executed by the Company.

VI

MAIN AND SERVICE EXTENSIONS

A. MAIN EXTENSIONS

Whenever a prospective Customer or other person, such as a real estate developer, municipality, township, county, or other authority ("Depositor"), requests Gas Service at a location where the Company does not have a Main, the Company will extend its Mains and Services to serve the prospective Customer or Customers under the following conditions (for provisions governing installation of service lines only, see VI.B):

1. The extension of Gas Service to the prospective Customer will not jeopardize Gas Service to existing Customers.
2. The maximum capital cost to be incurred by the Company for an extension of Main and Service facilities shall be defined as the Maximum Allowable Construction Cost. The Maximum Allowable Construction Cost shall equal ten (10) times the estimated annual revenue to be derived from the facilities less the cost of Gas. Where the Company, in its reasonable discretion, believes that there is significant uncertainty regarding the revenues to be derived from service provided through the requested extension of Main and Service facilities, the Company shall use reasonable efforts to calculate the MACC giving due consideration to such uncertainty.
3. The Company may require a Customer to commit to taking an agreed minimum volume of Gas or pay for Gas not taken below such minimum, depending on factors such as facility cost or service requirements. Such minimum volume commitment will not be set at a level that exceeds the volume used to calculate the MACC for such Customer, nor will the term of such minimum volume commitment exceed ten (10) years.
4. Where the facilities to be installed will require an investment by the Company in excess of the Maximum Allowable Construction Cost, the Company will construct the necessary facilities provided the Customer or Depositor deposits with the Company an amount equal to the excess of the estimated construction cost over the Maximum Allowable Construction Cost. In this case, the Company and the Depositor will then enter into a Construction Deposit Agreement which will provide for either a) the receipt of the deposit by the Company and including terms and conditions for refund to the Depositor or b) a mutually agreeable pay arrangement that will provide for the guaranteed throughput/revenue for the prospective Customer or project. In consideration of the Company's having to use the deposit to finance the installation of facilities, the deposit made by the Depositor will be non-interest bearing.
5. Refund of Deposits: Deposits shall be refunded to Depositors in accordance with the following procedures.
 - a. At the end of the first year following the date on which Gas Service to the Depositor is initiated by the Company, at the Customer's request the Company shall recalculate the Maximum Allowable Construction Cost. A re-estimation of the annual revenue (considering the actual revenue derived during the first year) shall be used in such recalculation. The Company shall refund

MAIN AND SERVICE EXTENSIONS (Continued)

to the Depositor an amount equal to the positive difference (if any) determined by subtracting (i) the Maximum Allowable Construction Cost as determined under section A.(2) above from (ii) the Maximum Allowable Construction Cost as recalculated utilizing actual revenue pursuant to this paragraph.

- b. For each additional Customer taking Gas Service from any point on the extended Main or Service facilities within a period of four (4) years from the date of construction, the Company shall refund to the Depositor the amount by which the Maximum Allowable Construction Cost of the new Customer exceeds the cost of connecting such new Customer, provided that an additional Main extension shall not have been necessary to serve such additional Customer. Where the Depositor and the Company agree that new Customers are likely to connect to the extended facilities over a period longer or shorter than four (4) years, the Depositor and the Company may agree, within the Construction Deposit Agreement, to provide for refunds over such longer or shorter period as the parties agree is reasonable and appropriate under the circumstances.
- c. The aggregate refund to any Depositor made through the provisions of (a) and (b) above shall not exceed the original deposit of such Depositor.
- d. The extension shall at all times be the property of the Company, and any unrefunded portion of said deposit at the end of four (4) years, or such longer or shorter period as may be agreed by the Depositor and Company pursuant to section (5)(b) above, shall accrue to the Company.

B. SERVICE EXTENSIONS FROM EXISTING MAINS

The Company will install, at no charge to the Customer, the Gas Service Facilities, commencing from an existing Main, necessary to serve a Customer applying for Gas Service, where the cost of such service extension does not exceed the Maximum Allowable Construction Cost as defined in section VI.A. (2) above. Customers not meeting the above criteria will be required to make a non-refundable contribution in aid of construction based on the difference between the cost of the required service facilities and the Maximum Allowable Construction Cost as calculated for each respective Customer.

C. RELOCATION OR MODIFICATION OF GAS SERVICE FACILITIES

When modifications to structures or improvements on premises to which the Company renders Gas Service necessitate the relocation of Company's Gas Service Facilities, or when such relocation, or modifications to Company's Gas Service Facilities, are requested by the Customer for whatever reason, Customer shall be required to reimburse the Company in advance of performance of such work for all or any part of the costs incurred by the Company in the performance of such relocation or modifications.

MAIN AND SERVICE EXTENSIONS (Continued)

D. MAIN EXTENSION PROGRAM

In cases where (i) the estimated actual cost of extending necessary Main and Service facilities exceeds the MACC; (ii) the Company, in its reasonable discretion, determines that there is a reasonable likelihood that such extension will produce sufficient revenue to justify the necessary investment in such facilities; and (iii) the Company determines that the credit-worthiness of the party or parties requesting the extension is satisfactory to assure recovery of the additional investment above the MACC, the Company may provide the facilities subject to a Main Extension Program Charge (MEP Charge) as provided on Sheets Nos. 7.101-7 through 7.101-9 of the Company's Tariff. In such cases, in lieu of a Construction Deposit Agreement, the party or parties requesting an extension subject to the MEP Charge may enter into a guaranty agreement with the Company by which said party or parties shall agree to pay to the Company any remaining unamortized balance of the amount subject to the MEP Charge at the end of the Amortization Period.

VII

LIMITS OF COMPANY'S RESPONSIBILITIES

The Company shall not be liable for any property damage, fatality, or personal injury sustained on the Customer's premises resulting from the Customer's Installation or fittings, appliances and apparatus of any other type on Customer's premises, including, but not limited to, defects or failure of Customer to maintain Customer's premises which allow Gas leakage. The Company will not be responsible for the use, care or handling of Gas once the Gas passes the Point of Delivery. The Company shall not be liable to the Customer for naturally occurring or other impurities, regardless of the source, such as water, sand, black powder, sulfur, butane, or other chemicals or compounds in the Gas delivered to Customer. The Company shall not be liable for any loss or damage caused by variation in Gas pressure, defects in pipes, connections and appliances, escape or leakage of Gas, sticking of valves or regulators, or for any other loss or damage not caused by the Company's negligence arising out of or incident to the furnishing of Gas to any Customer.

Whenever Company deems an emergency or system operating condition warrants interruption, curtailment or other limitation of the Gas Service being rendered, such interruption, curtailment or other limitation shall not constitute a breach of contract and shall not render Company liable for damages suffered as a result of such interruption, curtailment or other limitation of Gas Service, or excuse Customer from continuing to fulfill its obligations to Company.

VIII

CONTINUITY OF SERVICE

The Company will use reasonable diligence at all times to provide regular, uninterrupted Gas Service, and shall not be liable to the Customer for any fatality, injury to person, or loss of or damage to property arising from causes beyond its control or from the ordinary negligence of the Company, its employees, servants or agents, including, but not limited to, damages for Gas leakage, complete or partial failure or interruption of service, for initiation of or re-connection of service, for shutdown for repairs or adjustments, for fluctuations in Gas flow, for delay in providing or restoring Gas Service, for termination of Gas Service, or for failure, as the result of an emergency or a Force Majeure event, to warn of interruption of Gas Service.

IX

LIMITATION ON CONSEQUENTIAL DAMAGES

To the fullest extent permitted by law, neither the Company, nor their respective officers, directors, agents, employees, members, parents, subsidiaries or affiliates, successors or assigns, or their respective officers, directors, agents, employees, members, parents, subsidiaries or affiliates, successors or assigns, shall be liable to the Customer or any other party or their respective officers, directors, agents, employees, members, parents, subsidiaries or affiliates, successors or assigns, for (i) claims, suits, actions or causes of action for incidental, indirect, special, punitive, unforeseen, multiple or consequential damages connected with or resulting from Company's performance or non-performance (such as loss of use of any property or equipment, loss of profits or income, loss of production, rental expenses for replacement property or equipment, costs to repair or demolish property, governmental fines, penalties or charges, diminution in value of real property, or expenses to restore operations, or loss of goods or products), or (ii) any actions undertaken in connection with or related to service under this Tariff, including without limitation, actions which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law, under any indemnity provision or any other theory of recovery.

X

INDEMNITY TO COMPANY

- A. General. The Customer shall indemnify, hold harmless, and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss or damage or injury to person or property or for fatality, in any manner directly or indirectly connected with or arising out of the transmission, distribution or use of Gas by the Customer at or on the Customer's side of the Point of Delivery, including the contributory or concurrent negligence of the Company or in any manner directly or indirectly connected with or arising out of the Customer's acts or omissions.
- B. Governmental. Notwithstanding anything to the contrary in the Company's Tariff, including these Rules and Regulations, the Rate Schedules, and Standard Forms, any obligation of indemnification therein required of a Customer that is a governmental entity of the State of Florida or political subdivision thereof ("governmental entity"), shall be read to include the condition "to the extent permitted by applicable law."

XI

APPEALS TO THE COMMISSION

Whenever the application of these rules and regulations appear to be unjust or impractical either the Company or the Customer may request permission from the Commission for an exception.

XII

TRANSPORTATION SERVICE

A. AVAILABILITY

Transportation service differs from sales service, in which the Customer purchases Gas from the Company. The Company provides transportation service when it re-delivers Customer-owned Gas delivered to the Company's distribution system by a Customer or its supplier or agent for consumption by the Customer. Transportation service is available to Customers through either the Natural Choice Transportation Service Rider (Rider NCTS) and/or the Individual Transportation Service Rider (ITS) depending on the rate schedule under which Customer receives Gas Service from Company. A Customer's service from the Company will not be affected by the Customer's election to participate in a transportation program.

B. COMPANY'S OBLIGATIONS

The Company is only obligated to re-deliver natural gas that has been delivered to its system by a Customer or its agent or supplier for use by the transportation Customer. If the Pool Manager or a Customer on a firm rate schedule and participating in the Natural Choice Transportation Service Rider (Rider NCTS), fails to deliver adequate gas supply on any given day, the Company will continue to provide service as long as provision of service is not detrimental to other Customers. When a Customer receiving transportation service under Rider ITS, or its agent, fails to deliver natural Gas to the Company's distribution system in sufficient quantity to serve the Customer's daily requirement, the Company may curtail the Customer's consumption.

However, it is the intent of the Company that failure by a Pool Manager or Customer to deliver adequate natural gas on any given day shall not cause the interruption or curtailment of other Customers who either, 1) deliver an adequate quantity of natural gas to serve the Customer's or Customer Pool's daily usage, if a transportation Customer, or 2) purchase Gas from the Company.

C. RETURN TO SALES SERVICE

A Customer who participates in transportation service and chooses to return to sales service may return to sales service, if such return is not detrimental to other Customers. Any Customer which returns to sales service must remain on sales service for the twelve (12) consecutive months following the return to sales service. This twelve (12) month requirement does not apply in the event the Customer's Pool Manager under Rider NCTS terminates service to the Customer. Even under this exception, the Customer shall not return to transportation service with the same Pool Manager or gas marketer, or any affiliated company during the following twelve (12) month period.

TRANSPORTATION SERVICE (Continued)

D. COMPANY STANDARDS

In operating the Natural Choice Transportation Service Rider, the Company will:

1. Apply its transportation service Tariff provisions uniformly to all similarly situated affiliated and non-affiliated marketers, brokers, agents, and Customers.
2. Make ancillary services provided by the Company available on a non-discriminatory basis to all similarly situated Pool Managers.
3. Process all similar requests for transportation service in the same manner.
4. Provide, if requested by a Customer, a list of all Pool Managers operating on Company's system.
5. Functionally separate operating employees for the Company from the operating employees of any affiliated Pool Manager.
6. Maintain its books of accounts and records separate from the books of accounts and records of any affiliated Pool Manager.

In operating the Natural Choice Transportation Service Rider, the Company will not:

7. Give any similarly situated Pool Manager or Customer preference in matters, rates, information, or charges relating to transportation service including, scheduling, balancing, metering, standby service or curtailment policy.
8. Communicate to any Customer, Pool Manager or third person that any advantage might accrue to such Customer, Pool Manager or third person in the use of the Company's Natural Choice Transportation Service Rider as a result of the Customer's, Pool Manager's or other third person's dealing with a Pool Manager affiliated with the Company.