

TARIFF

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RULES AND REGULATIONS

Original Sheet No. 1

ARTICLE I TECHNICAL WORDS, PHRASES, TERMS AND ABBREVIATIONS

Except where the context requires another meaning, the following words, phrases, terms and abbreviations shall be construed to have the following meanings:

- 1.01 **Abbreviations.** The following abbreviations are used in the District's Tariff:
- | | | |
|------|------|---|
| (01) | Btu | British thermal unit |
| (02) | CCF | One hundred cubic feet |
| (03) | CFM | Cubic feet per minute |
| (04) | CF | Cubic feet |
| (05) | CFH | Cubic feet per hour |
| (06) | CSS | Commercial Sales Service Rate Schedule |
| (07) | DLM | District Labor and Material Rate Schedule |
| (08) | DNQ | Daily Nominated Quantity |
| (09) | FERC | Federal Energy Regulatory Commission |
| (10) | FGT | Florida Gas Transmission Company |
| (11) | ISS | Interruptible Sales Service Rate Schedule |
| (12) | MCF | One thousand cubic feet |
| (13) | MDSQ | Maximum Daily Standby Quantity |
| (14) | MDTQ | Maximum Daily Transportation Quantity |

(15)	NCR	Negotiated Contract Rate Service Rate Schedule
(16)	PGCR	Purchased Gas Cost Recovery Provisions
(17)	psi	Pounds per square inch
(18)	psia	Pounds per square inch absolute
(19)	psig	Pounds per square inch gauge
(20)	RSS	Residential Sales Service Rate Schedule
(21)	RACSS	Residential Air Conditioning Sales Service Rate Schedule
(22)	TS	Transportation Service Rate Schedule

1.02 **Billing Period.** The Billing Period is each month, based on regularly scheduled meter readings which are approximately 30 days apart.

1.03 **British Thermal Unit.** The quantity of heat required to raise the temperature of one pound of water from 59.0 degrees Fahrenheit to 60.0 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.

1.04 **Cubic Foot of Gas.** For gas delivered at the Standard Delivery Pressure, a cubic foot of gas is the volume of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot. For gas delivered at other than the Standard Delivery Pressure, a cubic foot of gas is that volume of gas which, at a temperature of 60 degrees Fahrenheit and at absolute pressure of 14.98 pounds per square inch, occupies one cubic foot

1.05 **Customer.** Any person (i.e., individual, firm, partnership, district, corporation, municipality, cooperative organization, association, governmental agency, or similar organization) supplied with Gas Service by the District.

1.06 **Customer's Installation.** All pipe, fittings, appliances and apparatus of every type (except metering, regulating and other similar equipment which remains the property of the District) located on the Customer's side of the Point of Delivery and used in connection with or forming a part of an installation for utilizing Gas for any purpose.

1.07 **Day, Daily or Delivery Gas Day.** When capitalized, a twenty-four (24) hour period beginning and ending at 4:00 p.m. Eastern Time (or such other time as may be provided for a Delivery Gas Day in FGT's FERC Gas Tariff). The reference date for any Day shall be the calendar date upon which said period commences. When not capitalized, day or business day shall mean a civil day other than Saturday, Sunday, or holiday resulting in the close of business for the District.

1.08 **District.** Lake Apopka Natural Gas District, an independent special district created by the legislature of the State of Florida by Chapter 59-556, Laws of Florida, 1959.

1.09 **Gas.** Natural gas or a mixture of gases suitable for fuel, delivered through the District's distribution system, having a heating value of not less than 950 Btu's per cubic foot.

1.10 **Gas Service.** The supplying of Gas or the transportation of Gas by the District to a Customer.

1.11 **Gas Service Facilities.** The service line, meter, and all appurtenances thereto necessary to convey Gas from the District's Main to the Point of Delivery and which are owned by District.

1.12 **Heat Only Customer.** A residential Customer who receives Gas Service from the District for no purposes other than air space heating and operating a gas grill and gas lights.

1.13 **High Pressure.** Gas delivered at any pressure above the Standard Delivery Pressure.

1.14 **Main.** The pipe and appurtenances installed in an area to convey Gas to other mains or to service areas.

1.15 **Meter.** Any device or instrument used to measure and indicate volumes of Gas which flow through it.

1.16 **Normal Business Hours.** 8 a.m. to 5 p.m. Monday through Friday, excluding holidays.

1.17 **Point of Delivery.** The point at which District's Gas Service Facilities are connected to the Customer's Installation, normally the outlet side of the Meter.

1.18 **Request for Service.** A request for Gas Service submitted to the District by a prospective Customer on the District's application form.

1.19 **Rate Schedule.** A statement of the rates or charges for a particular classification of all classes of Customers for Gas Service and the provisions, terms, conditions, classifications, practices and rules and regulations affecting such rates or charges.

1.20 **Service or Service Line.** The pipes, regulators, meters and similar equipment installed to connect a Customer's Installation to a Main.

1.21 **Standard Delivery Pressure.** The Standard Delivery Pressure is seven inches of water column above atmospheric pressure. Normal atmospheric pressure throughout the District's service area is assumed to be 14.73 p.s.i.a. No adjustment will be made for variations from the normal atmospheric pressure at the Customer's meter.

1.22 **Therm.** A unit of heat equal to one hundred thousand (100,000) Btu's.

Second Revised Sheet No. 2

ARTICLE II INITIATION OF SERVICE

2.01 **REQUEST FOR GAS SERVICE.** Gas Service may be requested by a prospective

Customer by submitting to District a completed Request For Gas Service and establishing creditworthiness pursuant to section 4.01, below.

2.02 ACCEPTANCE OF REQUEST FOR GAS SERVICE . A Request For Gas Service shall be deemed to be accepted by the District when Gas Service pursuant thereto is initiated.

2.03 OBLIGATION OF CUSTOMER AND District. The terms and conditions of the Customer's Request For Gas Service, these Rules and Regulations, and the applicable Rate Schedules shall become binding upon the Customer and District upon acceptance by the District of the Customer's Request For Gas Service.

2.04 TURN ON AND CONNECTION CHARGES. Whenever Gas Service is established or reestablished at any location, the charges set forth in rate schedule DLM will be made:

2.05 WITHHOLDING OF GAS SERVICE. District will not provide Gas Service:

(1) to any Customer where it finds that providing Gas Service will create an unsafe or hazardous condition;

(2) to an existing or prospective Customer where such Customer's use of Gas is or will be detrimental or hazardous to, or jeopardize, the Gas Service supplied to other Customers;

(3) to any Customer when that Customer is in arrears in payment for Gas Service at that location or another location in the District's service area.

2.06 DISCONTINUANCE OF GAS SERVICE FOR UNAUTHORIZED USE OF GAS.

District will discontinue Gas Service without notice in the event of tampering with regulators, valves, meters or other facilities furnished and owned by District, or other unauthorized or fraudulent use of Gas Service. Whenever Gas Service is discontinued for unauthorized or fraudulent use thereof, the District, before restoring Gas Service, will require Customer to make, at Customer's expense, all changes in piping or equipment necessary to eliminate the unauthorized or fraudulent use, and to pay an amount reasonably estimated as the deficiency in District's revenue and all costs incurred by District resulting from such unauthorized or fraudulent use.

2.07 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. In case of any unauthorized submetering, sale, or disposition of Gas by a Customer, Gas Service to such Customer shall be discontinued and 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 shall be recalculated under appropriate rate schedules and, in addition, a bill will be rendered to the Customer for all expenses incurred by the District for clerical work, testing, and inspections in connection with such recalculation.

2.08 PRESSURE. District shall make reasonable efforts to maintain its Standard Delivery Pressure of 14 .98 p. s. I. a. (14. 73 plus .25 p. s. I. g.) (seven inches water column) at the Point of Delivery. Where delivery pressure higher than Standard Delivery Pressure is supplied, District will make reasonable efforts to maintain such higher delivery pressure.

2.09 HIGH PRESSURE. The District does not undertake to deliver Gas at a pressure higher than the Standard Delivery Pressure throughout its service areas. Prospective industrial and large commercial Customers who desire to utilize Gas at pressures higher than the Standard Delivery Pressure should inquire of the District to determine the pressure that the District can make available at any given location in its service territory before obtaining any equipment requiring pressures higher than the Standard Delivery Pressure.

Original Sheet No. 3

ARTICLE III CUSTOMER'S INSTALLATION

3.01 GENERAL. Customer's Installation shall be constructed, installed and maintained, at Customer's expense, in accordance with standard practice as determined by State and local governmental codes and ordinances applicable thereto, these Rules and Regulations and other applicable governmental requirements.

3.02 INSPECTION OF CUSTOMER'S INSTALLATION. Where governmental inspection of a Customer's Installation is required, District will not supply Gas Service to such installation until all governmental authorities having jurisdiction have inspected and approved the Customer's Installation and the District has been authorized to furnish Gas Service. The District will discontinue Gas Service to a Customer whenever the Customer's Installation, or any part thereof, is in violation of a code, ordinance, regulation or statute governing the Customer's Installation and Gas Service will be restored only when the noncomplying condition has been corrected..

3.03 CHANGES IN CUSTOMER'S INSTALLATION. No changes in Customer's Installation which will affect the operation of any portion of the distribution system of the District shall be made without written consent of the District. The Customer will be liable for any damage to the District resulting from a violation of this rule.

3.04 OWNERSHIP OF PROPERTY. The District will own, operate and maintain all service pipes, regulators, vents, meters, meter connections, valves and other apparatus from District Main to the outlet side of the Meter.

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

3.06 PROTECTION OF DISTRICT'S PROPERTY. Customer shall properly protect District's property on Customer's premises, and shall permit no one but District's agents or employees, or persons authorized by law, to have access to District's piping, meters or apparatus. In the event of any loss or damage to District's property caused by or arising out of carelessness or misuse thereof by Customer, Customer shall pay to District the cost of replacing such loss or repairing such damage.

3.07 ACCESS TO PREMISES. Customer shall give District's authorized agents and employees access to Customer's property at all reasonable hours for the purpose of installing, inspecting, maintaining or removing its facilities on Customer's premises, reading Meters and performing such other actions as are incidental to furnishing or terminating Gas Service to Customer.

3.08 OPERATION OF DISTRICT'S FACILITIES. No Customer or other person shall operate, change or tamper with any of the District's facilities.

3.09 INDEMNITY. Customer shall indemnify, hold harmless, and defend the District from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with or growing out of the transmission and use of Gas by the Customer at or on the Customer's side of the Point of Delivery.

3.10 SERVICE CHARGES. When the District services Customer's Installation at Customer's request, Customer shall pay the District the service charges for such work set forth in Rate Schedule DLM.

3.11 EXCESS FLOW VALVES. Prior to, or immediately after, installing a new Customer Service Line or replacing an existing Service Line, the District will notify the Customer of the availability of an excess flow valve, the safety benefits of these valves and the costs of their installation. Excess flow valves meeting the performance standards prescribed by the United States Department of Transpiration will be made available upon request of the Customer and, if requested, will be installed in connection with the Customer's Installation provided the Customer pays all the costs of installation, including the cost of the valve itself. In addition, the Customer shall pay all costs of maintenance and repair on the excess flow valve regardless of where it may be located with respect to the Customer's Installation.

First Revised Sheet No. 4

ARTICLE IV DEPOSITS

4.01 ESTABLISHMENT OF CREDIT. Each prospective Customer shall establish credit prior to the commencement of Gas Service by District as follows:

(1) Residential Customers shall establish credit by making a cash deposit in the sum of \$100.00; provided, however, if Gas Service to a residential Customer has been discontinued for non-payment of bills rendered by the District, the deposit requirement for restoration of Gas Service shall be \$150.00.

(2) All non-residential Customers shall establish credit by making a cash deposit with the District equal to two times the estimated average monthly bill to be rendered by the District during periods of peak Gas usage.

(3) As an alternative to making a cash deposit, a non-residential Customer shall have the option of establishing credit by one of the following methods:

(a) 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 times the estimated average monthly bill during periods of peak Gas usage.

(b) By possessing and maintaining a Standard & Poor's Long Term Debt Rating of A- ,or better, or by possessing and maintaining a Moody's rating of A3 or better. Comparable ratings will be considered from other nationally recognized rating organizations acceptable to the District.

(c) 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 District will evaluate the Customer's creditworthiness 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. In evaluating the Customer's creditworthiness, the District 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 District may also consider other known factors relating to the Customer's creditworthiness. Accounts for which credit is established pursuant to this section (3) are subject to periodic review by the District 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 (3) 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 District within 90 days following the conclusion of the Customer's fiscal year. In the event (i) the debt rating or audited financial statements are unacceptable to the District, or become unacceptable, or (ii) the Customer pays with a check dishonored by a bank, or (iii) the Customer fails to comply with the District's Rules and Regulations, credit may be established by either a cash deposit, a letter of credit or a surety bond.

(4) A parent company may serve as a guarantor for a subsidiary company to secure the payment of bills for Gas Service provided the parent company can meet the requirements for establishing credit as stated in subsections (2) or (3), above.

4.02 NEW OR ADDITIONAL DEPOSITS. Whenever a non-residential Customer's Gas usage increases for reasons likely to recur (such as, for instance, installation of additional gas appliances or increased work schedules) to the extent that the actual or estimated charges for Gas Service for two peak Gas usage Billing Periods will exceed the amount of the cash deposit, or other security, made or furnished by the Customer, the District will require, upon thirty (30) days written notice delivered to Customer separate and apart from any bill for Gas Service, an additional or new cash deposit, or, at the Customer's option, other security in accordance with Section 4.01, above, so that the amount of the cash deposit, or other security, is equal to the then current actual or estimated charges for Gas Service for two peak Gas usage Billing Periods. If Customer has received Gas Service continuously during the 12 month period immediately prior to the date of notice, actual Gas consumption shall be used. If Customer has received Gas Service for less than 12 months, then District will base the amount of the new or additional cash

deposit, or other security, upon estimated Gas usage when actual Gas usage is not available. The 30 day notice shall not apply when Gas Service is being reestablished after discontinuance of service for non-payment.

4.03 RECEIPT FOR CASH DEPOSIT. A non-transferable receipt will be issued to a Customer for any cash deposit and means provided so that such Customer may claim the deposit if the receipt is lost.

4.04 RECORD OF DEPOSIT. With respect to a cash deposit, District will keep-records to show:

- (1) The name of the Customer making the deposit;
- (2) The premises occupied by the Customer;
- (3) The date and amount of the deposit; and
- (4) Each transaction concerning the deposit.

4.05 INTEREST ON CASH DEPOSIT. District will not pay interest on cash deposits for Gas Service.

4.06 REFUND OF DEPOSIT WHEN GAS SERVICE IS DISCONNECTED. Upon termination of Gas Service, a cash deposit may be credited against the final account and the balance, if any, shall be returned to the Customer within fifteen (15) days after Gas Service is discontinued.

4.07 DISHONORED CHECKS. Customer shall pay a service charge of \$20 or 5 per cent of the amount of the check, whichever is greater, for each check delivered to the District which is dishonored by the bank upon which it is drawn. Gas Service will be terminated for failure to pay such dishonored check charge.

Original Sheet No. 5

ARTICLE V BILLING

5.01 BILLING PERIODS. The District will render bills for Gas Service each month at intervals of approximately 30 days; provided, however, if a Customer is, or during the past six (6) months has been, in arrears in the payment of bills for Gas Service, the District, as an alternative to discontinuance of Gas Service, may initiate more frequent billing and payment periods as a means of eliminating, or avoiding recurrence of, an arrearage in payment.

5.02 RECEIPT OF BILLS. Bills shall be considered received by Customer when mailed to the most recent billing address supplied by Customer to District.

5.03 NON-RECEIPT OF BILLS. Failure of Customer to receive a bill shall not relieve Customer of its obligation to pay the bill.

5.04 INITIAL OR FINAL BILLS. When the period of Gas Service for which an initial or

final bill is rendered is less than a normal Billing Period, the Customer shall be charged the normal customer charge multiplied by the result of the number of days Gas Service was rendered during the Billing Period divided by thirty (30); provided, however, when the period of Gas Service is seventy-five (75) percent, or more, of a normal Billing Period, there shall be no reduction in the normal customer charge.

5.05 CUSTOMER DISCONTINUANCE OF SERVICE. 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 District not less than five 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 business days following District's receipt of the notice required above. District will automatically terminate Gas Service to a Customer after acceptance by District of a Request For Gas Service of a succeeding occupant of the premises previously occupied by the Customer requesting termination of Gas Service.

5.06 CALCULATION OF BILL. 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 District 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.

5.07 DELINQUENT BILLS. A bill shall be considered delinquent upon the expiration of fifteen (15) days from the date of mailing or other delivery thereof by District.

5.08 DISCONTINUANCE OF SERVICE FOR NON-PAYMENT OF BILLS. Gas Service will be discontinued for non-payment of bills but only after District 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 nonpayment has been resolved through mutual agreement, or successfully disputed by Customer.

5.09 ADJUSTMENT OF BILLS FOR METER ERROR. If a Meter is found to be in error, bills will be adjusted in the following manner:

(1) Whenever a Meter is found to have an average error of more than two percent (2%) fast (in District's favor), District 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 shall be computed back to, but not beyond, such date based on available records. If the Meter has not been tested, 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 customer charge.

(2) Whenever a Meter tested is found to have an average error of more than two-percent (2%) slow (in Customer's favor), District will bill Customer an amount equal to the unbilled

error. If District has required a meter test deposit, Customer will be billed only for the portion of the unbilled error which is in excess of the deposit retained by District.

(3) District will back bill Customer if a Meter is found to be slow, non-registering or partially registering. District will 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 District to be slow, non-registering or partially registering. If it can be ascertained that the Meter was slow, nonregistering or partially registering for less than twelve (12) months prior to removal, then District will back bill only for the lesser period of time. Customer may extend the payments of the back bill over the same amount of time for which District issued the back bill.

(4) In the event of a non-registering or a partially-registering Meter, Customer will be billed on an estimate based on previous bills for similar usage. 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.

(5) In the event of unauthorized use, Customer will be billed on an estimate of the Gas consumed. The estimate shall be made by the District based upon the Customer's historical Gas usage, the Btu capacity of the Customer's Gas appliances, weather conditions and other facts and circumstances known to the District which would directly affect the Customer's Gas usage during the period of unauthorized use.

Original Sheet No. 6

ARTICLE VI MEASUREMENT

6.01 MEASURING EQUIPMENT. District will provide, install, own, operate and maintain at its expense the Meters, recording devices and regulating or measuring equipment needed to accurately measure the quantity of Gas provided to Customer, except for specialty equipment needed for Customers who elect to receive transportation service from the District. All Customers receiving transportation service shall be responsible for all costs associated with the purchase, installation and maintenance of metering devices and, if required, telemetering equipment; however, the metering equipment shall be the property of the District. The Customer, acting jointly with the District, may install, maintain and operate at Customer's expense such check measuring equipment as desired provided that such equipment shall be so installed as not to interfere with the safe and efficient operation of District's equipment.

6.02 RESIDENTIAL METERING. Except as hereinafter provided, each separate residential occupancy unit shall be individually metered. Individual meters shall not be required, and master metering permitted, for separate residential occupancy units:

- (1) where dimensions or physical configurations of the units are subject to alteration;
- (2) 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;
- (3) in specialized-use housing accommodations such as hospitals and other health care facilities, college dormitories, convents, sorority or fraternity houses, motels, hotels and similar facilities;
- (4) in specially designated areas for overnight occupancy at trailer, mobile home and

recreational vehicle parks where permanent residency is not established;

- (5) in marinas where living aboard is prohibited by permanent means; or
- (6) where individual Gas Service would otherwise be required above the second story.

6.03 METER TESTS. District will periodically test Meters to ensure they properly and accurately measure the Gas Service provided to Customer.

6.04 METER TEST BY REQUEST. Customer may request the Meter be tested pursuant to the following conditions and provisions:

(1) Upon written request of a Customer, District shall, without charge, make a test of the accuracy of the Meter in use at Customer's premises; provided (i) that the Meter has not been tested by District within 12 (twelve) months previous to such request and (ii) that Customer agrees to accept the results of such test as the basis for the adjustment of disputed charges.

(2) Should Customer request a meter test more frequently than once a year, District will require a deposit to defray the cost of testing not to exceed \$100.00 for each test. If the Meter is found to be more than two percent (2%) fast, the deposit shall be refunded, but if below this accuracy limit the deposit will be retained by District as a service charge for conducting the test.

(3) Customer may witness the Meter test. A written report, giving the results of the test, shall be furnished to Customer upon request.

6.05 MEASUREMENT STANDARDS. For purposes of measurement of Gas, the following standards shall be applied.

(1) Base Conditions. The following base conditions shall apply:

(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 14.73 psia

(b) The average atmospheric pressure shall be assumed to be fourteen and seventy three hundredths pounds per square inch absolute (14.73 psia) irrespective of actual elevation or location of the point of measurement or of variations in such atmospheric pressure from time to time.

(2) Volumetric Measurement. The following standards and assumptions shall apply to measurement of volume:

(a) The Standard Delivery Pressure shall be 14.98 psia and 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 14.98 psia 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 District 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 30 year average monthly temperature as established by the nearest National Oceanic and Atmospheric Administration Weather Bureau, and published by the Department of Commerce.

(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 psig (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) Billing Units. For purposes of billing, the unit shall be determined as follows:

(a) The billing unit of Gas shall be the Therm. The number of Therms billed to a Customer shall be determined by multiplying the number of Cubic Feet of Gas delivered at 14.98 psia and 60 degrees Fahrenheit, by the total heating value of such gas 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 District's gas supplier, provided such value is applicable to the Gas delivered to the Customer, or such value shall be determined by the District 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. The District shall deliver Gas which is free of dangerous or objectionable quantities of impurities such as hydrogen sulphide 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.

Original Sheet No. 7

ARTICLE VII MAIN AND SERVICE EXTENSIONS

7.01 MAIN EXTENSIONS. Whenever a prospective Customer or other person, such as a real estate developer, municipality, township, county, or other authority (hereinafter referred to as "Depositor"), requests gas service at a location where the District does not have a Main, the District will extend its Mains and Gas Service to serve the prospective Customer or Customers under the following conditions:

(1) The extension of gas service to the prospective Customer will not jeopardize gas service to existing Customers.

(2) The District determines, in its sole discretion, that it has sufficient capital resources available for Main extension purposes to finance its obligations under the Main extension policies.

(3) The maximum capital cost to be incurred by the District for an extension of Main and service facilities shall be defined as the Maximum Allowable Construction Cost (hereinafter

referred to as the “MACC”). The MACC shall equal five times the estimated annual revenue to be derived from the facilities less the cost of Gas. Where the District, in its reasonable discretion, believes that there is significant uncertainty regarding the revenues to be derived from sales made from the requested extension of Main and service facilities, the District shall use reasonable efforts to calculate the MACC giving due consideration to such uncertainty.

(4) Where the facilities to be installed will require an investment by the District in excess of the MACC, the District will construct the necessary facilities provided the Customer or Depositor deposits with the District an amount equal to the excess of the estimated actual construction cost over the MACC. In this case, the District and the Depositor will then enter into an agreement (hereinafter referred to as a “Construction Deposit Agreement”) providing for receipt of the deposit by the District, the respective obligations of the parties in connection with the Main extension and the terms and conditions for a refund, if any, to the Depositor. The deposit will be used by the District to finance the cost of extending the Mains and related facilities and will not bear interest.

(5) Refund of Deposits. Deposits shall be refunded to Depositors in accord with the following procedures:

(a) As new Customers connect to the extended Main or service facilities, and no less often than on each of the first five anniversaries of the date on which the deposit is made to the District, the District shall refund to the Depositor an amount equal to (I) the actual or estimated annual revenue, less the cost of gas, derived from sales to Customers served by the extended facilities, less (ii) the MACC as determined in paragraph 7.01(3), above, divided by five (5).

(b) For each additional Customer taking gas service from any point on the extended Main or service facilities within a period of five (5) years from the date of construction, the District shall refund to the Depositor the amount by which the MACC 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 District agree that new Customers are likely to connect to the extended facilities over a period longer or shorter than five years, the Depositor and the District 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 District, and any unrefunded portion of said deposit at the end of five (5) years, or such longer or shorter period as may be agreed by the Depositor and District pursuant to subsection (5)(b) above, shall accrue to the District.

7.02 SERVICE EXTENSIONS FROM EXISTING MAINS. The District 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 MACC as defined in section 7.01(3), above. Customers not meeting the above criteria will be required to make a contribution in aid of construction based on the difference between the cost of the required Service facilities and the MACC as calculated for each respective Customer.

7.03 RELOCATION OF GAS SERVICE FACILITIES. When alterations or additions to structures or improvements on premises to which the District renders Gas Service necessitate the relocation of District's metering equipment, or when such relocation is requested by the Customer for whatever reason, Customer may be required to reimburse the District for all or any part of the costs incurred by the District in the performance of such relocation.

7.04 MAIN AND SERVICE EXTENSIONS AMORTIZATION SURCHARGE. In cases where (i) the estimated actual cost of extending necessary Main and Service facilities exceeds the MACC; (ii) the District, 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 District 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 District will only provide the facilities subject to a Main and Service Extension Agreement. In such cases, in lieu of a Construction Deposit Agreement, the party or parties requesting an extension shall enter into a Main and Service Extension Agreement with the District by which said party or parties guarantee, by payment or otherwise, that the District will recover the costs in excess of the MACC.

Original Sheet No. 8

ARTICLE VIII FORCE MAJEURE

8.01 SUSPENSION OF OBLIGATIONS. In the event of either District or Customer being rendered unable wholly or in part by force majeure to carry out its obligations under an application acceptance of which has been made, other than to make payments due thereunder, it is agreed that on such party giving notice and full particulars of such force majeure to the other party as soon as possible after the occurrence of the cause relied on, then (except as otherwise provided or permitted herein) the obligations of the party giving such notice so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

8.02 DEFINITION. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs or alterations to machinery or lines of pipe, freezing of wells or lines to pipe, partial or entire failure of source of supply, any event which is declared to be a force majeure event by the District's pipeline suppliers, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Such term shall likewise include (a) in those instances where either party is required to obtain servitude, rights-of-way grants, permits or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of

reasonable diligence, such servitude, rights-of-way grants, permits or licenses, and (b) in those instances where either party is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure grants or permissions from any governmental agency to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such cause is inadvisable in the discretion of the party having the difficulty.

Original Sheet No. 9

ARTICLE IX END USE CURTAILMENT OR INTERRUPTION PLAN

9.01 APPLICATION. This curtailment/interruption plan is applicable to all Gas Service and will be invoked by the District in the event of a supply or a capacity constraint to insure system integrity is maintained and the priority of service requirements set forth below are met. Prior to or in conjunction with curtailment, the District will request voluntary usage reductions on the part of industrial and commercial Customers.

9.02 DEFINITIONS. The following definitions shall apply in any curtailment:

(1) Essential Human Needs: Includes residences, apartments, hotels, motels, dormitories, hospitals, nursing homes, schools, police, and other institutions essential to the public welfare.

(2) Plant Protection Use: Minimum volumes of natural Gas required to prevent physical harm to the plant facilities' process or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include Gas deliveries required to maintain production.

9.03 CURTAILMENT PRIORITIES. Curtailment to the extent necessary as determined by the District, up to and including complete curtailment, shall be done in accordance with the following list of priorities, starting with the lowest priority, priority # 6, i.e.:

Priority 1: Essential human needs as defined in Section 401 of the Natural Gas Policy Act of 1978.

Priority 2: Essential agricultural use requirements as determined under Section 401 of the Natural Gas Policy Act of 1978, and approved by the most recent Data Verification Committee of Florida Gas Transmission Company.

Priority 3: Essential industrial requirements for processing food or feedstock use as determined under Section 402 of the Natural Gas Policy Act of 1978, and approved by the most recent Data Verification Committee of Florida Gas Transmission Company.

Priority 4: Commercial Sales Customers using an average of 4000 Therms or less per month.

Priority 5: Commercial Sales Customers using an average of more than 4000 Therms per month.

Priority 6: All Customers receiving Interruptible Service under any of the District's rate schedules.

9.04 CURTAILMENT OF CUSTOMER-OWNED GAS. If adequate supply to priority essential human needs customers is threatened in the District's judgement, Customer-owned transportation gas will be curtailed in addition to system supply and in same order of priorities. In the event that Customer-owned gas is diverted for use by higher priority customers, the District will reimburse the Customer by paying the cost of the Customers alternative fuel; or, if the Customer has no alternative fuel, reimbursement will be for the delivered cost of the Gas at the District's receipt point.

9.05 CURTAILMENT NOTICE. Whenever curtailment or interruption of Gas Service is required, District shall issue a curtailment order to Customer specifying the delivery point, the quantity of gas to be curtailed and the time at which such curtailment is to be made. When restoration of service is permissible, District shall similarly issue a restoration order specifying the delivery point, the quantities of gas to be restored and the time at which such restoration is to be made. A curtailment order shall be issued at least two (2) hours in advance of its effective time; provided, however, that if curtailment or interruption is occasioned by an event of Force Majeure affecting the District's system the District shall be obligated to give only such notice as is practicable under the circumstances. If delivered orally, the notices shall be confirmed in writing at the earliest practicable time. The notices may be delivered or confirmed by telephonic facsimile transmission.

9.06 OVERRUN PENALTIES AND CHARGES. In the event a Customer uses more gas than allocated during a period of complete or partial curtailment or interruption of Gas Service, and by reason thereof District is charged by its suppliers or transporters with overrun charges or penalties, Customer shall be billed for the amount of such charges or penalties due to Customer's failure to comply with such curtailment notices. The payment of an overrun penalty shall not be considered as giving the Customer the right to take unauthorized overrun gas nor shall such payment be considered to exclude or limit any other remedies available to District for the Customer's failure to comply with curtailment or interruption orders.

9.07 WITHHOLDING OF GAS SERVICE. If a Customer fails to voluntarily comply with a complete or partial curtailment or interruption order, and it is deemed necessary by the District to insure compliance, the District will withhold the Customer's Gas Service altogether during all or part of the curtailment or interruption period.

9.08 LIABILITY. The District shall not be liable for any damages, loss of product, or other business losses suffered by Customers as a result of curtailed or interrupted Gas Service. If the curtailment is a result of action by a governmental agency having jurisdiction to regulate,

allocate or control gas supplies or over rendition of service or public safety, the District shall not be liable for losses suffered by Customers as a result of such curtailment regardless of the legality or illegality of the action by the governmental agency.

Original Sheet No. 10

**ARTICLE X.
HOUSING DEVELOPMENT INCENTIVE**

10.01 APPLICATION. As an incentive to developers of residential subdivisions to influence them to provide for gas usage in the infrastructure and houses constructed in the subdivision, when the developer of a residential subdivision having at least 10 residential units, by requiring all or a part of the houses be equipped for gas usage, by aid in construction, by other means or by a combination of the foregoing means, guarantees the District its MACC for extending its Mains and Services to and within the subdivision shall equal to no more than five times the estimated annual revenue to be derived from the Customers in the subdivision less the cost of Gas, for each residential unit which is piped for Gas usage the District will furnish the developer, or the developer's assigns, services, material, appliances and/or cash having a value equal to the lower of \$350.00, or a percentage thereof not to exceed 100 per cent, equal to the percentage derived by dividing the total Value Rating, as set forth in Section 10.02, below, of the gas appliances installed therein by 550.

10.02 VALUE RATING CHART. The Value Rating Chart set forth below, in which the following Gas operated appliances are assigned a Value Rating, shall be used for the purpose of computing the amount of the incentive provided for in Section 10.01, above,

<u>Ratable Appliance</u>	<u>Value Rating</u>
Water heater, 40 gallon or larger	300
Central air heating furnace, 50,000 Btu's or larger	275
Cooking range with oven	140
Cook top only	110
Clothes dryer	80
Fireplace log	80
Swimming pool or spa heater	80
Gas fired air conditioner	550
Infrared radiant heater	135
Wall space heater	135
Other appliances	-0-

10.03 TIME. Whether or not a residential unit qualifies for the incentive provided for in Sections 10.01 and 10.02, above, shall be determined at the time a certificate of occupancy is issued for the residential unit and at no other time.

RATE SCHEDULES

Third Revised Sheet No. 20

LAKE APOPKA NATURAL GAS DISTRICT

District Labor, Equipment and Material Rate Schedule

I. District Labor Schedule

A.	Connection Fees, for new or changed customer, when meter must be turned on:	
	For Residential service	\$45.00
	For Non-residential service	\$45.00
B.	Read in/Read out Fee, when meter is not turned off:	\$45.00
C.	Re-connection after disconnection for non-payment:	\$45.00
D.	Temporary connection Fee	\$45.00
E.	Trip Charges, applied to all services except those stated in sub-sections A-D, above:	
	For use of a 3/4 ton pickup or smaller, per vehicle	\$22.00
	For use of a vehicle larger than 3/4 ton pickup, per vehicle	\$33.00
F.	Charges for all other labor performed during Normal Business Hours, per employee:	
	First one hour, or portion thereof	\$50.00
	Each additional one-half hour	\$25.00
G.	Charges for all other labor performed outside Normal Business Hours, per employee:	
	(1) During weekdays, Monday through Friday, before 8:00 a.m. or after 5:00	
	p.m.:	
	First one hour, or portion thereof	\$75.00
	Each additional one-half hour labor	\$37.50
	(2) During weekends, Saturday or Sunday, and holidays:	
	First one hour, or portion thereof	\$100.00
	Each additional one-half hour labor	\$50.00

II. District Materials Charge Schedule

Acquisition Cost	Times (x)	Percent	=	Sale Price
\$ 0.00 to \$ 0.99	Times (x)	250 %	=	Sale Price
\$ 1.00 to \$ 9.99	Times (x)	200 %	=	Sale Price
\$ 10.00 to \$49.99	Times (x)	150 %	=	Sale Price
\$ 50.00 up	Times (x)	130 %	=	Sale Price

III. District Equipment Charge Schedule

For use of back hoe/trencher equipment, per hour at job site	\$35.00
For use of arc welding or air compressor equipment, per hour at job site	\$25.00

Fourth Revised Sheet No 21

LAKE APOPKA NATURAL GAS DISTRICT

Residential Sales Service

I. Availability

Service under this tariff is available for all residential purposes in an individual private dwelling or an apartment. In the case of a multiple dwelling in which gas is measured by a master meter, the total consumption shall be divided by the number of apartments being served by such meter. The arithmetic quotient shall then be used to calculate the current billing as if each apartment was being served by an individual meter.

II. Character of Service

Sales Service: Under this service, the District will supply, when available, the full requirement of the customer to the limit of the capacity of installed service.

III. Rates and Charges for Residential Sales Service.

A. The monthly rates and charges are as follows:

Customer Charge \$ 10.00

Distribution Charge Per Therm:

(1) If heat only residential customer, the sum of 82.00 cents per Therm of gas consumed during the billing period ; and

(2) In the case of all other residential customers , the sum of 77.00 cents per Therm of gas consumed during the billing period.

B. Purchased Gas Cost Recovery. In addition to the rates and charges set forth in subsection A, above, all Residential Sales Service is subject to the Purchased Gas Cost Recovery Provisions of this Tariff.

C. Taxes and Assessments. In addition to the rates and charges set forth in subsection A, above, the Customer shall pay any franchise fees, gross receipts taxes, sales and use taxes, public utility taxes, or any other taxes or fees levied by any political authority having jurisdiction and fees or assessments imposed by the Public Service Commission of the State of Florida on any Gas transported, or bought or sold or upon the act of transporting, buying or selling any Gas under this tariff.

IV. Force Majeure: Shall apply as provided in the tariff.

Third Revised Sheet No 22

LAKE APOPKA NATURAL GAS DISTRICT

Residential Air Conditioning Sales Service

Deleted

Fourth Revised Sheet No 23

LAKE APOPKA NATURAL GAS DISTRICT

Commercial Sales Service

I. Availability

Service under this tariff is available for all commercial customers.

II. Character of Service

Sales Service: Under this service, the District will supply, when available, the full requirement of the customer to the limit of the capacity of installed service.

III. Rates and Charges for Sales Service

A. The monthly rates and charges are as follows:

Customer Charge:

(1) When use is less than an average of 4000 Therms per month: \$ 25.00

(2) When use is more than an average of 4000 Therms per month: \$ 27.00

Distribution Charge Per Therm:

(1) If their average actual (or estimated) consumption of gas during the previous twelve billing periods was (or would have been) an average of 4,000 Therms or less, per month, the sum of 59.00 cents per Therm of gas consumed during the billing period, and

(2) If their average annual (or estimated) consumption of gas during the previous twelve billing periods was (or would have been) an average of 4,000 Therms or more, per month, the sum of 54.00 cents per Therm of gas consumed during the billing period.

B. Purchased Gas Cost Recovery. In addition to the rates and charges set forth in subsection A, above, all Commercial Sales Service is subject to the Purchased Gas Cost Recovery Provisions of this Tariff.

C. Taxes and Assessments. In addition to the rates and charges set forth in subsection A, above, the Customer shall pay any franchise fees, gross receipts taxes, sales and use taxes, public utility taxes, or any other taxes or fees levied by any political authority having jurisdiction and fees or assessments imposed by the Public Service Commission of the State of Florida on any Gas transported, or bought or sold or upon the act of transporting, buying or selling any Gas under this tariff.

IV. **Force Majeure:** Shall apply as provided in the tariff.

Third Revised Sheet No 24

LAKE APOPKA NATURAL GAS DISTRICT

Interruptible Sales Service

I. Availability

Service under this tariff is available for all non-residential customers who have the

capacity to switch to an alternate fuel.

II. Character of Service

Interruptible Sales Service: Under this service, the District will supply, when available, the full requirement of the customer to the limit of the capacity of installed service .

III. Rates and Charges for Interruptible Sales Service

A. The monthly rates and charges are as follows:

Customer Charge:

(1) If use is an average of 1000 Therms per day or less \$ 40.00

(2) If use is an average of more than 1000 Therms per day \$ 50.00

Distribution Charge Per Therm:

(1) If their average actual (or estimated) consumption of Gas during the previous twelve billing periods was (or would have been) an average of 1000 or less, Therms per day, the sum of 52.00 cents per Therm of Gas consumed during the Billing Period, and

(2) If their average annual (or estimated) consumption of Gas during the previous twelve billing periods was (or would have been) an average of more than 1000 Therms per day, the sum of 42.00 cents per Therm of Gas consumed during the Billing Period.

B. Purchased Gas Adjustment. In addition to the rates and charges set forth in subsection A, above, all Interruptible Sales Service is subject to the Purchased Gas Cost Recovery Provisions of this Tariff.

C. Taxes and Assessments. In addition to the rates and charges set forth in subsection A, above, the Customer shall pay any franchise fees, gross receipts taxes, sales and use taxes, public utility taxes, or any other taxes or fees levied by any political authority having jurisdiction and fees or assessments imposed by the Public Service Commission of the State of Florida on any Gas transported, or bought or sold or upon the act of transporting, buying or selling any Gas under this tariff.

V. Force Majeure: Shall apply as provided in the tariff.

Third Revised Sheet No 25

LAKE APOPKA NATURAL GAS DISTRICT

Transportation Service

I. Availability

A. Service under this tariff is available for all Customers except for the residential Customers.

B. This tariff is applicable to all gas purchased by a Customer from a third party producer or marketer. Transportation gas must be delivered to the District's distribution system via an interstate or intrastate pipeline. Once third party gas has been received by the District, the

District will transport the gas to the Customer's premises on a firm basis. This service is only available to those Customers which execute a 12-month contract for the service provided herein.

C. An optional Standby Sales Service is also offered in conjunction with the transportation service. Customers opting not to purchase standby service shall have no right or claim to Gas provided by the District. Those transportation Customers who do not elect to receive Standby Sales Service must acknowledge in writing that they are declining the service and understand they may be unable to obtain a supply of Gas if the District is unable to provide Gas from its system supply.

D. A balancing service from the District's system supply is also part of this tariff. This service is interruptible and is mandatory to all Customers on this tariff. Under this service, the District will sell Gas to the Customer, if available from system supply, when under-deliveries of Gas occur and will buy Gas from the Customer when over-deliveries of Gas occur, as the terms over-delivery and under-delivery are defined herein, in accordance with the provisions of Section VII, hereof.

II. Character of Service

This service provides for the transportation of third party gas delivered to the District on behalf of a transportation Customer. This transportation service will be provided, in the sole discretion of the District, only to the extent that the third party gas is delivered to the District.

III. Transportation Service Contract Requirements

A. The customer shall execute a Service Agreement with the district which specifies the Maximum Daily Quantities of Gas to be transported. The minimum term shall be 12 months and shall specify that the customer has requested transportation rates as provided in the District's transportation tariff.

B. As a condition of receiving transportation service under this tariff, Customers shall be required to have installed at their premises by the District, at Customer's expense, such metering devices and if required telemetering equipment, as are acceptable to the District for the purpose of accurately measuring the flow of Gas to the Customer and determining imbalances as that term is defined herein.

IV. Rates and Charges for Transportation Service

A. The monthly rates and charges are as follows:

Customer Charge:

- | | |
|--|----------|
| (1) If use is not more than an average of 130 Therms per day | \$ 30.00 |
| (2) If use is between an average of 130 and 400 Therms per day | \$ 40.00 |
| (3) If use is between an average of 400 and 685 Therms per day | \$ 50.00 |
| (4) If use is between an average of 685 and 1370 Therms per day | \$ 60.00 |
| (5) If use is between an average of 1370 and 2055 Therms per day | \$ 70.00 |
| (6) If use is between an average of 2055 and 2740 Therms per day | \$ 80.00 |
| (7) If use is more than an average of 2740 Therms per day | \$ 90.00 |

Transportation Charge:

(1) If their average actual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 130, or less, Therms per day, the

sum of 54.50 cents per Therm of Gas consumed during the Billing Period; and

(2) If their average actual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 130, or more, Therms per day, and less than an average of 400 Therms per day, the sum of 49.50 cents per Therm of Gas consumed during the billing period; and

(3) If their average annual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 400, or more, Therms per day, and less than an average of 685 Therms per day, the sum of 40.50 cents per Therm of Gas consumed during the Billing Period; and

(4) If their average annual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 685, or more, Therms per day, and less than an average of 1370 Therms per day, the sum of 36.50 cents per Therm of Gas consumed during the Billing Period; and

(5) If their average annual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 1370, or more, Therms per day, and less than an average of 2055 Therms per day, the sum of 33.50 cents per Therm of Gas consumed during the Billing Period; and

(6) If their average annual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 2055, or more, Therms per day, and less than an average of 2740 Therms per day, the sum of 30.50 cents per Therm of gas consumed during the Billing Period; and

(7) If their average annual (or estimated) consumption of Gas during the previous twelve Billing Periods was (or would have been) an average of 2740, or more, Therms per day, the sum of 27.50 cents per Therm of Gas consumed during the Billing Period.

B. Taxes and Assessments. In addition to the rates and charges set forth in subsection A, above, the Customer shall pay any gross receipts taxes, sales and use taxes, public utility taxes, or any other taxes levied by any political authority having jurisdiction and any fees or assessments imposed by the Public Service Commission of the State of Florida on any Gas transported, bought or sold or upon the act of transporting, buying or selling any Gas under this tariff.

C. Pipeline Penalties. In addition to the rates and charges set forth in subsection A, above, the Customer shall reimburse the District in the event of its payment of, and indemnify the District against loss from, any penalties assessed directly or indirectly by FGT or other pipelines for imbalances or failure to comply with pipeline operational or curtailment orders which are reasonably attributable to volumes of Gas transported by Customer.

D. Transitional Costs. Existing Customers changing from sales to transportation service or from transportation to sales service may create transitional costs which the District shall recover, as a condition of providing service, from the Customer on a case by case basis in a manner that reasonably balances the equitable interests of the Customer and the District's other ratepayers. Consequently,

(1) Any existing sales Customer who migrates to transportation service shall pay the stranded costs incurred by the District as a result of such Customer exiting the merchant function in order to prevent remaining Customers from absorbing such stranded costs. The District shall only assess reasonable stranded costs including, but not limited to, pipeline demand charges and under recovery of Gas supply costs. The District shall be obligated to take all reasonable actions available to mitigate such stranded costs; and

(2) Any existing Customer who migrates to transportation service and subsequently requests to return to the District's sales service shall pay the higher of the applicable tariff rate and the incremental cost of furnishing such sales service.

V. Receipt and Delivery of Transportation Gas

A. The Customer shall be responsible for securing delivery of Customer-owned Gas to the District's system at the Points of Delivery designated in the contract.

VI. Balancing Requirements for Transportation Customers

A. **Mandatory Balancing Service.** A balancing service whereby the District will accept the Customer's daily over-deliveries of transported Gas and provide the Customer Gas to compensate for its daily under-deliveries of transported Gas, on an interruptible basis, shall be mandatory for all Customers under this tariff. The cumulative daily imbalances shall be settled between the Customer and the District each Billing Period in accordance with the provision of Section VII, hereof. The Customer shall pay a net under-delivery and the District shall give the Customer a credit for a net over-delivery.

B. **Customer Nominations and Gas Deliveries.** The Customer shall promptly advise the District of its daily nominated quantity of gas (DNQ), i.e.- the amount of Gas the Customer intends to deliver to the District on certain day . Daily nominations shall be furnished to the District by 10:00 a.m. (Eastern Standard Time) at least two (2) business days prior to the date that a change in the daily nomination is intended to become effective. The District shall acknowledge the receipt and acceptance of the daily nomination information prior to 11:00 a.m. on the day that the nomination or change is delivered. Customer shall provide the District with pipeline daily confirmation reports reflecting the actual amount of Gas delivered to the District each day on behalf of the Customer within 24 hours after receipt of same.

C. **Balancing Requirement.** The Customer is obligated to balance , i.e. - maintain in equilibrium, the amount of Gas nominated with the amount of Gas actually transported to the Customer as determined by daily meter readings at the Customer's facility within the tolerances hereinafter provided or, upon failure to do so , incur the charges for imbalances provided for in Section VII, hereof.

D. **Determination of Daily Imbalances.** The Customer's daily imbalance shall be equal to the difference between the amount of Gas actually received by the District each day on behalf of Customer and Customer's actual transportation throughput (adjusted for losses) as determined from daily meter readings at Customer's facility. A daily under-delivery or negative imbalance shall be deemed to occur whenever daily deliveries on behalf of the Customer are less than the Customer's actual transportation throughput as determined from daily meter readings at the Customer's facility. A daily over-delivery or positive imbalance shall be deemed to occur whenever daily deliveries on behalf of the Customer are more than Customer's actual throughput as determined from daily meter readings at the Customer's facility. A daily under-nomination shall be deemed to occur whenever daily deliveries are more than the amount nominated for the day.

E. **Determination of Monthly Imbalances.** Customer's monthly imbalance shall be equal to (1) the difference between the amount of Gas actually received by the District each month on behalf of the Customer and the Customer's actual transportation throughput, adjusted for losses, as determined from meter readings at the Customer's facility, and (2) any unresolved imbalance carryover from a previous month.

VII. Charge for Imbalances: The District shall impose two charges for imbalances . The charges are as follows:

A. Charge for Daily Imbalances: In addition to the transportation charges provided for in Section IV, hereof, on all volumes of Gas actually delivered to the District in excess of the Customer's confirmed daily nominated quantity, the Customer shall pay: (1) a daily balancing charge equal to the sum of the transportation and usage charges (including, but not limited to, transportation surcharge, usage surcharges, taxes, assessments and fees) paid to transporting pipeline or pipelines by the District; and (2) a charge equal to the District's weighted load factor rate currently in effect.

B. Charge for Monthly Imbalances: At end of each calendar month the District shall determine the cumulative imbalance as determined in Section VI, above. If there is a negative imbalance, the District shall sell to the Customer (and Customer shall buy from the District) the Gas represented by the negative imbalance, and if there is a positive imbalance, the District shall buy from the Customer (and the Customer shall sell to the District) the Gas represented by the positive imbalance, at the percent of Index Price for the tier in which the imbalance falls as set forth in the following schedules:

(1) Monthly Under-delivery or negative imbalance:

Percent of Imbalance	Percent of Index Price
0 to 10	100
11 to 15	115
16 to 20	130
21 to 25	140
Over 25	150

(2) Monthly Over-delivery or positive imbalance:

Percent of Imbalance	Percent of Index Price
0 to 10	100
11 to 15	85
16 to 20	70
21 to 25	60
Over 25	50

C. The Index Price. The Index Price for all imbalance deliveries shall be the simple average of the weekly spot prices published in Gas Daily for gas delivered into the FGT pipeline system at Zone 2. Gas Daily is published by the Oil Daily, Inc. Suite 500, 1401 New York Avenue, N.W. Washington, D.C. 20005.

VIII. Standby Sales Service

A. This service is optional. For customers subscribing to this service, the District agrees to provide firm gas sales service to the Customer.

B. Maximum Daily Standby Quantity. The Customer and the District must agree to a Maximum Daily Standby Quantity (MDSQ). The Customer must designate a portion up to one hundred per cent (100%) of its MDTQ as its MDSQ. This MDSQ will remain in effect for the term of transportation contract between the Customer and the District. In the event that the Customer takes a quantity of standby sales in excess of the MDSQ, the Customer's MDSQ shall be immediately be increased to the actual level of standby sales Gas consumed, up to but not in excess of the Customer's MDTQ, and remain at that amount for the balance of the term of the transportation contract between the Customer and the District unless the District determines that

the incremental increase in quantity is unavailable and notifies the Customer that a lower amount is the maximum MDSQ allowable. Gas taken in excess of the maximum allowable MSDQ shall be subject to penalties as listed in Subsection D, below.

C. Rates for Standby Sales Service. There shall be a two part rate for Standby Sales Service as follows:

(1) Reservation Charge. The reservation charge for standby sales service, which shall be paid to the District regardless of usage, shall be the District's weighted firm demand rate currently in effect at the time of each Billing Period.

(2) Commodity Charge. The rate for standby sales Gas consumed by the Customer shall be the District's firm commercial sales service tariff rate from time to time in effect for the volumetric classification in that tariff corresponding to the Customer's maximum monthly transportation quantity, and any applicable usage and transportation costs to deliver said Gas to the Customer.

D. Penalties. A penalty shall be imposed on the Customer for any standby sales service Gas taken in excess of the Customer's maximum allowable MDSQ, which penalty shall be the greater of : (1) any penalty imposed on the District by FGT reasonably attributable to the excess volumes of standby sales service Gas taken by the Customer, or (2) \$1.00 per therm.

IX. Force Majeure: Force Majeure shall apply as provided in the tariff.

Original Sheet No. 26

LAKE APOPKA NATURAL GAS DISTRICT

Negotiated Contract Rate Service

I. Purpose

The District is offering this negotiated contract tariff provision to enable the District to respond to Customer needs and the increasingly competitive forces in the energy services market. This contract tariff provision shall be used by the District as a vehicle for responding to competitive pricing situations resulting from but not limited to fuel switching, facility relocation or expansion, partial or complete plant production shifting and potential bypass. This tariff authorizes the District to offer either sales or transportation rates and terms and conditions to respond to competitive forces.

II. Eligibility

A. This contract tariff is available to any qualifying Customer as specified herein. Customer qualification shall be based upon meeting each of the following criteria as determined solely by the District:

(1) The Customer has an economic competitive alternative to full or partial service from the District's standard tariff rates, as determined by the District;

(2) The Customer is likely to select said alternative if the District does not provide a negotiated contract rate offer; and

(3) The price to the Customer will provide net revenue above the incremental costs to provide service under this rate offer.

B. The District shall determine eligibility on a case by case basis based upon information supplied by the Customer. The District's decision on the application shall consider the economics of the competitive alternative, as well as the practical aspects of securing that alternative (e.g., ability to secure environmental permitting, feasibility studies, switching ability, ability to secure required capital).

III. Service Options

If, after reviewing the Customer's application for service, the District concludes that the Customer meets all the eligibility requirements listed above, the District shall enter into negotiations with the Customer for the purpose of offering such services as are believed to meet the Customer's requirements. Competitive offers may be made in a manner which provides the Customer with increased choices for service. A menu of service options differentiated by contract term, quantity, pricing options, and service attributes may be made available to the qualifying Customer. The agreed upon services shall be specifically described within the Customer Service Agreement.

IV. Contract

Eligible Customers requesting this service classification will execute a Customer Service Agreement, which specifies the terms and conditions of the contractual agreement between the District and the Customer and shall be of a minimum term of one year.

V. Force Majeure: Shall apply as provided in the tariff.

First Revised Sheet No. 27

LAKE APOPKA NATURAL GAS DISTRICT

Purchased Gas Cost Recovery Provisions

I. Purchased Gas Cost Recovery Charge

In addition to the Customer Charge and the Distribution Charges provided for in the Gas Service Rate Schedules, all sales customers shall be charged for the cost to the District of the Gas consumed by the customer.

Such cost of Gas shall be the expected average volumetric weighted cost per Therm of Gas purchased by, and delivered to, the District during the calendar month next preceding the date of billing.

The cost of Gas shall include, in addition to the suppliers' commodity price for Gas and the transporters' charge for transportation, any demand, entitlement, gas inventory, storage or facilities charges and fees, surcharges or cost recovery mechanisms and any other costs in the nature of a demand charge imposed by the supplier, fuel manager or transporter. The costs in the nature of demand charges shall be converted to a weighted per Therm cost by applying a weighted demand rate factor determined by the following formula: The District's total pipeline capacity reservation expense and all other costs in the nature of a demand charge incurred during the most recent 12 months divided by the total Gas Therms sold by the District during the corresponding 12 month period.

II. Cost Recovery True-Up

Any over recovery or under recovery of purchased Gas costs by the District shall be “trued-up” (refunded to the customer or collected by the District) as promptly as practicable in subsequent billings as more accurate or certain information regarding the costs becomes available.

FORMS

First Revised Sheet No. 40

No. 000000

LAKE APOPKA NATURAL GAS DISTRICT

1320 Winter Garden-Vineland Road - Post Office Box 783007

Winter Garden, Florida, 34787

(407) 656-2734

**Request for Residential Service
and Deposit Receipt**

Date: _____

Name(s) of Customer: _____

LAST

FIRST

MI

Service Address: _____

Mailing Address: _____

Telephone: Home _____; Work _____ Ext. _____

Customer I. D. No(s): _____

I: Own ____ Rent ____ Home; Landlord: _____

I Have: Heat Only ____; Heat and Other Gas Appliances _____, consisting

of: _____

Occupants of Home: _____

DEPOSIT: \$ _____ ; Paid by: Cash _____ or Check _____

The undersigned hereby request(s) that Lake Apopka Natural Gas District (District) furnish [heat only] [regular] residential Gas Service at the above service address and agree(s) that the provisions of the District's Tariff, as it is from time to time in effect, which is hereby incorporated by reference, shall be the agreement pursuant to which such Gas Service is furnished by the District to the undersigned.

Receipt of Deposit is hereby
acknowledged by Lake Apopka
Natural Gas District

Customer's Signature(s)

By: _____

First Revised Sheet No. 41

No. 000000

LAKE APOPKA NATURAL GAS DISTRICT

1320 Winter Garden-Vineland Road - Post Office Box 783007

Winter Garden, Florida, 34787

(407) 656-2734

**Request for Commercial Sales Service
and Deposit Receipt**

Date: _____

Name of Customer: _____

Type of Entity: _____

Name and Address of Owner, General Partner, Trustee or Principal
Officer:

Contact Person: _____

Service Address: _____

Mailing Address: _____

Telephone No.: _____ Employer I. D. No: _____

DEPOSIT: \$ _____ By: Cash ___ ; Letter of Credit ___ ;

Surety Bond ___ ; or Other _____.

The above named Customer (if a legal entity, through its undersigned officer or agent thereunto duly authorized) hereby requests that Lake Apopka Natural Gas District (District) furnish Commercial Gas Sales Service to it at the above service address and agrees that the provisions of the District's Tariff, as it is from time to time in effect, which is hereby incorporated by reference, shall be the agreement pursuant to which such Gas Service is furnished by the District to Customer.

Receipt of Deposit is hereby
acknowledged by Lake Apopka
Natural Gas District

Signature of Customer or its Authorized Agent

By: _____

PRO FORMA CONTRACTS

First Revised Sheet No.70

(PRO FORMA)

GAS TRANSPORTATION SERVICE AGREEMENT

This Gas Transportation Service Agreement, made and entered into by and between LAKE APOPKA NATURAL GAS DISTRICT, an independent special district existing under the laws of the State of Florida, with its principal office at 1320 Winter Garden-Vineland Road, Winter Garden, Florida, 34787, hereinafter referred to as the "District," and _____

_____, hereinafter referred to as the "Shipper" and/or "Customer,"

Witnesseth:

Whereas, Shipper owns and operates a _____ facility which consumes gas and is located in the area served by the District's Gas distribution system (hereinafter referred to as the "Facility");

Whereas, Shipper intends to acquire its own supply of Gas from various gas suppliers (hereinafter collectively referred to as "Suppliers");

Whereas, Shipper intends to arrange for the interstate transportation of its Gas to the

District's Receipt Point by various gas transporters other than the District (hereinafter collectively referred to as "Transporters");

Whereas, Shipper desires that the District deliver to the Shipper's Facility on a firm basis the Gas delivered by Transporter for Shipper's account at the District's Receipt Point;

Whereas, Shipper [did] [did not] formerly purchase Gas from the District and the District [will] [will not] have stranded costs as a result of Shipper acquiring and transporting its own Gas Supply;

Whereas, Shipper also may from time to time desire that the District furnish Gas sales service or standby sales service; and

Whereas, District is willing to provide such services (subject to stranded costs, if any, being recovered) in accordance with its Tariff and this Agreement;

Now, Therefore, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

ARTICLE I DEFINITIONS

As used herein, unless the context clearly requires otherwise, the following terms, words, phrases and abbreviations shall have the following meanings:

1.01 Abbreviations. If used herein:

- Btu shall mean British thermal unit;
- CCF shall mean one hundred cubic feet;
- CFM shall mean cubic feet per minute;
- CF shall mean cubic feet;
- CFH shall mean cubic feet per hour;
- CS&T shall mean Commercial Sales and Transportation Rate Schedule;
- FERC shall mean Federal Energy Regulatory Commission;
- FGT shall mean Florida Gas Transmission Company, Inc.;
- IS&T shall mean Interruptible Sales and Transportation Rate Schedule;
- MCF shall mean one thousand cubic feet;
- MDTQ shall mean Maximum Daily Transportation Quantity;
- MDSQ shall mean Maximum Daily Standby Sales Service;
- NCR shall mean Negotiated Contract Rate Service Rate Schedule;
- psi shall mean pounds per square inch;
- psia shall mean pounds per square inch absolute;
- psig shall mean pounds per square inch gauge.

1.02 "Actual Throughput" shall mean the amount of Gas passing through the Meter at Shipper's Facility during a specified period of time.

1.03 "Agreement" shall mean this Gas Transportation Service Agreement including the Schedules and Appendices attached hereto, as the same may from time to time be amended.

1.04 "Billing Period" shall mean a period of approximately one month, based on regularly scheduled meter readings which are approximately 30 days apart.

1.05 "British Thermal Unit" shall mean the quantity of heat required to raise the temperature of one pound of water from 59.0 degrees Fahrenheit to 60.0 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.

1.06 "Business Day" shall mean a civil day other than Saturday, Sunday, or holiday resulting in the close of business for District.

1.07 “Cubic Foot of Gas” shall mean, for gas delivered at the Standard Delivery Pressure, the volume of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot and for gas delivered at other than the Standard Delivery Pressure, the volume of gas which, at a temperature of 60 degrees Fahrenheit and at absolute pressure of 14.98 pounds per square inch, occupies one cubic foot.

1.08 “Customer” shall mean any person, legal entity or association of persons supplied with Gas Service by the District.

1.09 “Day” or “Delivery Gas Day” shall mean a twenty-four (24) hour period beginning and ending at 4:00 p.m. Eastern Time (or such other time as may be provided for a Delivery Gas Day in FGT’s FERC Gas Tariff). The reference date for any Day shall be the calendar date upon which said period commences.

1.10 “District Delivery Point” shall mean the point or points specified in Schedule B attached hereto, or as it may hereafter be amended, at which Gas will be delivered to Shipper for use at the Facility.

1.11 “District Receipt Point” shall mean the point or points specified in Schedule A attached hereto, or as it may hereafter be amended, at which Transporter will deliver and the District will receive Gas for Shippers account.

1.12 “Facility” shall mean _____.

1.13 “FGT FERC Gas Tariff” shall mean FGT’s FERC-approved Gas Tariff on and after the Effective Date, as the same may be lawfully revised and be in effect from time to time.

1.14 “Gas” shall mean natural gas or a mixture of gases suitable for fuel, delivered through the District’s distribution system, having a heating value of not less than 950 Btu’s per cubic foot.

1.15 “Gas Service” shall mean the supplying of gas or the transportation of gas by the District to a Shipper or Customer.

1.16 “Imbalance” shall mean the difference between the quantity of Gas actually delivered by Shipper to the District’s Receipt Point during a specified period of time and either Actual Throughput or Scheduled Quantity for such time, as the context requires.

1.17 “Maximum Daily Transportation Quantity” shall mean the maximum quantity of Gas that Shipper may tender, or cause to be tendered, to the District, and that the District shall be obligated to receive on account of the Shipper, pursuant to the terms of this Agreement on any given Day at the District’s Receipt Point.

1.18 “Month” shall mean a Billing Period.

1.19 “Meter” shall mean any device or instrument used to measure and indicate volumes of Gas which flow through it.

1.20 “Nomination” shall mean a Notice delivered by Shipper to the District in the form and content set forth in Appendix 3. To nominate shall mean to deliver a Nomination.

1.21 “Normal Business Hours” shall mean 8 a.m. to 5 p.m. Monday through Friday, excluding holidays.

1.22 “Over Delivery” shall mean that deliveries on behalf of Shipper are more than the Shipper’s Actual Throughput as determined from daily meter readings at Shipper’s Facility.

1.23 “Rate Schedule” shall mean a statement in the District’s Tariff of the rates or charges for a particular classification of all classes of Customers for Gas Service and all provisions, terms, conditions, classifications, practices and rules and regulations affecting such rates or charges.

1.24 “Scheduled Quantity” shall mean the amounts of Gas nominated by Shipper and confirmed by the District for transportation on behalf of, and/or for purchase by, Shipper during

a specified period of time.

1.25 “Shipper” shall mean a Customer of the District who receives Gas transportation service.

1.26 “Tariff” or “District’s Tariff” shall mean the District’s Gas Tariff adopted by the Board of Commissioners of the District on September 28, 1998, as the same may be lawfully revised and in effect from time to time.

1.27 “Therm” shall mean a unit of heat equal to one hundred thousand (100,000) Btu’s.

1.28 “Transporter” shall mean any gas pipeline transmission company providing transportation services to the District’s Receipt Points with respect to Gas purchased for or on behalf of Shipper for use in the Facility.

1.29 “Under Delivery” shall mean that deliveries on behalf of Shipper are less than the Shipper’s Actual Throughput as determined from daily meter readings at Shipper’s Facility.

ARTICLE II

NATURE AND QUANTITY OF GAS SERVICE PROVIDED

2.01 Transportation Service. Shipper hereby engages the District and the District hereby accepts the engagement to receive at the District’s Receipt Point listed on Schedule A attached hereto and to deliver at the District’s Delivery Point listed on Schedule B attached hereto Gas on behalf of Shipper in the quantities and upon the conditions hereinafter stated.

2.02 Quantity of Transportation Service. The maximum quantity of Gas that Shipper may tender, or cause to be tendered, to the District on any given Day at the District’s Receipt Point is the Maximum Transportation Quantity set forth on Schedule C attached hereto, as the same may be from time to time amended. If the Maximum Transportation Quantity is changed by mutual agreement of the parties, the agreement shall be expressed in writing by an amendment to Schedule C signed by the parties.

2.03 Nature of Transportation Service. Subject to the other provisions of this Agreement, upon the delivery by Transporter of Gas for the account of Shipper to the District at the District’s Receipt Point, the District shall deliver on a firm basis an equivalent quantity of Gas, less Retainage, to Shipper at the District’s Delivery Point; provided, however, the Gas Service furnished under this Agreement shall be subject to the provisions of Article IX hereof regarding curtailment or interruption and Article X regarding Force Majeure.

2.04 Standby Sales Service. Shipper has elected to [receive] [not receive] Standby Sales Service. If Shipper has elected to receive Standby Sales Service, the terms and conditions under which the service will be received and furnished, and the quantities to be furnished, are stated on Appendix 1 attached hereto.

2.05 Sales Service. If Shipper has an agreement for Gas sales service in effect with the District contemporaneously with this Agreement for transportation service, the terms and conditions of such sales service agreement and its relationship to this Agreement shall be stated, or referred to, on Appendix 2 attached hereto.

2.06 Point of Delivery. For all gas transported or sold hereunder, the Point of Delivery, at which possession of Gas transported or title to Gas sold by the District shall pass to Shipper, shall be at the point on the outlet side of the Meter at which District's gas service facilities are connected to the Customer's installation at the Delivery Point stated on Schedule B.

2.07 Technical Conditions. Any additional technical requirements with respect to the transportation of Gas by the District for Shipper, if any, are stated in Schedule D, attached hereto.

ARTICLE III
RATES

3.01 Rates and Other Conditions. Transportation Gas Service under this Agreement shall be provided in accordance with the rates and other terms and conditions of the _____ Rate Schedule of the District's Tariff as the same now exists or may hereafter be amended.

3.02 Stranded Costs. Stranded costs, if any, are identified on, and shall be recovered by means of the charge or charges stated on, Schedule E, attached hereto.

ARTICLE IV
NOMINATIONS AND CONFIRMATIONS

4.01 Daily Nomination. For each Day on which Shipper desires to receive Gas transportation service pursuant to this Agreement, Shipper shall provide a Nomination to the District specifying the quantity of Gas in MMBtu's (not to exceed the MTQ) that it will tender at the District's Receipt Point for delivery to the Shipper's Facility. The Nomination must be delivered to the District prior to 10:00 a.m. on the Business Day prior to the Day on which the Gas will be tendered at the District's Receipt Point.

4.02 Confirmation of Nomination. The District shall confirm that the nominated quantity has been scheduled for receipt and redelivery on the District's distribution system. A timely Nomination will be deemed to have been confirmed by the District unless the District Notifies the Shipper otherwise prior to 11:00 a.m. on the Day the Nomination is delivered.

4.03 Confirmation of Delivery. The Shipper shall promptly provide the District with Pipeline daily confirmation reports reporting the actual amount of Gas delivered to the District each Day on the account of the Shipper.

ARTICLE V
LOAD BALANCING AND IMBALANCE PENALTIES

5.01 Load Balancing. The Shipper shall be obligated to balance the amount of Gas tendered by Shipper at the District's Receipt Point with both the Scheduled Quantity and the Actual Throughput each Day. Charges and penalties shall be imposed for Imbalances as follows.

5.02 Scheduled Quantity Imbalance Penalties. Shipper shall reimburse the District for any imbalance penalties assessed against the District, either directly or indirectly, by FGT which are attributable to imbalances between the Scheduled Quantity and the amount of Gas tendered at the District's Receipt Point for the account of Shipper.

5.03 Actual Throughput Imbalance Charges. Imbalances between the amount of Gas tendered at the District's Receipt Point and the Actual Throughput at Shipper's Facility shall result in a charge for such imbalances in accordance with Section VII of Rate Schedule _____ of the District's Tariff.

5.04 Load Balancing Service. The District will provide Shipper with interruptible daily and monthly load balancing service whereby the District will accept and purchase Shipper's Over Deliveries and supply and sell Shipper Gas in the case of Under Deliveries. The cumulative daily Over Deliveries and Under Deliveries shall be cashed out each Month in the manner provided in Section VIII B of Rate Schedule _____ of the District's Tariff.

ARTICLE VI
MEASUREMENT

6.01 Quality. The Gas delivered hereunder by Shipper to the District at the District's Receipt

Point and by the District to Shipper at the District's Delivery Point for use at the Facility shall meet the minimum quality specifications established for Gas tendered for transportation to FGT under the General Terms and Conditions contained in FGT's FERC Gas Tariff.

6.02 Btu Content. In order to determine the Btu content of gas delivered pursuant to this Agreement, the actual daily values of the FGT's measurements required by FGT's FERC Gas Tariff shall be used.

6.03 Pressure. Gas transported or sold pursuant to this Agreement shall be delivered to Shipper at the following pressure:_____. Normal atmospheric pressure throughout the District's service area is assumed to be 14.73 p.s.i.a. and no adjustment will be made for variations from the normal atmospheric pressure at the Shipper's meter.

6.04 Metering. District, at Shipper's cost, shall install, operate and maintain continuously recording meter equipment (but not a calorimeter) at Shipper's Facility for the measurement of all gas delivered hereunder. Ownership of the equipment shall remain in the District. Shipper shall allow District free and unimpeded access to any equipment installed on Shipper's premises and, for the purpose of operating any such measuring equipment on Shipper's premises, Shipper shall furnish to District, at no cost to District, one AC electrical outlet and the electrical power used by the measuring equipment. All installations of measuring equipment applying to or affecting deliveries hereunder shall be made in such manner as to permit an accurate determination of the quantity and heating value of gas delivered and ready verification of the accuracy of measurement. Reasonable care shall be exercised by the parties in the installation, maintenance and operation of meter pressure regulating equipment so as to avoid, so far as practicable, any inaccuracy in the determination of the quantity and heating value of gas delivered hereunder.

6.05 Inspection. Each Party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the other's measuring equipment used in measuring deliveries hereunder. The records from such measuring equipment shall remain the property of the owner of the equipment who, upon request, will submit to the other such records and charts, together with calculations therefrom, for the other's inspection and verification, subject to return within ten (10) days after receipt thereof.

6.06 Meter Error. Measurements on District's meter or meters shall be conclusive on the Parties except where the meter is defective or fails to register. If a meter is defective or fails to register, District shall repair or replace the meter and the quantity of gas delivered while the meter was out of order or failed to register shall be estimated: (1) by using the registration of a check meter if installed and accurately registering, or in the absence of (1); (2) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or, in the absence of both (1) and (2); (3) by estimating the quantity or delivery from deliveries during periods under similar conditions when the meter was registering accurately. District shall make appropriate billing adjustments for the period during which the meter was defective or failed to register.

6.07 Maintenance and Testing. District will maintain its meter or meters in good order and to this end will make periodic tests of its meter or meters at intervals no less frequent than annually. If Shipper is dissatisfied with the accuracy of a meter at any time, Shipper may require District to have the meter tested. If the meter has not been tested within the previous three (3) months, District will make such tests without charge. If the meter has been tested within the previous three months, District will nevertheless make the test required but, if the meter when tested is

proved to be accurate within two percent (2%) or less, Shipper will pay District the reasonable cost of the test. If the test demonstrates that the meter registration is in error exceeding two per cent (2%), District will correct the two (2) previous monthly billings to the extent it appears probable that they were affected by the inaccuracy. If the test demonstrates an error of two percent (2%) or less, no adjustment shall be made in previous registrations or bills.

ARTICLE VII

BILLING, PAYMENT AND DEFAULT IN PAYMENT

7.01 Time. Bills will be rendered and delivered by District to Shipper on or before the tenth (10th) day of each month, or as soon thereafter as the billing information is available, for all gas transported during the preceding month. Shipper shall pay District by the fifteenth (15th) day of the same month unless presentation of a bill by District is delayed after the tenth (10th) day of the month, in which case the time for payment shall be extended accordingly. If any amount billed hereunder is not paid when due, then, absent a *bona fide* dispute resolved in Shipper's favor, interest on the unpaid amount shall accrue at the rate of twelve per cent (12%) per annum from the due date until the date of payment. If a due date falls on a Saturday, Sunday or legal holiday, the due date shall be extended until the next business day.

7.02 Disputed Bills. In the event Shipper disputes a bill rendered by District, the following procedure shall be employed:

(1) Shipper shall promptly notify District of any disputed amount of any billing and all reasonable efforts shall be made to resolve the dispute as quickly as possible before the date payment is due.

(2) If the dispute cannot be resolved before the due date, Shipper shall nevertheless make full payment subject to later correction as provided below and the Parties shall continue their efforts to resolve the dispute.

(3) Upon final resolution of any such dispute, District shall provide Shipper with complete and mathematically accurate invoices and, if applicable, supporting documentation reflecting the resolution of the dispute. If it is determined that Shipper overpaid District, District shall either refund the overpayment or credit the overpayment on Shipper's next bill together with interest thereon at the rate of twelve per cent (12%) per annum from the date of overpayment to the date of refund or credit.

7.03 Correction of Errors. If either party shall discover any error or inaccuracy in statements, bills, metering, calculations, payments, credits or determinations, the error shall be promptly reported to the other party and a proper adjustment, and correction thereof shall be made as soon as practicable thereafter with interest at twelve per cent (12%) per annum on any funds paid, unpaid, credited or uncredited as a result of such error; provided, however, if no such errors or inaccuracies are identified and reported to the other party within twenty-four (24) months from the date of a statement, bill, meter reading, payment or credit, it shall be deemed, in the absence of fraud, conclusively correct.

7.04 Delivery of Bills. Bills shall be sent to Shipper at the following address:

7.05 Payment. Payment shall be made by check drawn on local funds or by wire transfer. In the case of payment by check, unless hereafter Notified otherwise, Shipper shall mail or deliver the check to District's office at the following address: 1320 Winter Garden-Vineland Road, Post

Office Box 783007, Winter Garden, Florida, 34787. In the case of payment by wire transfer, unless hereafter Notified otherwise, Shipper shall transfer the funds to:

Lake Apopka Natural Gas District
1320 Winter Garden-Vineland Road, Winter Garden, FL,34787
% Regions Bank
Account Number: 3720755589
Routing Transit Number: 062005690
Taxpayer I.D. Number: 59-1021867

7.06 Default in Payment. In addition to any other remedy District may have under this Agreement, if payment is not made when due and Shipper's failure to pay continues for more than thirty (30) days after payment is due, District may suspend further delivery of gas until such amount is paid without terminating this Agreement or may terminate this Agreement, at its option, without recourse by Shipper.

ARTICLE VIII DEPOSITS AND ESTABLISHMENT OF CREDIT

8.01 Establishment of Creditworthiness. Shipper has established its creditworthiness by the following method:_____.

8.02 Continuation of Creditworthiness. Shipper shall maintain its creditworthiness, and may be required to provide a new or additional cash deposit, or alternatively, at Shipper's option, a guaranty, letter of credit or surety bond in accordance with the provisions of Article IV of the District's Tariff.

ARTICLE IX INTERRUPTION AND CURTAILMENT

9.01 In the event there is a constraint on the District's distribution system or a failure of supply which renders it impossible for the District to meet all or part of its delivery commitments, the District will curtail deliveries to its Customers, including Shipper, in accordance with its curtailment policy (which generally provides that among firm gas customers, human needs have a priority over industrial uses) and shall not be liable to Shipper for any damages, direct, consequential or otherwise, that may be sustained by Shipper by reason of any such curtailment or interruption of gas service hereunder; provided, however, if any Gas delivered at the Receipt Point for Shipper's account is delivered to other Customers, the District shall reimburse Shipper its cost for any such Gas diverted to other Customers.

ARTICLE X FORCE MAJEURE

10.01 Suspension of Obligation. If either party is rendered unable, wholly or in part, by Force Majeure to perform its obligations under this Agreement, other than the obligation to make payments then or thereafter due, it is mutually agreed that performance of the respective obligations of the parties, so far as they are affected by such Force Majeure, shall be suspended without liability from the inception of any such inability until it is corrected but for no longer period. The party claiming Force Majeure shall (1) promptly furnish oral, followed by written, Notice to the other party containing reasonably full particulars and (2) expeditiously attempt to correct the inability to the extent it may be corrected through the exercise of due diligence. No

party shall, however, be required against its will to adjust or settle any labor disputes.

10.02 Definition. The term Force Majeure shall mean any cause not reasonably within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to prevent or overcome. These events include, but are not limited to: acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, freeze-ups, fires, storms, floods, epidemics, washouts, explosions; strikes, lockouts, arrests and restraints of governments and people, civil disturbances, acts of the public enemy, wars, blockades, insurrections, riots; breakage or accidents to machinery, equipment, or pipelines; any event declared by FGT or any other transporter necessary to effect deliveries hereunder to be a Force Majeure situation; and any event of the foregoing nature which affects Shipper to the extent such event affects Shipper's Gas requirements.

10.03 Exception. Neither District nor Shipper will be entitled to the benefit of the provisions of this Article to the extent that: (1) the inability to perform was caused by the party claiming suspension having failed to remedy or overcome the condition by taking all reasonable acts short of litigation (if such remedy requires litigation); or (2) the inability to perform was caused by a lack of funds or nonpayment of amounts owing to a third party on the part of the party claiming suspension.

ARTICLE XI

WARRANTY OF TITLE AND INDEMNIFICATION

11.01 By Shipper. Shipper warrants that it will have good title to all Gas delivered to the District's Receipt Point for the account of Shipper, that such Gas will be free and clear of any liens, encumbrances and claims whatsoever. Shipper will, and hereby does, indemnify the District and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas.

11.02 By District. The District:

(1) warrants that it will not allow or suffer Gas delivered to the District's Receipt Point for the account of Shipper in unencumbered condition to become encumbered by any claim or demand against the District and the District will, and hereby does, indemnify Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to such Gas which arise or result from the District's transportation of the Gas on the District's distribution system; and

(2) warrants that it will have good title to all Gas provided to Shipper in connection with any load balancing services furnished by the District and that such Gas will be free and clear of any liens, encumbrances and claims whatsoever and will, and hereby does, indemnify the Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas.

ARTICLE XII

NOTICES

12.01 Notice. Unless otherwise provided, all Notices required hereunder shall be rendered in writing. Any written Notice shall be sent to the other Party by first-class mail, by same-Day or overnight delivery service or facsimile. Until a Party is hereafter Notified otherwise, Notice shall be sent to the other Party at the addresses listed below. Such Notice shall be deemed given at the time it is received. Any oral notification provided for herein shall be promptly followed-

up by written Notice.

If to District: Lake Apopka Natural Gas District
Attn: Mr.Samuel Davis, Jr., General Manager
1320 Winter Garden-Vineland Road
Winter Garden, FL, 34787
Telephone Number: (407) 656-2734
Facsimile Number: (407) 656-9371

If to Shipper: _____
Attn: _____

Telephone Number: _____
Facsimile Number: _____

12.02 Effective Time. A Notice shall be deemed effective upon its receipt, except that Notices sent by telex or facsimile and received after Normal Business Hours shall be deemed to be received on the following Business Day.

ARTICLE XIII

TERM

13.01 Term . This Agreement shall be in effect from the Effective Date for a term of _____ Months, which is hereafter referred to as the Primary Term. All obligations that have accrued prior to expiration or termination will survive expiration or termination.

13.02 Renewal Term. This Agreement will terminate automatically at the expiration of the Primary Term unless it is renewed through the written consent of both Parties for any period of time (“Renewal Term”).

ARTICLE XIV

EFFECTIVE DATE AND IN SERVICE DATE

14.01 Effective Date. The Effective Date shall be the date on which this Agreement was last signed a party thereto as stated on the signatory page beside the signature of such party.

14.02 In Service Date. The In Service Date, if different from the Effective Date, is the date the Districts’s obligation hereunder to transport Gas and Shipper’s obligation to receive gas, for the transpiration of which it will be obligated pay as specified herein, commences. The In Service Date of this Agreement shall be _____.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.01 Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

15.02 Independent Parties. The District and Shipper shall perform hereunder as independent parties and neither the District or Shipper is in any way or for any purpose, by reason of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other.

15.03 Third Party Beneficiaries. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including without limitation, the establishment of any type of duty,

standard of care or liability with respect to any third person.

15.04 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties.

15.05 Assignment. Shipper may make an assignment this Agreement to an affiliate (provided the affiliate can establish creditworthiness) but shall not make an assignment to an unaffiliated person or entity without having obtained the prior written consent of the District, which consent shall not be unreasonably withheld

15.06 Severability. This Agreement and the rights and obligations of the parties hereunder are subject to all applicable present and future laws, rules, regulations, and orders of any regulatory or legislative body or other duly constituted authority having jurisdiction over the District or Shipper. Should any provision of this Agreement violate any applicable and valid law, rule, or regulation of any governmental body having jurisdiction, or should any provision of this Agreement become or be declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without such provision; provided, however, that if the deletion of the provision materially changes the economic benefits of the Agreement to either party, Shipper and the District shall renegotiate in good faith the affected provisions as well as any other provisions of this Agreement as may be necessary to maintain the balance of the rights and obligations of the parties as established in this Agreement. Should the parties be unable to agree upon such renegotiation, either party may terminate this Agreement by tendering thirty (30) Days' prior Notice to the other party.

15.07 Applicable Law. This Agreement, and all amendments hereto and waivers and consents thereunder shall be governed by and construed in accordance with the laws of the State of Florida.

15.08 Entire Agreement. This Agreement, including the appendices and schedules attached hereto, sets forth the full and complete understanding of the parties as of the Effective Date and it supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. No party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

15.09 Amendments. This Agreement shall not be amended, terminated, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the amendment, termination, supplement, waiver or modification is sought.

15.10 Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who signed it.

In Witness Whereof, the parties have caused these presents to be executed by their proper officers or agents thereunto duly authorized on the day and year set beside their signature.

LAKE APOPKA NATURAL GAS DISTRICT _____

By: _____
Date: _____

By: _____
Date: _____