



GUNSTER

ATTORNEYS AT LAW

Writer's E-Mail Address: bkeating@gunster.com

May 26, 2021

E-PORTAL

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

Re: **[New Filing]** - Petition for Approval of Transportation Service Agreement for the City of Winter Haven with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Petition for Approval of Transportation Service Agreement with the Florida Division of Chesapeake Utilities Corporation submitted on behalf of Peninsula Pipeline Company, Inc. Portions of Attachment A to the attached Petition are redacted. A request for confidentiality for the redacted information, along with the required highlighted and redacted pages, are being submitted under separate cover.

As always, thank you for your assistance with this filing. Please do not hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

MEK
Enclosures
cc:// (Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of)
Transportation Service Agreement for)
the City of Winter Haven with the)
Florida Division of Chesapeake Utilities)
Corporation by Peninsula Pipeline)
Company, Inc.)

Docket No.:

Filed: May 26, 2021

PETITION FOR APPROVAL OF TRANSPORTATION SERVICE AGREEMENT
BETWEEN PENINSULA PIPELINE COMPANY, INC. AND THE FLORIDA
DIVISION OF CHESAPEAKE UTILITIES CORPORATION

Peninsula Pipeline Company, Inc. ("Peninsula" or "Company"), by and through its undersigned counsel, hereby files this Petition seeking approval of a Firm Transportation Service Agreement ("Agreement") between the Company and Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas ("CFG"), which is attached hereto as Attachment A (redacted)¹. The Agreement contemplates that Peninsula will construct new pipeline facilities that will consist of approximately 7,400 feet of 4-inch steel pipeline, a newly constructed interconnection with Florida Gas Transmission ("FGT"), and a regulator station. The new interconnection with FGT will be located on Logistics Parkway, slightly north of Peace River Canal. Peninsula's new pipeline will then traverse northward to a new regulator station for CFG in the area of Pollard Road and Logistics Parkway. CFG is constructing a new pipeline from its existing distribution system east along Bomber Road and traversing southward to the proposed new regulator station. CFG's pipeline extension will allow it to capture new incremental load in the area. Peninsula's new pipeline will provide CFG's distribution system with the additional

¹ Confidential version provided under separate cover consistent with 25-22.004, F.A.C.

capacity CFG needs to serve the new incremental load as well as provide reliability and operational benefits to CFG's distribution system. A map of the project is attached hereto at Attachment B. The proposed project will allow CFG to receive gas supply in the immediate area, which will not only provide the increased capacity necessary to serve new customers, but also provides additional benefits to CFG's existing distribution system and existing customers. In support of this request, the Company hereby states:

1. Peninsula is a natural gas transmission company subject to the Commission's jurisdiction as prescribed under Chapter 368.10I, et. seq., Florida Statutes. Its principal business address is:

Peninsula Pipeline Company, Inc.
208 Wildlight Ave.
Yulee, FL 32097

2. The name and mailing address of the persons authorized to receive notices are:

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

Amanda Chi
Director-Regulatory Affairs, Pipelines
500 Energy Lane
Dover, DE 19901
achi@chpk.com

3. Peninsula, a wholly-owned subsidiary of Chesapeake Utilities Corporation ("CUC"), is a Delaware corporation authorized to transact business in the State of Florida. Peninsula is engaged in the business of building pipeline laterals from interstate transmission pipelines for customers. Peninsula provides firm transportation service only and does not engage in the sale of natural gas. Consistent with Section 368.105(6), Florida Statutes, the Company constructs such pipeline lateral facilities

and related facilities required for interconnection with a customer only if the potential customer agrees to fully compensate the Company for reasonable costs incurred. Likewise, consistent with the referenced provision, the Company provides transmission access, subject to available capacity, on a basis that is not unreasonable by preferential, prejudicial, or unduly discriminatory.²

4. The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

I. BACKGROUND

5. By Order No. PSC-07-1012-TRF-GP, issued December 21, 2007, the Commission approved the Company's intrastate pipeline tariff, consistent with the Commission's jurisdiction under Chapter 368, Florida Statutes. Therein, the Commission also determined that the tariff was consistent with the Commission's prior Declaratory Statement, which provided additional parameters for Peninsula's operations in the State.³
6. Pursuant to the Company's tariff on file with the Commission, as well as Order No. PSC-07-1012-TRF-GP, the Company is allowed to undertake certain projects

² By the same token, Section 368.105(6), Florida Statutes, recognizes that a natural gas transmission company is not required to provide transmission access to a person at rates that are not just and reasonable.

³ Order No. PSC-06-0023-DS-GP, issued January 9, 2006, in Docket No. 050584-GP, in Re: Petition for declaratory statement by Peninsula Pipeline Company, Inc. concerning recognition as a natural gas transmission company under Section 368.10 I, et seq.

without express Commission approval. For instance, the Company is not required to seek prior approval if the customer is not currently receiving natural gas service from another entity, such as a local distribution company ("LDC"), and the customer's facilities are located at a distance greater than one mile from the existing gas facilities of an investor-owned gas utility, a municipal gas utility, or a gas district. The Company also need not seek regulatory approval if it is engaged to serve an LDC that is not an affiliate of the Company.⁴ Consistent with Section 368.105(3), Florida Statutes, for contracts such as these, the Company is only required to file affidavits from both the Company and the customer affirming that:

- a. Neither the natural gas transmission company nor the customer had an unfair advantage during the negotiations;
 - b. The rates are substantially the same as rates between the natural gas transmission company and two or more of those customers under the same or similar conditions of service; or
 - c. Competition does or did exist either with another natural gas transmission company, another supplier of natural gas, or with a supplier of an alternative form of energy. Section 368.105(3), Florida Statutes (emphasis added).
7. The Company is, however, required to seek Commission approval of projects in the following categories:
- a. Interconnection to an LDC in order to serve a customer downstream;
 - b. Interconnection with an LDC to provide service to another LDC;
 - c. Construction of facilities to serve a current LDC customer or one that is

⁴ Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 11, Section 3.

within 1 mile of the existing facilities of an investor-owned or municipal gas utility, or a gas district; and

- d. Other projects that are not otherwise specifically identified in the tariff as not requiring prior Commission approval.⁵
8. CFG is a division of Chesapeake Utilities Corporation (“CUC”), a Delaware corporation authorized to conduct business in Florida. Thus, both Peninsula and CFG are owned and/or controlled by CUC. Pursuant to the provisions of Chapter 366, Florida Statutes, CFG is subject to economic regulation by the Commission. CFG's principal offices are located at 208 Wildlight Ave, Yulee, FL 32097. Because both CFG and Peninsula are corporate subsidiaries of CUC, the Company is required to seek Commission approval prior to entering into a contract to construct facilities and provide transportation service to CFG, consistent with Sheet 12, Section 4(d).
 9. As noted above, the approved tariff, consistent with Order No. PSC-06-0023-DS-GP, provides that the Company must seek approval for agreements unless an individual agreement fits the criteria set forth in the Company's tariff for an agreement that does not require prior Commission approval.⁶ The Agreement with CFG would not meet any of the enumerated criteria; thus, Peninsula respectfully seeks Commission approval in this instance.

II. WINTER HAVEN PROJECT

10. With regard to review of the Agreement under the standard set forth in Section

⁵ Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. I, Sheet No. 12, Section 4.

⁶ Moreover, since the tariff expressly provides that the Company need not seek approval if it enters into an agreement with a non-affiliated LDC, the Company believes that it must therefore seek Commission approval when the converse situation arises.

368.105, Florida Statutes, the Company submits that the Agreement withstands review under the seminal case for review of affiliate transactions, because the rate charged under this Agreement is not "inherently unfair" or in excess of the going market rate.⁷ Specifically, this Agreement has been necessitated by a request for service by CFG to Peninsula, as discussed in greater detail below, that will ultimately enhance the reliability of CFG's system in this area, as well ensure adequate pressure and capacity on the system to accommodate growth in the area.

11. The overall scope of Peninsula's project contemplates installation of 7,400 feet of 4-inch steel pipeline, a new gate station with FGT, and a new delivery receipt station. The project's location is shown on the Project Map attached hereto as Attachment B. The new steel pipeline will commence at the new FGT interconnection located on Logistics Parkway, slightly north of Peace River Canal, and continue northward to the new delivery receipt station in the area of Pollard Road and Logistics Parkway.
12. In addition to facilitating CFG's ability to expand this portion of its distribution system to capture new load growth, this project is anticipated to provide multiple reliability and operational benefits to CFG as well as provide the opportunity for diversifying supply sources for CFG. Currently, the CFG distribution system in the area receives supply from FGT from city gates in the areas of Bartow and Winter Haven. This project will introduce supply to the part of CFG's distribution system that is approximately mid-way between those areas and is also a current end point on CFG's distribution system. The introduction of a new

⁷ See also GTE Florida Incorporated v. Deason, 642 So. 2d 545 (Fla. 1994)(determining that the appropriate review of an affiliate transaction considers "... whether the transactions exceed the going market rate or are otherwise inherently unfair.")

supply point provides some protection for CFG's distribution system should one of the other supply points become constrained or otherwise unable to provide supply into CFG's system. Establishing a new supply source at this point on the distribution system also allows for reinforcement of the distribution system in this area and the opportunity to optimize operations pressures on the system.

13. Upon completion of the project, CFG will be able to decrease the pressure along Spirit Lake Road from the existing 175 (pounds per square inch gauge or "psig") to 60 psig, eliminating the need for aging farm⁸ taps and multiple high maintenance facilities. CFG has identified eight farm taps along the Spirit Lake Road main that can be retired in the event this project is completed. These farm taps would have otherwise needed to be rebuilt within the next year due to older equipment associated with the taps. Customers served by the farm taps will continue to receive service as the downgrade in pressure will allow them to be served by the mainline without the farm taps in service.
14. In addition, CFG has identified several larger stations that could be eliminated as a benefit of this project. Two of these stations are located on public land near high traffic roads, and two are located in a Winter Haven operations yard. Removal of the two stations located near public roads will result in increased public safety by removing the possibility of them being struck by traffic. The stations in the operations yard are fed by a pipeline that crosses under Lake Shipp, the retirement of these stations will allow the option to down-grade the pressure in that line from 175 psig to 60 psig. This project will result in reduced maintenance expenses and increased safety in the area of the larger stations all while maintaining safe and reliable service.

⁸ A farm tap is a smaller regulator station used to serve a single family home or small development.

15. The project will also allow CFG to capture new load growth in the area. The most immediate anticipated growth load is related to a large can manufacturing facility to be located on 77-acres of municipal property that the City of Winter Haven approved to sell to Florida Can Manufacturing, LLC, in June 2020. The plant is expected to begin operating in the third quarter of 2021 and will produce 100% recyclable aluminum cans. The City hopes to develop the remainder of the 203-acre municipal property as a business park. Upon completion of this project, CFG will be able to capture the incremental load expected in the area. New growth in the area is expected as a result of infrastructure build out.


III. TRANSPORTATION SERVICE AGREEMENT

16. The Agreement for which Peninsula seeks Commission approval involves CFG's request for Peninsula to complete the work necessary to provide the new interconnection with FGT and provide pipeline facilities to allow CFG to serve additional load growth in the area and reinforce part of its Winter Haven distribution system.
17. Beyond the noted benefits to CFG's system and customers associated with this new pipeline, the benefit of having Peninsula provide these new facilities, and transportation service thereupon, is primarily that Peninsula's construction and ownership of these facilities will avoid CFG undertaking the costs, and risks, for this project, which in turn protects CFG's general body of ratepayers.
18. The rates in the contract between CFG and Peninsula meet the requirements of Section 368.105(3), Florida Statutes, and the contract containing those rates is consistent with Order Nos. PSC-06-002-3DS-GP and PSC-07-1012-TRF-GP and with Peninsula's tariff on

file with the Commission. Moreover, the rates set forth therein are consistent with a "market rate" in that they are within the range of the rates set forth in similar agreements between Peninsula and other customers, including the agreement between CFG and Peninsula for a project in Polk County, approved by the Commission by Order No. 2019-0356-PAA-GU, issued August 23, 2019, in Docket No.20190128-GU. Likewise, the rates are not otherwise "inherently unfair," as proscribed by the Court in the GTE Florida v. Deason decision.⁹ As such, the Company asks that the Agreement be approved.

WHEREFORE, Peninsula respectfully requests that the Commission approve the Transportation Service Agreement ("Winter Haven Project") between Peninsula Pipeline Company, Inc., and the Florida Division of Chesapeake Utilities (d/b/a Central Florida Gas).

RESPECTFULLY SUBMITTED this 26th day of May, 2021.

By: 

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

Attorneys for Peninsula Pipeline Company, Inc.

⁹ *Supra*, footnote 5.

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Petition has been served upon the following by U.S. Mail and/or Electronic Mail this 26th day of May, 2021:

Richard Gentry, Public Counsel
Office of Public Counsel
c/o the Florida Legislature
111 West Madison Street, Rm 812
Tallahassee, FL 32399-1400
Gentry.richard@leg.state.fl.us

By: 

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

Attorneys for Peninsula Pipeline Company, Inc.

**Petition for Approval of Transportation Service Agreement for City of Winter Haven with the Florida
Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.**

ATTACHMENT A

Transportation Service Agreement

(Portions Confidential)

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

THIS AGREEMENT entered into this 7th day of May, 2021, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company"), and the Florida Division of Chesapeake Utilities Corporation, a corporation of the State of Florida (herein called "Shipper").

WITNESSETH

WHEREAS, Shipper desires to obtain Firm Transportation Service ("FTS") from Company; and

WHEREAS, Company desires to provide Firm Transportation Service to Shipper in accordance with the terms hereof; and

WHEREAS, Company intends to construct an intrastate pipeline on behalf of Shipper, the origin of which will be a newly constructed gate station with Florida Gas Transmission and the terminus of which will be the end of the existing Central Florida Gas distribution system, allowing for Shipper's distribution meter to be placed into service near the intersection of Pollard Road and Logistics Pkwy (the "Project").

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

ARTICLE I
DEFINITION

Unless otherwise defined in this Agreement, all definitions for terms used herein have the same meaning as provided in Company's Tariff.

ARTICLE II
QUANTITY & UNAUTHORIZED USE

2.1 The Maximum Daily Transportation Quantity ("MDTQ") and the Maximum Hourly Transportation Percentage ("MHTP") shall be set forth on Exhibit A attached hereto. The applicable MDTQ shall be the largest daily quantity of Gas, expressed in Dekatherms, which Company is obligated to transport on a firm basis and make available for delivery for the account of Shipper under this Agreement on any one Gas Day.

2.2 If, on any Day, Shipper utilizes transportation quantities, as measured at the Point(s) of Delivery, in excess of the established MDTQ, as shown on Exhibit A, such unauthorized use of transportation quantities (per Dekatherm) shall be billed at a rate of 2.0 times the rate to be charged for each Dekatherm of the MDTQ as set forth on Exhibit A of this Agreement.

PENINSULA PIPELINE COMPANY, INC.
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ARTICLE III
FIRM TRANSPORTATION SERVICE RESERVATION CHARGE

3.1 The Monthly Reservation Charge for Firm Transportation Service provided under this Agreement shall be as set forth on Exhibit A of this Agreement and shall be charged to Shipper beginning at the notification of in-service by Company, and shall thereafter be assessed in accordance with the terms and conditions set forth herein.

3.2 The parties agree to execute and administratively file with the Commission an affidavit, in the form provided in Company's Tariff to comply with the provisions of the Natural Gas Transmission Pipeline Intrastate Regulatory Act.

3.3 If, at any time after the Execution Date (as herein defined) and throughout the term of this Agreement, the Company is required by any Governmental Authority (as that term is defined in Section 9.10) asserting jurisdiction over this Agreement and the transportation of Gas hereunder, to incur additional or reduced tax rates (including, without limitation, income tax and property taxes) with regard to the service provided by Company under this Agreement, then Shipper's Monthly Reservation Charge shall be adjusted and Exhibit A updated accordingly, and the new Monthly Reservation Charge shall be implemented immediately upon the effective date of such action. If Shipper does not agree to the adjusted Monthly Reservation Charge, Company shall no longer be required to continue to provide the service contemplated in this Agreement should an action of a Governmental Authority result in a situation where Company otherwise would be required to provide transportation service at rates that are not just and reasonable, and in such event the Company shall have the right to terminate this Agreement pursuant to the conditions set forth in Section D of the Rules and Regulations of Company's Tariff.

3.4 If, at any time after the Execution Date (as herein defined) and throughout the term of this Agreement, the Company is required by any Governmental Authority (as that term is defined in Section 9.10) asserting jurisdiction over this Agreement and the transportation of Gas hereunder, to incur additional capital expenditures with regard to the service provided by Company under this Agreement, other than any capital expenditures required to provide transportation services to any other customer on the pipeline system serving Shipper's facility, but including, without limitation, mandated relocations of Company's pipeline facilities serving Shipper's facility and costs to comply with any changes in pipeline safety regulations, then Shipper's Monthly Reservation Charge shall be adjusted and Exhibit A updated accordingly, and the new Monthly Reservation Charge shall be implemented immediately upon the effective date of such action. If Shipper does not agree to the adjusted Monthly Reservation Charge, Company shall no longer be required to continue to provide the service contemplated in this Agreement should an action of a Governmental Authority result in a situation where Company otherwise would be required to provide transportation service at rates that are not just and reasonable, and in such event the Company shall have the right to terminate this Agreement pursuant to the conditions set forth in Section D of the Rules and Regulations of Company's Tariff.

ARTICLE IV

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

TERM AND TERMINATION

4.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall commence on the notification of in-service, ("Effective Date") and shall continue in full force and effect for an initial period of twenty (20) years from the Effective Date ("Initial Term"). Thereafter, the Agreement shall be extended on a year to year basis (each a "Renewed Term" and, all Renewed Terms together with the Initial Term, the "Current Term"), unless either party gives written notice of termination to the other party, not less than (90) days prior to the expiration of the Current Term. This Agreement may only be terminated earlier in accordance with the provisions of this Agreement and the parties' respective rights under applicable law.

4.2 No less than 120 days before expiration of the Current Term, either party may request the opportunity to negotiate a modification of the rates or terms of this Agreement to be effective with the subsequent Renewed Term. Neither Party is obligated to, but may, agree to any mutually acceptable modification to the Agreement for the subsequent Renewed Term. In the event the parties reach agreement for a modification to the Agreement for the subsequent Renewed Term, such agreed upon modification ("Agreement Modification") shall be set forth in writing and signed by both parties prior to the expiration of the Current Term.

4.3 Any portion of this Agreement necessary to resolve monthly balancing and operational controls under this Agreement, pursuant to the Rules and Regulations of Company's Tariff, shall survive the other parts of this Agreement until such time as such monthly balancing and operational controls have been resolved.

4.4 In the event Shipper fails to pay for the service provided under this Agreement or otherwise fails to meet Company's standards for creditworthiness set forth in Section C of the Rules and Regulations of the Company's Tariff, otherwise violates the Rules and Regulations of Company's Tariff, or defaults on this Agreement, Company shall have the right to terminate this Agreement pursuant to the conditions set forth in Section D of the Rules and Regulations of Company's Tariff.

ARTICLE V

COMPANY'S TARIFF PROVISIONS

5.1 Company's Tariff approved by the Commission, including any amendments thereto approved by the Commission during the term of this Agreement ("Company's Tariff"), is hereby incorporated into this Agreement and made a part hereof for all purposes. In the event of any conflict between Company's Tariff and the specific provisions of this Agreement, the latter shall prevail, in the absence of a Commission Order to the contrary.

ARTICLE VI

REGULATORY AUTHORIZATIONS AND APPROVALS

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

6.1 Company's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide Firm Transportation Service for Shipper in accordance with the Rules and Regulations of Company's Tariff.

ARTICLE VII
DELIVERY POINT(S) AND POINT(S) OF DELIVERY

7.1 The Delivery Point(s) for all Gas delivered for the account of Shipper into Company's pipeline system under this Agreement, shall be as set forth on Exhibit A attached hereto.

7.2 The Point(s) of Delivery shall be as set forth on Exhibit A attached hereto.

7.3 Shipper shall cause Transporter to deliver to Company at the Delivery Point(s) on the Transporter's system, the quantities of Gas to be transported by Company hereunder. Company shall have no obligation for transportation of Shipper's Gas prior to receipt of such Gas from the Transporter at the Delivery Point(s), nor shall Company have any obligation to obtain capacity on Transporter for Shipper or on Shipper's behalf. The Company shall deliver such quantities of Gas received from the Transporter at the Delivery Point(s) for Shipper's account to Company's Point(s) of Delivery identified on Exhibit A.

ARTICLE VIII
SCHEDULING AND BALANCING

8.1 Shipper shall be responsible for nominating quantities of Gas to be delivered by the Transporter to the Delivery Point(s) and delivered by Company to the Point(s) of Delivery. Shipper shall promptly provide notice to Company of all such nominations. Imbalances between quantities (i) scheduled at the Delivery Point(s) and the Point(s) of Delivery, and (ii) actually delivered by the Transporter and/or Company hereunder, shall be resolved in accordance with the applicable provisions of Company's Tariff, as such provisions, and any amendments to such provisions, are approved by the Commission.

8.2 The parties hereto recognize the desirability of maintaining a uniform rate of flow of Gas to Shipper's facilities over each Gas Day throughout each Gas Month. Therefore, Company agrees to receive from the Transporter for Shipper's account at the Delivery Point(s) and deliver to the Point(s) of Delivery up to the MDTQ as described in Exhibit A, subject to any restrictions imposed by the Transporter and to the provisions of Article IX of this Agreement, and Shipper agrees to use reasonable efforts to regulate its deliveries from Company's pipeline system at a daily rate of flow not to exceed the applicable MDTQ for the Gas Month in question, subject to any additional restrictions imposed by the Transporter or by Company pursuant to Company's Tariff.

ARTICLE IX

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

MISCELLANEOUS PROVISIONS

9.1 Notices and Other Communications. Any notice, request, demand, statement, or payment provided for in this Agreement, unless otherwise specified, shall be sent to the parties hereto at the following addresses:

Company: Peninsula Pipeline Company, Inc.
500 Energy Lane, Suite 200
Dover, Delaware 19901
Attention: Contracts

Shipper: The Florida Division of Chesapeake Utilities Corporation
208 Wildlight Avenue
Yulee, Florida 32097
Attention:

9.2 Headings. All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the parties in identification of the provisions hereof and shall not affect any construction or interpretation of this Agreement.

9.3 Entire Agreement. This Agreement, including the Exhibit attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties (the "Execution 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.

9.4 Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in (a) the place to which notices pursuant to this Agreement must be sent or (b) the individual designated as the Contact Person pursuant to Section 9.1 shall not be deemed nor require an amendment of this Agreement provided such change is communicated in accordance with Section 9.1 of this Agreement. Further, the parties expressly acknowledge that the limitations on amendments to this Agreement set forth in this section shall not apply to or otherwise limit the effectiveness of amendments that are or may be necessary to comply with the requirements of, or are otherwise approved by, the Commission or its successor agency or authority.

9.5 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the

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parties shall negotiate in good faith an equitable adjustment in the provisions of this Agreement.

9.6 Waiver. No waiver of any of the provisions of this Agreement shall be deemed to be, nor shall it constitute, a waiver of any other provision whether similar or not. No single waiver shall constitute a continuing waiver, unless otherwise specifically identified as such in writing. No waiver shall be binding unless executed in writing by the party making the waiver.

9.7 Attorneys' Fees and Costs. In the event of any litigation between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to recover all costs incurred and reasonable attorneys' fees, including attorneys' fees in all investigations, trials, bankruptcies, and appeals.

9.8 Independent Parties. Company and Shipper shall perform hereunder as independent parties. Neither Company nor Shipper is in any way or for any purpose, by virtue of this Agreement, a partner, joint venture, agent, employer or employee of the other. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including, without limitation, the establishing of any type of duty, standard of care or liability with respect to any third person.

9.9 Assignment and Transfer. No assignment of this Agreement by either party may be made without the prior written approval of the other party (which approval shall not be unreasonably withheld) and unless the assigning or transferring party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring party. Upon such assignment or transfer, as well as assumption of the duties and obligations, the assigning or transferring party shall furnish or cause to be furnished to the other party a true and correct copy of such assignment or transfer and the assumption of duties and obligations.

9.10 Governmental Authorizations; Compliance with Law. This Agreement shall be subject to all valid applicable state, local and federal laws, orders, directives, rules and regulations of any governmental body, agency or official having jurisdiction over this Agreement and the transportation of Gas hereunder. Company and Shipper shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Company and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each party shall proceed with diligence to file any necessary applications with any governmental authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any applicable law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the Commission, over this Agreement

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or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 9.10, Company shall continue to transport and Shipper shall continue to take Gas pursuant to the terms of this Agreement. In the event any law, order, directive, rule, or regulation shall prevent either party from performing hereunder, then neither party shall have any obligation to the other during the period that performance under the Agreement is precluded. If, however, any Governmental Authority's modification to this Agreement or any other order issued, action taken, interpretation rendered, or rule implemented, will have a material adverse effect on the rights and obligations of the parties, including, but not limited to, the relative economic position of, and risks to, the parties as reflected in this Agreement, then, subject to the provisions of Section 3.3 of this Agreement, the parties shall use reasonable efforts to agree upon replacement terms that are consistent with the relevant order or directive, and that maintain the relative economic position of, and risks to, the parties as reflected in this Agreement as of the Execution Date. As used herein, "Governmental Authority" shall mean any United States federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, court, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

(i) If any Governmental Authority asserting jurisdiction over the pipeline facility contemplated in this Agreement, issues an order, ruling, decision or regulation not covered by Section 3.3 or 3.4 of this Agreement (including denial of necessary permits or amendments to existing permits) related to the operation, maintenance, location, or safety and integrity compliance, including any new or revised enforceable regulatory classification of the pipeline facility, as applicable, which is not reasonably foreseeable as of the Execution Date and which results in a materially adverse effect on either party's rights and benefits under this Agreement, each party shall use commercially reasonable efforts and shall cooperate with the other party to pursue all necessary permits, approvals and authorizations, if any, of such applicable Governmental Authority, and to amend the terms and conditions of this Agreement, in each case as may be reasonably required in order that provision of firm transportation service under this Agreement shall continue; provided that neither party shall be required to take any action pursuant to this Section which is reasonably likely to have a materially adverse effect on such party's rights and benefits under this Agreement.

(ii) If the Parties are unable or unwilling to reach agreement pursuant to this Section 9.10, Company shall have the right to terminate this Agreement, without any further obligations to Shipper, upon one hundred twenty (120) days prior written notice to Shipper.

9.11 Applicable Law and Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against

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FIRM TRANSPORTATION SERVICE AGREEMENT

the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

9.12 Counterparts. This Agreement may be executed in 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 has signed it.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

COMPANY
Peninsula Pipeline Company, Inc.

SHIPPER
The Florida Division of Chesapeake
Utilities Corporation

By: Jeffrey R. Tietbohl
Jeffrey R. Tietbohl

By: Shane E. Breakie
Shane E. Breakie

Title: Vice President & Chief Operating Officer

Title: Vice President

Date: May 14, 2021

Date: May 12, 2021

(To be attested by the corporate secretary if not signed by an officer of the company)

By: _____

By: _____

Title: _____

Title: _____

Date: _____, 2021

Date: _____, 2021

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A

TO

FIRM TRANSPORTATION SERVICE

AGREEMENT BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES

DATED

May 7, 2021

<u>Description of Transporter Delivery Point(s)</u>	<u>Description of Point(s) of Delivery</u>	<u>MDTQ, in Dekatherms, excluding Fuel Retention</u>
Interconnection with FGT Gate Station in Polk County, Florida and Peninsula Pipeline	See Below	████████ Dt/Day

Total MDTQ (Dekatherms): ██████████ Dt/Day

MHTP: 4.17%

Monthly Reservation Charge

The Monthly Reservation Charge will be \$ ██████████ (\$ ██████████/Dekatherm), subject to adjustment pursuant to the terms of this Agreement.

The Company shall provide written notification to Shipper that the pipeline has been completed and establish an in-service date.

Description of Point(s) of Delivery:

Located on the north side of the intersection of Pollard Road and Logistics Pkwy

**Petition for Approval of Transportation Service Agreement for City of Winter Haven with the Florida
Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.**

**ATTACHMENT B
Project Map**

WINTER HAVEN PROJECT

- | 2021 Project Components | Existing Assets | Reference |
|---|-----------------|------------|
| Proposed CFG MDPE Pipeline | FGT Pipeline | Urban Area |
| Proposed PPC Steel Pipeline | Marsh/Swamp | Water Body |
| CFG Tie-in to Existing CFG Distribution | | |
| Proposed Regulator Station | | |
| Proposed Interconnect | | |



Polk County

