

June 27, 2024

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

VIA E-PORTAL

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

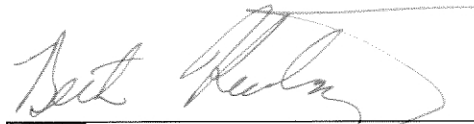
Docket No. 20240094-GU - Joint petition by Peoples Gas System, Inc. and Florida Public Utilities Company for approval of special contract.

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Public Utilities Company, please find the Company's Responses to Staff's First Data Requests.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 618
Tallahassee, FL 32301
(850) 521-1706

MEK

Cc:// (PSC Counsel - Brownless)
(PSC/Div. of Economics-Kelley)
Ausley McMullen - Ponder

Docket No. 20240094-GU - Joint petition by Peoples Gas System, Inc. and Florida Public Utilities Company for approval of special contract.

Responses of Florida Public Utilities Company to Staff's First Data Requests

1. Please provide Exhibit B to the petition.

Company Response

Attached is Exhibit B to the Petition.

2. Please provide Document No. 06294-2022 from Docket No. 20220159-GU.

Company Response

The requested document was filed in this docket in June 25, 2024, under a request for confidential classification. For convenience, a redacted copy is attached hereto.

3. Please explain why FPUC needs uninterruptible gas service from People's Gas System (PGS) as set forth in the proposed 2024 Gas Transportation Agreement (Special Contract).

Company Response

Transco Zone 5 index represents the prevailing price index for the gas that FPUC typically procures for its Nassau County operations. The Transco Zone 5 supply area is physically located from the southern border of South Carolina through Virginia. Although, market fundamentals have changed since the last transportation agreement providing service from PGS, the market remains highly volatile during winter months. By arranging supply from alternate receipt locations, FPUC is able to save money versus the Transco Zone 5 related alternative.

FPUC prefers a firm service compared to an interruptible service to ensure system integrity and reliability for its customers in Nassau County.

4. Please explain why the term of the Special Contract is 7 months.

Company Response

FPUC has assessed forward commodity prices and projects there will be a commodity savings between Transco Zone 5 and FGT Zone 3 through the 2024/2025 winter months. After March 2025 prices start to align until the following winter, 2025/2026. At that time, FPUC will reassess forward commodity prices and possibly contact PGS for another service given PGS can support flows from the south through their Radio Avenue gate.

5. Please explain FPUC's plans to maintain its natural gas supply when the term of the Special Contract expires, including whether FPUC will negotiate a new contract with PGS or will seek alternative transportation options.

Company Response

FPUC will revert to using firm Southern Natural Gas Company (SONAT) capacity for its supply requirements. As noted, FPUC will reassess forward commodity prices and may reach out to PGS at that time for another service given PGS can support flows from the south through their Duval County System.

6. Please explain how FPUC plans to recover payments made to PGS pursuant to the Special Contract.

Company Response

FPUC will recover \$6,250 per month through the Purchased Gas Adjustment (PGA), the remaining

portion will be directly assigned to the specific third-party transportation customers that will utilize the alternative for supply into Nassau County.

7. Please discuss the benefits to FPUC’s general body of ratepayers flowing directly from the Special Contract.

Company Response

In addition to the reliability benefit, the contract would also provide economic benefit to FPUC's customers, because the net benefit of the alternative access to supply under this contract is estimated to be more than \$1 million (based on current market projections) to FPU customers and transportation customers over the 7-month term.

8. Please discuss all relevant facts considered by PGS and FPUC when negotiating the amount of the monthly charge to FPUC for reservation of firm capacity and transportation service on the PGS distribution system as set forth in Section 5.1 of the Special Contract, and then explain how FPUC and PGS used those facts to calculate the monthly charge.

Company Response

From FPUC’s perspective, as stated above, the Transco Zone 5 market remains highly volatile during high utilization periods, which has caused FPUC to look for supply options that do not rely on Transco Zone 5 supply. FPUC needs reliable, firm access to gas supply that is less expensive. FPUC used the forward curve of market prices and interstate pipeline transportation values to create an economic model to guide our decision making. FPUC evaluated the proposed rate and determined there were significant savings associated with this service. FPUC is unaware of PGS 's analytics regarding the construction of the rate FPUC was offered.

PGS, in negotiating the monthly charge for the reservation of firm capacity, considered FPUC’s desire for priority of service, the natural gas market conditions, the ability to reduce gas supply costs for the customer, the benefit of fully utilizing the existing transportation path, and the timing of future load growth coming onto PGS’ system. Essential to FPUC’s stated need for priority of service was consideration of both (i) the usage rate (a fixed versus variable rate for the daily volume to meet FPUC’s needs); and (ii) the appropriate term of the Special Contract. PGS considered these facts and circumstances in conjunction with the following to calculate the monthly charge: (i) PGS’ current tariff rate schedules; (ii) market prices; and (iii) the availability and opportunity to provide firm capacity and transportation service to FPUC.

EXHIBIT B

2021 Gas Transportation Agreement

GAS TRANSPORTATION AGREEMENT

This Gas Transportation Agreement (the "Agreement") is made and entered into as of the 20th day of September 2021, by and between **Peoples Gas System, a Division of Tampa Electric Company**, a Florida corporation ("PGS"), and **Florida Public Utilities Company**, a Delaware corporation ("Shipper"), who hereby agree as follows:

ARTICLE I – DEFINITIONS

As used herein, the following terms shall have the meanings set forth below. Capitalized terms used herein, but not defined below, have the meanings given for such terms in PGS's FPSC Tariff.

"Business Day" means the Days Monday through Friday (excluding any federal banking holiday falling on any such Day).

"Callahan Intrastate Pipeline" means 16-inch steel pipeline with a Maximum Allowable Operating Pressure (MAOP) of at least 1250 psig extending from the outlet of the Southern Natural Gas Company's Cypress mainline measurement and flow control facilities in Nassau County Florida in the vicinity of the intersection of the Cypress Pipeline and Crawford Road (approximately 4.9 miles west of SR 200 on Crawford Road) to its terminus at a point of interconnection with the Fernandina Beach Line at or near the intersection of U.S. Highway 17 and Radio Avenue, together with necessary metering and other required facilities for PPC and SeaCoast to deliver gas to the Fernandina Beach Line.

"Day" means "Delivery Gas Day" as defined in FGTs FERC Tariff.

"FGT" means Florida Gas Transmission Company, LLC, a Delaware limited liability company, its successors, and assigns.

"FPSC" means the Florida Public Service Commission or any successor agency.

"Maximum Delivery Quantity" or "MDQ" means the maximum amount of Gas that PGS is obligated to cause to be delivered to Shipper pursuant to this Agreement on any Day at the PGS Delivery Point(s), and is stated in Appendix B.

"Maximum Transportation Quantity" or "MTQ" means the maximum amount of Gas that PGS shall be obligated to receive pursuant to this Agreement on any Day at the PGS Receipt Point(s), and is stated in Appendix A.

"Nomination" means a notice delivered by Shipper to PGS in the form specified in PGS's FPSC Tariff, specifying (in MMBtu) the quantity of Gas Shipper desires to purchase, or to have PGS receive, transport and redeliver, at the PGS Delivery Point(s).

"Nominate" means to deliver a completed Nomination.

"PGS-Callahan Pipeline Interconnect" means the inlet to the interconnection

between the Gas distribution facilities of PGS and the Callahan Pipeline.

"PGS Delivery Point(s)" means the point(s) listed in Appendix B.

"PGS Receipt Point(s)" means the point(s) of physical interconnection between Transporter and PGS listed in Appendix A.

"Supplier(s)" means person(s) (other than PGS) from which Shipper purchases Gas transported hereunder.

ARTICLE II – TERM

Section 2.1 Term This Agreement is effective as of the date first written above. The Initial Term of this Agreement shall commence at the beginning of the Day commencing on **October 1, 2021** and shall continue until the beginning of the Day commencing on **October 1, 2022** (the "Termination Date").

ARTICLE III - SALES AND TRANSPORTATION SERVICE

Section 3.1 Services. PGS desires to sell and Shipper desires to purchase from PGS, from time to time, for use at the PGS-Callahan Pipeline Interconnect, Gas in quantities which, at Shipper's request, PGS may, in its sole discretion exercised in a not unduly discriminatory manner, agree to sell to Shipper. Shipper also engages PGS, and PGS accepts such engagement, to receive Gas for Shipper's account, up to the MTQ, at the PGS Receipt Point(s), and to cause an equivalent quantity, less the Retainage, to be redelivered to Shipper. Such sales and transportation shall be governed by PGS's FPSC Tariff and this Agreement. If there is a conflict between the tariff and this Agreement, the tariff shall control. Sales and transportation hereunder are interruptible in accordance with PGS's FPSC Tariff and curtailment plan on file with the FPSC. If Shipper's service is interruptible, Shipper may select one or more of the options described in Appendix D, which may enable Shipper to continue receiving delivery of Gas during periods of curtailment or interruption. PGS shall have no obligation to make sales to Shipper in lieu of the transportation of Gas contemplated by this Agreement.

Section 3.2 Telemetry and Other Required Equipment. [Intentionally Omitted].

ARTICLE IV – NOMINATIONS

Section 4.1 General. For each Day Shipper desires service hereunder, Shipper shall provide a Nomination to PGS pursuant to Sections 4.2 and/or 4.3 for each meter at the Interconnect. The total quantity for the Interconnect may be Nominated to a single meter. All Nominations shall be made to PGS at its web site (<https://custactivities.peoplesgas.com/>) provided that, in an emergency, a Nomination may be delivered via facsimile using the form set forth in PGS's FPSC Tariff. Quantities confirmed by PGS for delivery shall be Scheduled Quantities. If requested by Shipper, PGS will allow increases or decreases in Scheduled Quantities after the Nomination deadlines set forth in this article, if the same can be confirmed by PGS, Transporters and Suppliers, and can be accomplished without detriment to services then scheduled on such Day for PGS and other shippers. The maximum quantity PGS shall be obligated to make available for delivery to Shipper on any Day (which shall not exceed the MDQ) is the sum of (a) the Transportation Quantity and (b) the Sales Quantity established pursuant to this article.

Section 4.2 Nomination for Purchase. Unless otherwise agreed, Shipper shall Nominate Gas for purchase hereunder not less than seven (7) Business Days prior to the first Day of any Month in which Shipper desires to purchase Gas. Daily notices shall be given to PGS at least two (2) Business Days (but not less than forty-eight (48) hours) prior to the commencement of the Day on which Shipper desires delivery of the Gas. If Shipper has timely Nominated a quantity for a particular Month, PGS shall confirm to Shipper the quantity PGS will tender for purchase by Shipper (the "Sales Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding each Day during such Month.

Section 4.3 Nomination for Transportation. Unless otherwise agreed, Shipper shall, for each Month, and each Day during such Month that Shipper seeks to change any aspect of any prior Nomination, notify PGS by providing a completed Nomination. Shipper's Nomination for Gas to be made available for delivery on the first Day of any Month shall be given by 10 a.m. on the second Business Day prior to the Day on which a nomination must be delivered to Transporter for receipt of deliveries at the PGS Receipt Point(s) on such Day. Daily Nominations for Gas to be made available for delivery other than on the first Day of a Month shall be given to PGS by 10 a.m. on the Business Day prior to the Day on which a nomination must be delivered to Transporter for the receipt of deliveries at the PGS Receipt Point(s) on such Day. The following nomination information is required for a valid nomination:

- a. The Shipper's account number under which service is being nominated;
- b. The receipt point location including applicable DRN and upstream pipeline name, upstream pipeline package ID, including Shipper's PGS account number, and quantity in Therms of Gas to be tendered at each PGS Receipt Point;
- c. The downstream delivery, and quantity in Therms of Gas to be delivered for each PGS Shipper account;
- d. A beginning and ending date for each nomination;
- e. The upstream contract identifier;

Only nominations with clearly matching upstream Transporter identifiers (including Shipper's package ID and PGS account number) and downstream (PGS) identifiers will be scheduled. If Shipper or Shipper's Agent fails to comply with provisions (a) through (e) of this section, PGS may not schedule commencement of service or change a prior nomination.

Shipper understands that PGS is subject to FERC regulations that may require PGS to post certain Shipper information on a publicly accessible website. The submission by Shipper or Shipper's Agent of a required nomination shall constitute Shipper's authorization to PGS to publicly disclose any information (including but not limited to the information provided in such nomination) required by applicable law or regulation to be disclosed by PGS.

PGS shall confirm to Shipper the quantity PGS will make available for redelivery on such Day (the "Transportation Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding such Day. PGS has no obligation to confirm a quantity Nominated by Shipper pursuant to this section greater than the quantity which, in PGS's reasonable judgment, equals the Interconnect's likely consumption for a Day, less any Sales Quantities confirmed for delivery on such Day.

Section 4.4 Other Responsibilities. Shipper shall promptly notify PGS in writing of any change in the Sales Quantity or Transportation Quantity for any Day, and PGS will use commercially reasonable efforts to accept any such requested change as soon as practicable.

Section 4.5 Confirmation. If Transporter asks PGS to verify a nomination for Shipper's account, PGS shall confirm the lesser of such nomination, the Transportation Quantity or, in the case of non- or partial operation of the Interconnect, that quantity which in PGS's reasonable judgment (after consultation with Shipper) is likely to be consumed at the Interconnect. PGS has no obligation with respect to verification or rejection of quantities not requested by Shipper.

Section 4.6 Mutually Beneficial Transactions. Shipper recognizes that PGS maintains the operation and system integrity of the PGS distribution system on a daily basis, and that PGS, as the delivery point operator for its points of interconnection with interstate pipelines, is subject to the rules and regulations of such pipelines with regard to operational flow rates, pressures and penalties. As such, PGS may from time to time need Shipper to vary its Nominated quantities of Gas to be delivered at the PGS Receipt Point(s). On such occasions, PGS may in its sole discretion request, and Shipper may agree to, a change in the quantity of Gas to be delivered for the account of Shipper at the PGS Receipt Point(s). No such change in the quantity of Gas to be delivered shall be made pursuant to this section without the consent of Shipper. Terms and conditions of any such transaction will be agreed upon between the parties at the time of the transaction and will be recorded and confirmed in writing within two Business Days of the transaction.

ARTICLE V - TRANSPORTATION AND OTHER CHARGES

Section 5.1 Transportation Charges; Purchase Price. Shipper shall pay PGS each Month for transportation service rendered by PGS, and/or for Gas purchased from PGS, in accordance with the then-applicable rate schedule in PGS's FPSC Tariff. Currently, Rate Schedule **Interruptible Service (IS)** is applicable.

Section 5.2 Changes in Tariff. If the applicable rates or rate schedules change or are amended or superseded, the newly applicable rates or rate schedules shall be applicable to service hereunder. Nothing contained herein shall prevent PGS from filing with the FPSC (or Shipper from opposing) changes to the rates and other provisions in PGS's FPSC Tariff. PGS agrees to give Shipper reasonable notice of (a) all filings (except filings in FPSC Docket No. 000003-GU, In Re: Purchased Gas Adjustment (PGA) True-Up, and successor dockets) which PGS makes with the FPSC and (b) all other FPSC proceedings of which PGS becomes aware, which PGS (in the exercise of reasonable judgment) determines would affect PGS's rates or the services to be performed by PGS under this Agreement.

ARTICLE VI - BILLING AND PAYMENT

Section 6.1 Billing. PGS will bill Shipper each Month for all Actual Takes during the preceding Month, and for any other amounts due hereunder. If, during the preceding Month, PGS has purchased Gas from Shipper pursuant to an interruption or curtailment order, such bill shall show a credit for the estimated amount due Shipper for such purchase(s). If the estimated amount owed by PGS to Shipper exceeds the amount Shipper owes PGS, PGS shall pay Shipper the net amount estimated to be due Shipper at the time PGS bills Shipper.

Section 6.2 Payment. Shipper shall pay such bills, minus any disputed amounts, at the address specified in the invoice by the 20th Day following the date of PGS's mailing (as signified by the postmark) or other delivery of the bill. All sums not so paid by Shipper (or credited or paid by PGS) shall be considered delinquent.

Section 6.3 Billing Disputes. In the event of a bona fide billing dispute, Shipper or PGS, as the case may be, shall pay (or credit) to the other party all amounts not in dispute, and the parties shall negotiate in good faith to resolve the amount in dispute as soon as reasonably practicable. If a party has withheld payment (or credit) of a disputed amount, and the dispute is resolved, the non-prevailing party shall pay to the other party the amount determined to be due such other party, plus interest thereon at an annual rate equal to the prime interest rate of Citibank, N.A., New York, New York, plus one percent (1%), calculated on a daily basis from the date due until paid (or credited).

Section 6.4 Errors or Estimates. If an estimate is used to determine the amount due Shipper for purchases by PGS pursuant to an interruption or curtailment order, PGS shall make any adjustment necessary to reflect the actual amount due Shipper on account of such purchases in the next bill rendered to Shipper after determination of the actual amount due. An error in any bill, credit or payment shall be corrected in the next bill rendered after the error is confirmed by PGS.

ARTICLE VII - FAILURE TO MAKE PAYMENT

Section 7.1 Late Payment Charge. Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of 1.5%, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

Section 7.2 Other Remedies. If Shipper fails to remedy a delinquency in any payment within five (5) Days after written notice thereof by PGS, PGS, in addition to any other remedy may, without incurring any liability to Shipper and without terminating this Agreement, suspend further deliveries to Shipper until the delinquent amount is paid, but PGS shall not do so if the failure to pay is the result of a bona fide billing dispute, and all undisputed amounts have been paid. If PGS fails to remedy a delinquency in providing a credit (or making payment) to Shipper for PGS purchases pursuant to an interruption or curtailment order within five (5) Days after Shipper's written notice thereof, Shipper, in addition to any other remedy, may, without incurring liability to PGS and without terminating this Agreement, suspend PGS's right to retain and purchase Shipper's Gas pursuant to an interruption or curtailment order, but Shipper shall not do so if PGS's failure to provide a credit (or make payment) is the result of a bona fide billing dispute, and all undisputed amounts have been credited or paid by PGS.

ARTICLE VIII – MISCELLANEOUS

Section 8.1 Assignment and Transfer. Neither party may assign this Agreement without the prior written consent of the other party (which shall not be unreasonably withheld) and the assignee's written assumption of the assigning party's obligations hereunder.

Section 8.2 Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of Florida and shall be subject to all applicable laws, rules and orders of any Federal, state or local governmental authority having jurisdiction over the parties, their facilities or the transactions contemplated. Venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court, located within the State of Florida, having jurisdiction.

Section 8.3 Severability. If any provision hereof 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.

Section 8.4 Entire Agreement; Appendices. This Agreement sets forth the complete understanding of the parties as of the date first written above, and supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. The appendices attached hereto are an integral part hereof. All capitalized terms used and not otherwise defined in the appendices shall have the meanings given to such terms herein.

Section 8.5 Waiver. No waiver of any of the provisions hereof shall be deemed to be a waiver of any other provision whether similar or not. No waiver shall constitute a continuing waiver. No waiver shall be binding on a party unless executed in writing by that party.

Section 8.6 Notices. (a) All notices and other communications hereunder shall be in writing and be deemed duly given on the date of delivery if delivered personally or by a recognized overnight delivery service or on the fifth day after mailing if mailed by first class United States mail, registered or certified, return receipt requested, postage prepaid, and properly addressed to the party as set forth below.

PGS:

Administrative Matters:

Peoples Gas System, a division
Tampa Electric
702 Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562
ATTN: Manager, Transportation Services
P: (813) 228-4691
F: (813) 228-4922
Email:
PGSGasTransportation@tecoenergy.com

Shipper:

Administrative Matters:

Florida Public Utilities Company

208 Wildlight Avenue
Yulee, Florida 32097

ATTN: Energy Logistics
P: (561) 598-9612

Invoices and Payment:

Peoples Gas System, a division
Tampa Electric
702 Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562
ATTN: PGS Settlements
P: (813) 228-1524
F: (813) 228-4194
Email: PGSsettlements@tecoenergy.com

Invoices and Payment:

Florida Public Utilities Company

208 Wildlight Avenue
Yulee, Florida 32097
ATTN: Invoices
(Please do not mail invoices)
P: (352) 250-1648
E-mail: cfggascontrol@chpk.com

Section 8.7 Amendments. This Agreement may not be amended except by an instrument in writing signed by the party against which enforcement of the amendment is sought. A change in (a) the place to which notices hereunder must be sent or (b) the individual designated as

Contact Person shall not be deemed nor require an amendment hereof provided such change is communicated pursuant to Section 8.6.

Section 8.8 Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

**PEOPLES GAS SYSTEM, a division of
TAMPA ELECTRIC COMPANY**

By: *Lew Rutkin*
lrutkin@tecoenergy.com

Name: Lew Rutkin, Jr.

Title: Vice President, Business Development

Date: 09/22/2021

By: *Joann Wehle*
jtwehle@tecoenergy.com

Name: Joann Wehle

Title: Vice President, Marketing and Sales

Date: 09/23/2021

FLORIDA PUBLIC UTILITIES COMPANY

By: *Bill Hancock*
bhancock@chpk.com

Name: Bill Hancock

Title: AVP – Fuel Supply and Energy Logistics

Date: 09/21/2021

APPENDIX A - GAS TRANSPORTATION AGREEMENT

PGS RECEIPT POINT(S)

Maximum Transportation Quantity: 12,500 MMBtu per Day plus the Retainage

PGS will accept Gas from Shipper, or for its account, for transportation pursuant to this Agreement at the following point(s):

POI # 16151- PGS-Jacksonville

The above point(s) may be changed by PGS from time to time on written notice to Shipper.

APPENDIX B - GAS TRANSPORTATION AGREEMENT

PGS DELIVERY POINT(S)

Gas transported or sold pursuant to this Agreement shall be delivered by PGS to Shipper at the following point(s):

<u>NAME</u>	<u>MAXIMUM DELIVERY QUANTITY</u>
Meter at Interconnect	12,500 MMBtu per Day
Contract Number:	TBD
Meter Numbers:	PGS-Callahan Pipeline Interconnect

APPENDIX D - GAS TRANSPORTATION AGREEMENT

ALTERNATIVES DURING PERIODS OF INTERRUPTION OR CURTAILMENT

Shipper may select one or more of the "Options" hereinafter described prior to or during a period of curtailment or interruption. The Options set forth below describe means through which PGS will attempt to continue deliveries to Shipper during such a period if PGS can do so in a manner that is consistent with the order of priorities of service set forth in its curtailment plan on file with the FPSC and that will not prevent service to customers in higher priorities of service than Shipper.

If PGS is entitled under this Agreement or PGS's FPSC Tariff to interrupt deliveries to Shipper for reasons other than Force Majeure, PGS will notify Shipper to that effect, such notice to include the estimated duration of the interruption and the estimated cost of gas required for PGS to continue deliveries to Shipper during the period of interruption. Shipper shall notify PGS within two (2) hours after receipt of PGS's notice of interruption of the option (from Options A through C below) Shipper elects during the period of interruption. If Shipper fails to respond to

PGS's notice within the aforesaid two-hour period, it shall be conclusively presumed that Shipper has elected the Option(s) (if any) previously selected by Shipper in writing. If Shipper has failed to make *any* election, either prior to PGS's notice or during the two-hour period, it shall be conclusively presumed that Shipper has elected Option D. The Options are as follows:

Option A: Shipper desires PGS to continue deliveries during the period of interruption and Shipper agrees to make available for its account (*i.e.*, to make all arrangements necessary to cause the delivery of) at the PGS Receipt Point(s) additional quantities of Gas equal to those quantities which PGS is entitled to interrupt.

Option B: Shipper desires PGS to continue deliveries during the period of interruption and agrees to make available for its account (*i.e.*, to make all arrangements necessary to cause the delivery of) at the applicable point(s) of receipt into FGT's pipeline system additional quantities of Gas (including the Retainage) equal to those quantities which PGS is entitled to interrupt, and desires PGS to release to Shipper (or to a Supplier designated by Shipper), for the duration of the period of interruption and at the maximum rate applicable to the capacity released, primary firm capacity on FGT sufficient to transport such additional quantities of Gas to the PGS Receipt Point(s). By election of this Option B, Shipper agrees to be responsible for the payment of all charges imposed by FGT with respect to the capacity so released by PGS to Shipper (or Shipper's Supplier), or the use of such capacity, for the period during which such release is effective. If Shipper elects to continue deliveries during the period of interruption pursuant to this Option B, PGS agrees to release the capacity requested by Shipper if PGS determines in its sole discretion that (i) such capacity is available for release to Shipper during the period of interruption, (ii) such release can be accomplished readily and without detriment to PGS's system operations, and (iii) such release is practicable within the time constraints and requirements of FGT's FERC Tariff and the ready availability of PGS staff and resources.

Option C: Shipper desires PGS to continue deliveries during the period of interruption, appoints PGS as its agent to acquire (at the PGS Receipt Point(s)) additional quantities of Gas at market-based price, equal to those quantities which PGS is entitled to interrupt, to be used by Shipper during the period of curtailment, and agrees to reimburse PGS, in addition to all amounts otherwise payable for Gas pursuant to this Agreement, for the incremental additional per-Therm costs incurred by PGS (as Shipper's agent) to acquire for the account of Shipper, at the PGS Receipt Point(s), Gas to be used by Shipper during the period of interruption. As used in this Option C, "incremental additional costs" shall mean the weighted average per-Therm costs incurred by PGS to acquire, for the accounts of Shipper and other interruptible customers of PGS who have elected this Option C during a particular period of interruption, the additional quantities of Gas mentioned above to be used by Shipper and such other interruptible customers of PGS during such period of interruption, including but not limited to commodity, transportation, storage and other charges incurred by PGS.

Option D: Shipper agrees to cease taking Gas pursuant to PGS's notice during the period of interruption.

If Shipper has elected to continue deliveries pursuant to Option A, Option B or Option C, PGS will, in implementing its interruption notice, take and pay for Shipper's Gas as provided in PGS's FPSC Tariff, but will not discontinue deliveries to Shipper unless (i) if Shipper has elected Option A, Shipper fails to make additional Gas available at the PGS Receipt Point(s), or (ii) if Shipper has elected Option B, either (a) PGS has no primary firm capacity on FGT available for release to Shipper (or Shipper's Supplier) during the period of interruption without detriment to service required by PGS's customers in a curtailment category having a higher priority than Shipper's curtailment category under PGS's curtailment plan, or (b) PGS determines either that

the release of capacity contemplated by Option B would not result in Shipper's (or Shipper's Supplier's) being able to make the additional quantities of Gas available at the PGS Receipt Point(s) for delivery to Shipper during the period of interruption or that the release of capacity cannot be made pursuant to Option B, or (iii) if Shipper has elected Option C, PGS, having exercised commercially reasonable efforts, is unable to acquire for Shipper's account, at the PGS Receipt Point(s), additional Gas for delivery to Shipper during the period of interruption. In the event of the occurrence of any of the circumstances described in items (i) through (iii), PGS will provide Shipper with not less than two (2) hours' notice to cease taking Gas during the period of interruption, and Shipper shall not have the benefit of Options A through C above.

GAS TRANSPORTATION AGREEMENT

This Gas Transportation Agreement (the "Agreement") is made and entered into as of the _____ day of _____ 2022, by and between **Peoples Gas System, a Division of Tampa Electric Company**, a Florida corporation ("PGS"), and **Florida Public Utilities Company**, a Delaware corporation ("Shipper"), who hereby agree as follows:

ARTICLE I – DEFINITIONS

As used herein, the following terms shall have the meanings set forth below. Capitalized terms used herein, but not defined below, have the meanings given for such terms in PGS's FPSC Tariff.

"Business Day" means the Days Monday through Friday (excluding any federal banking holiday falling on any such Day).

"Callahan Intrastate Pipeline" means 16-inch steel pipeline with a Maximum Allowable Operating Pressure (MAOP) of at least 1250 psig extending from the outlet of the Southern Natural Gas Company's Cypress mainline measurement and flow control facilities in Nassau County Florida in the vicinity of the intersection of the Cypress Pipeline and Crawford Road (approximately 4.9 miles west of SR 200 on Crawford Road) to its terminus at a point of interconnection with the Fernandina Beach Line at or near the intersection of U.S. Highway 17 and Radio Avenue, together with necessary metering and other required facilities for Peninsula Pipeline Company, Inc. and SeaCoast Gas Transmission, L.L.C. to deliver gas to the Fernandina Beach Line.

"Day" means "Delivery Gas Day" as defined in FGTs FERC Tariff.

"FGT" means Florida Gas Transmission Company, LLC, a Delaware limited liability company, its successors, and assigns.

"FPSC" means the Florida Public Service Commission or any successor agency.

"Maximum Delivery Quantity" or "MDQ" means the maximum amount of Gas that PGS is obligated to cause to be delivered to Shipper pursuant to this Agreement on any Day at the PGS Delivery Point(s), and is stated in Appendix B.

"Maximum Transportation Quantity" or "MTQ" means the maximum amount of Gas that PGS shall be obligated to receive pursuant to this Agreement on any Day at the PGS Receipt Point(s), and is stated in Appendix A.

"Nomination" means a notice delivered by Shipper to PGS in the form specified in PGS's FPSC Tariff, specifying (in MMBtu) the quantity of Gas Shipper desires to purchase, or to have PGS receive, transport and redeliver, at the PGS Delivery Point(s).

"Nominate" means to deliver a completed Nomination.

"PGS-Callahan Interconnect" means the inlet to the interconnection between the Gas distribution facilities of PGS and the Callahan Pipeline.

"PGS Delivery Point(s)" means the point(s) listed in Appendix B.

"PGS Receipt Point(s)" means the point(s) of physical interconnection between Transporter and PGS listed in Appendix A.

"Supplier(s)" means person(s) (other than PGS) from which Shipper purchases Gas transported hereunder.

ARTICLE II – TERM

Section 2.1 Term. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective commencing on **November 1, 2022** (the "Effective Date") and shall continue until the beginning of the Day commencing on **June 1, 2024** (the "Termination Date").

ARTICLE III - SALES AND TRANSPORTATION SERVICE

Section 3.1 Services. PGS desires to sell and Shipper desires to purchase from PGS, from time to time, for use at the PGS-Callahan Pipeline Interconnect, Gas in quantities which, at Shipper's request, PGS may, in its sole discretion exercised in a not unduly discriminatory manner, agree to sell to Shipper. Shipper also engages PGS, and PGS accepts such engagement, to receive Gas for Shipper's account, up to the MTQ, at the PGS Receipt Point(s), and to cause an equivalent quantity, less the Retainage, to be redelivered to Shipper. Such sales and transportation shall be governed by PGS's FPSC Tariff and this Agreement.

Section 3.2 Telemetry and Other Required Equipment. [Intentionally Omitted].

ARTICLE IV – NOMINATIONS

Section 4.1 General. For each Day Shipper desires service hereunder, Shipper shall provide a Nomination to PGS pursuant to Sections 4.2 and/or 4.3 for each meter at the Interconnect. The total quantity for the Interconnect may be Nominated to a single meter. All Nominations shall be made to PGS at its web site (<https://custactivities.peoplesgas.com/>) provided that, in an emergency, a Nomination may be delivered via facsimile using the form set forth in PGS's FPSC Tariff. Quantities confirmed by PGS for delivery shall be Scheduled Quantities. If requested by Shipper, PGS will allow increases or decreases in Scheduled Quantities after the Nomination deadlines set forth in this article, if the same can be confirmed by PGS, Transporters and Suppliers, and can be accomplished without detriment to services then scheduled on such Day for PGS and other shippers. The maximum quantity PGS shall be obligated to make available for delivery to Shipper on any Day (which shall not exceed the MDQ) is the sum of (a) the Transportation Quantity and (b) the Sales Quantity established pursuant to this article.

Section 4.2 Nomination for Purchase. Unless otherwise agreed, Shipper shall Nominate Gas for purchase hereunder not less than seven (7) Business Days prior to the first Day of any Month in which Shipper desires to purchase Gas. Daily notices shall be given to PGS at least two (2) Business Days (but not less than forty-eight (48) hours) prior to the commencement of the Day on which Shipper desires delivery of the Gas. If Shipper has timely Nominated a quantity for a particular Month, PGS shall confirm to Shipper the quantity PGS will tender for purchase by Shipper (the "Sales Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding each Day during such Month.

Section 4.3 Nomination for Transportation. Unless otherwise agreed, Shipper shall, for each Month, and each Day during such Month that Shipper seeks to change any aspect of any prior Nomination, notify PGS by providing a completed Nomination. Shipper's Nomination for Gas to be made available for delivery on the first Day of any Month shall be given by 10 a.m. on the second Business Day prior to the Day on which a nomination must be delivered to Transporter for receipt of deliveries at the PGS Receipt Point(s) on such Day. Daily Nominations for Gas to be made available for delivery other than on the first Day of a Month shall be given to PGS by 10 a.m. on the Business Day prior to the Day on which a nomination must be delivered to Transporter for the receipt of deliveries at the PGS Receipt Point(s) on such Day. The following nomination information is required for a valid nomination:

- a. The Shipper's account number under which service is being nominated;
- b. The receipt point location including applicable DRN and upstream pipeline name, upstream pipeline package ID, including Shipper's PGS account number, and quantity in Therms of Gas to be tendered at each PGS Receipt Point;
- c. The downstream delivery, and quantity in Therms of Gas to be delivered for each PGS Shipper account;
- d. A beginning and ending date for each nomination;
- e. The upstream contract identifier;

Only nominations with clearly matching upstream Transporter identifiers (including Shipper's package ID and PGS account number) and downstream (PGS) identifiers will be scheduled. If Shipper or Shipper's Agent fails to comply with provisions (a) through (e) of this section, PGS may not schedule commencement of service or change a prior nomination.

Shipper understands that PGS is subject to FERC regulations that may require PGS to post certain Shipper information on a publicly accessible website. The submission by Shipper or Shipper's Agent of a required nomination shall constitute Shipper's authorization to PGS to publicly disclose any information (including but not limited to the information provided in such nomination) required by applicable law or regulation to be disclosed by PGS.

PGS shall confirm to Shipper the quantity PGS will make available for redelivery on such Day (the "Transportation Quantity," which shall also be a "Scheduled Quantity") no later than 5:00 p.m. Eastern Time on the Business Day immediately preceding such Day. PGS has no obligation to confirm a quantity Nominated by Shipper pursuant to this section greater than the quantity which, in PGS's reasonable judgment, equals the Interconnect's likely consumption for a Day, less any Sales Quantities confirmed for delivery on such Day.

Section 4.4 Other Responsibilities. Shipper shall promptly notify PGS in writing of any change in the Sales Quantity or Transportation Quantity for any Day, and PGS will use commercially reasonable efforts to accept any such requested change as soon as practicable.

Section 4.5 Confirmation. If Transporter asks PGS to verify a nomination for Shipper's account, PGS shall confirm the lesser of such nomination, the Transportation Quantity or, in the case of non- or partial operation of the Interconnect, that quantity which in PGS's reasonable judgment (after consultation with Shipper) is likely to be consumed at the Interconnect. PGS has no obligation with respect to verification or rejection of quantities not requested by Shipper.

Section 4.6 Mutually Beneficial Transactions. Shipper recognizes that PGS maintains the operation and system integrity of the PGS distribution system on a daily basis, and that PGS, as the delivery point operator for its points of interconnection with interstate pipelines, is subject to the rules and regulations of such pipelines with regard to operational flow rates, pressures and penalties. As such, PGS may from time to time need Shipper to vary its Nominated quantities of

Gas to be delivered at the PGS Receipt Point(s). On such occasions, PGS may in its sole discretion request, and Shipper may agree to, a change in the quantity of Gas to be delivered for the account of Shipper at the PGS Receipt Point(s). No such change in the quantity of Gas to be delivered shall be made pursuant to this section without the consent of Shipper. Terms and conditions of any such transaction will be agreed upon between the parties at the time of the transaction and will be recorded and confirmed in writing within two Business Days of the transaction.

ARTICLE V – RESERVATION, USAGE AND OTHER CHARGES

Section 5.1 Reservation Charge. The parties acknowledge that the Gas transportation service to Shipper at the PGS Delivery Point contemplated by this Agreement requires access by Shipper, through this Agreement, to PGS distribution system capacity. Each Month during the term of this Agreement, Shipper shall pay to PGS for the reservation of firm capacity and the transportation service on the PGS distribution system contemplated by this Agreement the sum of \$ [REDACTED]

Section 5.2 Usage Charge. In addition to the Monthly reservation charge provided by Section 5.1, each Month during the term of this Agreement, Shipper shall pay to PGS for the aggregate of all quantities delivered hereunder on each Day during the immediately preceding Month in excess of the MDQ an amount equal to the product of (i) such aggregate excess quantities (in Therms) and (ii) \$ [REDACTED]

Section 5.3 Other Charges. The rates and charges prescribed in Section 5.1 shall be subject to taxes and fees as provided by law.

ARTICLE VI - BILLING AND PAYMENT

Section 6.1 Billing. PGS will bill Shipper each Month for all Actual Takes during the preceding Month, and for any other amounts due hereunder. If, during the preceding Month, PGS has purchased Gas from Shipper pursuant to an interruption or curtailment order, such bill shall show a credit for the estimated amount due Shipper for such purchase(s). If the estimated amount owed by PGS to Shipper exceeds the amount Shipper owes PGS, PGS shall pay Shipper the net amount estimated to be due Shipper at the time PGS bills Shipper.

Section 6.2 Payment. Shipper shall pay such bills, minus any disputed amounts, at the address specified in the invoice by the 20th Day following the date of PGS's mailing (as signified by the postmark) or other delivery of the bill. All sums not so paid by Shipper (or credited or paid by PGS) shall be considered delinquent.

Section 6.3 Billing Disputes. In the event of a bona fide billing dispute, Shipper or PGS, as the case may be, shall pay (or credit) to the other party all amounts not in dispute, and the parties shall negotiate in good faith to resolve the amount in dispute as soon as reasonably practicable. If a party has withheld payment (or credit) of a disputed amount, and the dispute is resolved, the non-prevailing party shall pay to the other party the amount determined to be due such other party, plus interest thereon at an annual rate equal to the prime interest rate of Citibank, N.A., New York, New York, plus one percent (1%), calculated on a daily basis from the date due until paid (or credited).

Section 6.4 Errors or Estimates. If an estimate is used to determine the amount due Shipper for purchases by PGS pursuant to an interruption or curtailment order, PGS shall make any adjustment necessary to reflect the actual amount due Shipper on account of such purchases in

the next bill rendered to Shipper after determination of the actual amount due. An error in any bill, credit or payment shall be corrected in the next bill rendered after the error is confirmed by PGS.

ARTICLE VII - FAILURE TO MAKE PAYMENT

Section 7.1 Late Payment Charge. Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of 1.5%, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

Section 7.2 Other Remedies. If Shipper fails to remedy a delinquency in any payment within five (5) Days after written notice thereof by PGS, PGS, in addition to any other remedy may, without incurring any liability to Shipper and without terminating this Agreement, suspend further deliveries to Shipper until the delinquent amount is paid, but PGS shall not do so if the failure to pay is the result of a bona fide billing dispute, and all undisputed amounts have been paid. If PGS fails to remedy a delinquency in providing a credit (or making payment) to Shipper for PGS purchases pursuant to an interruption or curtailment order within five (5) Days after Shipper's written notice thereof, Shipper, in addition to any other remedy, may, without incurring liability to PGS and without terminating this Agreement, suspend PGS's right to retain and purchase Shipper's Gas pursuant to an interruption or curtailment order, but Shipper shall not do so if PGS's failure to provide a credit (or make payment) is the result of a bona fide billing dispute, and all undisputed amounts have been credited or paid by PGS.

ARTICLE VIII – REGULATORY JURISDICTION

Section 8.1 FPSC Jurisdiction. The parties recognize and agree that the Gas transportation service contemplated by this Agreement is subject to regulation by the FPSC. Compliance by either party with any rule or order of the FPSC or any other federal, state, or local governmental authority acting under claim of jurisdiction issued before or after the Effective Date of this Agreement shall not constitute a breach hereof; provided, however, that each party shall use commercially reasonable efforts, consistent with such party's status as a regulated entity, to mitigate any materially adverse effect its compliance with the terms of any such rule or order would have on either party's rights under this Agreement.

Section 8.2 FPSC Approval. Notwithstanding any other provision set forth herein, this Agreement shall be of no force or effect until approved by a final non-appealable order of the FPSC. In the event the FPSC denies approval of this Agreement, the same shall be of no force or effect. In accordance with the foregoing, the parties shall file an appropriate joint petition with the FPSC seeking approval of this Agreement as a special contract.

ARTICLE IX – MISCELLANEOUS

Section 9.1 Assignment and Transfer. Neither party may assign this Agreement without the prior written consent of the other party (which shall not be unreasonably withheld) and the assignee's written assumption of the assigning party's obligations hereunder.

Section 9.2 Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of Florida and shall be subject to all applicable laws, rules and orders of any Federal, state or local governmental authority having

jurisdiction over the parties, their facilities or the transactions contemplated. Venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court, located within the State of Florida, having jurisdiction.

Section 9.3 Severability. If any provision hereof 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.

Section 9.4 Entire Agreement; Appendices. This Agreement sets forth the complete understanding of the parties as of the date first written above, and supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. The appendices attached hereto are an integral part hereof. All capitalized terms used and not otherwise defined in the appendices shall have the meanings given to such terms herein.

Section 9.5 Waiver. No waiver of any of the provisions hereof shall be deemed to be a waiver of any other provision whether similar or not. No waiver shall constitute a continuing waiver. No waiver shall be binding on a party unless executed in writing by that party.

Section 9.6 Notices. (a) All notices and other communications hereunder shall be in writing and be deemed duly given on the date of delivery if delivered personally or by a recognized overnight delivery service or on the fifth day after mailing if mailed by first class United States mail, registered or certified, return receipt requested, postage prepaid, and properly addressed to the party as set forth below.

PGS:

Administrative Matters:

Peoples Gas System, a division
Tampa Electric
702 Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562
ATTN: Director, Gas Supply & Trading
P: (813) 228-4691
F: (813) 228-4922
Email:
PGSGasTransportation@tecoenergy.com

Shipper:

Administrative Matters:

Florida Public Utilities Company

208 Wildlight Avenue
Yulee, Florida 32097

ATTN: Energy Logistics
P: (561) 598-9612

Invoices and Payment:

Peoples Gas System, a division
Tampa Electric
702 Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562
ATTN: PGS Settlements
P: (813) 228-1524
F: (813) 228-4194
Email: PGSsettlements@tecoenergy.com

Invoices and Payment:

Florida Public Utilities Company

208 Wildlight Avenue
Yulee, Florida 32097
ATTN: Invoices
(Please do not mail invoices)
P: (352) 250-1648
E-mail: cfqgascontrol@chpk.com

Section 9.7 Amendments. This Agreement may not be amended except by an instrument in writing signed by the party against which enforcement of the amendment is sought. A change in (a) the place to which notices hereunder must be sent or (b) the individual designated as Contact Person shall not be deemed nor require an amendment hereof provided such change is communicated pursuant to Section 9.6. 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 become necessary to comply with the requirements of, or are otherwise approved by, the FPSC or its successor agency or authority.

Section 9.8 Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

**PEOPLES GAS SYSTEM, a division of
TAMPA ELECTRIC COMPANY**

By: _____

Name: Lew Rutkin, Jr.

Title: Vice President, Business Development

Date: _____

By: _____

Name: Timothy O'Connor

Title: Vice President, Ops, Sustainability, EA

Date: _____

FLORIDA PUBLIC UTILITIES COMPANY

By: _____

Name: Bill Hancock

Title: AVP – Fuel Supply and Energy Logistics

Date: _____

APPENDIX A - GAS TRANSPORTATION AGREEMENT

PGS RECEIPT POINT(S)

Maximum Transportation Quantity: [REDACTED] MMBtu per Day plus the Retainage

PGS will accept Gas from Shipper, or for its account, for transportation pursuant to this Agreement at the following point(s):

POI # 16151- PGS-Jacksonville

The above point(s) may be changed by PGS from time to time on written notice to Shipper.

APPENDIX B - GAS TRANSPORTATION AGREEMENT

PGS DELIVERY POINT(S)

Gas transported or sold pursuant to this Agreement shall be delivered by PGS to Shipper at the following point(s):

NAME

MAXIMUM DELIVERY QUANTITY

Meter at Interconnect

[REDACTED] MMBtu per Day

Contract Number:

5200884205

Meter Numbers:

PGS-Callahan Pipeline Interconnect