

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition by Peoples Gas System,
Inc. and Florida Public Utilities Company for
approval of special contract.

DOCKET NO. 20240094-GU
ORDER NO. PSC-2024-0367-PAA-GU
ISSUED: August 19, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING SPECIAL CONTRACT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On, May 5, 2024, Peoples Gas System (Peoples) and Florida Public Utilities Company (FPUC) (jointly, Petitioners) filed a joint petition for approval of a special contract (2024 Special Contract). Under the terms of the Special Contract, Peoples would provide FPUC with firm gas transportation service for a seven-month term commencing on September 1, 2024, and terminating on April 1, 2025. Peoples and FPUC own and operate natural gas facilities in Florida and are subject to our regulatory jurisdiction pursuant to Section 366.06, Florida Statutes (F.S.).

In 2021, Peoples and FPUC had a transportation agreement (2021 Agreement) that did not require our approval because the terms and conditions did not deviate from Peoples' approved tariff. Under the 2021 Agreement, FPUC received service under Peoples' Interruptible Service (IS) rate schedule. Pursuant to the 2021 Agreement, Peoples transported natural gas from the Florida Gas Transmission's (FGT) interstate pipeline at the PGS-Jacksonville main gate to the Radio Avenue Interconnect into the Callahan Pipeline. The Callahan Pipeline is a 16-inch steel pipeline that was constructed in 2019 to allow FPUC and Peoples to expand natural gas service in Nassau and Duval counties.

In September of 2022, Peoples and FPUC filed a joint petition for approval of a special contract (2022 Special Contract). Our approval was required because the terms and conditions deviated from Peoples' approved tariff. The receipt points, delivery points, and points of delivery remained the same as in the 2021 transportation agreement. The Special Contract had a term from November 1, 2022, until June 1, 2024. The 2022 Special Contract extended the original contract to continue to allow Peoples to provide FPUC with firm natural gas service for

a limited duration and obtain a fixed monthly reservation fee for the service provided. Upon the expiration of the existing contract in June, PGS ceased engaging in any obligations it had under that contract as FPUC has no rights to that capacity since the contract terminated and FPUC did not arrange a new contract with PGS in the interim. We approved the Special Contract by Order No. PSC-2022-0374-PAA-GU.¹

During the evaluation of the petition, data requests to Peoples and FPUC were issued. Responses from FPUC were received on June 27, 2024. Responses from Peoples were received on June 27, 2024. We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, F.S.

DECISION

We approved a 2022 Special Contract between Peoples and FPUC. In May 2024, with the natural expiration of the 2022 Special Contract approaching, FPUC sought out Peoples for modification of the 2022 Special Contract which resulted in the proposed 2024 Special Contract. The term of the contract is for 7 months with a negotiated monthly charge for the reservation of firm capacity and transportations service on Peoples' distribution system and a daily maximum transportation quantity. The receipt points, delivery points, and points of delivery remained the same as in the 2022 Special Contract. Similarly with the 2022 Special Contract, FPUC will recover its payment to Peoples through the Purchased Gas Adjustment and from transportation customers that utilize the alternative supply in Nassau County. This contract would continue to generate revenues for Peoples, benefitting Peoples' general body of rate payers.

The purpose of the 2024 Special Contract remains the same as the prior 2022 Special Contract. Typically, FPUC obtains its gas from the Transco Zone 5 for its Nassau County operations. FPUC has stated that although the market has changed since the last transportation agreement, during the winter months natural gas prices remain highly volatile. The agreement with PGS allows FPUC an alternative to Transco Zone 5 with an estimated savings of more than \$1 million to FPUC's customers and transportation customers over the 7-month term proposed in the 2024 Special Contract.²

The proposed 2024 Special Contract for a 7-month term is a much shorter time period than the 2022 Special Contract term of 19 months. FPUC indicated that based on the commodity prices it would see savings up to March 2025. For the time period after March 2025, FPUC will reassess forward commodity prices and may seek PGS for continued service. If the contract is not renewed, FPUC indicated it would return to using firm Southern Natural Gas Company (SONAT) capacity for its supply needs. SONAT is an interstate natural gas pipeline which brings gas from the Louisiana Gulf of Mexico coast to the southeastern United States, including Florida.

Based on our review of the petition and responses to data requests, we find that the proposed Special Contract is reasonable, facilitates the delivery of natural gas into Nassau County, and benefits FPUC's and Peoples' general body of ratepayers. Therefore, we approve the proposed Special Contract between Peoples and FPUC effective September 1, 2024.

¹ Order No. PSC-2022-0374-PAA-GU, issued November 4, 2022, in Docket No. 20220159-GU, *In re: Petition for approved of special contract with Florida Public Utilities Company, by Peoples Gas System, Inc.*

² FPUC Responses to Staff's First Data Request, Document No. 07010-2024, Response No. 3

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the joint petition by Peoples Gas System, Inc. and Florida Public Utilities Company for approval of a Special Contract is hereby granted. It is further

ORDERED that the effective date of the Special Contract is September 1, 2024. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no protest is filed by a person whose substantial interests are affected within 21 days of issuance of this Order, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 19th day of August, 2024.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 9, 2024.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

GAS TRANSPORTATION AGREEMENT

This Gas Transportation Agreement (the "Agreement") is made and entered into as of the ____ day of _____ 2024, by and between Peoples Gas System, Inc., 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 Pipeline Interconnect" means the inlet to the interconnection between the Gas distribution facilities of PGS and the Callahan Intrastate 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 (including, without limitation, Section 8.2), this Agreement shall be effective commencing on **September 1, 2024** (the "Effective Date") and shall continue until the beginning of the Day commencing on **April 1, 2025** (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 PGS-Callahan Pipeline Interconnect. The total quantity for the PGS-Callahan Pipeline 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 Terms of Gas to be tendered at each PGS Receipt Point;
- c. The downstream delivery facility name, and quantity in Terms 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 PGS-Callahan Pipeline 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 PGS-Callahan Pipeline Interconnect, that quantity which in PGS's reasonable judgment (after consultation with Shipper) is likely to be consumed at the PGS-Callahan Pipeline 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, Inc.

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: (727) 270-6998
Email: cfggascontrol@chpk.com

Invoices and Payment:

Peoples Gas System, Inc.

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
Email: cfggascontrol@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, Inc.

By: _____

Name: Lew Rutkin, Jr.

Title: VP, Gas Supply & Development

Date: _____

By: _____

Name: Timothy O'Connor

Title: VP, Safety, Ops & Sustainability

Date: _____

FLORIDA PUBLIC UTILITIES COMPANY

By: _____

Name: Daniel Noia

Title: Director, 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 PGS-Callahan Pipeline Interconnect [REDACTED] MMBtu per Day

Contract Number: 5200884205

Meter Numbers: PGS-Callahan Pipeline Interconnect