

**PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT**

THIS AGREEMENT entered into this 1st day of December, 2012 by and between **Peninsula Pipeline Company, Inc.**, a corporation of the State of Delaware (herein called "Company"), and **Florida Public Utilities Company**, 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.

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 1
DEFINITIONS**

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 made available for delivery for the account of Shipper under this FTS 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 shall be set forth on Exhibit A of this Agreement.

**ARTICLE III
FIRM TRANSPORTATION SERVICE RESERVATION CHARGE**

3.1 The monthly reservation charge for Firm Transportation Service provided under this Agreement shall set forth on Exhibit A of this Agreement.

COM _____
AFD _____
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____

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3.2 The parties agree to execute and file with the Commission a petition for approval of this Agreement within thirty (30) days of execution by both parties.

3.3 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase or decrease any present tax or levy any additional or eliminate any existing tax, relating to the service provided by Company under this Agreement, such change shall be implemented immediately upon the effective date of such change.

ARTICLE IV
TERM AND TERMINATION

4.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective upon its date of execution by both parties and shall continue in full force and effect for an initial period of twenty 20 years from the in-service date. Thereafter, the Agreement shall be extended on a 10 year basis unless terminated by either party, with at least ninety (180) days written notice to the other party prior to the termination date.

4.2 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.

4.3 In the event Shipper fails to pay for the service provided under this Agreement or otherwise fails to meet Company's standards for creditworthiness, 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, 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

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.

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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). 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 Month in question, subject to any additional restrictions imposed by the Transporter or by Company pursuant to Company's tariff provisions.

ARTICLE IX
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:

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

Company: Peninsula Pipeline Company, Inc.
Post Office Box 960
Winter Haven, Florida 33882
Attention: John W. Mclelland

Shipper: Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, Florida 33409
Attention: Director, Regulatory Affairs

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 Exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, 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 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.

PENINSULA PIPELINE COMPANY, INC.
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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 or otherwise, a partner, joint venturer, 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 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.

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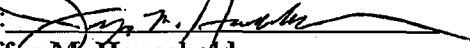
9.11 Applicable Law and Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with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

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

COMPANY

Peninsula Pipeline Company, Inc.

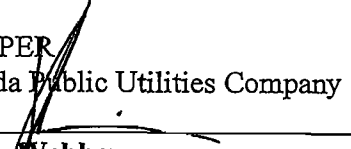
By: 

Jeffrey M. Householder

Title: **President**

SHIPPER

Florida Public Utilities Company

By: 

Kevin Webber

Title: **VP Business Dev & Gas Operations**

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

Attested By: _____

Title: _____

Date: _____

Attested By: _____

Title: _____

Date: _____

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

FLORIDA PUBLIC UTILITIES COMPANY

DATED

December 1, 2012

<u>Description of Delivery Point(s)</u>	<u>Description of Points of Delivery</u>	<u>MDTQ, in Dekatherms, Excluding Fuel Retention</u>
<u>Interconnection Between Florida Gas Transmission Company and Company At Turnpike north of Roebuck</u>	Interconnection between Shipper and Company at Congress and 35th St. in Riviera Beach	[REDACTED]

Total MDTQ (Dekatherms): [REDACTED]

MHTP: 6%

Fuel Retention Percentage: [REDACTED]

Monthly Reservation Charge: [REDACTED]

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE APPLICATION

1. General information:

(a) Any party seeking new service or a change to existing service from Peninsula Pipeline Company, Inc. ("Company") shall complete a Firm Transportation Service (FTS) Application pursuant to the Rules and Regulations of Company's tariff. Such party shall be known as the "Requesting Party".

(b) Completed FTS Applications shall be forwarded to:

John W McLelland
Peninsula Pipeline Company, Inc.
P.O. Box 960
Winter Haven, Florida 33882

2. Information to be provided by the Requesting Party:

(a) Requesting Party's Identification:

Legal Name: **FLORIDA PUBLIC UTILITIES COMPANY**

Address: Street: **1015 6th Street NW**
P.O. Box: **960**
City: **Winter Haven**
State: **Florida**
Zip Code: **33881**

Type of Legal Entity: Corporation
State of Incorporation: Florida

Requesting Party is (Check One):

- Local Distribution Company
 Industrial Customer
 Electric Generator
 Other (specify): _____

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE APPLICATION

- (b) If Requesting Party is acting as agent in arranging this service, specify below each principal (complete legal name, type of legal entity and state of incorporation) and its respective type of company. Requesting Party must supply agency agreements for each principal.

- (c) Name and full title of individual who is authorized to execute an FTS Agreement with Company on behalf of Requesting Party:

Name: **Kevin Webber**
Title: **VP Business Development and Gas Operations**

- (d) Contact person for this Request:

Name: **Kevin Webber**
Address: **1015 6th Street NW**
P.O. Box: 960
City: **Winter Haven**
State: **Florida**
Zip Code: **33881**
Telephone Number: **561 818 7762**
Facsimile Number: **863-294-3895**

- (e) The Firm Service Transportation Quantity, in Dekatherms, requested is:

Maximum Daily Transportation Quantity (MDTQ): **[REDACTED]**

Maximum Hourly Transportation Percentage (MHTP): **6 %**

Please list all requested Custody Transfer Point(s) (attach map):

Interconnection between Florida Gas Transmission and Peninsula Pipeline Company at the Florida Turnpike, north of Roebuck.

Interconnection between Peninsula Pipeline Company and Florida Public Utilities at Congress and 35th Street in Riviera Beach, Florida.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE APPLICATION

(f) Term of Service: **20 years**

Date service is proposed to commence: **February 1, 2013**
Date service is proposed to terminate: **February 1, 2033**

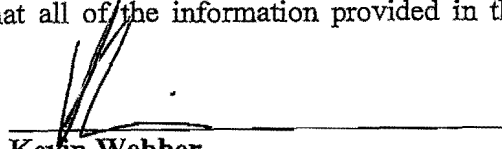
(g) Credit Evaluation:

Requesting Party shall provide information regarding its credit rating for one or more of the following:

Standard & Poor's Long Term Debt Rating
Moody's
Comparable Nationally Recognized Rating Organization

3. Requesting Party understands that this FTS Application, complete and unrevised as to format, plus any supplemental information requested by Company, must be received by Company before the request for service will be accepted and processed. Requesting Party further understands that Company is an intrastate pipeline subject to the Regulations of the Florida Public Service Commission. Requesting Party, by its signature, represents to Company that all of the information provided in this FTS Application is correct and accurate.

Signature of Requesting Party:
Printed Name of Requesting Party:
Title of Requesting Party:


Kevin Webber
VP Business Development & Gas Operations

PENINSULA PIPELINE COMPANY, INC.
CUSTOMER AFFIDAVIT

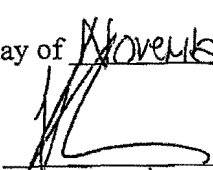
STATE OF FLORIDA

COUNTY OF POLK

BEFORE ME, the undersigned authority, personally appeared **Kevin Webber**, on behalf of **Florida Public Utilities** ("Customer") who, being by me first duly sworn, says:

1. That he is an authorized representative of the Customer and is further authorized to present this Affidavit to the Florida Public Service Commission pursuant to Section 368.105, Florida Statutes.
1. That he has knowledge of the certain Transportation Service Agreement between Peninsula Pipeline Company, Inc., an intrastate Natural Gas Transmission Company, and Customer, and that:
 - a. Neither PPC, the Natural Gas Transmission Company nor the Customer had an unfair advantage during the negotiations culminating in said Transportation Service Agreement, and
 - b. That competition to the offerings of the Natural Gas Transmission Company 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 at the time that the Transportation Service Agreement referred to herein was entered into by PPC, and the Customer.

DONE AND EXECUTED this 28 day of November, 2012.



(Name) Kevin Webber
(Title) Vice President

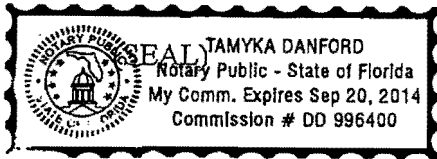
PENINSULA PIPELINE COMPANY, INC.
CUSTOMER AFFIDAVIT

STATE OF FLORIDA

COUNTY OF Polk

I HEREBY CERTIFY that on this day before me, the undersigned authority, personally appeared Kevin Webber the representative of Florida Public Utilities to me known to be the person who executed this Affidavit of his own free act and deed.

WITNESS my hand and official seal the 28 day of November 2012.



Tamyka Danford
NOTARY PUBLIC
My Commission Expires: 9/20/2014

Personally known OR Produced Identification
Type of Identification Produced _____