

February 2, 2016

ELECTRONIC FILING/E-PORTAL

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

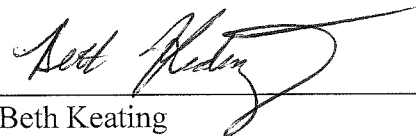
**Re: New Filing: Petition for Approval of Amendment No. 1 to Transportation Agreement
with the City of Lake Worth by Florida Public Utilities Company**

Dear Ms. Stauffer:

Attached for electronic filing, please find Florida Public Utilities Company's Petition for Approval of Amendment No. 1 to its Transportation Agreement with the City of Lake Worth.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,



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

MEK
cc:/(Office of Public Counsel)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Amendment) Docket No.:
No. 1 to Gas Transportation Agreement with)
the City of Lake Worth by Florida Public) Filed: February 2, 2016
Utilities Company

**PETITION FOR APPROVAL OF AMENDMENT NO. 1 TO TRANSPORTATION
SERVICE AGREEMENT BETWEEN FLORIDA PUBLIC UTILITIES COMPANY AND THE
CITY OF LAKE WORTH**

Florida Public Utilities Company (“FPUC” or “Company”), by and through its undersigned counsel, and in accordance with Rules 25-22.036, 28-106.104, and 25-9.034, Florida Administrative Code, hereby files this Petition seeking approval of an Amendment No. 1 to its Transportation Service Agreement (“Agreement”) with the City of Lake Worth (“City”), which is attached hereto as Attachment A. The subject Amendment No. 1 (“Amendment”) amends an existing Transportation Service Agreement originally approved by the Commission by Order No. PSC-03-0846-PAA-GU, issued July 21, 2003, in Docket No. 030363-GU, as amended by Order No. PSC-03-0846A-PAA-GU. The Amendment is limited in nature and does not alter the term or pricing under the Agreement. Specifically, the sole change reflected by the Amendment is a modification to Section 4.8 of the Agreement to allow the City to resell natural gas provided by FPUC to the City’s Compressed Natural Gas station for compression and resale as CNG. As currently drafted, the Agreement prohibits the resale of natural gas transported to the City. In support of this request, the Company hereby states:

- 1) The principal business address of Florida Public Utility Company is:

Florida Public Utilities Company
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

Petition for Approval of Amendment No. 1 to Transportation Agreement/Lake Worth

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

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

Mike Cassel
Florida Public Utilities Company
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

3) FPUC is a gas utility subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes. It is a wholly-owned subsidiary of Chesapeake Utilities Corporation (“CHPK”), which is headquartered in Dover, Delaware.

4) The City of Lake Worth is a Florida municipality that owns gas-fired generation and is developing a CNG station.

5) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.06, Florida Statutes, pursuant to which the Commission is authorized to determine whether the rates requested, demanded, charged, or collected by any public utility for its service are fair, just, and reasonable, as well as the rules, regulations, or practices of any public utility affecting such rates.

6) The Company’s substantial rights will be directly affected by the Commission’s resolution of this Petition, as the Commission’s decision upon this request will impact service by FPUC to the City. Likewise, resolution of this Petition will impact the City’s ability to utilize natural gas provided by FPUC for the purposes intended. The Company is unaware of any material facts in dispute in this regard. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

BACKGROUND

7) On March 31, 2003, FPUC and the City entered into a Gas Transportation Agreement providing for gas transportation service to the City via a pipeline facility referred to as the Lake Worth Lateral (“LW Lateral”). This 2003 Agreement filled a void left when Lake Worth Generation (“LWG”) could no longer fulfill its financial obligations under an earlier 2000 Gas Transportation Agreement with FPUC, which had originally contemplated not only construction of the LW Lateral, but also service by FPUC to LWG and the City for purposes of a joint project being developed at the City’s generation and water utility complex (“LW Project”). Under the 2003 Agreement, FPUC is obligated to transport gas from the gate station interconnected with Florida Gas Transmission’s facilities near the intersection of Lake Worth Road and the Florida Turnpike in Palm Beach County and deliver the gas on the LW Lateral to the LW Project. The Agreement is for a 30-year term with an opportunity to renew for an additional 10-year period upon 18-months’ notice. As noted previously, the Commission approved the 2003 Agreement by Order No. PSC-03-0846-PAA-GU, issued July 21, 2003.

8) The proposed Amendment No. 1 for which the Company seeks approval reflects a modification to a limitation included in the Agreement. As currently written, the Section 4.8 Agreement expressly and without exception prohibits the resale of natural gas transported through the LW Lateral. The City has, however, developed a CNG station and requires delivery of natural gas supply to that station for compression, which would then be resold to the public. The Company and the City have therefore reached agreement to eliminate the resale restriction with regard to natural gas supplied by FPUC for delivery to the City’s CNG station. Revised Section 4.8 would now provide:

4.8 Resale Limitations. Natural gas transported through the LW Lateral shall be solely used at: 1) the Project Site; or 2) the CITY’s CNG station located within

Petition for Approval of Amendment No. 1 to Transportation Agreement/Lake Worth

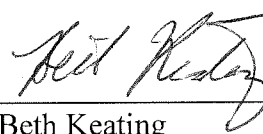
reasonable proximity to the LW Lateral. FPUC shall provide the necessary facilities (tap, main, meter; etc.) to provide service to the CITY's CNG station in accordance with the existing extension of distribution facilities tariff requirements. CITY shall have the right to resell the gas to customers of the CNG station. CITY shall not offer to resell natural gas transported through the LW Lateral, other than to customers of the CNG station, to any third party.

9) The revision is in the best interest of both FPUC and the City in that the City will receive gas supplies which can be compressed for resale at its CNG station, while FPUC will have the opportunity to continue to provide transportation service to the City at potentially higher quantities.

10) In sum, Amendment No. 1 will enable the City to utilize natural gas supplies transported by FPUC for an additional purpose beyond the LW Project to include a CNG station and will increase the amounts transported by FPUC on the City's behalf. As amended, FPUC will continue to recover its cost to serve under the Agreement. The Agreement, as amended, is to the benefit of both the City and FPUC, and ultimately is in the public interest.

WHEREFORE, FPUC respectfully requests that the Commission approve the Amendment No. 1 to Transportation Service Agreement between Florida Public Utilities Company and the City of Lake Worth.

RESPECTFULLY SUBMITTED this 2nd day of February, 2016.



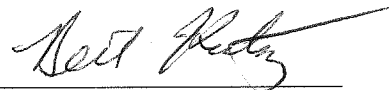
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1980

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Petition has been served upon the following by U.S. Mail this 2nd day of February, 2016.

Honorable J.R. Kelly
Office of Public Counsel
c/o the Florida Legislature
111 West Madison Street, Rm 812
Tallahassee, FL 32399-1400



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

ATTACHMENT A

Amendment No. 1 to FPUC's Transportation Service Agreement
with the City of Lake Worth

AMENDMENT No. 1

To

GAS TRANSPORTATION AGREEMENT

BETWEEN

FLORIDA PUBLIC UTILITIES COMPANY

AND

CITY OF LAKE WORTH

AMENDMENT NO. 1
TO
GAS TRANSPORTATION AGREEMENT

THIS AMENDMENT NO. 1 TO GAS TRANSPORTATION AGREEMENT (this “Amendment”) is made and entered into this ___th day of _____, 2016, by and between Florida Public Utilities Companies (“FPUC”), a wholly owned subsidiary of Chesapeake Utilities Corporation, a Delaware corporation, and the City of Lake Worth, Florida (“City”), a political division of the State of Florida created pursuant to s. 2 or s. 6, Art. VIII of the State Constitution, both FPUC and City together being jointly referred to herein as “Parties”.

WITNESSETH:

WHEREAS, the FPUC operates facilities for the distribution of natural gas in the State of Florida and currently provides natural gas transportation service to the City pursuant to the Gas Transportation Agreement entered into on March 31, 2003, (“GTA”), which was approved by the Florida Public Service Commission in Docket No. 030363-GU; and

WHEREAS, as set forth in Article 4.8 of the GTA, the GTA specifically and without exception prohibits the resale of natural gas transported through the LW Lateral, as that term is defined in the GTA; and

WHEREAS, the City desires to be able to own and operate a Compressed Natural Gas (“CNG”) station and further desires that FPUC supply the natural gas for compression and resale through the City’s CNG station; and

WHEREAS, FPUC is willing to modify the provisions of the GTA to allow the City to resell natural gas supplied by FPUC in this situation;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the parties agree as follows:

1. Section 4.8 of the GTA, is deleted in its entirety, and the following shall be inserted in lieu thereof:

4.8 Resale Limitations. Natural gas transported through the LW Lateral shall be solely used at: 1) the Project Site; or 2) the CITY’s CNG station located within reasonable proximity to the LW Lateral. FPUC shall provide the necessary facilities (tap, main, meter; etc.) to provide service to the CITY’s CNG station in accordance with the existing extension of distribution facilities tariff requirements. CITY shall have the right to resell the gas to customers of the CNG station. CITY shall not offer

to resell natural gas transported through the LW Lateral, other than to customers of the CNG station, to any third party.

2. In all other respects, the GTA shall remain unchanged and in full force and effect, except as expressly amended by this Amendment No. 1.
3. The Parties agree that this Amendment may be placed into effect upon execution of Amendment No. 1 to the GTA. The Parties further agree that, in the event that: (a) the FPSC declines to approve Amendment No. 1 to the GTA; or (b) the FPSC fails to address Amendment No. 1 to the GTA within twelve (12) months of execution; or (c) any person whose substantial interests are affected files a timely protest of the FPSC's order approving Amendment No. 1 to the GTA, the rates, terms and conditions shall revert to the original GTA.
4. FPUC shall submit this Amendment No. 1 to the GTA for review and approval by the Florida Public Service Commission within ten (10) days of execution.
5. This Amendment 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.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Gas Transportation Agreement on the dates stated below.

CITY OF LAKE WORTH

Witnesses:

BY: _____
Pam Triolo, Mayor

Print Name

DATE: _____, 2016

Attest:

Print Name

Pamela Lopez, City Clerk

FLORIDA PUBLIC UTILITIES COMPANY

BY: _____

TITLE: _____

Witnesses:

DATE: _____, 2016

Print Name

Print Name