

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

DOCKET NO. 20170193-GU  
ORDER NO. PSC-2017-0498-PAA-GU  
ISSUED: December 29, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
DONALD J. POLMANN  
GARY F. CLARK

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING FIRM TRANSPORTATION AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (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 September 1, 2017, Peninsula Pipeline Company, Inc. (Peninsula) filed a petition seeking approval of a firm transportation service agreement (Agreement) between Peninsula and Florida Public Utilities Company (FPUC), collectively the parties, for an extension in New Smyrna Beach. Peninsula operates as a natural gas transmission company as defined by Section 368.103(4), Florida Statutes (F.S.).<sup>1</sup> FPUC is a local distribution company (LDC) subject to our regulatory jurisdiction pursuant to Chapter 366, F.S.

By Order No. PSC-07-1012-TRF-GP,<sup>2</sup> we approved Peninsula's intrastate gas pipeline tariff that allows it to construct and operate intrastate pipeline facilities and to actively pursue agreements with gas customers. Peninsula provides transportation service only, and does not

<sup>1</sup> Order No. PSC-06-0023-DS-GP, issued January 9, 2006, in Docket No 050584-GP, In re: Petition for declaratory statement by Peninsula Pipeline Company, Inc. concerning recognition as a natural gas transmission company under Section 368.101, F.S., et seq.

<sup>2</sup> Order No. PSC-07-1012-TRF-GP, issued December 21, 2007, in Docket No. 070570-GP, In re: Petition for approval of natural gas transmission pipeline tariff by Peninsula Pipeline Company, Inc.

engage in the sale of natural gas. Pursuant to Order No. PSC-07-1012-TRF-GP, Peninsula is allowed to enter into certain gas transmission agreements without our prior approval; however, this Agreement does not fit any of the criteria enumerated in the tariff for which our approval would not be required.<sup>3</sup> Both Peninsula and FPUC are subsidiaries of Chesapeake Utility Corporation (Chesapeake), and we must approve agreements between affiliated companies pursuant to Section 368.105, F.S., and Order No. PSC-07-1012-TRF-GP.

Pursuant to the Agreement (Attachment A to this Order), Peninsula will construct a new natural gas pipeline in the New Smyrna Beach area and relocate an existing gate station that is in a populated area. During the pendency of this proceeding, Commission staff issued a data request to both Peninsula and FPUC for which responses were received on October 2, 2017. We have jurisdiction over this matter pursuant to Sections 366.05(1), 366.06, and 368.105, F.S.

### **Decision**

FPUC provides natural gas service to residential and commercial/industrial customers in the New Smyrna Beach area. FPUC is currently experiencing operational pressure issues on its distribution system which has hindered FPUC's ability to provide adequate service to the outer edges of New Smyrna Beach during peak periods which typically occurs during the winter and cold weather and lowers the pressure of gas, causing delivery of gas issues. The pressure issues have also directly impacted economic growth development in both the large commercial and small industrial sectors. Additionally, a current FPUC gate station is located inside an active RV park, raising safety concerns.

FPUC and Peninsula entered into this Agreement to address these issues. The terms of the Agreement state that it will be in effect for an initial period of 20 years and shall be extended for additional 10-year increments, unless either party gives written notice of termination to the other party. The Agreement will provide resolution to the pressure problems, improve the reliability, and relocate the gate station from the RV park.

As per the Agreement, Peninsula will relocate the gate station that is currently inside an RV park to a new site adjacent to the Highway 92 right-of-way just north of the current site. Photographs of the gate station and adjacent RV park in Attachment B to the petition.

Additionally, Peninsula has agreed to construct and own a new pipeline, referred to as the New Smyrna Beach Line in the proposed Agreement. The new 14.7 mile pipeline will interconnect with the interstate Florida Gas Transmission (FGT) pipeline's Daytona West gate station on US Highway 92, approximately one mile west of Interstate 95 in Volusia County. The pipeline will travel south where it will interconnect with FPUC's existing pipeline in New Smyrna Beach. The New Smyrna Beach Line is shown in the map in Attachment A to this Order as the solid blue line. Peninsula stated that it is required to obtain approvals from the Florida Department of Transportation and the Florida Department of Environmental Protection for the pipeline, which Peninsula expects to receive soon. Construction is expected to be completed in early 2018.

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<sup>3</sup> Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 12, Section 4.

FPUC's existing 4 inch pipeline that has been serving the New Smyrna Beach area will remain in service as a distribution line. The New Smyrna Beach Line will be larger in diameter (8 inches) and will be located entirely within the public rights-of-way. The New Smyrna Beach Line will also operate at a higher delivery pressure than FPUC's existing line to alleviate the existing pressure problems and support growth in the area.

The parties assert that the negotiated monthly reservation charge contained in the Agreement is consistent with a market rate in that they are within the ranges of rates set forth in similar agreements as required by Section 368.105(3)(b), F.S. In response to Commission staff's data request, Peninsula provided a comparison of construction costs (confidential) for other similar agreements entered into by Peninsula. While construction costs vary for each project due to pipe size, construction conditions, permitting, etc., we find Peninsula's construction and on-going maintenance costs for the proposed new line reasonable and comparable to other projects.

FPUC is proposing to recover the payments to Peninsula under this Agreement from its customers through its Purchased Gas Adjustment (PGA) and Swing Service Rider mechanisms consistent with other gas transmission pipeline costs incurred by FPUC. FPUC provided information showing that the impact on the PGA will be minor (\$0.042 per therm for 2018). While FPUC will incur costs associated with this service expansion, any new load will help spread the costs over a larger customer base.

The benefit of Peninsula, as opposed to FPUC, constructing the new pipeline, is primarily that Peninsula's construction and ownership of the pipeline will avoid FPUC undertaking the costs and risks for this project, which in turn protects FPUC's ratepayers. Prior to entering into agreement with Peninsula, FPUC stated that it engaged in a conversation with FGT regarding the possibility of FGT building the new pipeline; however, the conversation did not produce an economically viable solution. In response to Commission staff's data request, FPUC stated that FGT's project estimate was higher than Peninsula's cost.

### Conclusion

Based on the petition and Commission staff data request responses, we find this Agreement cost effective, reasonable, in compliance with the requirements of Section 368.105, F.S., and benefits FPUC's customers. Therefore, we hereby approve the Firm Transportation Agreement between Peninsula and FPUC, dated August 25, 2017.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Firm Transportation Agreement between Peninsula Pipeline Company, Inc., and Florida Public Utilities Company is hereby approved. It is further

ORDERED that Attachment A to this Order is fully incorporated as set forth herein. 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, Florida Administrative Code, 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 in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 29th day of December, 2017.



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HONG WANG  
Chief Deputy Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://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.

KRM

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.

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 January 19, 2018.

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.

Petition for Approval of Transportation  
Service Agreement with Florida Public  
Utilities Company by Peninsula Pipeline Company, Inc.

**ATTACHMENT A**

**Firm Transportation Service Agreement**

**Between**

**Peninsula Pipeline Company**

**And**

**Florida Public Utilities Company**

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

**THIS AGREEMENT** entered into this 25<sup>th</sup> day of August, 2017, 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")(jointly herein "Parties").

**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 I**  
**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 Company shall construct a new, higher pressure pipeline (New Smyrna Beach Line) from the Florida Gas Transmission's Daytona West gate station to pressure regulating stations named by Shipper as New Smyrna and Turnbull Bay, where a custody transfer station will be installed, as is more particularly described on Exhibit A, with a capacity of at least the Maximum Daily Transportation Quantity as set forth on Exhibit A attached hereto. All pipe and fittings will have a maximum design pressure of 1206 psig, which will allow an MAOP of 575 psig. Shipper is not responsible for any direct costs associated with the construction, operation, or maintenance of the Pipeline.

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

2.3 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, the applicable rate for such unauthorized use of transportation quantities shall be as set forth on Exhibit A of this Agreement ("Unauthorized Use Rate").

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**ARTICLE III**  
**FIRM TRANSPORTATION SERVICE RESERVATION CHARGE**

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

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 ("Execution Date") 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 for additional 10-year increments, unless either party gives written notice of termination to the other party, not less than, one hundred eighty (180) days prior to the expiration of the initial period or any subsequent 10-year term. This Agreement may only be terminated earlier in accordance with the provisions of this Agreement and the parties' respective rights under applicable law.

4.2 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.



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**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.

**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.

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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:

Company: Peninsula Pipeline Company, Inc.  
1750 South 14th Street, Suite 200  
Fernandina Beach, Florida 32034  
Attention: Senior Manager, Business Process Development

Shipper: Florida Public Utilities  
1750 South 14th Street, Suite 200  
Fernandina Beach, Florida 32034  
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

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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.

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

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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. If, however, any Governmental Authority's modification to this Agreement or any other order issued, action taken, interpretation rendered, or rule implemented, will have a material adverse effect on the rights and obligations of the parties, including, but not limited to, the relative economic position of, and risks to, the parties as reflected in this Agreement, then the parties shall use reasonable efforts to agree upon replacement terms that are consistent with the relevant order or directive, and that maintain the relative economic position of, and risks to, the parties as reflected in this Agreement as of the date first set forth above. As used herein, "Governmental Authority" shall mean any United States federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, court, commission or other authority lawfully exercising or entitled to exercise any administrative, executive judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

If any Governmental Authority asserting jurisdiction over the pipeline facility contemplated in Section 2.1 hereof, issues an order, ruling, decision or regulation (including denial of necessary permits or amendments to existing permits) related to the operation, maintenance, or safety and integrity compliance, including any new or revised enforceable regulatory classification of the pipeline facility, as applicable, which is not reasonably foreseeable as of the Execution Date and which results in a materially adverse effect on either Party's rights and benefits under this Agreement, each Party shall use commercially reasonable efforts and shall cooperate with the other Party to pursue all necessary permits, approvals and authorizations, if any, of such applicable Governmental Authority, and to amend the terms and conditions of this Agreement, in each case as may be reasonably required in order that provision of transportation service under this Agreement shall continue; provided that neither Party shall be required to take any action pursuant to this Section which is reasonably likely to have a materially adverse effect on such Party's rights and benefits under this Agreement.

In the event of the issuance of any enforceable and unappealable compliance obligations related to operation, maintenance, or safety and integrity compliance of the pipeline facility, which are not reasonably foreseeable as of the Execution Date, has a substantial

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and materially adverse impact on the Company, and such economic impact cannot be substantially mitigated by the Company, Company and Shipper shall meet and negotiate in good faith to determine if appropriate alterations to this Agreement or other arrangements can be agreed to that will address the operational or economic issues caused by such limits or obligations.

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

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

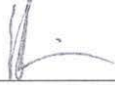
9.12 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.


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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.

SHIPPER  
Florida Public Utilities

By:   
**Kevin Webber**  
Title: Vice President

By:   
**Jeffrey Householder**  
Title: President

(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.  
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EXHIBIT A

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

FLORIDA PUBLIC UTILITIES COMPANY

DATED

August 25, 2017

<u>Description of Delivery Point(s)</u>	<u>Description of Point(s) of Delivery</u>	<u>MDTQ, in Dekatherms, excluding Fuel Retention</u>
Interconnection With FGT at the New Daytona West Gate Station in Volusia County, FL	See Below	██████████ / Day

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

MHTP: 6%

Monthly Reservation Charge: ██████████

The Company shall provide written notification to Shipper that the New Smyrna Beach Line has been completed and establish an in-service date. The Parties recognize that the New Smyrna Beach Line may be completed in segments with each segment placed into service as completed. In such event, the Company may provide written notification of the in-service date of each segment, whereupon the Company may begin to charge Shipper a pro rata portion of the Monthly Reservation Charge associated with the in-service segment.

Unauthorized Use Rate (In addition to Monthly Reservation Charge): ██████████ Each Day of Unauthorized Use

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Description of Point(s) of Delivery: Up to two (2) Points of Delivery

- 1) One or more points – FPU Turnbull Bay Pressure Regulator Station at the intersection of Turnbull Bay Road and Creek Shore Trail in Volusia County, FL
- 2) One or more points – FPU New Smyrna Pressure Regulator Station at the intersection of Industrial Park Ave and Turnbull Street in Volusia County, FL



Petition for Approval of Transportation  
Service Agreement with Florida Public  
Utilities Company by Peninsula Pipeline Company, Inc.

## **ATTACHMENT B**

### **Pictures**





Petition for Approval of Transportation  
Service Agreement with Florida Public  
Utilities Company by Peninsula Pipeline Company, Inc.

**ATTACHMENT C**

**MAP**

