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April 12, 2023

VIA E-PORTAL

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

Re: New Filing: Petition for Approval of Amendment to Firm Transportation Service Agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for filing, please find Peninsula Pipeline Company's Petition for Approval of Amendment No. 1 to Firm Transportation Service Agreement with Florida Public Utilities Company. Certain portions of Exhibit A to the attached Amendment No. 1 are submitted in redacted form only. A request for confidential classification of certain information therein is being filed under separate cover today.

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

Sincerely,



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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Amendment to)	
Firm Transportation Service Agreement with)	Docket No.:
Florida Public Utilities Company, by Peninsula)	
Pipeline Company, Inc.)	Filed: April 12, 2023
)	

PETITION FOR APPROVAL OF AMENDMENT TO ESCAMBIA COUNTY
AGREEMENT TO REFLECT CONSTRUCTION
OF ADDITIONAL DELIVERY POINT

Peninsula Pipeline Company, Inc. ("Peninsula" or "Company"), by and through its undersigned counsel, hereby files this Petition seeking approval of Amendment No. 1 to its Firm Transportation Service Agreement Amendment ("Agreement") between the Company and Florida Public Utilities Company ("FPUC"), which is attached hereto as Attachment A (redacted)¹. The amendment will enable FPUC serve additional areas in Escambia County.

Specifically, the Petitioner seeks approval of Amendment No. 1 to the Firm Gas Transportation Agreement ("FTSA") originally approved by the Commission by Order No. PSC-2018-0233-PAA-GU, issued May 8, 2018, in Docket No. PSC-20180015-GU. Peninsula notes that the original FTSA approved in the 2018 proceeding was between Peninsula and the Florida Division of Chesapeake Utilities Corporation. In light of the recent rate case addressed in Docket No. 20220067-GU and the consolidation of the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company, FPUC, as the surviving entity, has assumed the FTSA in accordance with Paragraph 9.9 of the FTSA. Thus, the Amendment No. 1 for which Peninsula now seeks approval reflects FPUC as the corresponding party to the FTSA and the proposed

¹ Confidential version provided under separate cover consistent with 25-22.004, F.A.C.

Amendment No. 1. The proposed Amendment No. 1 to the FTSA will allow FPUC to expand service at the request of an existing customer. The Amendment contemplates that Peninsula will construct new pipeline facilities that will consist of 510 feet of 2-inch steel and associated facilities in order to meet the customer's need for additional natural gas service at a new point of delivery. In support of these requests, the Petitioner hereby states:

1. Peninsula is a natural gas transmission company subject to the Commission's jurisdiction as prescribed under Chapter 368.10I, et. seq., Florida Statutes. Its principal business address is:

Peninsula Pipeline Company, Inc.
208 Wildlight Ave.
Yulee, FL 32097

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

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

Jason Bennett
AVP – Regulatory Affairs/Business
Transformation
208 Wildlight Ave
Yulee, FL 32097
jbennett@chpk.com

3. Peninsula, a wholly owned subsidiary of Chesapeake Utilities Corporation ("CUC"), is a Delaware corporation authorized to transact business in the State of Florida. Peninsula is engaged in the business of building pipeline laterals from interstate transmission pipelines for customers. Peninsula provides firm transportation service only and does not engage in the sale of natural gas. Consistent with Section 368.105(6), Florida Statutes, the Company constructs such pipeline lateral facilities and related facilities required for interconnection with a customer only if the potential

customer agrees to fully compensate the Company for reasonable costs incurred. Likewise, consistent with the referenced provision, the Company provides transmission access, subject to available capacity, on a basis that is not unreasonable by preferential, prejudicial, or unduly discriminatory.²

4. The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. 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.

I.

BACKGROUND

5. By Order No. PSC-07-1012-TRF-GP, issued December 21, 2007, the Commission approved the Company's intrastate pipeline tariff, consistent with the Commission's jurisdiction under Chapter 368, Florida Statutes. Therein, the Commission also determined that the tariff was consistent with the Commission's prior Declaratory Statement, which provided additional parameters for Peninsula's operations in the State.³
6. Pursuant to the Company's tariff on file with the Commission, as well as Order No. PSC-07-1012-TRF-GP, the Company is allowed to undertake certain projects without

² By the same token, Section 368.105(6), Florida Statutes, recognizes that a natural gas transmission company is not required to provide transmission access to a person at rates that are not just and reasonable.

³ 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 368.10 I, et seq.

express Commission approval. For instance, the Company is not required to seek prior approval if the customer is not currently receiving natural gas service from another entity, such as a local distribution company ("LDC"), and the customer's facilities are located at a distance greater than one mile from the existing gas facilities of an investor-owned gas utility, a municipal gas utility, or a gas district. The Company also need not seek regulatory approval if it is engaged to serve an LDC that is not an affiliate of the Company.⁴ Rather, consistent with Section 368.105(3), Florida Statutes, the Company is only required to file affidavits from both the Company and the customer affirming that:

- a. Neither the natural gas transmission company nor the customer had an unfair advantage during the negotiations;
- b. The rates are substantially the same as rates between the natural gas transmission company and two or more of those customers under the same or similar conditions of service; **or**
- c. Competition 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. Section 368.105(3), Florida Statutes (emphasis added).

7. The Company is, however, required to seek Commission approval of projects in the following categories:

- a. Interconnection to an LDC in order to serve a customer downstream;

⁴ Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 11, Section 3

- b. Interconnection with an LDC to provide service to another LDC;
 - c. Construction of facilities to serve a current LDC customer or one that is within 1 mile of the existing facilities of an investor-owned or municipal gas utility, or a gas district; and
 - d. Other projects that are not otherwise specifically identified in the tariff as not requiring prior Commission approval.⁵
8. FPUC is a wholly owned subsidiary of Chesapeake Utilities Corporation (“CUC”), a Delaware corporation authorized to conduct business in Florida. Thus, both Peninsula and FPUC are owned and/or controlled by CUC. Pursuant to the provisions of Chapter 366, Florida Statutes, FPUC is subject to economic regulation by the Commission. FPUC's principal offices are located at 208 Wildlight Ave, Yulee, FL 32097. Because both FPUC and Peninsula are corporate subsidiaries of CUC, the Company is required to seek Commission approval prior to entering into a contract to construct facilities and provide transportation service to FPUC, consistent with Sheet 12, Section 4(d).
9. As noted above, the approved tariff, consistent with Order No. PSC-06-0023-DS-GP, provides that the Company must seek approval for agreements unless an individual agreement fits the criteria set forth in the Company's tariff for an agreement that does not require prior Commission approval.⁶ The approved FTSA and the proposed Amendment No. 1 with FPUC do not meet any of the enumerated criterions; thus, Peninsula respectfully seeks Commission approval in this instance.

⁵ Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. I, Sheet No. 12, Section 4.

⁶ Moreover, since the tariff expressly provides that the Company need not seek approval if it enters into an agreement with a non-affiliated LDC, the Company believes that it must therefore seek Commission approval when the converse situation arises.

II. AMENDMENT TO FPUC/PPC AGREEMENT

10. As previously noted, by Order No. PSC-2018-0233-PAA-GU, the Commission approved the FTSA between PPC and, at the time, the Florida Division of Chesapeake Utilities Corporation, for the construction of facilities in Escambia County, referred to as the Northwest Project, in order to facilitate natural gas service to the area. The proposed Amendment No. 1 to the FTSA reflects the construction of an additional point of delivery on the original project. The facilities will consist of approximately 510 feet of 2-inch steel and associated facilities for a new point of delivery. The project comes at the request of an existing customer of FPUC in order to enhance and provide additional gas service. The project's location and facilities are shown on the Project Maps attached hereto as Attachment B.
11. The proposed project will begin by installing a tap to an existing Peninsula gas pipeline near the intersection US 29 and Champion drive. From this tap, the Company will install a lateral consisting of approximately 510ft of 2-inch steel pipeline northward along US 29 to a new custody transfer station.
12. The project is necessitated by a request from FPUC customer, Pensacola Energy ("PE"). PE has requested an additional point of delivery to enhance their gas service in the area. The new point of delivery will allow PE to meet their own customer needs. FPUC will pass PPC's costs of the project directly to PE. No other customers (residential or commercial) will have a rate impact as a result of this project or the amendment to this agreement.

III. TRANSPORTATION SERVICE AGREEMENT

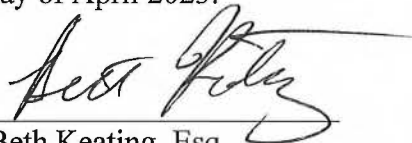
13. The proposed amendment to the FTSA will enable FPUC to provide and expand natural

gas service as requested by PE. As such, the Petitioner asserts that the proposed Amendment No. 1 to the FTSA is in the public interest.

14. The rates in the Amendment No. 1 between FPUC and PPC meet the requirements of Section 368.105(3), Florida Statutes, and the contract containing those rates is consistent with Order Nos. PSC-06-002-3DS-GP and PSC-07-1012-TRF-GP and with Peninsula's tariff on file with the Commission. Moreover, the rates set forth therein are consistent with a "market rate" in that they are within the range of the rates set forth in similar agreements between Peninsula and other customers, including the agreement between FPU and Peninsula for a project in Nassau County, approved by the Commission by Order No. 2019-0356-PAA-GU, issued August 23, 2019, in Docket No.20190128-GU. Likewise, the rates are not otherwise "inherently unfair," as proscribed by the Court in the GTE Florida v. Deason decision.⁷ As such, the Company asks that the Agreement be approved.

WHEREFORE, Peninsula respectfully requests that the Commission approve Amendment No. 1 to the Firm Transportation Service Agreement between Peninsula Pipeline Company, Inc., and Florida Public Utilities Company.

RESPECTFULLY SUBMITTED this 12th day of April 2023.



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

*Attorneys for Peninsula Pipeline
Company, Inc.*

⁷ *Supra*, footnote 5.

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Petition has been served upon the following by Electronic Mail (redacted only) this 12th day of April, 2023:

Charles Rehwinkel, Interim Public Counsel
Office of Public Counsel
c/o the Florida Legislature
111 West Madison Street, Rm 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us

Keith Hetrick, General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399
khetrick@psc.state.fl.us

By:



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

Attorneys for Peninsula Pipeline Company, Inc.

ATTACHMENT A

Transportation Service Agreement

(Redacted Version)

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

This First Amendment to Firm Transportation Service Agreement (“Amendment No. 1”) is made and entered into this DD day of MM, 2023, by and between Florida Public Utilities Company, a corporation of the state of Florida (herein called “Company” or “FPU”) (herein called “Shipper”) and Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called “Company” and jointly with Shipper called “Parties”) to amend certain provisions of the Firm Transportation Service Agreement dated January 8, 2018 between Company and Shipper.

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on January 8, 2018, and approved by the Florida Public Service Commission (“FPSC”) in Docket No. 20180015-GU (the “Agreement”), pursuant to which Company provides Shipper with firm transportation service in Escambia County, Florida; and

WHEREAS, the Parties desire to amend the Agreement to change the Monthly Reservation Charge and to include a new Delivery Point and Point of Delivery, and to include certain additional language in Article III of the Agreement;

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:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.
2. Article III of the Agreement is hereby amended by deleting Section 3.3 in its entirety and replacing it with the following:

If, at any time throughout the term of this Agreement, the Company is required by any Governmental Authority asserting jurisdiction over this Agreement and the transportation of Gas hereunder, to incur additional tax charges (including, without limitation, income taxes and property taxes) with regard to the service provided by Company under this Agreement, then Shipper’s Monthly Reservation Charge shall be adjusted and Exhibit A updated accordingly, and the new Monthly Reservation Charge shall be implemented immediately upon the effective date of such action. If Shipper does not agree to the adjusted Monthly Reservation Charge, Company shall no longer be required to continue to provide the service contemplated in this Agreement should an action of a Governmental Authority result in a situation where Company otherwise would be required to provide transportation service at

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

rates that are not just and reasonable, and in such event the 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.

3. Article III of the Agreement is hereby further amended by adding a new Section 3.4 as follows:

If, at any time throughout the term of this Agreement, the Company is required by any Governmental Authority asserting jurisdiction over this Agreement and the transportation of Gas hereunder, to incur additional capital expenditures with regard to the service provided by Company under this Agreement, other than any capital expenditures required to provide transportation services to any other customer on the pipeline system serving Shipper's facility, but including, without limitation, mandated relocations of Company's pipeline facilities serving Shipper's facility and costs to comply with any changes in pipeline safety regulations, then Shipper's Monthly Reservation Charge shall be adjusted and Exhibit A updated accordingly, and the new Monthly Reservation Charge shall be implemented immediately upon the effective date of such action. If Shipper does not agree to the adjusted Monthly Reservation Charge, Company shall no longer be required to continue to provide the service contemplated in this Agreement should an action of a Governmental Authority result in a situation where Company otherwise would be required to provide transportation service at rates that are not just and reasonable, and in such event the 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.

4. Exhibit A to the Agreement is hereby superseded and replaced by First Revised Exhibit A attached to this Amendment No. 1.

5. The Parties agree that the rates, terms and conditions of this Amendment No. 1 may be placed into effect upon execution. The Parties further agree that, in the event that: (a) the FPSC declines to approve Amendment No. 1 to the Agreement; or (b) the FPSC fails to address Amendment No. 1 to the Agreement 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 Agreement, the rates, terms and conditions shall revert to the original Agreement as approved by FPSC Order No. PSC-2018-0233-PAA-GU.

6. Except as modified by this Amendment No. 1, the Agreement shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

to be executed by their duly authorized officers or representatives effective as of the date first written above.

COMPANY:
Peninsula Pipeline Company

SHIPPER:
Florida Public Utilities Company

By: _____
Marissa Stipa

By: _____
Bill Hancock

Title: Director

Title: Assistant Vice President

Date: _____

Date: _____

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

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

FIRST REVISED EXHIBIT A

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

FLORIDA PUBLIC UTILITIES COMPANY

Description of Transporter Delivery Point(s)

1. Interconnection with FGT Gate Station at mile post 238.6 in Escambia County, FL

Description of Point(s) of Delivery

1. Delivery Point - located on the Eastern side of Ascend Performance Materials property, near the intersection of Chemstrand Road and Old Chemstrand Road.
2. Delivery Point - located on County Road 95A, South of Old Chemstrand Road.
3. New Delivery point to Shipper's facilities located along US 29 and Champion Drive¹

MHTP:6%

Total MDTQ (Dekatherms): [REDACTED] Dt/Day

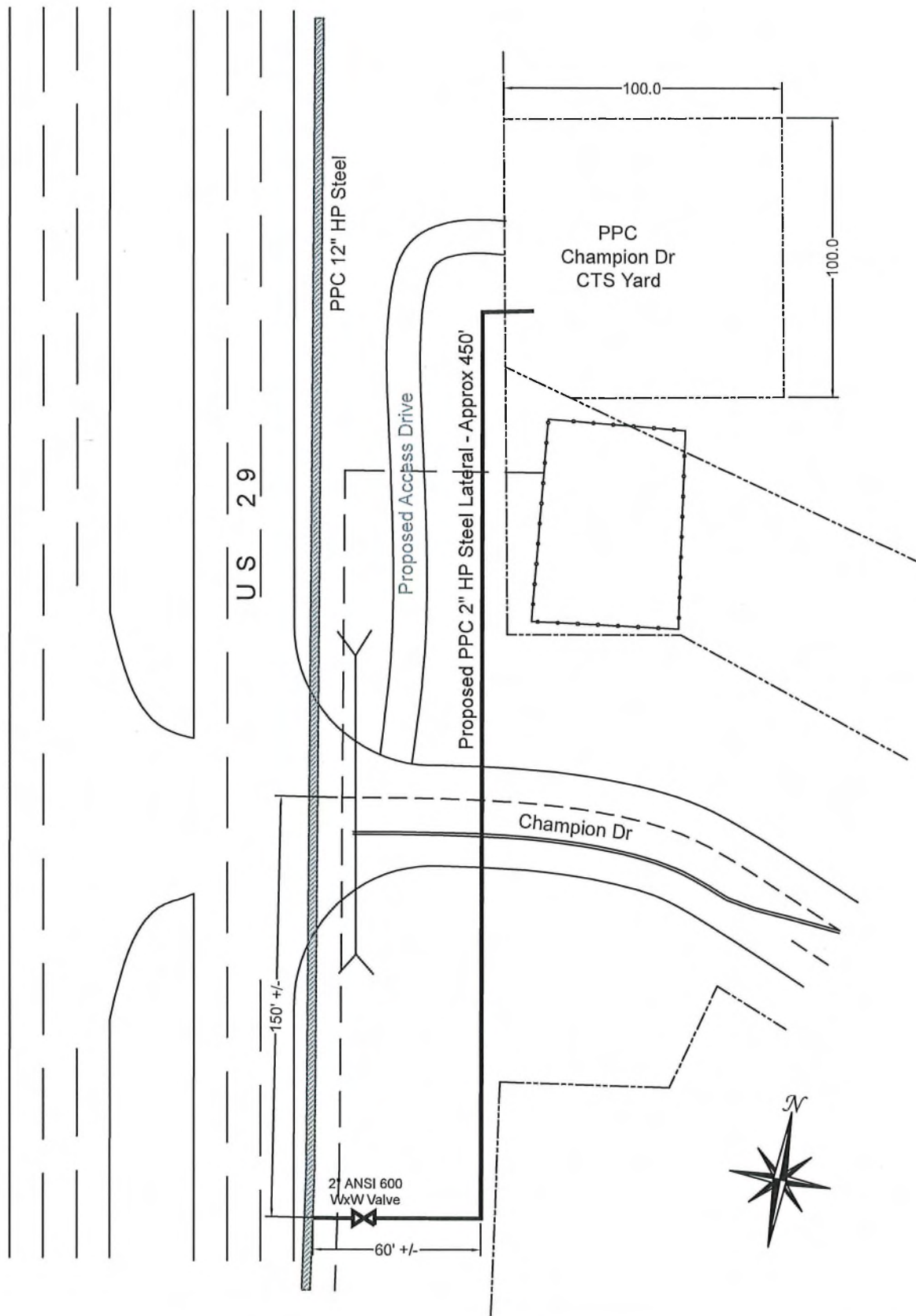
Monthly Reservation Charge: [REDACTED] [REDACTED] Dekatherm).

This charge is subject to adjustment pursuant to the terms of this Agreement.

¹ The Parties to this Agreement acknowledge and recognize that the facilities to be installed represent an extension of existing facilities currently used by the Company to provide service to Shipper in Escambia County. The pricing hereunder does not otherwise duplicate charges for service from the existing interconnection "Delivery Point" (renamed "Point of Delivery" herein) with the existing Northwest Florida Pipeline owned and operated by Peninsula Pipeline Company, Inc. approved as part of the original Agreement in Docket No. 20180015-GU.

ATTACHMENT B

Project Map



PPC Champion Drive Custody Transfer Station
 Install Tap, Valve and Lateral to Proposed Yard
 Install Meter and Flow Control Skid
 May 3, 2022 NTS



Fletcher Creek

S Century Blvd

29

95

S. Pine Barren Rd

Fletcher Creek

S Century Blvd

29

95

S. Pine Barren Rd

S Century Blvd

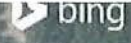
Legend



Delivery Point



Existing Gas Main



Northwest Pipeline

Create