

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

December 14, 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

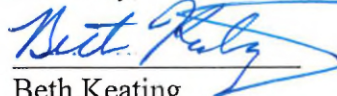
Re: [New Filing]- Petition for Approval of Transportation Service Agreements for the Boynton Beach and New Smyrna Beach projects with the Florida Public Utilities Company by Peninsula Pipeline Company, Inc

Dear Mr. Teitzman:

Attached for filing, please find Peninsula Pipeline Company's Petition for Approval of Transportation Service Agreements with Florida Public Utilities Company for the Boynton Beach and New Smyrna Beach projects, along with the attached agreements (redacted only). A Request for Confidential Classification 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) 521-1706

Cc:// OPC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Transportation)
Service Agreements for the Boynton Beach and)
New Smyrna Beach projects with the Florida)
Public Utilities Company by Peninsula Pipeline)
Company, Inc.)

Docket No.:

Filed: December 14, 2023

PETITION FOR APPROVAL OF TRANSPORTATION SERVICE
AGREEMENTS BETWEEN PENINSULA PIPELINE COMPANY, INC. AND
FLORIDA PUBLIC UTILITIES COMPANY

Peninsula Pipeline Company, Inc. ("Peninsula" or "Company"), by and through its undersigned counsel, hereby files this Petition seeking approval by the Florida Public Service Commission ("Commission") of a Firm Transportation Service Agreement and an amendment to an existing Firm Transportation Agreement (jointly "Agreements") between the Company and Florida Public Utilities Company ("FPUC"), which are attached hereto as Attachments A and B (redacted)¹. The projects represented by these two Agreements, and jointly referred to as the "East Coast Reinforcement Projects," will increase supply capability and enhance reliability to FPUC's service territories in two highly-developed coastal areas, Boynton Beach in Palm Beach County and New Smyrna Beach in Volusia County. If the Agreements are approved, Peninsula will construct an updated interconnect with Florida Gas Transmission (FGT) pipeline, approximately five miles of 4-inch coated steel pipeline, and a district regulator station for FPUC's Boynton Beach distribution system, as well as approximately 14.8 miles of 4-inch coated steel pipeline and four district regulator stations for FPUC's New Smyrna Beach distribution system. In support of this request, the Company hereby states:

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

1. Peninsula is a natural gas transmission company subject to the Commission's jurisdiction as prescribed under Chapter 368.101, 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

Matt Everngam
Director – Regulatory Affairs
208 Wildlight Ave,
Yulee, FL 32097
MEverngam@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

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.

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-2007-1012-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-2007-1012-TRF-GP, the Company is allowed to undertake certain projects without 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

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.

Company also need not seek regulatory approval if it is engaged to serve an LDC that is not an affiliate of the Company.⁴ Consistent with Section 368.105(3), Florida Statutes, for contracts such as these, 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;
- 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

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

requiring prior Commission approval.⁵

8. FPUC is a division 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 Agreement with FPUC would not meet any of the enumerated criteria; thus, Peninsula respectfully seeks Commission approval in this instance.

II. EAST COAST EXPANSION AND REINFORCEMENT PROJECTS

10. With regard to review of the Agreements under the standard set forth in Section 368.105, Florida Statutes, the Company submits that the Agreements withstand review under the seminal case for review of affiliate transactions, because the rates charged under these Agreements are not "inherently unfair" or in excess of the going market rates.⁷

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.

⁷ See also *GTE Florida Incorporated v. Deason*, 642 So. 2d 545 (Fla. 1994) (determining that the appropriate review of an affiliate transaction considers "... whether the transactions exceed the going market rate or are otherwise

Specifically, these Agreements have been necessitated by requests for service made by FPUC to Peninsula, as discussed in greater detail below.

11. While the pipeline expansions addressed are two separate projects covered by two separate agreements, the two projects will serve a similar, related purpose of increasing supply to portions of FPUC's distribution system located along the developed - and growing - areas on the east coast of Florida. Due to recent and expected future population growth, capacity constraints have been placed on FPUC's system of the project locations, and additional transmission resources are needed to serve the residents and businesses in the areas. The projects are needed to ensure sufficient additional gas supply to these areas and will provide operational support to FPUC's system.

III. BOYNTON BEACH PIPELINE PROJECT

12. Peninsula's Boynton Beach project will be constructed in two phases, which, in total, will result in approximately 5 miles of new, 4-inch coated steel pipeline running from an upgraded gate station with FGT to an existing district regulator station that will connect to FPU's system.

The project's location is shown on the Project Map attached hereto as Attachment C.

13. Phase one of the expansion will begin by Peninsula acquiring from FPUC an existing gate station with Florida Gas Transmission located along Boynton Beach Boulevard. Peninsula will upgrade the gate station to meet system requirements for providing additional gas supply. Due to its size, the current gate station is not capable of supplying the amount of gas necessary to meet the increasing gas demands in the area. Given its transmission pipeline expertise, Peninsula will acquire the gate station at net book value and make the necessary upgrades to the gate station. In the delivery cycle of natural gas, gate stations with

inherently unfair.")

interstate pipelines are considered a transmission asset, which aligns more appropriately with Peninsula's asset portfolio. Peninsula owning and operating the station will also protect FPUC from excess costs that can arise during the construction process and from ongoing maintenance costs that may be required for a larger sized gate station. From the gate station, Peninsula will construct approximately three miles of 4-inch coated steel pipeline east along State Road 804, which will terminate at a new district regulator station that will act as a point of delivery on the system.

14. In phase two, Peninsula will start with construction at an existing district regulator station and build approximately two miles of 4-inch steel pipeline along Old Boynton Road to State Road 804 and ending at the new district regulator station built at the end of phase one. Both portions of the project are estimated to be completed in the first quarter of 2025.

15. The area has recently experienced an increase in population and gas demand. FPUC projects that additional growth will continue to develop. Peninsula's project will bring an increase of 15,000 dth/day to help meet the increase in demand that has occurred and will continue to grow.

IV. NEW SMYRNA BEACH PIPELINE PROJECT

16. Peninsula's New Smyrna Beach project will consist of approximately 14.8 miles of 4-inch coated steel pipeline, which will provide operational benefits to FPUC's New Smyrna Beach system by providing additional gas supply to meet the demands of recent and expected population growth in the area. Due to recent growth, the New Smyrna Beach area does not have sufficient capacity to meet its design-day needs. Therefore, FPUC must use compressed natural gas (CNG) to supplement supply in the area during high demand months to ensure adequate supply. The project will help to limit the need for CNG services during months of

high demand. The project's location is shown on the Project Map attached hereto as Attachment C.

17. Peninsula had previously built a pipeline in the area, approved by the Commission in Order No. PSC-2017-0498-PAA-GU. As this project is an expansion of an existing Peninsula project for FPUC, the proposed contract is in the form of an amendment to the existing firm transportation service agreement. The original request was necessitated on the need for safety improvements and additional supply for FPUC's New Smyrna Beach system. This support was primarily needed for the northern part of the New Smyrna Beach System. This new project builds upon the original Peninsula pipeline system in order to reinforce portions of FPUC's system in the southern portion of New Smyrna Beach, as well as areas along the project route that have also experienced growth since the approval of the original project.
18. The project will start by interconnecting with the existing Peninsula pipeline system located on Pioneer Trail Road. From this interconnect, Peninsula will construct approximately 14.8 miles of 4-inch coated steel pipeline southward following public rights of way. Along the pipeline, Peninsula will also build four new district regulator stations which will be built along the route of Peninsula project. These stations will act as points of delivery on the system for FPUC. The total project is projected to go in-service in the first quarter of 2025.
19. The New Smyrna Beach project is expected to provide an additional 3,400dth/day of additional gas supply to the area. Currently, during high demand months of the winter, the New Smyrna Beach system experiences low pressure issues. As a result, as noted above, FPUC has had to utilize CNG trailers to reinforce gas supply in the southern area of the New Smyrna Beach system. The increased supply provided by the new pipeline will help limit instances in which FPUC will require additional support from CNG and ensure reliability of gas supply to this

portion of the system.

20. Similarly to the Boynton Beach project, the area in New Smyrna Beach that this project will support is needed for the current and projected growth to occur in the area. Therefore, the New Smyrna Beach project is critical to support gas supply for the increase in population and reduce the need to use more expensive CNG to support the system during peak usage months.

V. TRANSPORTATION SERVICE AGREEMENTS

21. The Agreements for which Peninsula seeks Commission approval involve FPUC's request for Peninsula to complete the work necessary to construct the pipelines and facilities described above. The proposed projects will allow FPUC to serve growth in and around New Smyrna Beach and Boynton Beach. As such, the Petitioners assert that the proposed Agreements are in the public interest.
22. Peninsula notes that the rates currently reflected in the contracts are based upon current cost projections and available information. Both parties to the contract recognize, however, that additional regulatory and other external approvals must be obtained prior to actual construction, which have the potential to delay the engineering and construction of the project, as well as ordering of materials for construction. Given the current fluctuations in the market, a delay in the project timeline could impact project costs including, but not limited to, interest rates, as well as construction inputs such as labor and materials. Peninsula will use best practices to minimize these impacts on the contract. Nonetheless, given the variables involved, both parties acknowledge that, in the event circumstances arise that make the project uneconomical for Peninsula, the parties agree to endeavor to negotiate a revised rate that is still mutually acceptable and reasonable. In that event, the parties also acknowledge that such

revised rate would require Commission approval as an amendment to the contract.

23. The rates in the contracts between FPUC and Peninsula meet the requirements of Section 368.105(3), Florida Statutes, and the contracts containing those rates are consistent with Order Nos. PSC-06-0023-DS-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 FPUC 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.⁸ As such, the Company asks that the Agreement be approved.

WHEREFORE, Peninsula respectfully requests that the Commission approve the Transportation Service Agreements ("East Coast Reinforcement Projects") between Peninsula Pipeline Company, Inc., and Florida Public Utilities Company.

RESPECTFULLY SUBMITTED this 14th day of December 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.*

⁸ *Supra*, footnote 5.

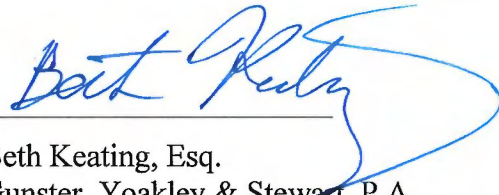
CERTIFICATE OF SERVICE

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 14th day of December 2023:

Walt Trierweiler, 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 – Boynton Beach

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE

THIS AGREEMENT entered into this December 11, 2023, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and the Florida Public Utilities Company, a corporation of the State of Florida (herein called "Shipper" or "FPUC"). PPC and FPUC are sometimes referred to herein individually as a "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, Company is engaged in discussions to acquire from Shipper an existing gate station located just southeast of the intersection of Florida's Turnpike and Boynton Beach Boulevard in Palm Beach County, Florida ("Boynton Beach gate station") and intends to execute a Purchase and Sale Agreement for the said acquisition; and

WHEREAS, Shipper desires to obtain Firm Transportation Service ("FTS") from Company in the event Company acquires the Boynton Beach gate station; and

WHEREAS, Company desires to provide FTS to Shipper in the event Company acquires the Boynton Beach gate station, in accordance with the terms hereof; and

WHEREAS, Shipper desires Company to construct a project that will allow Shipper to serve customers within its service area with natural gas service and Company is willing to construct the project and points of delivery; and

WHEREAS, Company intends to construct the desired project, called the Boynton Beach Pipeline Expansion and Reinforcement Project ("Project"), in Palm Beach County, Florida, in two separate phases. As specified in Exhibit A attached herein, Phase I of the Project will upgrade the Boynton Beach gate station and extend a steel pipeline to a new point of delivery from the Florida Gas Transmission ("FGT") pipeline and Phase II will construct an additional steel pipeline extension with a new delivery point to Shipper's local distribution system.

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
DEFINITION

Unless otherwise defined in this Agreement, all definitions for terms used herein have the same meaning as provided in Company's Tariff.

"In-Service Date" for either Phase of the Project means the date that Company has commenced commercial operations of that Phase, that construction of that Phase has been completed, and that the

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Phase has been inspected and tested as required by applicable law.

“Phase Notification” means the notification from the Shipper to begin construction of any additional route or routes associated with the Project.

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 make available for delivery for the account of Shipper under this Agreement on any one Gas Day.

2.2 If, on any Day, the 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 (per Dekatherm) 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 be as set forth in Exhibit A of this Agreement and shall be charged to the Shipper beginning on the In-Service Date and shall thereafter be assessed in accordance with the terms and conditions set forth herein.

3.2 The parties agree to execute and administratively file with the Florida Public Service Commission an affidavit, in the form provided in Company's Tariff to comply with the provisions of the Natural Gas Transmission Pipeline Intrastate Regulatory Act.

3.3 If, at any time after the Execution Date (as herein defined) and throughout the term of this Agreement, the Company is required by any Governmental Authority (as that term is defined in Section 9.10) 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, subject to Commission approval of the amendment. 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

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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.

3.4 If, at any time after the Execution Date (as herein defined) and throughout the term of this Agreement, the Company is required by any Governmental Authority (as that term is defined in Section 9.10) 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, subject to Commission approval of the amendment. 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.

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 (the "Execution Date") and shall continue in full force for an initial period of twenty (20) years from the In-Service Date ("Initial Term"). For purposes of establishing the 20-year Initial Term, the In-Service Date will be the later of the In-Service Dates for Phase I and Phase II. After the Initial Term, the Agreement shall be extended on a year-to-year basis (each a "Renewed Term" and, all Renewed Terms together with the Initial Term, the "Current Term"), unless either party gives written notice of termination to the other party, not less than (90) days prior to the expiration of the Current 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 Shipper has twelve (12) months from the Execution Date to notify the Company to begin construction of the additional Points of Delivery as described in Exhibit A at the rates and terms set forth herein. If the Shipper notifies the Company after twelve (12) months, the Company may request the opportunity to negotiate a modification of the rates or terms of this Agreement to be effective for the remainder of the Current Term, and the parties shall negotiate such modification in good faith. Any such new rate will be implemented, and Exhibit A updated accordingly, on the In-Service Date of the additional Points of Delivery. Notwithstanding the above, and regardless of whether notification occurs within twelve (12) months, if there is a material impact on project costs related to materials,

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ROW, or labor after the notification and before the commencement of permitting, such as a material change in the construction fee or the cost of steel, the Company may also request the opportunity to negotiate a modification of the rates or terms of this Agreement to be effective for the remainder of the Current Term, and the parties shall negotiate such modification in good faith.

4.3 No less than 120 days before the expiration of the Current Term, either party may request the opportunity to negotiate a modification of the rates or terms of this Agreement to be effective with the subsequent Renewed Term. Neither Party is obligated to, but may, agree to any mutually acceptable modification to the Agreement for the subsequent Renewed Term. In the event the parties reach agreement for a modification to the Agreement for the subsequent Renewed Term, such agreed upon modification ("Agreement Modification") shall be set forth in writing and signed by both parties prior to the expiration of the Current Term.

4.4 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 expiration or termination of this Agreement until such time as such monthly balancing and operational controls have been resolved.

4.5 In the event Shipper fails to pay for the service provided under this Agreement or otherwise fails to meet Company's standards for creditworthiness set forth in Section C of the Rules and Regulations of the Company's Tariff or 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 ("Company's Tariff"), 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.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE

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), nor shall Company have any obligation to obtain capacity on Transporter for Shipper or on Shipper's behalf. The 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 Gas Month in question, subject to any additional restrictions imposed by the Transporter or by Company pursuant to Company's Tariff.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.1 Notices and Other Communications. Any notice, request, demand, statement, or

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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.
500 Energy Lane, Suite 200
Dover, Delaware 19901
Attention: Contracts

Shipper: Florida Public Utilities Company
911 South 8th Street Fernandina Beach,
Florida 32034
Attention: Contracts

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 Exhibit attached hereto, sets forth the full and complete understanding of the parties as of the Execution Date, 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.

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.

9.5 Waiver. No waiver of any of the provisions of this Agreement shall be deemed to

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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.

9.6 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.

9.7 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.

9.8 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.

9.9 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

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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, subject to the provisions of Sections 3.3 and 3.4 of this Agreement, 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 Execution Date. 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.

- (i) If any Governmental Authority asserting jurisdiction over the pipeline facility contemplated in this Agreement, issues an order, ruling, decision or regulation not covered by Section 3.3 or 3.4 of this Agreement (including denial of necessary permits or amendments to existing permits) related to the operation, maintenance, location, 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 firm 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.

- (ii) 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.

9.10 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.

9.11 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

PENINSULA PIPELINE COMPANY, INC.
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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.

COMPANY
Peninsula Pipeline Company, Inc.

By: Marissa Stipa

Marissa Stipa

Title: Director

Date: 12/11/2023

SHIPPER
Florida Public Utilities Company

By: Bill Hancock

Bill Hancock

Title: Assistant Vice President

Date: 12/11/2023

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE

EXHIBIT A TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
PENINSULA PIPELINE COMPANY, INC. AND
FLORIDA PUBLIC UTILITIES COMPANY

DATED

December 11, 2023

Phase I Construction

Description of Transporter Delivery Point(s)

1. At or near Boynton Beach Boulevard and Florida's Turnpike

██████████

Description of Point(s) of Delivery

1. At or near Boynton Beach Boulevard and Platina Avenue

██████████

Phase I Total Monthly Reservation Charge

██████████

Phase II Construction

Description of Transporter Delivery Point(s)

1. At or near on Boynton Beach Boulevard and Platina Avenue

Description of Point(s) of Delivery

1. At or near Boynton Beach Boulevard and Old Boynton Road

Phase II Total Monthly Reservation Charge

██████████

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

██████████

MHTP: 4.17%

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

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

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

ATTACHMENT B

Transportation Service Agreement – New Smyrna Beach

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 11th day of December, 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 August 25, 2017 between Company and Shipper.

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on August 25, 2017, and approved by the Florida Public Service Commission (“FPSC”) in Docket No. 20170193-GU (the “Agreement”), pursuant to which Company provides Shipper with firm transportation service in Volusia County, Florida; and

WHEREAS, the Parties desire to amend the Agreement to add Monthly Reservation Charges for four new Points of Delivery to be constructed by Company (“Project”), to extend the term of the Agreement, and to make edits to the Agreement consistent with these changes;

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.

“In-Service Date” means the date that Company has commenced commercial operations of the Project, that construction has been completed, and that the Project has been inspected and tested as required by applicable law.

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

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

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.

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. Article IV of the Agreement is hereby amended by deleting Section 4.1 in its entirety and replacing it with the following:

Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective upon its date of execution by both parties (the "Execution Date") and shall continue in full force for an initial period of twenty (20) years from the In-Service Date (the "Initial Term"). Thereafter, the Agreement shall be extended on a year-to-year basis (each a "Renewed Term" and, all Renewed Terms together with the Initial Term, the "Current Term"), unless either party gives written notice of termination to the other party, not less than (90) days prior to the expiration of the Current Term. This Agreement may only be terminated earlier in accordance with the provisions of this Agreement and the parties' respective rights under applicable law.

AMENDMENT No. 1 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

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

6. 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-2017-0498-PAA-GU.

7. 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 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 Company

By: Marissa Stipa
Marissa Stipa

By: Bill Hancock
Bill Hancock

Title: Director

Title: Assistant Vice President

Date: 12/11/2023

Date: 12/11/2023

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 existing PPC pipeline at Pioneer Trail Road in Volusia County

Description of Point(s) of Delivery¹

1. Existing Pressure Regulator Station at the intersection of Turnbull Bay Road and Creek Shore Trail in Volusia County, FL
2. Existing Pressure Regulator Station at the intersection of Industrial Park Avenue and Turnbull Street in Volusia County, FL
3. New Point of Delivery at or near Glencoe Rd and Paige Avenue
4. New Point of Delivery at or near Bianca Drive and State Road A1A
5. New Point of Delivery at or near Whaler Drive and State Road ALA
6. New Point of Delivery at or near Mango Park

MHTP:6%

Total MDTQ (Dekatherms): [REDACTED]

Monthly Reservation Charge: [REDACTED]

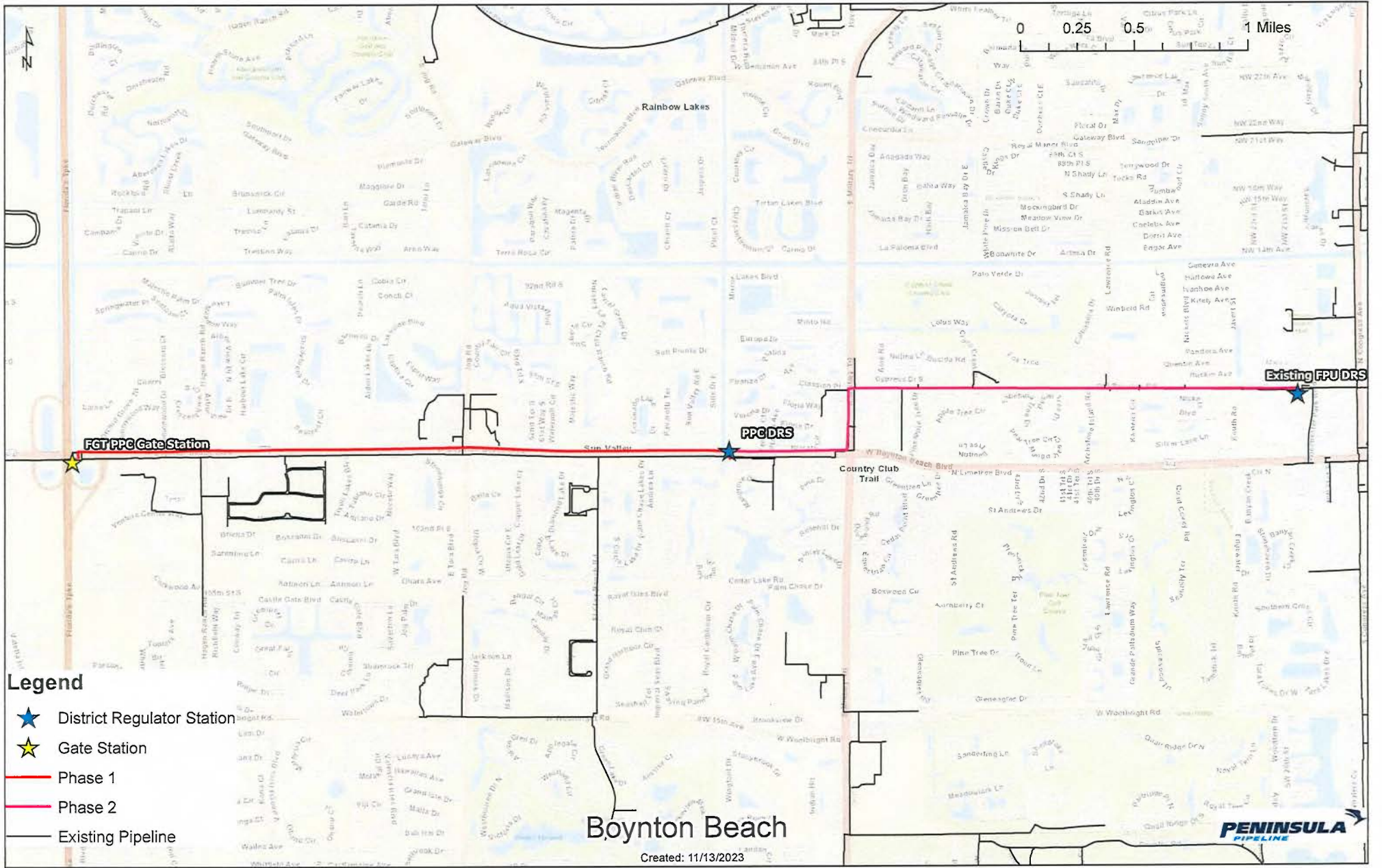
This charge is subject to adjustment pursuant to the terms of this Agreement.

Unauthorized Use Rate (In addition to Monthly Reservation Charge): [REDACTED] Each Day of Unauthorized Use

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 Volusia County. The pricing hereunder is inclusive of the original Exhibit A charges and does not otherwise duplicate charges for service from the existing interconnection "Delivery Point" (renamed "Point of Delivery" herein) with the existing New Smyrna Pipeline owned and operated by Peninsula Pipeline Company, Inc. approved as part of the original Agreement in Docket No. Docket No. 20170193-GU.

ATTACHMENT C

Project Maps



0 0.25 0.5 1 Miles

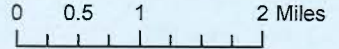
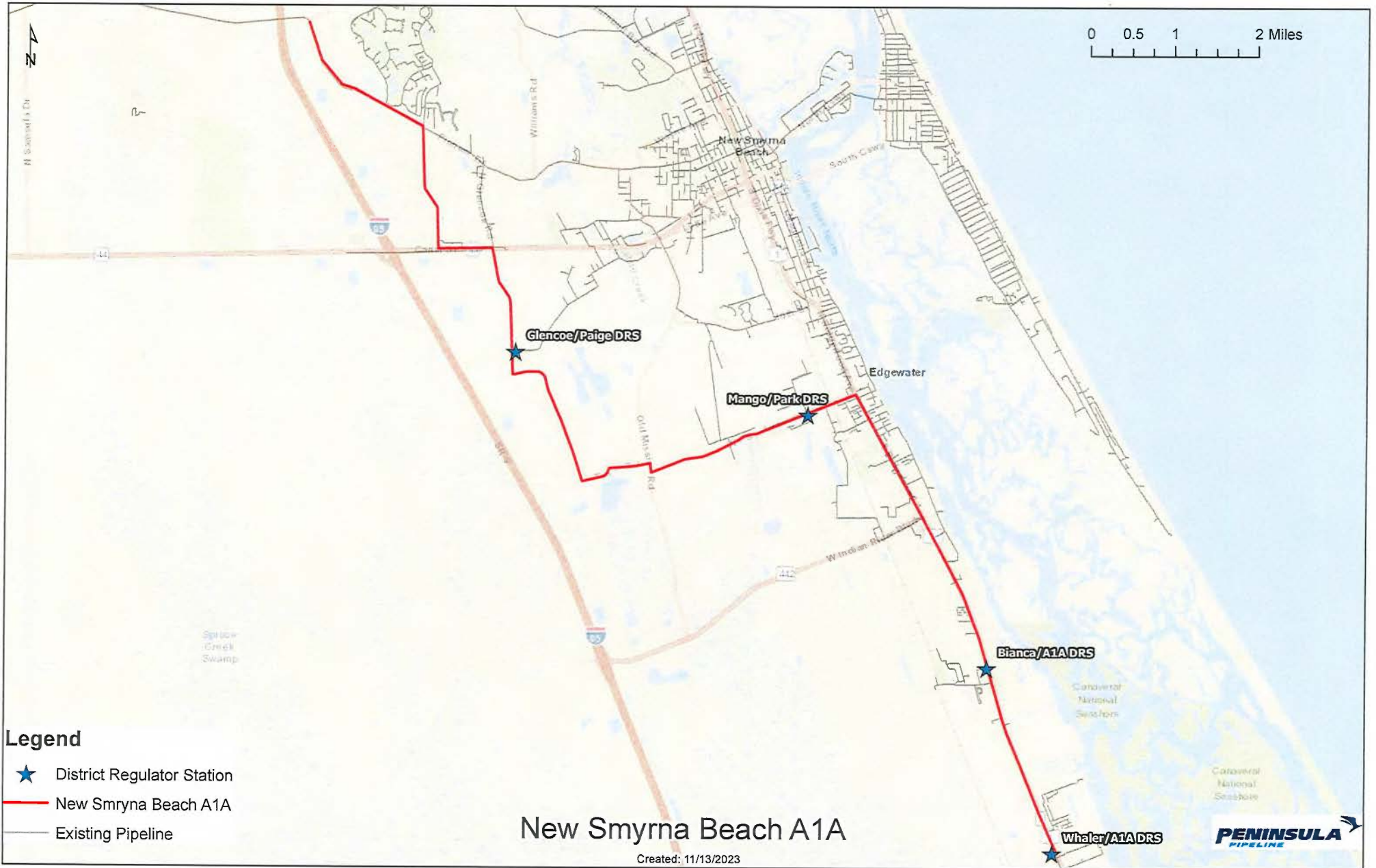
Rainbow Lakes

FGT PPC Gate Station

PPGDRS

Existing FPURS

Country Club Trail



H. S. ... Dr

P

William's Rd

New Smyrna Beach

South Canal

Glencoe/Paige DRS

Mango/Park DRS

Edgewater

Old Miss Rd

W Indian Rd

Bianca/A1A DRS

Spruce Creek Swamp

Canaveral National Seashore

Canaveral National Seashore

Whaler/A1A DRS

New Smyrna Beach A1A

Created: 11/13/2023

