

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 27, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Ward, Hampson) *JP*
Office of the General Counsel (Thompson) *JSC*

RE: Docket No. 20240051-GU – Petition for approval of transportation service agreement with Florida City Gas by Peninsula Pipeline Company, Inc.

AGENDA: 07/09/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Place on the Agenda prior to Docket 20240050-GU

Case Background

On March 28, 2024, Peninsula Pipeline Company, Inc. (Peninsula) filed a petition for approval of a transportation service agreement (Transportation Agreement) with Florida City Gas (FCG) (jointly, the parties). The purpose of the Transportation Agreement is to ensure continuance of gas service to FCG after the impending acquisition by Peninsula of certain pipeline facilities in the area in and around Palm Beach County. Peninsula operates as an intrastate natural gas transmission company as defined by Section 369.103(4), Florida Statutes (F.S.).¹ FCG is a local distribution company (LDC) subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S.

¹ 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.*

By Order No. PSC-07-1012-TRF-GP, Peninsula received approval of an intrastate gas pipeline tariff that allows it to construct and operate intrastate pipeline facilities and to actively pursue agreements with natural gas customers.² Peninsula provides gas transportation service only; it does not 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 prior Commission approval.³ However, Peninsula is requesting Commission approval of this proposed Transportation Agreement as it does not fit any of the criteria enumerated in the tariff for which Commission approval would not be required.⁴ The parties are subsidiaries of Chesapeake Utility Corporation, a Delaware corporation, and agreements between affiliated companies must be approved by the Commission pursuant to Section 368.105, F.S., and Order No. PSC-07-1012-TRF-GP.

The Pioneer Supply Header Pipeline (Pioneer Header) was constructed by FCG to provide itself and other local distribution companies (LDC) and industrial customers with gas supply from Florida Gas Transmission Company, LLC (FGT) in the area in and around Palm Beach County. The pipeline consists of 39.5 miles of 12-inch coated steel and runs from east to west through Palm Beach County. The pipeline interconnects with FGT at its east end and a pigging station at its west end near South Bay. The proposed Transportation Agreement has been necessitated by the transfer of the Pioneer Header from FCG to Peninsula. Pursuant to the proposed Transportation Agreement, Peninsula will provide transportation service to FCG, allowing FCG to continue to receive natural gas in Palm Beach County.

The proposed Transportation Agreement and project map are shown as Attachments A and B to the recommendation. During the evaluation of the petition, staff issued a data request for which responses were received on April 29, 2024. The Commission has jurisdiction over this matter pursuant to Sections 366.05(1), 366.06, and 368.105, F.S.

² 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.*

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

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

Discussion of Issues

Issue 1: Should the Commission approve Peninsula's Transportation Agreement with FCG?

Recommendation: Yes, the Commission should approve Peninsula's Transportation Agreement with FCG dated March 18, 2024, included as Attachment A to the recommendation. The proposed Transportation Agreement is reasonable and meets the requirements of Section 368.105, F.S. Furthermore, the proposed Transportation Agreement benefits FCG's current and potential future customers by ensuring that there is a continuous supply of natural gas to Palm Beach County. (Ward)

Staff Analysis:

Pioneer Header Acquisition

FCG originally constructed the Pioneer Header to provide service to itself and additional customers with gas supply from FGT. The Pioneer Header is being transferred to Peninsula at book value. Peninsula explained in its petition that it is the preferred owner-operator of this transmission asset because its core business is being a transmission grade pipeline owner and operator. Peninsula stated that the Pioneer Header is a natural fit for inclusion in its existing portfolio because it is a larger-diameter pipeline that interconnects directly with an interstate pipeline that would allow Peninsula to bring larger volumes of natural gas to LDCs or large volume industrial customers.

Peninsula further stated that the Pioneer Header will serve as the foundation for a larger-scale transmission project designed to reduce capacity constraints and improve deliverability of gas commodity to the southeastern portion of the state. Upon acquisition, Peninsula will undertake the costs associated with the ownership of the planned project protecting FCG's general body of ratepayers. Peninsula asserts that the proposed Transportation Agreement will enable FCG to continue to obtain gas supply from FGT upon Peninsula's acquisition of the Pioneer Header.

In response to staff's first data request, Peninsula stated that the Purchase and Sale Agreement between FCG and Peninsula for the Pioneer Header will be signed upon approval of the Transportation Agreement (discussed below) by the Commission.⁵ The purchase and sale agreement between FCG and Peninsula has been provided in responses to staff's first data request; however, Commission approval is not required of the purchase and sale agreement. The purchase and sale agreement will be signed upon approval of the proposed Transportation Agreement.

Proposed Transportation Service Agreement

The parties have entered into the proposed Transportation Agreement to enable FCG to continue to serve natural gas customers in and around the area of Palm Beach County once Peninsula has acquired the Pioneer Header. The proposed Transportation Agreement specifies an initial term of 20 years and thereafter shall be extended on a year-to-year basis, unless either party gives no less than 90 days of written notification of termination. If either party desires to negotiate

⁵ Responses to Staff's First Data Request, Response No. 8.

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modifications to the rates or terms of this Transportation Agreement, they may do so no less than 120 days prior to the expiration of the current active term.

Pursuant to the proposed Transportation Agreement, Peninsula will provide 20,000 Dth/day of firm transportation service to FCG for a rate of \$0.00 Dth/day for authorized transportation quantities. In response to staff's first data request, Peninsula explained that the rate contained in the Transportation Agreement will prevent FCG ratepayers from additional rate impact because the cost of the Pioneer Header is currently included in base rates.⁶ In its petition, Peninsula indicated that the agreement and rate are somewhat unique, recognizing the transfer of Pioneer Header.

In FCG's next rate case, the pipeline will be removed from rate base. At that time, FCG and Peninsula will negotiate an appropriate transportation rate and petition the Commission for approval of an amended Transportation Agreement.

Conclusion

Based on the petition and the parties' responses to staff's data request, staff believes that the proposed Transportation Agreement is reasonable and meets the requirements of Section 368.105, F.S. Furthermore, the proposed Transportation Agreement benefits FCG's current and potential future customers by ensuring that there is a continuous supply of natural gas to the area of Palm Beach County. Staff therefore recommends approval of the proposed Transportation Agreement between Peninsula and FCG dated March 18, 2024.

⁶ Responses to Staff's First Data Request, Response No. 9.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interest are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Thompson)

Staff Analysis: If no protest is filed by a person whose substantial interest are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

THIS AGREEMENT is entered into this March 18, 2024, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, a New Jersey corporation (herein called "Shipper" or "FCG"). PPC and FCG are sometimes referred to herein individually as a "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, Shipper desires to obtain Firm Transportation Service ("FTS") from Company;
and

WHEREAS, Company desires to provide FTS to Shipper, in accordance with the terms hereof; and

WHEREAS, Parties are or have recently become corporate affiliates;

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 (as hereinafter defined).

"In-Service Date" means the effective date of Company's acquisition of the Pioneer Supply Header Pipeline.

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 billed at a rate of 2.0 times the rate to be charged for each Dekatherm of the MDTQ as 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 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.

3.3 If, during the term of this Agreement, any Governmental Authority should increase any present tax or levy any additional or eliminate any existing tax impacting amounts billed and paid for service provided by Company under this Agreement, such change take effect for purposes of billing and payment under this Agreement effective as of the effective date of such modification to tax or levy. 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, the Company shall have the right to terminate this Agreement pursuant to the conditions set forth in Section E 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"). 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 If, at any time after the Execution Date and throughout the term of this Agreement, the Company makes any operational modification to the points of delivery or delivery points through modifications by the Company or requests by the Shipper or other third party shippers, then Company or Shipper may request the opportunity to negotiate a modification of the rates or terms of this Agreement, and the Parties shall negotiate in good faith a modification to the Agreement.

4.3 If at any time after the Execution Date and throughout the term of this Agreement, the Florida Public Service Commission approves revised customer rates for Shipper that reflect the removal of the Pioneer Supply Header Pipeline from Shipper's rate base, then Company may request the opportunity to negotiate a modification of the rates or terms of this Agreement, and the Parties shall negotiate in good faith a modification to the Agreement.

4.4 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.

4.5 Any portion of this Agreement necessary to resolve monthly balancing and operational controls under this Agreement shall survive the expiration or termination of this Agreement until such time as such monthly balancing and operational controls have been resolved.

4.6 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, except to the extent otherwise expressly provided herein. 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), 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.

8.2 The Parties hereto agree that Shipper shall serve as the Delivery Point Operator (“DPO”) for the Delivery Point. Shipper shall be responsible for executing such documents as are required by the Transportation Service Provider's FERC Gas Tariff to assume the obligations of Delivery Point Operator for the Delivery Point.

8.3 Shipper shall administer the Delivery Point in accordance with the provisions of the Transportation Service Provider's FERC Tariff, and Shipper’s FPSC Natural Gas Tariff on file with the Florida Public Service Commission. Resolution of Monthly Receipt or Delivery Imbalances at the Delivery Point shall be in accordance with the current Florida City Gas Tariff on file with the Florida

Public Service Commission. Each Month, Shipper, as DPO, shall provide to Company, third party shippers, and Shipper, as appropriate, statements of any Receipt or Delivery imbalance credits or charges and any Operational Order credits or charges for the preceding Month. Shipper shall provide timely notice to the Company of any Operational Orders issued by the Transportation Service Provider or Florida City Gas that affect the Delivery Point in accordance with the Operator Order notice provisions of the Shipper's Natural Gas Tariff.

8.4 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.

8.5 In the event of a conflict between the terms in this Article XIII and the DPO and balancing provisions in Shipper's Natural Gas Tariff, Shipper's Natural Gas Tariff, shall govern.

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. 500 Energy Lane, Suite 200 Dover, Delaware 19901 Attention: Contracts
Shipper:	Pivotal Utility Holdings, Inc. d/b/a Florida City Gas 208 Wildlight Avenue Yulee, Florida 32097 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.

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, 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 ("Governmental Authority"). Company and Shipper shall comply

at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Company and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each Party shall proceed with diligence to file any necessary applications with any Governmental Authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any applicable law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either Party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either Party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the Commission, over this Agreement or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 9.10, Company shall continue to transport and Shipper shall continue to take Gas pursuant to the terms of this Agreement. In the event any law, order, directive, rule, or regulation shall prevent either Party from performing hereunder, then neither Party shall have any obligation to the other during the period that performance under the Agreement is precluded. 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 3.2 and 3.3 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 3.2 or 3.3 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.

9.11 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, without regard for conflict of laws provisions. The venue for any action, at law or in equity, commenced by either Party against the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

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

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

COMPANY
Peninsula Pipeline Company, Inc.

SHIPPER
Pivotal Utility Holdings, Inc. d/b/a Florida City Gas

By: Bill Hancock

By: Jeff Sylvester

William Hancock

Jeffrey S. Sylvester

Title: Assistant Vice President

Title: President and Chief Operating Officer
of Pivotal Utilities Holdings, Inc

Date: 03/21/2024

Date: 03/20/2024

EXHIBIT A TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
PENINSULA PIPELINE COMPANY, INC. AND
PIVOTAL UTILITY HOLDINGS, INC. d/b/a FLORIDA CITY GAS

DATED

March 18, 2024

Description of Transporter Delivery Point(s)

1. Interconnect with Florida Gas Transmission at or near Pioneer Road

Description of Point(s) of Delivery

1. Meters until the terminus at or near the intersection of W Palm Road and US Highway 27 S

Total MDTQ (Dekatherms) () Dt/Day

MHTP: ()

Total Monthly Reservation Charge: \$()/Dekatherm)

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

