

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: January 24, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Hampson) *EJD*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20240141-GU – Petition for approval of transportation service agreement between Peninsula Pipeline Company, Inc. and Florida City Gas.

AGENDA: 02/04/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On September 20, 2024, Peninsula Pipeline Company, Inc. (Peninsula) filed a petition seeking approval of a firm transportation service agreement between Peninsula and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas (FCG). Concurrent with the approval of the transportation service agreement, FCG would sell three pipeline assets and associated facilities to Peninsula. Peninsula states that once completed, the project will provide better options for transporting gas supplies to the subject area of FCG’s distribution system and more alternatives for delivering gas point to point on FCG’s system. The project would take place in Miami-Dade County, in the area referred to as the “Miami Loop.”

Peninsula, a wholly owned subsidiary of Chesapeake Utilities Corporation (CUC), operates as an intrastate natural gas transmission company as defined by Section 368.103(4), Florida Statutes

(F.S.).¹ FCG, which recently became a subsidiary of CUC, is a local distribution company subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S. FCG provides natural gas service to residential, commercial, and industrial customers in Brevard, Indian River, and Miami-Dade Counties, and receives deliveries of natural gas to serve these customers over the interstate transmission pipelines owned by Florida Gas Transmission Company, LLC.

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 to customers. Pursuant to the Order, Peninsula is allowed to enter into certain gas transmission agreements without prior Commission approval.³ However, Peninsula is requesting Commission approval of the proposed firm 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 CUC, and agreements between affiliated companies must be approved by the Commission pursuant to Section 368.105, F.S.

In July 2024, the Commission approved a firm transportation service agreement between Peninsula and FCG, located in the Miami Loop area.⁵ As described on pages 7 and 8 of Order No. PSC-2024-0271-PAA-GU, the firm transportation service agreement enabled a producer of Renewable Natural Gas to connect with FCG's local distribution system. This previously approved transportation service agreement is referred to as the Miami-Dade Project, which will connect with the Miami Loop North and South segments. Furthermore, the Miami-Dade Project is depicted in Attachment B to the petition as the pink line.⁶

Staff held an informal conference phone call with Peninsula and FCG on January 21, 2025. Attachment A to the recommendation is the proposed firm transportation agreement. Attachment B to the recommendation is the Miami Loop Project map. The Commission has jurisdiction over this matter pursuant to Sections 366.05(1), 366.06, and 368.105, 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.*

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.

⁵ Order No. PSC-2024-0271-PAA-GU, issued July 26, 2024, in Docket No. 20240039-GU, *In re: Petition for approval of transportation service agreements between Peninsula Pipeline Company, Inc. and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.*

⁶ A similar map, which depicts solely the Miami-Dade project, is provided on page 50 of Order No. PSC-2024-0271-PAA-GU.

Discussion of Issues

Issue 1: Should the Commission approve the proposed firm transportation service agreement between Peninsula and FCG, dated September 18, 2024?

Recommendation: Yes, the Commission should approve the proposed firm transportation agreement between Peninsula and FCG, dated September 18, 2024. The proposed agreement is reasonable and meets the requirements of Section 368.105, F.S. Furthermore, the proposed agreement benefits FGC's current and future customers by increasing system resiliency and reliability. (Hampson)

Staff Analysis: There are three pipeline segments which are contemplated in the petition: Miami Loop West, Miami Loop South, and Miami Loop North. Each pipeline segment and its associated facilities would be acquired by Peninsula from FCG. In paragraph 13 of the petition, Peninsula explains that completing the transfer and acquisitions of the pipeline segments will allow it to enhance these systems with new construction and expansion to provide service to FCG's system. Staff notes that these pipeline acquisitions are not subject to approval by the Commission; however, Peninsula must seek the Commission's approval for the resulting firm transportation service agreement which allows Peninsula to serve FCG through the pipelines.

Article 4.1 of the proposed agreement specifies a term of 20 years and shall be extended year-to-year, unless either party gives written termination not less than 90 days prior to the expiration of the current term. Peninsula states that each of the projects associated with the pipeline segments are estimated to be completed in the third quarter of 2025.

FCG would recover its payments to Peninsula from its sales customers through the Purchased Gas Adjustment Clause and from its transportation customers through the Transportation Balancing Charge tariffs. FCG states that the impact of the proposed agreement would be minimal on the PGA factor.

Miami Loop West

As described in paragraph 14 of the petition, the first pipeline segment and associated facilities to be acquired by Peninsula from FCG is known as Miami Loop West. Peninsula explains that FCG had purchased the pipeline segment recently and, as a result, the pipeline segment is not in service nor included in FCG's base rates. Due to the pipeline's inactivity, Peninsula expects to conduct testing on the facilities of the Miami Loop West segment. In addition, Peninsula plans additional construction of facilities to tie-in the pipeline segment to FCG's distribution system as well as interconnect the pipeline segment with the Miami Loop South segment. Furthermore, Peninsula plans to extend the Miami Loop West segment further west, enabling FCG to serve new commercial customers.

As described above, the Miami Loop West segment is not currently included for recovery in FCG's base rates. However, during discussions with staff, FCG explained that the net book value of the gate station and meter for the pipeline segment are currently in the utility's rate base. As a result, the majority of the net book value associated with the Miami Loop West segment and associated facilities would be included in the proposed, confidential monthly reservation charge. FCG explained to staff that the marginal change in the monthly reservation charge from

before and after FCG's next applicable rate case is a result of the gate station and meter currently in rate base.

Miami Loop South

The Miami Loop South segment would also be acquired by Peninsula from FCG, as discussed in the beginning of paragraph 17 of the petition. Peninsula intends to complete work to increase the operating system pressure, including updating a regulator station and construction of an additional 2.3 miles of pipeline. Peninsula states that increasing the operating system pressure will improve service to FCG and its customers served via the Miami Loop South segment as well as enhance the resiliency of FCG's system.

Peninsula explains that, unlike the previously discussed segment, Miami Loop South is currently included in FCG's rate base. As shown in Exhibit A to the proposed firm transportation agreement, Peninsula proposes two sets of monthly reservation charges to avoid the double recovery of assets. One set of monthly reservation charges would apply prior to the pipeline segments being removed from FCG's rate base. The second set of monthly reservation charges would apply after FCG's next rate case, once these assets are removed from FCG's rate base. Article 4.3 of the proposed firm transportation agreement states that if at any time during the term of the agreement the Commission approves revised customer rates for FCG that reflect the removal of the assets from FCG's rate base, then Peninsula would replace the monthly reservation charge in accordance with Exhibit A to the agreement. During a phone call with staff, Peninsula confirmed that Article 4.3 of the agreement would be based upon the issuance of a Consummating Order in FCG's next rate case.

Miami Loop North

As described in paragraph 20 of the petition, Peninsula would acquire the Miami Loop North pipeline segment from FCG. Peninsula further stated that in order to increase system reliability, a new interconnect would be built to connect the Miami Loop North to the previously approved Miami-Dade Project. Furthermore, Peninsula explained that connecting the Miami Loop South and Miami-Dade project will allow for the bi-directional flow of gas to both the Miami Loop North and South segments, creating increased system resiliency.

Similar to the Miami Loop South segment, the Miami Loop North segment is also currently included in FCG's base rates. As such, the monthly reservation charge in the first set does not include the cost to acquire the Miami Loop North segment from FCG. Once the assets are removed from FCG's rate base in its next rate case, the second monthly reservation charge would take effect.

Conclusion

Based on the petition and the discussions with staff, the Commission should approve the proposed firm transportation agreement between Peninsula and FCG, dated September 18, 2024. The proposed agreement is reasonable and meets the requirements of Section 368.105, F.S. Furthermore, the proposed agreement benefits FCG's current and future customers by increasing system resiliency and reliability.

Issue 2: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Sandy)

Staff Analysis: At the conclusion of the protest period, if no protest is filed 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 18th day of September, 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, Company intends to construct a pipeline project, called the Miami Loop ("Project" or "ML") in Miami-Dade County, Florida. The Project will enhance natural gas supply and capacity in and through Miami-Dade County by PPC acquiring certain assets from Shipper, extending pipelines with new construction, improving existing facilities and interconnecting pipelines; and

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; and

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," with respect to a Segment, means the date on which all of the following have occurred: (1) construction of one or more Point(s) of Delivery on the Segment has been completed, (2) such Point(s) of Delivery has been inspected and tested as required by applicable law, and (3) the Company has commenced commercial operations through the Point(s) of Delivery. Company will use commercially reasonable efforts to notify Shipper in writing in advance of the expected In-Service Date for each Segment. Company shall confirm the actual In-Service Date for each Segment to Shipper in writing no later than five (5) days after such date.

"Segment" means a portion of the Project constructed, inspected, and tested as applicable by law.

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 GasDay.

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 of the first Segment 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 or 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 shall 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 completion of the last Segment ("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 assets associated with Project from Shipper's rate base, then company shall replace the monthly reservation in accordance with the Exhibit A.

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 Natural Gas Tariff approved by the Florida Public Service Commission, including any amendments thereto approved by the Commission during the term of this Agreement (“Shipper's Tariff”). Resolution of Monthly Receipt or Delivery Imbalances at the Delivery Point shall be in accordance with Shipper's Tariff. 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 Shipper that affect the Delivery Point in accordance with the Operator Order notice provisions of the Shipper's 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 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 Tariff, Shipper's 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: 

By: Kevin Webber

Jeffery S. Sylvester
Title: Vice President and Chief Operating Officer

Kevin Webber
Title: Senior Vice President and Chief Development Officer

Date: 09/20/2024

Date: 09/19/2024

EXHIBIT A
FIRM TRANSPORTATION SERVICE AGREEMENT BETWEEN
PENINSULA PIPELINE COMPANY, INC.
AND
PIVOTAL UTILITY HOLDINGS, INC. d/b/a FLORIDA CITY GAS
DATED
SEPTEMBER 18, 2024

Description of Transporter Delivery Point(s)

Description
At or near SW 78 th Place and SW 21 st Terrace (West Miami)
At or near NW 93 rd Street and NW 89 th Avenue (Medley-ML North)
At or near 10200 NW 77 th Ave (Hialeah)
At or near NW 12 Street and Dolphin Express (Miami Airport)
New Interconnect(s) to be determined in Miami-Dade County

Description of Point(s) of Delivery

Description	Segment
At or near the corner of NW 58 th Street and NW 87 th Avenue	<u>ML North</u>
At or near the intersection of NW 74 th Street and NW 97 th Avenue	<u>ML North</u>
At or near NW South River Drive and NW 104 th Way	<u>ML North</u>
At or near NW 70 th Street	<u>ML North</u>
At or near W 12 th Street and SR825	<u>ML West</u>
At or near SW 8 th and Krome Avenue	<u>ML West</u>
At or near At or near Datran Drive and Old Highway 60	<u>ML South</u>
At or near Federal Highway and Old Dixie Highway	<u>ML South</u>
At or near SW 55 th St & SW 93 rd Ct	<u>ML South</u>
TBD New Point(s) of Delivery in Miami-Dade County	<u>TBD</u>

ML North MDTQ [REDACTED] Dt/Day
 ML West MDTQ [REDACTED] Dt/Day
 ML South MDTQ [REDACTED] Dt/Day

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

Total Monthly Reservation Charge:

Monthly Reservation including new construction and acquisition of assets before being removed from the Shipper's rate base

Segment	Monthly Reservation Charge
ML North	██████████
ML West	██████████
ML South	██████████
TOTAL	██████████

Unauthorized Use Rate (In addition to Monthly Reservation Charge):

██████████ Dekatherm

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

Monthly Reservation including new construction and acquisition of assets after removal from the Shipper's rate base

Segment	Monthly Reservation Charge
ML North	██████████
ML West	██████████
ML South	██████████
TOTAL	██████████

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

Unauthorized Use Rate (In addition to Monthly Reservation Charge): ██████████ Dekatherm

