

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: December 19, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Nguyen, Hampson) *EDD*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20250132-GU – Petition for approval of second amendment to transportation service agreement between Peninsula Pipeline Company, Inc. and Florida Public Utilities Company, for the New Smyrna Beach project.

AGENDA: 01/06/26 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo Smith

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On October 29, 2025, Peninsula Pipeline Company, Inc. (Peninsula), filed a petition seeking approval of a second amendment to firm transportation service agreement between Peninsula and Florida Public Utilities Company (FPUC), collectively the Parties. The proposed second amendment to the agreement is included as Attachment A to this recommendation.

Peninsula and FPUC are both wholly owned subsidiaries of Chesapeake Utilities Corporation (Chesapeake). Peninsula operates as an intrastate natural gas transmission company as defined

by Section 368.103(4), Florida Statutes (F.S.).¹ FPUC operates as a local distribution company subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S.

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 The Parties are subsidiaries of Chesapeake, and agreements between affiliated companies must be approved by the Commission pursuant to Section 368.105, F.S.

By Order No. PSC-2017-0498-PAA-GU, the Commission approved the initial transportation service agreement between Peninsula and FPUC (2017 Order).³ Pursuant to the 2017 Order, Peninsula would construct and own a new pipeline in New Smyrna Beach and relocate an existing gate station. The purpose of this construction project was to eliminate pressure issues FPUC was facing at the time as well as to provide the opportunity for growth in the New Smyrna Beach area.⁴

By Order No. PSC-2024-0072-PAA-GU, the Commission approved Peninsula's amended agreement to include an additional source of gas, an additional interconnect, and four new delivery points.⁵ Peninsula stated the addition to the project was needed to ensure sufficient additional gas supply and provide operational support to FPUC's system.⁶ In response to staff's data request, Peninsula states the construction of this project is anticipated to be complete in 2026.⁷ This petition for a second amendment arises out of the need for an additional delivery point.

During the evaluation of the petition, staff issued one data request to the Parties for which responses were received on December 2, 2025.⁸ The Commission has jurisdiction over this matter pursuant to Sections 368.104, 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. 20070570-GP, *In re: Petition for approval of natural gas transmission pipeline tariff by Peninsula Pipeline Company, Inc.*

³ Order No. PSC-2017-0498-PAA-GU, issued December 29, 2017, in Docket No. 20170193-GU, *In re: Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.*

⁴ Document No. 07483-2017, filed September 1, 2017.

⁵ Order No. PSC-2024-0072-PAA-GU, issued March 20, 2024, in Docket No. 20230135-GU, *In re: Petition for approval of transportation service agreement with Florida Public Utilities Company by Peninsula Pipeline Company, Inc.*

⁶ Document No. 06598-2023, filed December 14, 2023.

⁷ Document No. 15299-2025, filed December 2, 2025.

⁸*Id.*

Discussion of Issues

Issue 1: Should the Commission approve the proposed second amendment to the firm transportation service agreement dated October 27, 2025, between Peninsula and FPUC?

Recommendation: Yes, the Commission should approve the proposed second amendment to the firm transportation service agreement dated October 27, 2025, between Peninsula and FPUC. The proposed second amendment to the firm transportation service agreement is reasonable and meets the requirements of Section 368.105, F.S. (Nguyen)

Staff Analysis: The purpose of this amendment is to revise certain provisions of the currently approved firm transportation service agreement to reflect the construction of an additional point of delivery. In response to staff's data request, Peninsula stated that the additional delivery point is necessary to enhance reliability and to meet FPUC's supply capacity design-day demand due to additional growth in the New Smyrna Beach area.⁹ Currently, FPUC is using compressed natural gas to supplement supply in the area during high demand months to ensure adequate supply. The additional delivery point would be located at or near the intersection of Pioneer Trail and Junonia Boulevard in Volusia County. In response to staff's data request, Peninsula stated that the expected completion date of the new delivery point would be March 31, 2026.

Peninsula stated that there would be no change in the monthly reservation charge in response to staff's data request.¹⁰ The monthly reservation charge has been previously approved in Order No. PSC-2024-0072-PAA-GU. The reservation charge to FPUC allows Peninsula to recover the pipeline construction costs. Furthermore, Peninsula explained that it would be able to construct the additional delivery point within the existing anticipated capital cost for the original project.

Conclusion

Based on the petition and the Parties' responses to staff's data request, staff recommends that the Commission should approve the proposed second amendment to the firm transportation service agreement dated October 27, 2025, between Peninsula and FPUC. The proposed second amendment to the firm transportation service agreement is reasonable and meets the requirements of Section 368.105, F.S.

⁹ Document No. 15299-2025, filed December 2, 2025.

¹⁰ Document No. 15299-2025, filed December 2, 2025.

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. (Dose)

Staff Analysis: 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.

AMENDMENT No. 2 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

This Second Amendment to Firm Transportation Service Agreement ("Amendment No. 2") is made and entered into this 27th day of October, 2025, by and between Florida Public Utilities Company, a corporation of the state of Florida (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, as previously amended.

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, by Amendment No. 1 To First Transportation Service Agreement, dated December 11, 2023 (herein called "Amendment No. 1"), the Parties amended the Agreement, which amendment was approved by the FPSC in Docket No. 20230135-GU; and

WHEREAS, the Parties desire to further amend the Agreement with this Amendment No. 2 To Firm Transportation Service Agreement (herein called "Amendment No. 2") to add a new Point of Delivery to be constructed by Company, without any further change to the reservation rates;

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, as amended.

AMENDMENT No. 2 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

2. Exhibit A to the Agreement is hereby superseded and replaced by Second Revised Exhibit A, which is attached to this Amendment No. 2.

3. The Parties agree that the rates shall remain as provided in Amendment No. 1 and all terms and conditions of this Amendment No. 2 may be placed into effect upon execution. The Parties further agree that, in the event that: (a) the FPSC declines to approve this Amendment No. 2; or (b) the FPSC fails to address this Amendment No. 2 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 this Amendment No. 2, the rates, terms and conditions shall revert to the Amendment No.1 as approved by FPSC Docket No. 20230135-GU.

4. Except as modified by this Amendment No. 2, the Agreement, as amended by Amendment No. 1, shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 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: Kevin Webber
Kevin J. Webber

By: Jeff Sylvester
Jeffrey S. Sylvester

Title: Senior Vice President
& Chief Development Officer

Title: President and Chief
Operating Officer

Date: 10/27/2025

Date: 10/27/2025

AMENDMENT No. 2 TO
FIRM TRANSPORTATION SERVICE AGREEMENT

SECOND 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 Delivery

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
7. At or near of the intersection of Pioneer Trail and Junonia Blvd

MHTP:6%

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

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