



Writer's E-Mail Address: bkeating@gunster.com

January 16, 2015

**HAND DELIVERY**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
15 JAN 16 PM 3:27  
COMMISSION  
CLERK

**Re: New Docket - Petition for Approval of Transportation Service Agreement with Florida Division of Chesapeake Utilities Corporation, by Peninsula Pipeline Company, Inc.**

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven copies of the Petition for Approval of Transportation Service Agreement with the Florida Division of Chesapeake Utilities Corporation, submitted on behalf of Peninsula Pipeline Company, Inc.. Under separate cover, Peninsula is also submitting a Request for Confidential Classification of certain information in Exhibit A to the Agreement.

Please do not hesitate to contact me if you have any questions whatsoever regarding this filing.

Sincerely,

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Transportation Service Agreement with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc. \_\_\_\_\_ ) Docket No. ) ) Filed: January 16, 2015 ) )

PETITION FOR APPROVAL OF TRANSPORTATION SERVICE AGREEMENT BETWEEN PENINSULA PIPELINE COMPANY, INC. AND THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

Peninsula Pipeline Company, Inc. (“Peninsula” or “Company”), by and through its undersigned counsel, hereby files this Petition seeking approval of a Firm Transportation Service Agreement (“Agreement”) between the Company and the Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas (“CFG”), which is attached hereto as Attachment A (confidential). The Agreement provides for the construction a pipeline extension by Peninsula from Gulfstream Natural Gas System (“GNGS”) at the intersection of Highway 27 just north of Citrus Ridge Drive in Davenport, Florida to a downstream interconnection with CFG’s facilities at points in the vicinity of Haines City and Davenport, Florida.

**I. Background**

In support of this request, the Company hereby states:

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.  
911 South 8<sup>th</sup> Street  
Fernandina Beach, FL 32034

Petition for Approval of Transportation Agreement

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	Cheryl Martin Director, Regulatory Affairs Florida Public Utilities Company 911 South 8th Street Fernandina Beach, FL 32034
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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. Consistent with Section 368.105(6), F.S., 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 unreasonably preferential, prejudicial, or unduly discriminatory.<sup>1</sup> To be clear, Peninsula provides firm transportation service only and does not engage in the sale of natural gas.

4. By Order No. PSC-07-1012-TRF-GP, issued December 21, 2007, the Commission approved the Company’s intrastate pipeline tariff, consistent with the Commission’s jurisdiction under Chapter 368, Florida Statutes. Therein, the Commission also determined that the Company’s tariff was consistent with the Commission’s prior Declaratory Statement, which provided additional parameters for Peninsula’s operations in the State.<sup>2</sup>

5. Pursuant to the Company’s tariff on file with the Commission, as well as Order No. PSC-07-1012-TRF-GP, the Company is allowed to undertake certain projects without express

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<sup>1</sup> By the same token, Section 368.105 (6), F.S. 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.

<sup>2</sup> 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, et seq.

## Petition for Approval of Transportation Agreement

Commission approval. For instance, the Company is not required to seek prior approval if the customer is not currently receiving natural gas service from another entity, such as a local distribution company (“LDC”), and the customer’s facilities are located at a distance greater than one mile from the existing gas facilities of an investor-owned gas utility, a municipal gas utility, or a gas district. The Company also need not seek regulatory approval if it is engaged to serve an LDC that is not an affiliate of the Company.<sup>3</sup> 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).

6. 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

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<sup>3</sup> Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 11, Section 3

## Petition for Approval of Transportation Agreement

- d. Other projects that are not otherwise specifically identified in the tariff as not requiring prior Commission approval.<sup>4</sup>

7. CFG is a division of Chesapeake Utilities Corporation (“CUC”), which is a Delaware corporation authorized to conduct business in Florida. Thus, both Peninsula and CFG are owned and/or controlled by CUC. Pursuant to the provisions of Chapter 366, Florida Statutes, CFG is subject to economic regulation by the Commission. CFG’s principal offices are located at 1641 Worthington Road, Suite 220, West Palm Beach, FL 33409.

8. The Commission has statutory authority to act with regard to Peninsula’s Petition and to approve the rates and charges set forth in the attached Agreement in accordance with Chapter 368, Florida Statutes.

## **II. Transportation Service Contract between Affiliated Companies**

9. As noted, the Company’s tariff provides, consistent with Order No. PSC-06-0023-DS-GP, that the Company must seek approval for agreements unless an individual agreement fits the specific criteria set forth in Chapter 368, as well as the Company’s tariff, for an agreement that does not require prior Commission approval.<sup>5</sup> Because this transaction is an affiliate transaction, the Company is required to seek Commission approval prior to entering into a contract to construct facilities and provide transportation service to CFG.

10. With regard to review of the Agreement under the standard set forth in Section 368.105, Florida Statutes, the rates, as well as the rest of the contract, are consistent with Orders Nos.

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<sup>4</sup> Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 12, Section 4

<sup>5</sup> 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.

## Petition for Approval of Transportation Agreement

PSC-06-0023-DS-GP and PSC-07-1012-TRF-GP, as well as Peninsula's tariff on file with the Commission. Moreover, the rate set forth therein is consistent with a "market rate" similar to rates in other agreements between Peninsula and other customers, including the agreement between FPUC and Peninsula approved by the Commission by Order No. 12-0230-PAA-GU, issued May 9, 2012, in Docket No. 110271-GU. In addition, there were alternative competitive options considered. Thus, the rates in the Agreement meet the requirements of Section 368.105(3) and (4), F.S., and should therefore be found just and reasonable by the Commission for purposes of approving the Agreement.

11. The service contemplated by the Agreement is consistent with the service that the Legislature contemplated would be provided by a natural gas transmission company when it passed the Natural Gas Transmission Pipeline Intrastate Regulatory Act (the Act) in 1992.<sup>6</sup> The Act, as well as the Company's tariff and the Commission Orders referenced herein, also contemplate that the Company can provide service to a local distribution company ("LDC"), and can likewise provide service to an affiliate, upon Commission approval of the transaction. Furthermore, as the Commission has recognized, Section 368.105(3), F.S., contemplates that service provided by an intrastate transmission company will be: ". . . based on negotiated agreements that reflect market conditions and the specific needs of the customer," as is the case with the Agreement submitted for approval with this Petition.<sup>7</sup> Thus, the transaction is consistent with the Company's tariff, prior Commission Orders, and furthers the legislative intent behind the Act.

12. The Company further submits that the Agreement withstands review under the seminal case for review of affiliate transactions, because the rate charged under this agreement is not

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<sup>6</sup> Sections 368.101-368.112, F.S.

<sup>7</sup> Order No. PSC-07-1012-TRF-TP at pgs. 3 – 4.

## Petition for Approval of Transportation Agreement

“inherently unfair” or in excess of the going market rate.<sup>8</sup> To the contrary, the rate offered by Peninsula provides a savings when compared to the other available options. Likewise, the rates are not otherwise “inherently unfair,” as proscribed by the Court in the GTE Florida v. Deason decision.

### **III. Project Specifics**

13. CFG has requested service from Peninsula to enable CFG to eliminate existing pressure problems, meet incremental volume delivery, and elevate pressure requirements on a portion of its distribution system. Pursuant to the Agreement, Peninsula will extend its transportation facilities into the existing CFG distribution area in the vicinity of Haines City, Florida.

14. At present, CFG’s existing lateral from Lake Mattie to Haines City is operating at its maximum allowable operating pressure and is already at full capacity. In addition to being the only source for the Haines City Industrial area, it is the only source for Lake Alfred’s citrus and bottling plants, and also feeds into the Winter Haven area. This lateral also connects to a second regulator station in the Haines City McKay yard, which serves Haines City’s residential and commercial customers, as well as providing supply to the southern Davenport area, including Heart of Florida Hospital and two Standard Sand drying sites. This area of Davenport is supplied, to a lesser degree, from the GNGS Baseball City (“BBC”) gate station near I-4 on US Highway 27, and the Florida Gas Transmission Haines City North Station, north of I-4 on US Highway 27.

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<sup>8</sup> 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 inherently unfair.” )

## Petition for Approval of Transportation Agreement

15. CFG looked at several ways to provide increased capacity and pressure on the delivery end of this system. After examining other possible long term solutions, CFG decided that the most prudent solution would be the installation of a new, high pressure pipeline from GNGS's BBC gate.

16. The proposed pipeline will be a 14.2-mile, 6" steel main. The pipe will run south from the BBC gate along state and county roads, crossing US Highway 27 at Park Place Boulevard, then running south and east along County roads to the intersection of James Street and US Highway 17/92 in Davenport. At or near this point, a custody transfer station will be installed to connect to an existing CFG pipeline. The 6" main will continue south along Highway 17/92, then east along Haines City streets to 30th Street, where it will run south then west to Highway 544 at Marley Road. Another custody transfer station will be installed at, or near this intersection, and a connection will be made to the piping serving one of CFG's existing customers, Sofidel. The pipe will then continue westward along Highway 544 to US Highway 27.

17. CFG did consider installing the pipeline facility itself; however, the projected scope and cost of the project were such that if CFG were to undertake the project on its own, it would likely need to file either a rate case or a limited proceeding petition in order to recover the substantial costs of the facilities in base rates. As noted, CFG was concerned that the regulatory process would: (1) add significant additional expense; and (2) delay service to the new area, which could impact CFG's ability to attract new customers. These concerns ultimately caused CFG to consider other options, including Peninsula. In the final analysis, the benefits of Peninsula providing this extension were clear, namely: (1) Peninsula could construct the pipeline and provide service with less anticipated regulatory lag at a cost comparable to that which would have been incurred had CFG undertaken the project itself, less anticipated rate case expense; (2)



## Petition for Approval of Transportation Agreement

CFG would not incur the significant upfront cost to install the new facilities, nor the associated regulatory burden associated with this project, including anticipated additional safety compliance requirements; (3) CFG would be able to obtain a greater level of regulatory certainty with regard to the project in a shorter time frame than if CFG were to undertake the project on its own; and (4) Peninsula provided the least cost option of the alternatives available to CFG. All said, the ability to use Peninsula to complete the lateral portion of the facilities is an option that enhances the attractiveness of the overall project to expand CFG's distribution facilities in and around Haines City.

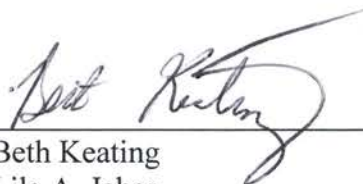
### **IV. Conclusion**

18. The new Firm Transportation Agreement with CFG meets the criteria set forth in Chapter 368, as well as the more specific requirements of Order No. PSC-06-0023-DS-GP and allows CFG to avail itself of precisely the cost-effective option envisioned when the Company's tariff was approved by Order No. PSC-07-1012-TRF-TP. The rates in the contract are consistent with rates offered to similarly situated customers of Peninsula, and there were also other competitive options considered, consistent with Section 368.105, F.S. Moreover, the function and service that Peninsula is providing fulfills the role that the Legislature contemplated for natural gas transmission companies when is passed the Act. Finally, the contract is the most viable option for CFG to move forward with its stated intent to extend service in a timely manner in and around Haines City. Therefore, for all these reasons, Peninsula asks that the Agreement be approved.

Petition for Approval of Transportation Agreement

WHEREFORE, Peninsula respectfully requests that the Commission approve the Transportation Service Agreement between Peninsula Pipeline Company, Inc., and Central Florida Gas.

RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of January, 2015.



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Beth Keating  
Lila A. Jaber  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1980

*Attorneys for Peninsula Pipeline Company, Inc.*

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Petition has been served upon the following by U.S. Mail this 16<sup>th</sup> day of January, 2015:

Honorable J.R. Kelly  
Office of Public Counsel  
c/o the Florida Legislature  
111 West Madison Street, Rm 812  
Tallahassee, FL 32399-1400



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

ATTACHMENT A

In re: Petition for Approval of Transportation Service Agreement with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.

REDACTED

FIRM TRANSPORTATION AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

**THIS AGREEMENT** entered into this 15th day of January, 2015, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company"), and Central Florida Gas Company, a corporation of the State of Florida (herein called "Shipper").

**WITNESSETH**

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

**WHEREAS**, Company desires to provide Firm Transportation Service to Shipper in accordance with the terms hereof.

**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**  
**DEFINITIONS**

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

**ARTICLE II**  
**QUANTITY; UNAUTHORIZED USE**

2.1 Company shall construct a new, high pressure pipeline from Gulfstream's Baseball City gate to Highway 544 at Marley Road, where a custody transfer station will be installed for a current customer of Shipper, as is more particularly described on Exhibit A (the "Pipeline"), with a capacity of at least the Minimum Daily Transportation Quantity as set forth on Exhibit A attached hereto. The Pipeline will then continue westward along Highway 544 to US Highway 27. The Pipeline will extend 14.2 miles and consist of 6.625" x 0.219" API-5L X52 fusion bond, epoxy coated, steel main. All fittings, valves and appurtenances will be rated at a minimum of ANSI 300. All pipe and fittings will be tested at a minimum of 975 psig, which will allow an MAOP of 650 psig. Shipper is not responsible for any direct costs associated with the construction, operation, or maintenance of the Pipeline.

2.2 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 FTS Agreement on any one Gas Day.

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

2.3 If, on any Day, 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 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 on Exhibit A of this Agreement.

3.2 The parties agree to execute and file with the Commission a petition for approval of this Agreement within thirty (30) days of execution by both parties.

3.3 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase or decrease any present tax or levy any additional or eliminate any existing tax, relating to the service provided by Company under this Agreement, such change shall be implemented immediately upon the effective date of such change.

**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 and shall continue in full force and effect for an initial period of twenty (20) years from the in-service date. Thereafter, the Agreement shall be extended for additional 10-year increments, unless either party gives written notice of termination to the other party, not less than, one hundred eighty (180) days prior to the expiration of the initial period or any subsequent 10-year 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 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 other parts of this Agreement until such time as such monthly balancing and operational controls have been resolved.

4.3 In the event Shipper fails to pay for the service provided under this Agreement or otherwise fails to meet Company's standards for creditworthiness, 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.

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

**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, 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.

**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). 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.

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

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 Month in question, subject to any additional restrictions imposed by the Transporter or by Company pursuant to Company's tariff provisions.

**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.  
911 South 8<sup>th</sup> Street  
Fernandina Beach, Florida 32034  
Attention: Director, Business Management

Shipper: Central Florida Gas  
1641 Worthington Rd  
Suite 220  
West Palm Beach, FL 33409  
Attention: Director, Regulatory Affairs

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 Exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, 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



PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

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 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.

9.9 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. Company and Shipper

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

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 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 date first set forth above. 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 Section 2.1 hereof, issues an order, ruling, decision or regulation (including denial of necessary permits or amendments to existing permits) related to the operation, maintenance, 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 transportation service under this

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

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) In the event of the issuance of any enforceable and unappealable compliance obligations related to operation, maintenance, or safety and integrity compliance of the pipeline facility, which are not reasonably foreseeable as of the Execution Date, has a substantial and materially adverse impact on the Company, and such economic impact cannot be substantially mitigated by the Company, Company and Shipper shall meet and negotiate in good faith to determine if appropriate alterations to this Agreement or other arrangements can be agreed to that will address the operational or economic issues caused by such limits or obligations.
- (iii) 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. 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.

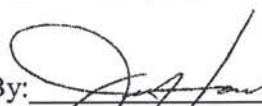
PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives effective as of the date first written above.

COMPANY  
Peninsula Pipeline Company, Inc.

SHIPPER  
Central Florida Gas

By:   
\_\_\_\_\_  
**Kevin Webber**  
Title: Vice President

By:   
\_\_\_\_\_  
**Jeffrey Householder**  
Title: President

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

Attested By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Attested By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A

REDACTED

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

CENTRAL FLORIDA GAS

DATED

January 15, 2015

<u>Description of Delivery Point(s)</u>	<u>Description of Point(s) of Delivery</u>	<u>MDTQ, in Dekatherms, excluding Fuel Retention</u>
Interconnection With Gulfstream Natural Gas System at Hwy. 27 North of Citrus Ridge Dr. in Polk County, FL	See Below	██████ Dt/Day

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

MHTP: ██████

Fuel Retention Percentage: ██████

Monthly Reservation Charge: ██████ /Month. The Company shall provide written notification to Shipper that the Haines City Line has been completed and establish an in service date.

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

PENINSULA PIPELINE COMPANY, INC.  
FIRM TRANSPORTATION SERVICE AGREEMENT

Description of Point(s) of Delivery: Up to three (3) Points of Delivery

- 1) One or more points – Location(s) to be determined (“TBD”) – at or near James Street and Highway 92 in Davenport, FL.
- 2) One or more points – Location(s) TBD – at or near County Road 544 and Marley Road in southeast Haines City, FL.
- 3) One of more points – Location(s) TBD – at or near US Highway 27 and State Road 544 in Haines City, FL.