



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

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COMMISSION
CLERK

September 30, 2014

HAND DELIVERY

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

Re: New Docket - Petition for Approval of Transportation Service Agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, LLC

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven copies of Florida Public Utilities Company's Petition for Approval of Transportation Service Agreement for an extension in Nassau County. Under separate cover, the Company 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

Petition for Approval of Transportation)
Service Agreement with Florida Public) DOCKET NO.
Utilities Company by Peninsula Pipeline)
Company, Inc.) FILED: September 30, 2014

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

Peninsula Pipeline Company, Inc. (“Peninsula” or “Company”), by and through its undersigned counsel, hereby files this Petition seeking approval of a Firm Transportation Service Agreement (“Agreement”) between the Company and Florida Public Utilities Company (“FPUC”), which is attached hereto as Attachment A. The Agreement provides for an extension from Peninsula’s facilities at the intersection of SR17 and Radio Avenue along William Burgess Road to two downstream interconnection with FPUC’s facilities at Terrapoint East Nassau Community Planning Area and/or the Nassau County Governmental Complex. 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 8th Street
Fernandina Beach, FL 32034

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 (850) 521-1706	Cheryl Martin Director, Regulatory Affairs Florida Public Utilities Company 911 South 8th Street Fernandina Beach, FL 32034
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Peninsula/William Burgess Road Extension

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 to new customers. 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 tariff was consistent with the Commission’s prior Declaratory Statement, which provided additional parameters for Peninsula’s operations in the State.¹

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 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.² 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:

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, et seq.

² Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 11, Section 3

Peninsula/William Burgess Road Extension

- 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
 - d. Other projects that are not otherwise specifically identified in the tariff as not requiring prior Commission approval.³
7. FPUC is a corporation organized under Florida law. Like Peninsula, it is now a corporate subsidiary of CUC. Pursuant to the provisions of Chapter 366, Florida Statutes, FPUC is subject to economic regulation by the Commission. FPUC's principal offices are located at 1641 Worthington Road, Suite 220, West Palm Beach, Florida 33409. Because both FPUC and Peninsula are corporate subsidiaries of CUC, the Company is required to seek Commission

³ Peninsula Pipeline Company, Inc., Intrastate Pipeline Tariff, Original Vol. 1, Sheet No. 12, Section 4

Peninsula/William Burgess Road Extension

approval prior to entering into a contract to construct facilities and provide transportation service to FPUC, consistent with Sheet 12, Section 4 (d).

8. As noted above, the approved tariff, consistent with Order No. PSC-06-0023-DS-GP, provides that the Company must seek approval for agreements unless an individual agreement fits the criteria set forth in the Company's tariff for an agreement that does not require prior Commission approval.⁴ The Agreement with FPUC would not meet any of the enumerated criterions; thus, Peninsula respectfully seeks Commission approval in this instance.

9. With regard to review of the Agreement under the standard set forth in Section 368.105, Florida Statutes, the Company submits that the Agreement withstands review under the seminal case for review of affiliate transactions, because the rate charged under this agreement is not "inherently unfair" or in excess of the going market rate.⁵ Specifically, this contract has been necessitated by a request of service to FPUC, discussed in greater detail in para. 10 below. To enable FPUC to provide service in additional developing areas of Nassau County, Peninsula will extend its transportation facilities into the new FPUC distribution area in the vicinity of Yulee, Florida.

10. The area to be served by this pipeline is expected to experience considerable growth in the coming years thus requiring additional growth in gas usage. The City of Yulee is the fastest growing area in Nassau County with a 37% increase in population since 2000. There are two major sites planned for development that will accelerate growth even more. The two projects are the Terrapointe East Nassau Employment Center and the Nassau County Government complex.

⁴ 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.

⁵ 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.")

Peninsula/William Burgess Road Extension

This project will capture existing commercial businesses in the area, as well as position FPUC to grow its distribution system as the area expands. Currently, there are plans to expand the government center located on William Burgess Road to include a Sheriff's Office, detention center and the Florida State College culinary school. This area will also experience significant residential growth. There are plans to develop residential subdivisions with the first development of 347 homes at the intersection of William Burgess and Harts Roads.

The other major growth project for the area is the East Nassau Employment Center being developed by Terrapointe. This will include the Nassau County Town Center with plans to develop 2,900 acres northeast of I-95 and A1A with capacity for 7.1 million square feet of office, commercial, medical, and industrial space. Plans also include 2,500 single family and 900 multi-family units in phase 1. The Nassau County School Board has already signed a contract to build a K-5 school which will open in 2016.

11. Peninsula proposes to run a 6 inch steel pipeline from an interconnection point located at SR 17 and Radio Road north along William Burgess Road for approximately 4.6 miles. At the north end of the 4.6 mile extension there will be two or more additional custody transfer points. The first is on the south side of William Burgess Road and will connect the Nassau County Government Complex, while the second point will be located near the intersection of I-95 and SR 200 and will connect the Terrapointe East Nassau Employment Center as described above.

12. The benefits of Peninsula providing this extension, as opposed FPUC, are significant, namely: (1) Peninsula's specific expertise is in constructing and managing this type of facility; (2) The facility from which the extension will be made is an existing Peninsula facility, thus, avoiding the need to negotiate for additional interconnection rights with a third party, while

Peninsula/William Burgess Road Extension

accomplishing the extension in a cost effective manner that is likewise consistent with the growth, reliability, and flexibility considerations addressed with regard to the original extension into Nassau County⁶; and (3) Peninsula's construction and ownership of this extension will avoid FPUC undertaking the costs, and risks, for this project, which in turn protects FPUC's ratepayers.

13. The rates in the contract between FPUC and Peninsula meet the requirements of Section 368.105(3), Florida Statutes, and the contract containing those rates is consistent with Orders Nos. PSC-06-0023-DS-GP and PSC-07-1012-TRF-GP and with Peninsula's tariff on file with the Commission. Moreover, the rates set forth therein are consistent with a "market rate" in that they are within the range of the rates set forth in similar agreements between Peninsula and other customers, including the agreement between FPUC and Peninsula approved by the Commission by Order No. 12-0230-PAA-GU, issued May 9, 2012, in Docket No. 110271-GU. Likewise, the rates are not otherwise "inherently unfair," as proscribed by the Court in the GTE Florida v. Deason decision.⁷ As such, the Company asks that the Agreement be approved.

14. The Company further respectfully asks that the Commission consider this Agreement at its December 16, 2014 Agenda Conference. This expedited treatment will avoid delay in the ordering and construction phase of this project, and thus, avoid placing the project timeline in jeopardy. In furtherance of this request, the Company commits to providing responses to any

⁶See, Order No. PSC -12-0230-PAA-GU, at pages 6-7, issued in Docket No. 110271-GU and Docket No. 110277-GU.

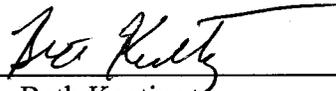
⁷ *Supra*, footnote 5.

Peninsula/William Burgess Road Extension

data requests from Commission Staff on an expedited basis and to make pertinent personnel from Peninsula and the FPUC available for informational meetings as may be necessary.

WHEREFORE, Peninsula respectfully requests that the Commission consider this Agreement at the Commission's December 16, 2014 Agenda Conference, and approve the Transportation Service Agreement between Peninsula Pipeline Company, Inc., and Florida Public Utilities Company.

RESPECTFULLY SUBMITTED this 30th day of September, 2014.



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 30th day of September, 2014:

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

Petition for Approval of Transportation Service Agreement with Florida Public Utilities
Company, by Peninsula Pipeline Company

(AGREEMENT – NASSAU EXTENSION)

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

THIS AGREEMENT entered into this 26th day of September, 2014, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company"), and Florida Public Utilities 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 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.

2.2 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.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE 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 on a 10-year basis unless terminated by either party, with at least one hundred eighty (180) days written notice to the other party prior to the termination date.

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.

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.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

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. 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.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

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 8th Street
Fernandina Beach, Florida 32034
Attention: Director, Business Management

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

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

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 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

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

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.

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.

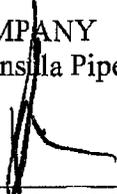
9.12 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.

PENINSULA PIPELINE COMPANY, INC.
FIRM TRANSPORTATION SERVICE AGREEMENT

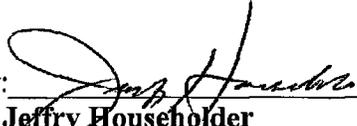
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives effective as of the date first written above.

COMPANY
Peninsula Pipeline Company, Inc.

SHIPPER
Florida Public Utilities Company

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

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC.

AND

FLORIDA PUBLIC UTILITIES COMPANY

DATED

September 26, 2014

Description of Delivery Point(s): Interconnection between Company and Shipper at one or more of the following points:

1. Radio Road and SR17.¹
2. At or near the Nassau County Government Complex (on the south side of William Burgess Rd)
3. At or near the intersection of I-95 and SR200 (Terrapointe East Nassau Employment Center)

Total MDTQ (Dekatherms): [REDACTED]

MHTP: 6 %

Fuel Retention Percentage: 0.5%

Monthly Reservation Charge: [REDACTED]

Unauthorized Use Rate (In addition to Monthly Reservation Charge):
\$4,275 / Each Day of Unauthorized Use

¹ The Parties to this Agreement acknowledge and recognize that the facilities to be installed represent an extension of existing facilities currently used by Company to provide service to Shipper in Nassau County. As such, the pricing hereunder does not incorporate, revise, or otherwise duplicate charges for service from the existing interconnection "Delivery Point" with Peoples Gas System's distribution system located at the Duval/Nassau County line to the "Delivery Point" identified herein. Pricing under this Agreement does, however, recognize that the "Delivery Point" set forth herein may constitute an additional "Point of Delivery" under the Parties' February 1, 2012, Firm Transportation Service Agreement.