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IN REPLY REFER TO:

Ansley Watson, Jr. P.O. Box 1531 Tampa, Florida 33601 e-mail: <u>aw@macfar.com</u>

October 12, 2015

### **VIA FEDEX**

Carlotta S. Stauffer, Director Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850





# Re: Petition for approval of Firm Service Agreement for an extension in Clay County with Peoples Gas System, by SeaCoast Gas Transmission, L.L.C.

Dear Ms. Stauffer:

We enclose for filing with the Commission:

- the original and seven (7) copies of the petition of SeaCoast Gas Transmission, L.L.C. ("SeaCoast") referenced above (<u>confidential treatment</u> is being requested for portions of Exhibit A to the petition);
- 2. the original and seven (7) copies of SeaCoast's Request for Specified Confidential Classification of portions of Exhibit A to the above petition; and
- a single unredacted copy of the portions of Exhibit A to the petition in which the sensitive information for which confidential treatment is sought has been highlighted.

Redacted electronic versions of the enclosures will be e-mailed once Staff has been assigned.

AFD \_\_\_\_\_ In the original and all seven (7) "public" copies of the petition identified above, the sensitive information in Exhibit A has been redacted.

Please acknowledge your receipt and the date of filing of the enclosures, together with the docket number assigned, on the enclosed duplicate copy of this letter, and return the same 7 to me in the preaddressed envelope which is also enclosed.

IDM

COM

ECC

ENG

GCL

- TEL
- CLK

Carlotta S. Stauffer, Director October 12, 2015 Page 2

Thank you for your usual assistance.

Sincerely,

ely Wa U ANSLEY WATSON, JR.

AWjr/a Enclosures

cc: Office of Public Counsel Kandi M. Floyd Andrew M. Brown, Esq. Ashley R. Kellgren, Esq.

# **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval of Firm Service : Agreement for an extension in Clay County : with Peoples Gas System, by SeaCoast : Gas Transmission, L.L.C. :

Docket No.

Submitted for Filing: 10-13-15

# PETITION FOR APPROVAL OF FIRM SERVICE AGREEMENT BETWEEN SEACOAST GAS TRANSMISSION, L.L.C. AND PEOPLES GAS SYSTEM

SeaCoast Gas Transmission, L.L.C. ("SeaCoast" or the "Company"), by and through its undersigned counsel, files this Petition for approval by the Commission of a Firm Service Agreement (the "Transport Agreement") between the Company and Peoples Gas System ("PGS" or "Peoples"), a copy of the Transport Agreement being attached hereto as Exhibit A. The Transport Agreement will enable PGS to provide service to customers in Green Cove Springs and surrounding areas of Clay County which have heretofore not been served with natural gas. In support of this Petition, SeaCoast states:

1. The name and address of the petitioner are:

SeaCoast Gas Transmission, L.L.C. 702 N. Franklin Street Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should be addressed are:

Ansley Watson, Jr., Esquire Andrew M. Brown, Esquire Ashley R. Kellgren, Esquire Macfarlane Ferguson & McMullen Post Office Box 1531 Tampa, Florida 33601-1531

Wraye J. Grimard SeaCoast Gas Transmission, L.L.C. Post Office Box 111 Tampa, Florida 33601-0111 Paula K. Brown Regulatory Department Peoples Gas System Post Office Box 111 Tampa, Florida 33601-0111

Kandi M. Floyd Peoples Gas System Post Office Box 111 Tampa, Florida 33601-0111 3. SeaCoast is an intrastate natural gas transmission company subject to the Commission's regulatory jurisdiction under Section 368.101 *et seq.*, *Florida Statutes*. It owns and operates a 25-mile transmission pipeline located in Clay County, and currently has a single customer (JEA, formerly known as Jacksonville Electric Authority). SeaCoast provides intrastate transportation of natural gas for JEA to serve JEA's Greenland Generating Station in Duval County through a 25-mile lateral owned by JEA. SeaCoast provides transportation service only, and does not engage in the sale of natural gas. SeaCoast's substantial interests will be affected by the Commission's disposition of this petition in that such disposition will determine whether it will be permitted to provide gas transportation service for Peoples (and customers in Green Cove Springs and the surrounding area) on terms agreeable to the Company and Peoples.

4. Peoples is a natural gas distribution utility subject to the Commission's regulatory jurisdiction under Chapter 366, *Florida Statutes*. Its substantial interests will be affected by the Commission's disposition of this petition in that such disposition will determine whether Peoples will be permitted to obtain the transportation of natural gas by SeaCoast from its interconnection with the interstate pipeline system of Southern Natural Gas Company, LLC ("SNG"), to SeaCoast's proposed interconnection with Peoples just west of Green Cove Springs in Clay County adjacent to Green Cove Springs, on terms favorable to potential customers located in and around Green Cove Springs, as well as Peoples' general body of ratepayers.

5. Peoples is a division of Tampa Electric Company. SeaCoast and Tampa Electric Company are affiliates in that their ultimate parent company is TECO Energy, Inc.

6. By Order No. PSC-08-0747-TRF-GP, issued November 12, 2008, the Commission approved SeaCoast's FPSC Gas Tariff, Volume No. 1 ("SeaCoast's Tariff"), consistent with the Commission's jurisdiction under Part II of Chapter 368, *Florida Statutes*.

7. Pursuant to SeaCoast's Tariff, the Company is authorized to enter into transport agreements with certain customers without the necessity of Commission approval. For

example, the Company is not required to seek prior Commission approval if the customer is not currently receiving service from another entity, such as a local distribution company ("LDC"), and the customer's facilities are located more 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 Commission approval if the customer is an LDC that is not an affiliate of the Company. As provided by SeaCoast's Tariff and Section 368.105(3), *Florida Statutes*, in circumstances such as those referenced above, 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.

SeaCoast and JEA each filed affidavits with the Commission pursuant to and Section 368.105(3) at the time they entered into a Firm Service Agreement.

8. As provided by SeaCoast's Tariff, however, construction of Company's facilities "other than as described above requires prior approval of the Commission." SeaCoast Tariff, Original Sheet No. 2. Thus, because SeaCoast and Peoples are affiliates, the Transport Agreement for which approval is sought by this petition requires Commission approval.

#### The SeaCoast and Peoples Expansions

9. In order to provide intrastate transportation of gas for Peoples, to enable it to transport the gas to customers in and around Green Cove Springs, SeaCoast will tap into its existing 24-inch mainline near Asbury Lake and construct an approximately 9.5-mile 6-inch steel

transmission lateral to a new interconnection at the origination of an approximately 6.3-mile new Peoples 6-inch distribution main in the vicinity of Green Cove Springs. From the terminus of the new Peoples main, Peoples will construct additional mains and service lines for the purpose of delivering gas to the facilities of customers in and around Green Cove Springs. A map showing these new facilities, and their connection to existing facilities, is attached hereto as Exhibit B. A map showing the proposed new Peoples distribution facilities is attached as Exhibit C. Together, the facilities expansions by SeaCoast and Peoples will provide natural gas service to customers in Green Cove Springs and surrounding areas in Clay County for the first time; that is, natural gas service is not currently available in the Green Cove Springs portion of Clay County.

10. Preliminary design for both facilities extensions has been completed. Negotiation of a franchise with the City of Green Cove Springs has commenced. Upon Commission approval of the Transport Agreement, the permitting process (expected to take from three to six months) will be commenced. On a parallel time line, SeaCoast and Peoples will order the pipe and other required facilities necessary for construction of the projects. Once permits, any necessary land rights, and the pipe and other materials, have been received (currently estimated to be around the end of the first quarter or second quarter of 2016), construction will commence. Barring unforeseen complications, it is estimated the SeaCoast transmission lateral and the Peoples distribution main will be complete by the end of 2016, and capable of providing natural gas to some of the larger customers, with the full distribution system to be completed during 2017.

11. Peoples looked at other options for accomplishing the delivery of gas to customers in the Green Cove Springs area over the past few years. Those options were unattractive to potential Green Cove Springs customers, and had other shortcomings. First, in one of the options considered, the Peoples' extension project would have originated in northwest Clay County and traversed the county with approximately 21.6 miles of 8-inch steel

pipeline to serve as the project's main line, along with approximately 7.1 miles of 6-, 4- and 2inch plastic pipeline for the distribution system. The interconnection with the interstate pipeline at the origin point of this alternative would have been an interconnection with Florida Gas Transmission, LLC ("FGT"), on an FGT lateral that is at times capacity constrained, leaving customers in Green Cove Springs vulnerable to interruptions and potential other difficulties in scheduling deliveries of gas at certain times. Another alternative considered was rejected because of capacity constraints on the pipeline at the point where Peoples would have interconnected.

12. SeaCoast's providing Peoples with access to the SNG interstate pipeline system through the Transport Agreement will enable Peoples to provide natural gas transportation service at its tariff rates to customers in the Green Cove Springs area with no CIAC being required from the customers. Virtually all of the customers will receive aggregated transportation service through Peoples' Rider NCTS,<sup>1</sup> and acquire their gas supplies through a pool manager of their own individual choice under the Peoples NCTS program. Peoples would release a quantity of SNG interstate pipeline capacity to each pool manager sufficient to accommodate the delivery of quantities of gas into SNG sufficient to meet the demands of each customer in the pool manager's customer pool. Gas delivered by SNG to its interconnection with SeaCoast would then move through SeaCoast under the Transport Agreement to the new SeaCoast interconnection with the Peoples distribution system near Green Cove Springs and its surrounding area.

#### Cost Recovery

13. SeaCoast will recover the cost of its extension of facilities through the Transport Agreement. Costs included in the SeaCoast rate to be charged to Peoples include fixed costs associated with operation and maintenance of the extension, depreciation, taxes, and a return.

<sup>&</sup>lt;sup>1</sup> Natural Choice Transportation Service.

14. Peoples will recover the costs associated with the distribution system facilities installed to provide service to customers in and around Green Cove Springs, and its other cost of service, pursuant to the rates set forth in its tariff on file with the Commission. It will recover charges paid to SeaCoast pursuant to the Transport Agreement from sales and transportation customers through its purchased gas adjustment clause and its Swing Service Charge, respectively.

### **Conclusion**

15. SeaCoast submits the rate set forth in the Transport Agreement is a cost-based market rate similar to the rate set forth in the Firm Service Agreement with its other customer, is just and reasonable, is not unreasonably preferential or unduly discriminatory, and is therefore consistent with Sections 368.105(3)(b) and (4), *Florida Statutes*. The Commission has previously approved transportation service agreements between other affiliated companies based on these same criteria,<sup>2</sup> and SeaCoast submits the Transport Agreement should be approved as well.

16. SeaCoast further respectfully requests that the Commission consider the Transport Agreement at its December 3, 2015 Agenda Conference. This expedited treatment will assist in avoiding delay in the initiation of applications for permits, ordering of pipe and other materials, and the commencement of construction of the SeaCoast and Peoples extensions required to enable customers in Green Cove Springs and the surrounding area in Clay County to receive the natural gas service they have been seeking for a number of years. In furtherance of this request, SeaCoast commits to provide responses to any data requests from the

<sup>&</sup>lt;sup>2</sup> <u>See</u>: Order No. PSC-14-0713-PAA-GU, issued December 31, 2014, in Docket No. 140189-GU, *In re: Petition for approval of transportation service agreement for an extension in Nassau County with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.*; Order No. PSC-14-0712-PAA-GU, issued. December 31, 2014, in Docket No. 140190-GU, *In re: Petition for approval of transportation service agreement for an extension in Palm Beach County with Florida Public Utilities Company, by Peninsula Pipeline Company with Florida Public Utilities Company, by Peninsula Pipeline Company, <i>Inc.*; and Order No. PSC-15-0206-PAA-GU, issued May 26, 2015, in Docket No. 150031-GU, *In re: Petition for approval of transportation service agreement with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.* 

Commission Staff with respect to this matter on an expedited basis, and to make pertinent personnel from SeaCoast and Peoples available for such informational meetings as may be requested by the Staff.

WHEREFORE, SeaCoast respectfully requests that the Commission consider the Transport Agreement at its December 3, 2015 Agenda Conference, and approve the Firm Service Agreement between SeaCoast and Peoples attached hereto as Exhibit A.

Respectfully submitted,

Vluja

ANSLEY WATSON, JR. Phone: (813) 273-4321 E-mail: <u>aw@macfar.com</u> ANDREW M. BROWN Phone: (813) 273-4209 E-mail: <u>ab@macfar.com</u> ASHLEY R. KELLGREN Phone: (813) 273-4247 E-mail: <u>ark@macfar.com</u> Macfarlane Ferguson & McMullen P. O. Box 1531 Tampa, Florida 33601-1531 Fax: (813) 273-4396

Attorneys for SeaCoast Gas Transmission, L.L.C.

# EXHIBIT A

# FIRM SERVICE AGREEMENT

# (TRANSPORT AGREEMENT)

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 1 OF 18 FILED: OCTOBER 13, 2015

Date: October 7, 2015

Contract No. FT1-PGS-0002

#### FIRM SERVICE AGREEMENT

This AGREEMENT is entered into by and between SeaCoast Gas Transmission, L.L.C. ("Company") and Peoples Gas System, a division of Tampa Electric Company, a Florida corporation ("PGS").

WHEREAS, PGSPGS has requested Company to transport Gas to be delivered to PGS's distribution system on a firm basis and Company represents that it is willing to transport PGS's Gas, and the Gas delivered for the account(s) of Shipper(s) (as hereinafter defined) delivered on a firm basis to PGS's distribution system under the terms and conditions of this Agreement.

NOW, THEREFORE, Company and PGS agree that the terms below, together with the General Terms and Conditions of Company's Tariff, constitute the transportation service to be provided and the rights and obligations of PGS and Company.

- Transportation service under this Agreement will be provided under Section 368.105 (3) and (4) of the Natural Gas Transmission Pipeline Intrastate Regulatory Act ("Regulatory Act").
- 2. SERVICE TYPE: Firm Transportation Service
- 3. RATE:
  - a. During the term of this Agreement, PGS shall pay to Company the monthly reservation charge for Firm Transportation Service provided under this Agreement, which shall be equal to the MDQ for the respective month multiplied by the number of days in each month multiplied by the rate per Dekatherm set forth in Exhibit B of this Agreement.
    - The parties agree to execute and file with the Commission this Firm Service Agreement to comply with the provisions of the Regulatory Act. In the event this Firm Service Agreement is not approved by the Commission, the same shall be of no further force or effect.
    - 2. It is further agreed that Company may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change provisions in the General Terms and Conditions of Company's Tariff, and Company shall have the right to place such changes in effect in accordance with the Regulatory Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall require PGS to support a position contrary to its own interests in its commercially reasonable discretion, nor require a PGS to support a tariff provision that would materially reduce the value of the service described herein. Notwithstanding the foregoing, Company and PGS agree not to initiate any proceeding before the Commission with respect to an increase or decrease in any negotiated rate during the term of such negotiated rate.

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 2 OF 18 FILED: OCTOBER 13, 2015

#### 4. CONTRACT DATA:

The Maximum Daily Quantity ("MDQ") for service under this Agreement is listed on Exhibit A and Exhibit B attached hereto and is incorporated herein as if copied and set forth herein at length.

The Maximum Hourly Quantity ("MHQ") for service under this Agreement is listed on Exhibit A and Exhibit B attached hereto and is incorporated herein as if copied and set forth herein at length.

The Primary Receipt Point(s), Primary Route (if applicable), and Receipt Point MDQ are listed on Exhibit A attached hereto and are incorporated herein as if copied and set forth herein at length.

The Primary Delivery Point(s) (if applicable), Delivery Point MDQ and Delivery Pressure are listed on Exhibit B attached hereto and are incorporated herein as if copied and set forth herein at length.

#### 5. BALANCING OF RECEIPTS AND DELIVERIES OF GAS:

Balancing of receipts and deliveries shall be governed by the provisions of the Operational Balancing Agreement, the form of which is attached hereto as Exhibit C, such agreement to be executed by the Company and PGS at the time this Firm Service Agreement is executed.

Gas Delivered to Company for the Account(s) of Shipper(s). Gas to be transported by Company hereunder shall include Gas delivered for the account(s) of any Shipper. For purposes of this Firm Service Agreement, "Shipper" means any entity that has executed a Gas Transportation Agreement with PGS, or that receives transportation service from PGS pursuant to PGS's Rider NCTS in accordance with PGS's tariff on file with the Commission that (i) causes Gas to be delivered to the Primary Receipt Point(s) and (ii) has executed an Agency Agreement in the form attached hereto as Exhibit D.

#### 6. TERM:

This Agreement shall be effective upon the date of its execution by PGS. Service under this Agreement shall commence on the Commencement Date (as hereinafter defined), and shall continue until 9:00 a.m. CCT on the fifteenth (15<sup>th</sup>) anniversary of the Commencement Date ("Primary Term"). Upon two years written notice to Company, PGS shall have the unilateral right to extend the term of this Agreement at the rate set forth in Exhibit B for a period of ten (10) years from the commencement of service. Company may discontinue service hereunder upon 30 Days written notice if (a) PGS, in Company's reasonable judgement fails within such 30-Day notice period to demonstrate creditworthiness, *e.g.*, by failing to provide adequate security in accordance with Section 18 of the General Terms and Conditions, or (b) PGS fails within such notice period to restore imbalances arising in connection with services rendered. As used herein, the term "Commencement Date" means the first Day of the Month following receipt by PGS of notice from Company that the facilities through

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 3 OF 18 FILED: OCTOBER 13, 2015

which Company will provide service pursuant to this Agreement have been completed, tested and are available to provide firm transportation service.

#### 7. CREDIT REQUIREMENTS:

- a. PGS must demonstrate that it has an Investment Grade Credit Rating. If PGS has an Investment Grade Credit Rating on the date it executes and delivers this Service Agreement, but later ceases to have an Investment Grade Credit Rating, PGS must provide security as set forth in categories 1. or 2. below.
- b. If PGS, at the time of its execution and delivery of this Service Agreement, or at any time thereafter during the term of this Service Agreement, does not qualify under paragraph (a), PGS must provide security for its obligations by providing to or as directed by Company:
  - an irrevocable guarantee, in form, amount and substance acceptable to Company in its commercially reasonable discretion (such discretion including the requirements of Company's lenders in connection with any financing of Phase I of the Florida SeaCoast Gas Transmission), supporting PGS's obligations under this Service Agreement from a Guarantor acceptable to Company in its commercially reasonable discretion having an Investment Grade Credit rating; or
  - a Letter of Credit, or a cash deposit in an amount equal to the amount of a Letter of Credit, or such other form of security as Company deems in its sole discretion, to be acceptable.

Notwithstanding the foregoing, Company may waive or reduce, in its sole discretion, the forgoing creditworthiness requirement, subject to revocation of such waiver or reduction if a material change occurs in the financial criteria relied upon at the time such waiver or reduction was granted.

PGS shall (a) furnish to Company, (i) as soon as available, but in any event within 120 days after the end of each fiscal year of PGS, audited financial statements of PGS setting forth in comparative form the corresponding figures for the preceding fiscal year together with the auditor's report thereon, and (ii) as soon as available, but in any event within 60 days after the last day of each of PGS's first three fiscal quarters, quarterly unaudited financial statements of PGS on a basis consistent with the corresponding period of the preceding fiscal year, and (b) cooperate with Company to obtain and provide to Company, where possible, such additional information regarding the financial condition of PGS as Company may reasonably request from time to time. Company may, in its sole discretion, accept unaudited financial statements in lieu of the audited statements described in clause (i) above.

#### 8. COMPANY'S TARIFF PROVISIONS:

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

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 4 OF 18 FILED: OCTOBER 13, 2015

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.

#### 9. NOTICES:

Except as otherwise provided in the Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via facsimile. PGS or Company may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

COMPANY: SeaCoast Gas Transmission, L.L.C. 702 N. Franklin Street Tampa, FL 33602 Attention: Manager, Regulatory Fax: (813) 228-4742

PGS:

Peoples Gas System 702 N. Franklin Street Tampa, FL 33602 Attention: Managing Director, Fuels Management Telephone: (813) 228-4664 Fax: (813) 228-4742

PGS shall designate in writing an individual who is duly authorized to act for PGS with respect to all operational matters arising under this Agreement and accessible to Company at all times each Day during the term hereof, to act as PGS's "Contact Person". In performing under this Agreement, Company shall be entitled to rely upon any instruction or consent given by such Contact Person with respect to operational matters arising hereunder.

#### 10. CANCELLATION OF PRIOR CONTRACT(S):

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto as described below, if applicable:

None.

#### 11. OPERATIONAL FLOW ORDERS:

Company has the right to issue effective Operational Flow Orders pursuant to Section 12 of the General Terms and Conditions.

12. HEADINGS:

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 5 OF 18 FILED: OCTOBER 13, 2015

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.

#### 13. 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 supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. Neither party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

#### 14. 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 shall not be deemed nor require an amendment of this Agreement provided such change is communicated in accordance with Section 9 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.

#### 15. SEVERABILTY:

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.

#### 16. 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.

#### 17. ATTORNEY'S FEES AND COSTS:

5

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 6 OF 18 FILED: OCTOBER 13, 2015

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.

# 18. INDEPENDENT PARTIES:

Company and PGS shall perform hereunder as independent parties. Neither Company nor PGS 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.

#### 19. 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.

#### 20. 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 PGS shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Company and/or PGS 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 18, Company shall continue to transport and PGS 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

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 7 OF 18 FILED: OCTOBER 13, 2015

party from performing hereunder, then neither party shall have any obligation to the other during the period that performance under the Agreement is precluded.

21. 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.

#### 22. 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 signed by their respective Officers and/or authorized representatives to be effective as of the date stated above.

COMPANY:

PGS:

SEACOAST GAS TRANSMISSION, L.L.C.

By: Bruce Narzissenfeld

Title: Vice-President, Senior Commercial Officer

Date: 10/7/2015

PEOPLES GAS SYSTEM, a division of Tampa Electric Company

By: Gordon Gillette

Title: President

Date: 10/7/15

# REDACTED

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 8 OF 18 FILED: OCTOBER 13, 2015

# EXHIBIT A

#### For Contract No. FT1-PGS-0002

### BETWEEN SEACOAST GAS TRANSMISSION COMPANY, L.L.C. AND PEOPLES GAS SYSTEM, A DIVISION OF TAMPA ELECTRIC COMPANY

#### ORIGINAL CONTRACT DATE: October 7, 2015

# EFFECTIVE DATE OF THIS EXHIBIT A (which supersedes and replaces any prior Exhibit A to this Agreement – Commencement Date

Primary Receipt Points:

#### Primary Receipt Point

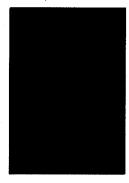
SGT – FGT DRN No. 1387753 plus retainage

SGT – SNG DRN No. 606350 plus retainage

SGT – PGS DRN No. 200 plus retainage

Maximum Daily Transportation Quantity

Primary Receipt Point MDQ



# REDACTED

DOCKET NO. PEOPLES GAS SYSTEM FIRM SERVICE AGREEMENT (TRANSPORTATION AGREEMENT) EXHIBIT A PAGE 9 OF 18 FILED: OCTOBER 13, 2015

# EXHIBIT B

# For Contract No. FT1-PGS-0002

# BETWEEN SEACOAST GAS TRANSMISSION, L.L.C. AND PEOPLES GAS SYSTEM, A DIVISION OF TAMPA ELECTRIC COMPANY

# EFFECTIVE DATE OF THIS EXHIBIT B (which supersedes and replaces any prior Exhibit B to this Agreement): Commencement Date

RATE:

Reservation:

Usage 1:

Retainage:

Tracker not to exceed 1.0% years 1 – 10 Tracker not to exceed 1.5% years 11- 20

Primary Delivery Points:

 Primary
 Primary
 Minimum

 Delivery Point
 Delivery Point MDQ
 Delivery Pressure

 SGC/PGS Green Cove Springs
 250 psig

 SGC/PGS Asbury Lake
 250 psig

 Maximum Daily Transport Quantity
 6.0%

 Maximum Hourly Flow Rate:
 6.0%

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EXHIBIT C

For Contract No. FT1-PGS-0002

# BETWEEN SEACOAST GAS TRANSMISSION, L.L.C. AND PEOPLES GAS SYSTEM, A DIVISION OF TAMPA ELECTRIC COMPANY

# EFFECTIVE DATE OF THIS EXHIBIT C (which supersedes and replaces any prior Exhibit C to this Agreement): Commencement Date

#### OPERATIONAL BALANCING AGREEMENT

This Operational Balancing Agreement (the "Agreement") is made and entered into as of the \_\_\_\_\_\_ day of October, 2015, by and between Peoples Gas System, a division of Tampa Electric Company, a Florida corporation ("PGS") and SeaCoast Gas Transmission, L.L.C., a Delaware limited liability company ("OBA Party"), PGS and OBA Party being sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

# WITNESSETH:

WHEREAS, the facilities operated by the Parties interconnect at the interconnection point(s) specified on Exhibit A attached hereto and incorporated herein by this reference (such interconnection point(s) being hereinafter referred to as the "Location", whether one or more);

WHEREAS, PGS and/or OBA Party have entered into one or more agreements with third party shippers (hereinafter referred to as "Shippers") for the transportation of gas to, from or through the Location on their respective systems (said agreements hereinafter referred to as "Shipper Agreements");

WHEREAS, from time to time, gas quantities actually received and delivered at the Location by each Party ("Actual Takes") may be greater than or less than the quantities scheduled for receipt and delivery at the Location ("Scheduled Quantities"), resulting in over or underdeliveries relative to such Scheduled Quantities;

WHEREAS, PGS and OBA Party recognize that, despite their mutual efforts to maintain an appropriate balance, there will be differences for any day or other period of time between the Scheduled Quantities and Actual Takes at the Location due to operational events, inaccurate estimates or other occurrences of an operational nature ("Operational Imbalances");

WHEREAS, the parties desire to enter into this Agreement in order to facilitate more efficient operations, accounting, and systems management at the Location; and

WHEREAS, PGS and OBA Party desire to set forth their respective obligations with respect to, and to provide for the resolution of, any Operational Imbalances which may occur at the Location.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Parties, intending to be legally bound, hereby agree as follows:

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#### **ARTICLE I - TERM**

Section 1.1 <u>Term and Effectiveness</u>. This Agreement shall be effective on the date first written above. The term of this Agreement shall commence on said date and continue for an initial term of fifteen (15) years from the date first written above and shall continue thereafter on a year-to-year basis unless canceled by either Party upon at least one-hundred twenty (120) days prior written notice to the other Party prior to the end of any term thereafter, with any such termination to be effective at the end of a calendar month.

**Section 1.2** <u>Suspension</u>. This Agreement may be suspended (i) immediately by PGS upon notice to the OBA Party of the OBA Party's failure to reasonably adjust, on the gas day on which such notice is given, the operations of the OBA Party's system or facilities when the notice by PGS is of a Force Majeure event or a critical operating condition (determined by PGS in its sole judgment) that affects the Location; or (ii) upon twenty-four (24) hours notice by PGS if the OBA Party fails to comply with an operational flow order ("OFO") (as such term is typically used in the gas pipeline industry) issued by PGS. Such suspension notice will be given by PGS subsequent to its declaring the Force Majeure event or critical operating condition, or issuing the OFO, via facsimile or by telephone. Any such suspension shall continue until PGS (in its sole judgment) determines that the Force Majeure event or critical operating condition no longer exists, or withdraws the OFO. PGS will notify the OBA Party via facsimile or by telephone of the termination of any suspension.

# **ARTICLE II - RESOLUTION OF OPERATIONAL IMBALANCES**

Section 2.1 Nominations. Not later than 9:00 a.m. Central Clock Time on the day prior to the gas day in which service is to commence, or such other time as established by the North American Energy Standards Board ("NAESB") or its successor, each Party shall confirm the quantities nominated to be received and delivered by such Party at the Location. In addition, the Parties will confirm any intraday nominations according to the confirmation deadlines established by NAESB and set forth in PGS's Gas Tariff on file with and approved by the Florida Public Service Commission ("PGS's Tariff"). The quantities determined through this reconciliation and confirmation process shall be the "Scheduled Quantities." Any modification or adjustment to such Scheduled Quantities must be confirmed by the Parties prior to the commencement of the revised service. If a Party does not receive confirmation from the other Party, the Party failing to receive such confirmation will schedule the lesser of the nomination or the other Party's last scheduled quantity according to NAESB guidelines. Neither Party shall be obligated to revise the Scheduled Quantities in effect unless it is notified by the other Party by the prescribed confirmation deadline for the day in which the change in physical deliveries is to be made, unless the Parties mutually agree otherwise. Each Party shall provide evidence of such Scheduled Quantities (in writing or by electronic means) on a reasonable efforts basis by 1:00 p.m. Central Clock Time on the day of such confirmation, unless mutually otherwise agreed. Absent an event of Force Majeure, if at any time during the term of this Agreement a Party fails to respond to the other Party's request to confirm the quantities to be received or delivered at the Location and such failure is not corrected within a reasonable amount of time, then such other Party may, at its option, terminate this Agreement at the end of the current calendar month upon prior written notice to the Party failing to so confirm.

**Section 2.2 Flow and Pressure Control Operator.** OBA Party shall be primary operator of the flow/pressure control value at the Location and responsible for establishing and maintaining the flow or pressure set points with confirmed gas nominations (including, but not limited to, confirmed intra-day gas nominations). PGS will be the secondary operator and shall have an override

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capability to operate the flow/pressure control valve only to reduce the gas flow or pressure set points and only to (i) adjust the flow to a new flow rate which is the result of a change in nominations when the OBA Party does not itself adjust the flow rate to match the flow rate required by the change in nominations or (ii) adjust the flow when the flow level otherwise could cause bodily harm or damage to property. Unless the Parties otherwise mutually agree, each Party shall use reasonable efforts to adjust the operation of its system as near as possible to the confirmed gas nominations and scheduled quantities for any specific gas day. For purposes of this section, "operate" shall mean to modulate the valve in order to maintain flow or pressure set points with confirmed gas nominations in accordance with this Agreement, and "operator" shall mean the Party that is responsible for such operation.

Section 2.3 <u>Operating Assistance</u>. If either Party requires assistance during certain operating conditions on its system or facility, and the other Party is in a position to assist in alleviating such operating condition or conditions, then, pursuant to the mutual agreement of the Parties, the Parties may increase or decrease flows of gas at the Location independent of the regular Scheduled Quantities at such Location. Imbalances resulting from such assistance shall be eliminated pursuant to mutual agreement, provided that such Imbalances shall be eliminated within thirty (30) days after the day such assistance ends.

**Section 2.4 <u>Measurement</u>.** Measurement of quantities of gas for purposes of this Agreement shall be governed by the provisions of PGS's Tariff. If, at any time or from time to time, PGS does not possess the ability to monitor Actual Deliveries on a daily basis, OBA Party shall provide to PGS its best available information with respect to such Actual Deliveries, on a daily basis, within two (2) Business Days following the date of such Actual Deliveries.

Section 2.5 <u>Correction of Imbalances</u>. It is the responsibility of OBA Party to eliminate end-of-Month imbalances by cash settlement with PGS. PGS and OBA Party shall settle in cash all remaining Imbalances unless otherwise mutually agreed. PGS will send OBA Party a statement detailing the imbalance quantities and payment of the amount due OBA Party or an invoice for the amount due PGS, in accordance with the following:

(a) Imbalance Due PGS.

In the event of an Imbalance when Actual Deliveries exceed Scheduled Quantities, PGS will invoice OBA Party for such excess delivery or deficiency of receipts in accordance with the following provisions:

Such invoice will be based on the Sales Posted Price for the month multiplied by the applicable factor below:

Imbalance Level	Factor
0% - 5%	1.00
Greater than 5% to 20%	1.10
Greater than 20% to 40%	1.20
Greater than 40%	1.50

The Imbalance Level shall be calculated by dividing the imbalance quantity by the sum of the total quantities scheduled for delivery or receipt.

For imbalances due PGS, the Sales Posted Price shall equal the price per Dekatherm (the "Unit Price") equal to the highest of the average of weekly prices for spot Gas delivered to FGT at

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Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, or St. Helena parish, Louisiana, as Reported in *Natural Gas* Week, for the month in which the monthly imbalance amount was incurred, multiplied by the applicable factor set for the above.

In the event that these prices are no longer available or the basis upon which such prices are reported or calculated in such publication changes substantively, PGS will file to change PGS's Tariff and may, at its discretion, select representative prices in the interim period, subject to Florida Public Service Commission ("FPSC") approval.

The amount due PGS for Imbalances shall be the imbalance quantity multiplied by the appropriate imbalance level factor multiplied by the Sales Posted Price.

(b) Imbalance Due OBA Party

In the event of an Imbalance when Actual Deliveries are less than Scheduled Quantities, PGS will pay OBA Party for such excess receipts or deficiency of deliveries.

Such payments will be based on the Purchase Posted Price for the month multiplied by the applicable factor below:

Imbalance Level	<u>Factor</u>
0% - 5%	1.00
Greater than 5% to 20%	0.90
Greater than 20% to 40%	0.80
Greater than 40%	0.50

The Imbalance Level shall be calculated by dividing the imbalance quantity by the sum of the total quantities scheduled for delivery or receipt.

For imbalances due OBA Party, the Purchase Posted Price shall equal the price per Dekatherm (the "Unit Price") equal to the lowest of the average of weekly prices for spot Gas delivered to FGT at Mustang Island (Tivoli), Texas, Vermillion Parish, Louisiana, or St. Helena Parish, Louisiana, as reported in *Natural Gas* Week, for the month in which the monthly imbalance amount was incurred, multiplied by the applicable factor set forth above.

In the event that these prices are no longer available or the basis upon which such price is reported or calculated in such publication changes substantively, PGS will file to change PGS's. Tariff and may at its discretion, select representative prices in the interim period, subject to FPSC approval.

The amount due OBA Party shall be the imbalance quantity multiplied by the appropriate imbalance level factor multiplied by the Purchase Posted Price for the Month.

#### ARTICLE III - MISCELLANEOUS

Section 3.1 <u>Assignment and Transfer</u>. No assignment of this Agreement by either Party may be made without the prior written approval of the other Party (which 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

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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 assumption of duties and obligations.

**Section 3.2** <u>Applicable Law and Venue</u>. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the state of Florida and shall be subject to all applicable laws, rules, orders and regulations of any Federal, state or local governmental authority having jurisdiction over the parties, their facilities or the transactions contemplated. 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.

**Section 3.3** <u>Headings</u>. All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the Parties and shall not affect the construction or interpretation of this Agreement.

**Section 3.4** <u>Severability</u>. 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.

**Section 3.5** <u>Entire Agreement</u>. 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 supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof.

**Section 3.6 <u>Waiver</u>.** 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 specified in writing. No waiver shall be binding unless executed in writing by the Party making the waiver.

**Section 3.7** <u>Notices</u>. Except as otherwise provided in PGS's Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via facsimile. OBA Party or PGS may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement.

PGS:

Administrative Matters: Peoples Gas System 702 North Franklin Street Tampa, Florida 33602 Attention: Managing Director, Fuels Telephone: (813) 228-4664 Facsimile: (813) 228-4742 OBA PARTY:

Administrative Matters: SeaCoast Gas Transmission, LLC 702 North Franklin Street Tampa, Florida 33602 Attention: Manager, Regulatory Telephone: (813) 228-4664 Facsimile: (813) 228-4742

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#### Payment:

Peoples Gas System 702 North Franklin Street Tampa, Florida 33602 Attention: Settlements Accountant Telephone: (813) 228-4941 Facsimile: (813) 228-4742

#### Invoices:

Peoples Gas System 702 North Franklin Street Tampa, Florida 33602 Attention: Settlements Accountant Telephone: (813) 228-4941 Facsimile: (813) 228-4742

#### Payment:

SeaCoast Gas Transmission, LLC 702 North Franklin Street Tampa, Florida 33602 Attention: Manager, Settlements Telephone: (813) 228-4558 Facsimile: (813) 228-4742

#### Invoices:

SeaCoast Gas Transmission, LLC 702 North Franklin Street Tampa, Florida 33602 Attention: Manager, Settlements Telephone: (813) 228-4558 Facsimile: (813) 228-4742

**Section 3.8** <u>Amendments.</u> 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 the enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in the place to which notices pursuant to this Agreement must be sent shall not be deemed nor require an amendment of this Agreement provided such change is communicated in accordance with Section 3.7 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 Florida Public Service Commission or its successor agency or authority.

Section 3.9 <u>Counterparts</u>. 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 the Party which signed it.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

#### SEACOAST GAS TRANSMISSION, L.L.C.

#### PEOPLES GAS SYSTEM a division of Tampa Electric Company

By:\_\_\_\_\_

By:\_\_\_\_

Name:

Title:

Name:

Title:

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#### EXHIBIT A

### To the Operational Balancing Agreement Between PEOPLES GAS SYSTEM, a division of Tampa Electric Company

and

SEACOAST GAS TRANSMISSION, LLC

Dated

October \_\_\_\_, 2015

#### **Location**

DRNDESCRIPTIONMEASURING PARTYTBDSeaCoast/PGS – Asbury LakeSeaCoastTBDSeaCoast/PGS – Green Cove SpringsSeaCoast

The Parties acknowledge that for the purposes of this Operational Balancing Agreement all listed Delivery Points will be aggregated in such a manner as to create a single Operational Imbalance as if the Delivery Points for a single Location. The Points not covered by this Operational Balancing Agreement (e.g., other FGT / PGS Interconnects) will not be included in the determination of the Operational Imbalance.

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EXHIBIT D

For Contract No. FT1-PGS-0002

BETWEEN SEACOAST GAS TRANSMISSION, L.L.C. AND PEOPLES GAS SYSTEM, A DIVISION OF TAMPA ELECTRIC COMPANY

EFFECTIVE DATE OF THIS EXHIBIT D (which supersedes and replaces any prior Exhibit D to this Agreement): Commencement Date

#### AGENCY AGREEMENT

This Agency Agreement (this "Agreement") is made and entered into as of the \_\_\_\_\_\_ day of \_\_\_\_\_\_, 20\_\_\_, by and among \_\_\_\_\_\_, a \_\_\_\_\_\_ ("Shipper"), Peoples Gas System, a Division of Tampa Electric Company, a Florida corporation ("PGS"), and SeaCoast Gas Transmission, L.L.C., a Delaware corporation ("SGT"), Shipper, PGS and SGT being referred to collectively hereinafter as the "parties."

WHEREAS, certain PGS facilities located in Clay County, Florida, have no direct point of interconnection with the interstate gas pipeline system of Florida Gas Transmission Company, LLC ("FGT") or Southern Natural Gas Company, LLC ("SNG");

WHEREAS, SGT's gas transmission system is directly interconnected with FGT's and SNG's interstate gas pipelines and with the PGS Clay County Line, a pipeline to be owned by PGS after it has been placed in service, at the SGT-PGS Green Cove Springs Interconnect;

WHEREAS, SGT and PGS are parties to a Firm Service Agreement dated as of October \_\_\_\_\_, 2015, pursuant to which SGT will transport gas received for the account of Shipper at interconnections with the FGT and SNG pipeline systems for delivery to the SGT-PGS Green Cove Springs Interconnect (the "SGT Firm Service Agreement"); and

WHEREAS, PGS's Green Cove Springs Line will be utilized to provide service to Shipper pursuant to Shipper's firm transportation service agreement with PGS, and Shipper desires to appoint PGS as its agent for purposes of transporting gas from the SGT-FGT and/or the SGT-SNG interconnection(s) hereinafter identified (the "Gate(s)"), to the SGT-PGS Green Cove Springs Interconnect.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Shipper hereby appoints PGS as its agent for the purpose of arranging with SGT for the transportation of gas owned by Shipper and delivered for the account of Shipper to SGT at the Gate(s), from the Gate(s) to the SGT-PGS Green Cove Springs Interconnect; provided, however, that as between PGS and SGT, PGS shall be solely responsible for compliance with the terms and conditions of the SGT Firm Service Agreement, and for the payment when due of all charges arising under such agreement.

2. Shipper hereby appoints PGS as its agent for purposes of nominating and scheduling gas to be transported by SGT, resolving imbalances between receipts and

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deliveries, and compliance with alert day and other operational orders issued by SGT under the SGT Firm Service Agreement as it relates to the transportation of Shipper's gas. PGS, acting as Shipper's agent, shall, with respect to the above activities, comply with the terms and conditions established in the SGT Firm Service Agreement, as applicable.

3. SGT shall have no responsibility with respect to any agreements or arrangements between Shipper and PGS.

4. For purposes of this Agreement, the Gate shall be:

SGT – FGT DRN No. 1387753 SGT – SNG DRN No. 606350

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

#### SHIPPER

By: \_

Name: Title:

PEOPLES GAS SYSTEM, a Division of TAMPA ELECTRIC COMPANY

By: \_\_\_\_ Name: Title:

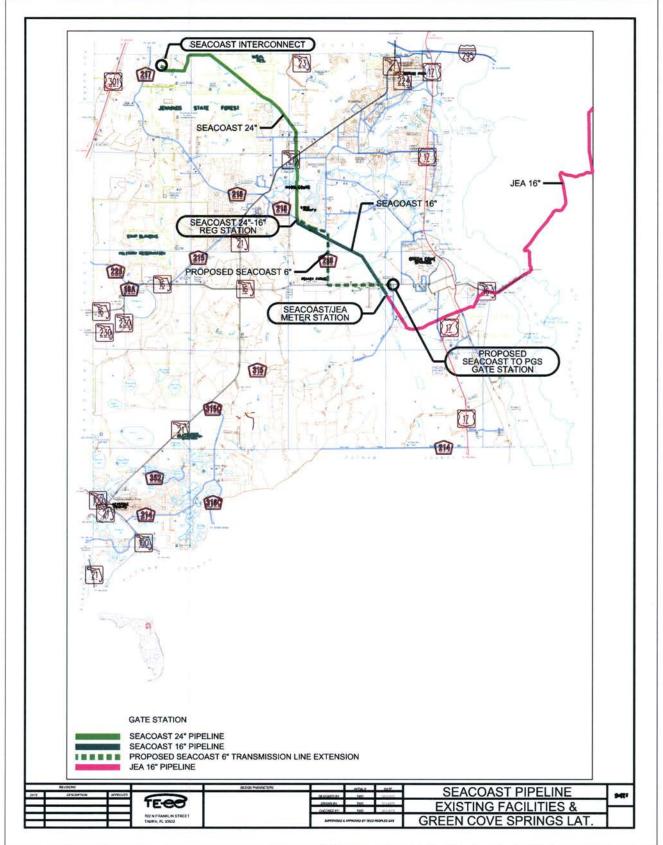
#### SEACOAST GAS TRANSMISSION, L.L.C.

By: \_\_\_\_ Name: Title

# EXHIBIT B

# MAP OF SEACOAST ROUTE

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# EXHIBIT C

# **MAP OF PEOPLES ROUTE**

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