

**FIRST AMENDMENT TO
FLORIDA PUBLIC UTILITIES COMPANY
GAS TRANSPORTATION SERVICE AGREEMENT**

This First Amendment to Gas Transportation Service Agreement (“Amendment No. 1”) is made and entered into this ___ day of _____, 20___, by and between Florida Division of Chesapeake Utilities Corporation d/b/a Florida Public Utilities Company, a corporation of the state of Florida (herein called “Company” or “FPU”) and City of Pensacola, Florida d/b/a Pensacola Energy, a municipal corporation created and existing under the laws of the State of Florida (herein called “Shipper” or “Pensacola Energy” and jointly with Company called “Parties”) to amend certain provisions of the Gas Transportation Service Agreement dated September 16, 2016 between Company and Shipper.

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Gas Transportation Service Agreement dated as of September 16, 2016 (the “Agreement”), pursuant to which Company provides Shipper with firm transportation service in Escambia County, Florida; and

WHEREAS, the Parties desire to amend the Agreement to change the Monthly Reservation Charge, to extend the term, and to include a new Delivery Point and Point of Delivery to the inlet side of the new Point of Delivery at sixty (60) pounds per square inch gauge consistent with the Parties’ expanded project in Escambia County;

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.
2. Article I Definitions of the Agreement is hereby amended as follows:

The term “CUC Delivery Point” is hereby stricken and replaced with the term “FPU Delivery Point,” which means the point(s) of physical interconnection between FPU and Pensacola Energy listed in First Revised Exhibit A or any revisions thereto.

The term “CUC Receipt Point” is hereby stricken and replaced with the term “FPU Receipt Point,” which means the point of physical interconnection between FGT and FPU listed in First Revised Exhibit A or any revisions thereto.

“Governmental Authority” means any governmental body, agency or official having jurisdiction over this Agreement and the transportation of Gas hereunder.

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“Second In-Service Date” means the date that Company has commenced commercial operations of the new Point of Delivery and that construction has been completed and that the Point of Delivery meter station has been inspected and tested as required by applicable law.

3. Article II Pressure Section 2.3 of the Agreement is hereby stricken and replaced with the following:

Gas delivered by Shipper to the meter at the FPU Receipt Point(s) specified in Exhibit A shall be delivered to the inlet side of the point of receipt at the same pressure as the Shipper's own Gas is delivered by Transporter to the inlet side of the Receipt Point meter. Gas redelivered by FPU to the Point(s) of Delivery shall be redelivered by FPU to the inlet side of the meter at the Point(s) of Delivery at a minimum pressure as set forth in Exhibit A.

4. Section 5.1 Effective Date and Term is hereby stricken and replaced with the following:

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 a period of twenty-five (25) years from the Second In-Service Date. Thereafter, the Agreement shall be extended on a year-to-year basis unless terminated by either party, with at least one hundred and eighty (180) days written notice to the other party prior to the applicable termination date.

5. Exhibit A to the Agreement is hereby superseded and replaced by First Revised Exhibit A attached to this Amendment No. 1.

6. Exhibit B to the Agreement is hereby superseded and replaced by First Revised Exhibit B attached to this Amendment No. 1.

The Parties agree to execute and file with the FPSC a petition for approval of this Amendment No. 1 within thirty (30) days of execution by both Parties.

Except as modified by this Amendment No. 1, the Agreement shall continue in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed by their duly authorized officers or representatives effective as of the date first written above.

COMPANY:
Florida Public Utilities Company

SHIPPER:
THE CITY OF PENSACOLA,
doing business as Pensacola
Energy, a Municipal
Corporation

By: _____

Mayor, D.C. Reeves

Title: _____

City Clerk

Date: _____

Approved as to Substance:

Pensacola Energy Director

Legal in form and valid as drawn:

City Attorney

**FIRST AMENDMENT TO
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**FIRST REVISED EXHIBIT A TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
FLORIDA PUBLIC UTILITIES COMPANY
AND
CITY OF PENSACOLA**

Description of FPU Receipt Point(s)	Description of FPU Delivery Point(s)	MDQ (Dekatherms)	MDTQ (Dekatherms)	MHTP (Dekatherms)
FPU-FGT Interconnection in Escambia County Florida	FPU – Pensacola Interconnection in Escambia County Florida And New Delivery Point Near the intersection of Champion Dr and US 29	28,500	28,500 plus the Fuel Retention Percentage	1,197*

Description of FPU Delivery Point(s)	Minimum Pressure
FPU – Pensacola Interconnection in Escambia County Florida	215 psi
New Delivery Point Near the intersection of Champion Dr and US 29	60 psi

* In the event Shipper's upstream firm transportation agreement with Transporter specifies the FPU Receipt Point(s) as a primary delivery point, the MHTP under this Agreement shall be increased to the extent the hourly flow rates permitted by FGT under Shipper's firm transportation agreement and Transporter's Tariff exceed the MHTP specified above if hourly deliveries in excess of 4.2% can be provided without detriment to services required by FPU's other similarly situated Firm customers.

Fuel Retention Percentage:

Year 1 (beginning with the In-Service Date) through Year 5 – 0%

Year 6 forward - 0.1% of the Gas received by FPU for the account of Shipper at the FPU Receipt Point, which FPU shall retain at no cost to FPU to cover lost and unaccounted for Gas between the FPU Receipt Point(s) and FPU Delivery Point(s)

Monthly Reservation Charge:

\$0.237 per Dekatherm x days in month x MDQ

Usage 2 Charge:

\$0.257 per Dekatherm

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**FIRST REVISED EXHIBIT B TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
FLORIDA PUBLIC UTILITIES COMPANY
AND
CITY OF PENSACOLA**

SHIPPER'S TERMINATION PURCHASE OPTION

TERMINATION YEAR	PURCHASE OPTION AMOUNT		
	Original Assets	New Assets	Total
1	\$22,479,343		\$22,479,343
2	\$21,959,903		\$21,959,903
3	\$21,440,463		\$21,440,463
4	\$20,921,024		\$20,921,024
5	\$20,401,584		\$20,401,584
6	\$19,882,144	\$1,146,213	\$21,028,357
7	\$19,362,704	\$1,121,296	\$20,484,000
8	\$18,843,264	\$1,096,378	\$19,939,642
9	\$18,323,825	\$1,071,460	\$19,395,285
10	\$17,804,385	\$1,046,543	\$18,850,928
11	\$17,284,945	\$1,021,625	\$18,306,570
12	\$16,765,505	\$996,707	\$17,762,212
13	\$16,246,065	\$971,790	\$17,217,855
14	\$15,726,626	\$946,872	\$16,673,498
15	\$15,207,186	\$921,954	\$16,129,140
16	\$14,687,746	\$897,036	\$15,584,782
17	\$14,168,306	\$872,119	\$15,040,425
18	\$13,648,866	\$847,201	\$14,496,067
19	\$13,129,427	\$822,283	\$13,951,710
20	\$12,609,987	\$797,366	\$13,407,353
21	\$12,090,547	\$772,448	\$12,862,995
22	\$11,571,107	\$747,530	\$12,318,637
23	\$11,051,667	\$722,613	\$11,774,280
24	\$10,532,228	\$697,695	\$11,229,923
25	\$10,012,788	\$672,777	\$10,685,565

Year 1 begins with the In-Service Date