

**AMENDED AND RESTATED
NATURAL GAS SERVICE AGREEMENT**

This Agreement is made and entered into as of this 18th day of February, 2016, by and between Peoples Gas System, a division of Tampa Electric Company, a Florida corporation ("Peoples") and the City of Clearwater, a Florida municipality, (the "City"). Peoples and the City are sometimes referred to hereinafter individually as a "party", or collectively as the "parties".

Whereas, the City desires to sell natural gas to Peoples, and Peoples desires to purchase natural gas from the City, in order to supply gas via connection points at various territorial boundaries, to include a connection point located at the intersection of Ulmerton Road and Seminole Boulevard in Largo, Florida (the "Largo Connection Point"), a connection point along U.S. Hwy 19 in Pasco County (the "US19/Stone Rd Connection Point"), a connection point along Gulf Boulevard in Pinellas County (the "Redington/Madeira Connection Point"),and a future connection point along State Road 54 in Pasco County (the "Asturia Connection Point"), the descriptions of which are attached to this agreement, and incorporated herein as Exhibits "A", "B" and "C" and "F", respectively, and any other connection points as may be agreed upon between the Parties in an executed amendment hereto; and

Whereas, Peoples desires to sell natural gas to the City, and the City desires to purchase natural gas from Peoples, in order to supply gas via connection points at various territorial boundaries, to include a connection point located at the intersection of Ulmerton Road and Seminole Boulevard in Largo, Florida (the "Largo Connection

Point"), a connection point along U.S. Hwy 19 in Pasco County (the "US19/Stone Rd Connection Point"), a connection point along Gulf Boulevard in Pinellas County (the "Redington/Madeira Connection Point"), a transportation connection in the vicinity of Little Road and State Road 52 in Pasco County (the "Little Road Connection Point"), a connection point located inside Peoples' gate/distribution station on Hayes Rd, North of State Road 52 (the "Central Pasco Connection Point"), and a future connection point along State Road 54 in Pasco County (the "Asturia Connection Point"), the descriptions of which are attached to this agreement, and incorporated herein as Exhibits "A", "B", "C", "D", "E" and "F", respectively, and any other connection points as may be agreed upon between the parties in an executed amendment hereto;

Now, therefore, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The above recitals are true and correct and are incorporated herein as if restated in their entirety.
2. The City agrees to purchase and Peoples agrees to supply the City natural gas service under rate schedule Wholesale Service (WHS), at a non-jurisdictional rate equal to \$0.14934 per therm. No other otherwise applicable customer charges or clause charges will apply (with the exception of Peoples' Purchased Gas Adjustment Clause). If the annual therm consumption at a specific connection point qualifies for a lower service rate, to the City shall be transferred to such rate schedule and

charged accordingly. The City will also pay the applicable Purchased Gas Adjustment for commercial service as may be charged from time to time. Peoples further agrees to supply gas at a pressure not to exceed 60 p.s.i.g. The City agrees to pay Peoples' invoices for gas delivered by Peoples pursuant to this Agreement within twenty (20) days after receipt of such invoices.

3. Peoples agrees to purchase and the City agrees to supply Peoples natural gas service on a non-jurisdictional rate equivalent to that which the City is paying to Peoples plus the City's applicable Purchased Gas Adjustment for commercial service. The City further agrees to supply gas at a pressure not to exceed 60 p.s.i.g. Peoples agrees to pay the City's invoices for gas delivered by the City pursuant to this Agreement within twenty (20) days after receipt of such invoices.
4. At such time as additional connection points are agreed to by the parties, the additional connection points shall be incorporated into an executed, written amendment hereto in the form of an Exhibit. With respect to future connection points, any amendment to this Agreement shall document the Party responsible for providing any necessary facilities, for maintaining such facilities, and for metering the gas sold by one Party to the other.
5. The parties agree to comply with all applicable Federal, State, and local laws, regulations and ordinances with respect to each party's obligations hereunder.
6. The initial term of this Agreement shall be for ten (10) years, commencing on the date upon which this Agreement has been executed by both parties (the "Effective

Date”), and shall automatically renew for one (1) year periods thereafter unless a party terminates this Agreement as provided herein. This Agreement is terminable at will by either party, provided that the party terminating the Agreement gives written notice to the other party not less than one-hundred twenty (120) days prior to the date of termination. In addition, the (i) failure by either party to make any payment required to be made hereunder, with such failure shall continuing for five (5) days after receipt of written notice from the other party of such failure, or (ii) failure by either party to comply in any material respect with any material provision of this Agreement (other than a failure specified in clause (i)), with such failure shall continuing for thirty (30) days after receipt of written notice thereof has been given to the other party, shall constitute an Event of Default hereunder as to the non-performing party. Upon the occurrence and continuation of an Event of Default, the non-defaulting party may, at its option and in addition to and cumulative to any other rights and remedies it may have hereunder, at law, in equity, or otherwise, terminate this Agreement on five (5) days written notice to the defaulting party; provided, however, in the case of an Event of Default specified in clause (ii) above, if the defaulting party has, during the thirty-day cure period, initiated and diligently pursued action to cure the Event of Default, and the time necessary to effect such cure exceeds such thirty-day period, the defaulting party shall be provided reasonable, industry-standard time to complete its cure of the default. No waiver by the non-defaulting party of full performance of this Agreement by the defaulting party in any one or more instances shall be deemed a waiver of the right to require full and complete performance of the obligations under this Agreement thereafter or

of the right to terminate this Agreement according to the terms of this section.

7. Indemnification and Limitation of Liability. The City shall at all times indemnify, defend and hold Peoples harmless from or on account of claims, losses, injuries or damages, received or sustained by any person or persons during or on account of any negligent work or operations engaged in by City in connection with the services provided pursuant to this Agreement; or by or in consequence of any negligence, excluding the sole negligence of Peoples, in connection with same; or by or on account of the use of any improper materials or by or on account of any negligent act or omission of City, its agents, servants, or contractors. City agrees to defend, indemnify and save harmless Peoples against liability arising from or based upon any violation of any Federal, State, County or Municipal law, ordinance or regulation by City, its agents, servants, employees or contractors. This indemnification provision obligates the City to defend Peoples from any liability claims and all suits and actions that may be brought against Peoples resulting from the sole negligence of City. City shall provide for Peoples defense with outside counsel reasonably acceptable to City by paying for all attorneys' fees, costs and trial expenses. City's obligation to defend Peoples for the acts or omissions of City, its servants, employees or contractors shall be limited to the extent provided in § 768.28, Florida Statutes. Notwithstanding anything to the contrary contained herein, this indemnification provision shall not be construed as a waiver of any immunity from or limitation of liability to which City is entitled pursuant to §768.28, Florida Statutes. Furthermore, this provision is not intended to nor shall it be interpreted as limiting or in any way affecting any defense City may have under § 768.28, Florida Statutes and is not intended to and shall not be

interpreted to alter the extent of City's waiver of sovereign immunity under § 768.28, Florida Statutes. The parties to this Agreement specifically agree to be fully responsible for their own acts of negligence and for the acts of negligence of their respective agents when acting within the scope of their employment, and agree to be liable for any damages resulting from said negligence. Nothing herein shall be construed as consent by either party to be sued by third parties in any manner arising out of this Agreement.

Peoples shall at all times indemnify, defend and hold the City harmless from or on account of any claims, losses, injuries or damages, received or sustained by any person during or on account of any negligent work or operations engaged in by Peoples in connection with the services provided pursuant to this Agreement; or by or in consequence of any negligence, excluding the sole negligence of City, in connection with same; or by or on account of the use of any improper materials or by or on account of any negligent act or omission of Peoples, its agents, servants, or contractors. Peoples agrees to defend, indemnify and save harmless City against liability arising from or based upon any violation of Federal, State, County or Municipal law, ordinance or regulation by Peoples, its agents, servants, employees or contractors. This indemnification provision obligates Peoples to defend City from any and all liability claims and all suits and actions that may be brought against City resulting from the sole negligence of Peoples. Peoples shall provide for City's defense with outside counsel reasonably acceptable to Peoples by paying for all attorneys' fees, costs and trial expenses.

8. IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, AND/OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT IT WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED.

IN NO EVENT SHALL PEOPLES' AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED AN AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF PAYMENTS MADE BY CITY TO PEOPLES OVER THE TWELVE CALENDAR MONTHS PRECEDING SUCH OBLIGATION TO PAY.

THE LIMITATION OF LIABILITY PROVISIONS SET FORTH IN THIS SECTION SHALL APPLY EVEN IF THE NON-BREACHING PARTY'S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

Each party acknowledges and agrees that the parties entered into the Agreement in reliance upon the limitations of liability set forth in this Section, that the same reflect an allocation of risk between the parties (including the risk that a contract remedy may fail of its essential purpose and cause consequential loss), and that the same form an essential basis of the bargain between the parties.

9. Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered by hand, delivered by recognized overnight courier (such as Federal express) or received by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed as follows:

If to Peoples:	Peoples Gas System Attn: Vice-President, Operations 702 North Franklin Street Tampa, FL 33602
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with copy to: Peoples Gas System
Attn: General Counsel
702 North Franklin Street
Tampa, FL 33602
(813) 228-1328

If to Clearwater Gas: Clearwater Gas System
Attn: Gas System Managing Director
400 North Myrtle
Avenue
Clearwater, FL 33755
(727) 562-4901

with copy to: Office of City Attorney
Attn: City Attorney
P.O. Box 4748
Clearwater, FL 33758
(727)562-4010

Notices personally delivered or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given on the date of delivery, provided the return receipt is received.

10. Construction. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Florida. Each party to this Agreement has participated fully in the negotiation and preparation hereof and, accordingly; this Agreement shall not be more strictly construed against either of the parties hereto. In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular and the use of any gender shall be held to include every other gender.

11. Captions. The captions of the various paragraphs of this Agreement are inserted for the purpose of convenient reference only and shall not affect the construction or interpretation to be given any of the provisions hereof or be deemed in any manner to define, limit, modify or prescribe the scope or intent of this Agreement or any

provision hereof.

12. Severability. If any term or provision of this Agreement shall be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed with full force and effect.
13. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all counterparts shall together constitute one and the same instrument.
14. Assignability. Any entity which shall merge or consolidate with either party, or acquire by purchase substantially all of the assets of either party, shall be subject to the obligations of its predecessor under this Agreement, and either party may assign this Agreement to such successor-in-interest or Affiliate provided such assignee assumes in writing the obligations of its predecessor hereunder. Except as set forth in this paragraph, neither party shall assign this Agreement, or its rights and obligations hereunder, without the prior written consent of the other party, and no assignment or transfer of this Agreement shall relieve either party of any obligations to the other party incurred prior to such assignment or transfer. For purposes of this Agreement, the term "Affiliate" shall mean any entity that controls, is controlled by, or is under common control with Peoples.
15. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties and may not be changed, altered or modified except by and instrument in writing signed by the Parties. This Agreement shall be binding

upon the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, this agreement is executed as of the 18th day of February, 2016.

Countersigned: CITY OF CLEARWATER, FLORIDA

George N. Cretekos
Mayor

By: _____
William B. Horne II
City Manager

Approved as to form:

Attest:

Laura Mahony
Assistant City Attorney

Rosemarie Call
City Clerk

**PEOPLES GAS SYSTEM, a division of
TAMPA ELECTRIC COMPANY**

By: 

Gordon L. Gillette
President

Exhibit A

Natural Gas Service Agreement Between Clearwater Gas System & Peoples Gas System Largo Connection Point


Peoples Gas System (PGS) installed, owns, operates and is responsible for maintaining this facility, which is depicted on the attached diagram.

The facility includes a meter assembly, which permits PGS to access gas from Clearwater Gas System (CGS) to maintain service reliability to its customers. Valves at this meter can also be adjusted to provide a backup feed to CGS from PGS, even though this was not the primary reason for the interconnect.

This facility is located on the northwest corner of Ulmerton Road and Starkey Road in the City of Largo.

EXHIBIT "A"

LARGO CONNECTION POINT

 **Clearwater Gas System**
Natural & Propane Gas
400 NORTH MYRTLE AVENUE
CLEARWATER, FL 33755

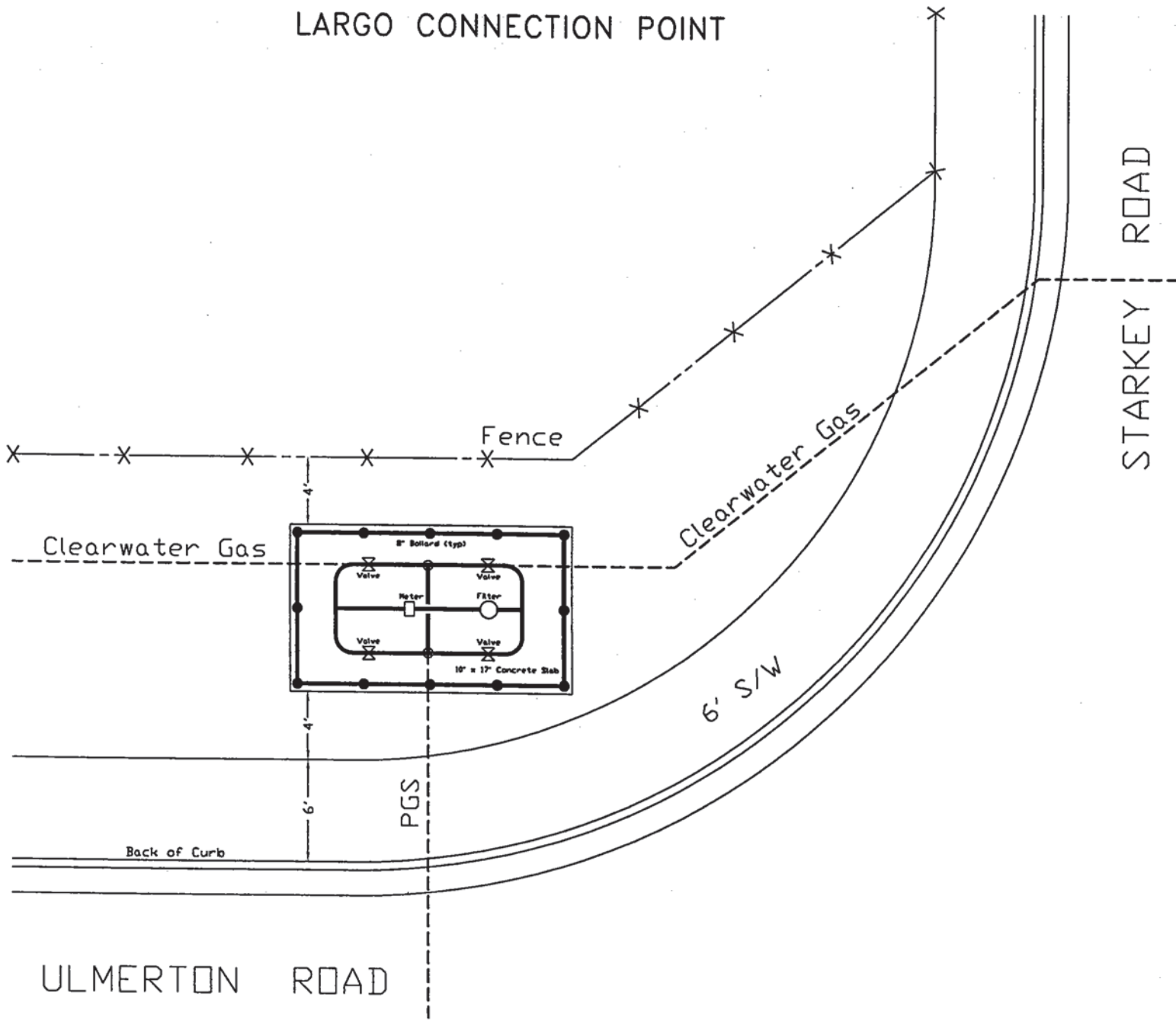


Exhibit B

Natural Gas Service Agreement Between Clearwater Gas System & Peoples Gas System U.S. 19/Stone Road Pasco Connection Point

The purpose of this transfer station is to provide for an automatic interconnect site on U.S. 19 and Stone Road in Pasco County where our systems meet with capability to automatically transfer gas to each company's system in the event there is a reduction in pressure due to various unforeseen reasons.

Clearwater Gas System (CGS) ran 180 feet of 4-inch PE (polyethylene) pipe on the east side of U.S. 19 to the north to connect with the transfer station.

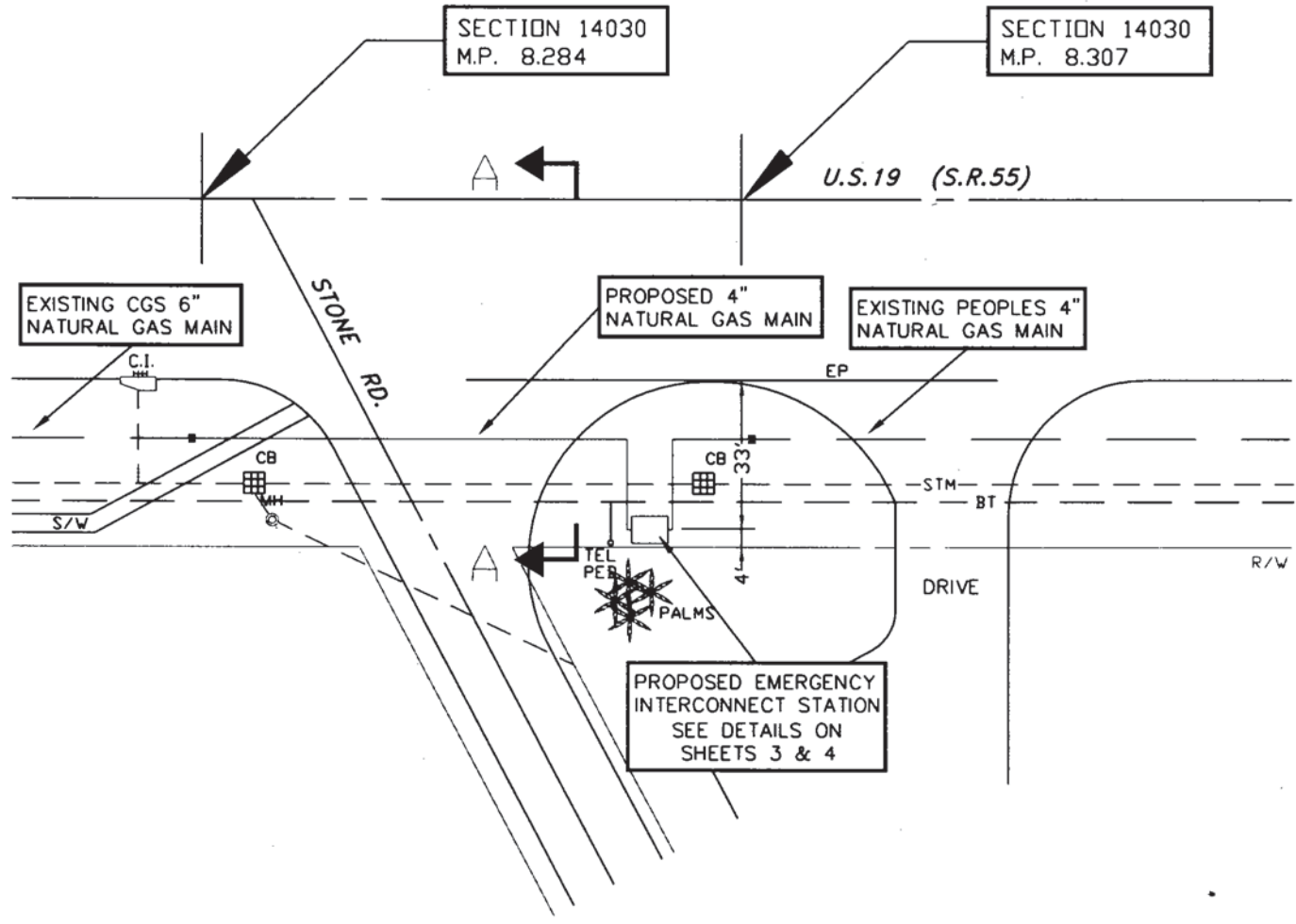
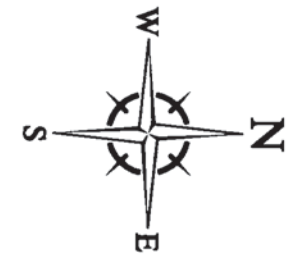
Peoples Gas System (PGS) had existing 4-inch steel main located at the northeast intersection of Stone Road and U.S. 19. PGS provided an approximate 30-foot stub out to the east to connect with the transfer station.

The transfer station is a joint venture of both companies. The pipe each company has installed on "their side" will be owned and maintained by that respective company as indicated on the attached diagram. CGS and PGS will each install and maintain their own 16m rotary displacement meters on each side of the apparatus.

Exhibit "B"

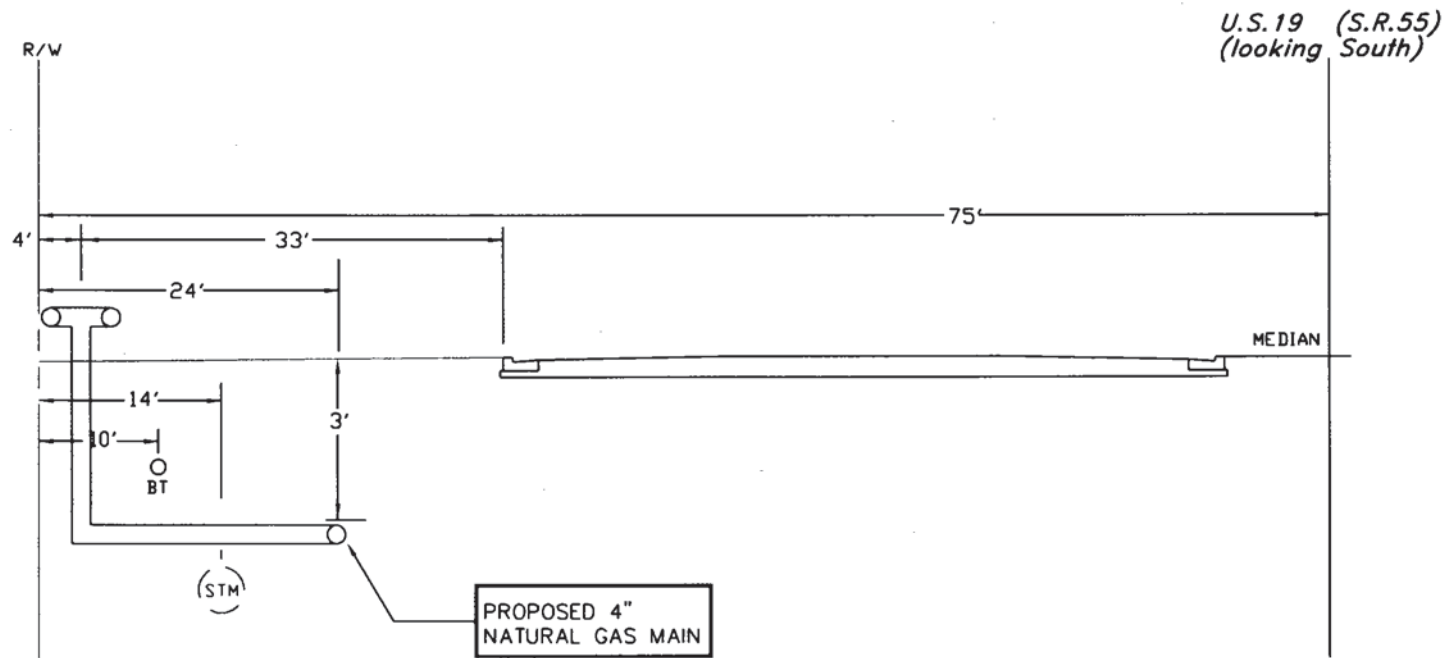
US19/Stone Rd Connection Point

Clearwater Gas System
Natural & Propane Gas
400 NORTH MYRTLE AVENUE
CLEARWATER, FL 33755



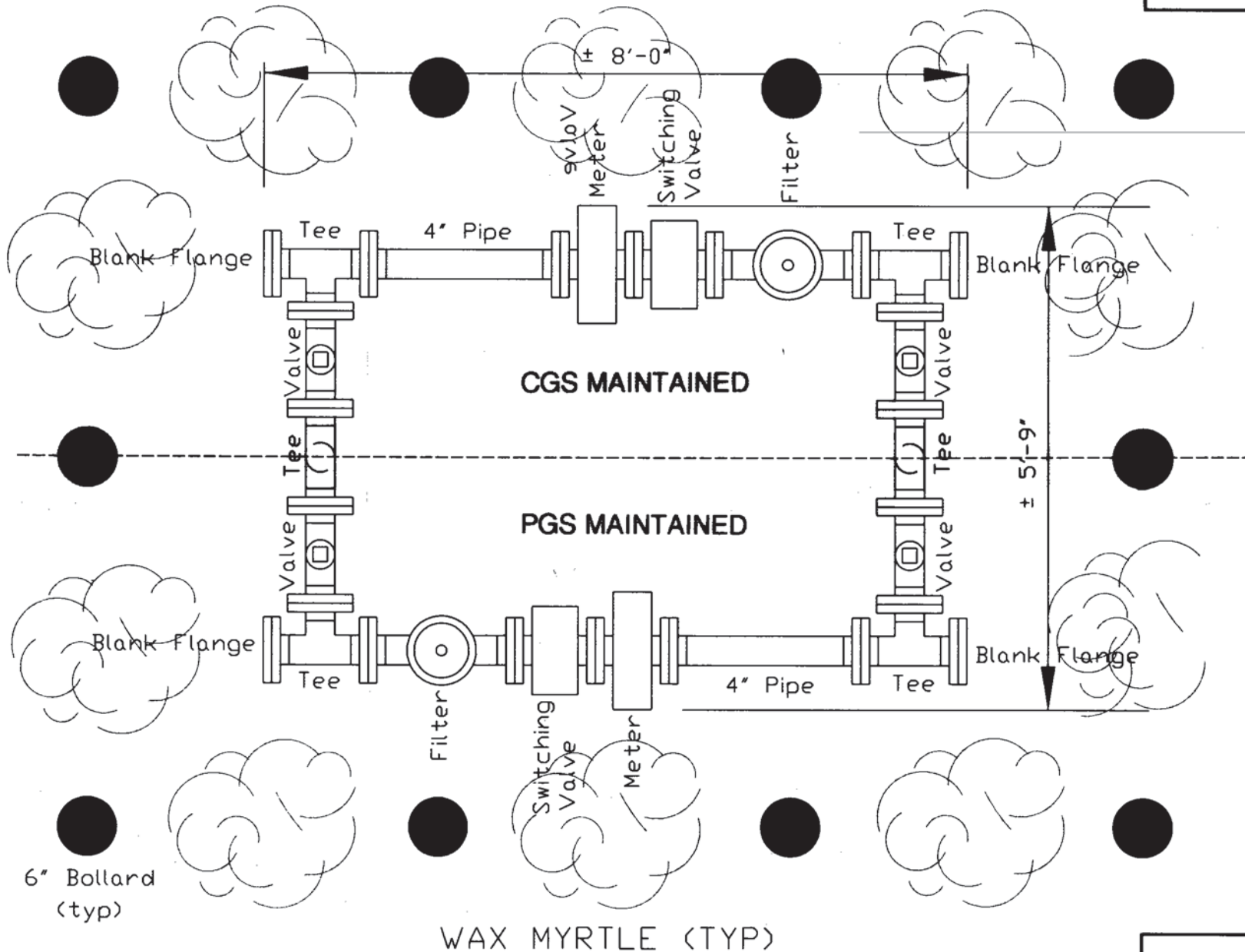
PLAN VIEW
SCALE 1" = 40'

U.S. 19/Stone Road Pasco Connection Point



SECTION A-A
NOT TO SCALE

U.S. 19/Stone Road Pasco Connection Point



6" Bollard
(typ)

WAX MYRTLE (TYP)

U.S. 19/Stone Road Pasco Connection Point

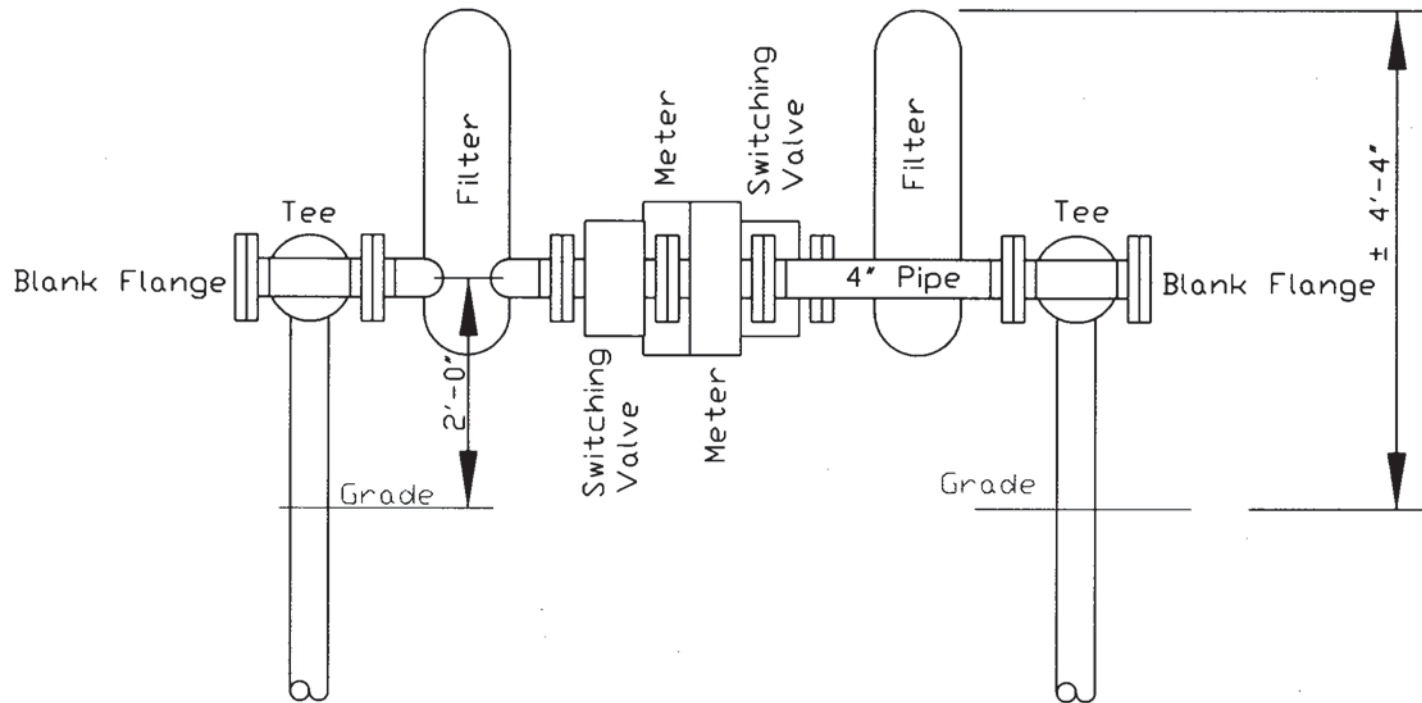


Exhibit C

Natural Gas Service Agreement Between Clearwater Gas System & Peoples Gas System Redington Beach/Madeira Beach Connection Point

The purpose of this transfer station is to provide for an automatic interconnect site located west off of Gulf Boulevard along the north right-of-way of 155th Avenue at the Redington Beach and Madeira Beach boundary where our systems meet with capability to automatically transfer gas to each company's system in the event there is a reduction in pressure due to various unforeseen reasons.

Clearwater Gas System (CGS) ran 222 feet of 4-inch PE (polyethylene) pipe on the north side of 155th Avenue to the west to connect with the transfer station. Peoples Gas System (PGS) ran 222 feet of 4-inch PE (polyethylene) pipe on the north side of 155t Avenue to the west to connect with the transfer station.

The transfer station is a joint venture of both companies. The pipe each company has installed on "their side" will be owned and maintained by that respective company as indicated on the attached diagram. CGS and PGS will each install and maintain their own 1 1/2 inch rotary displacement meters on each side of the apparatus.

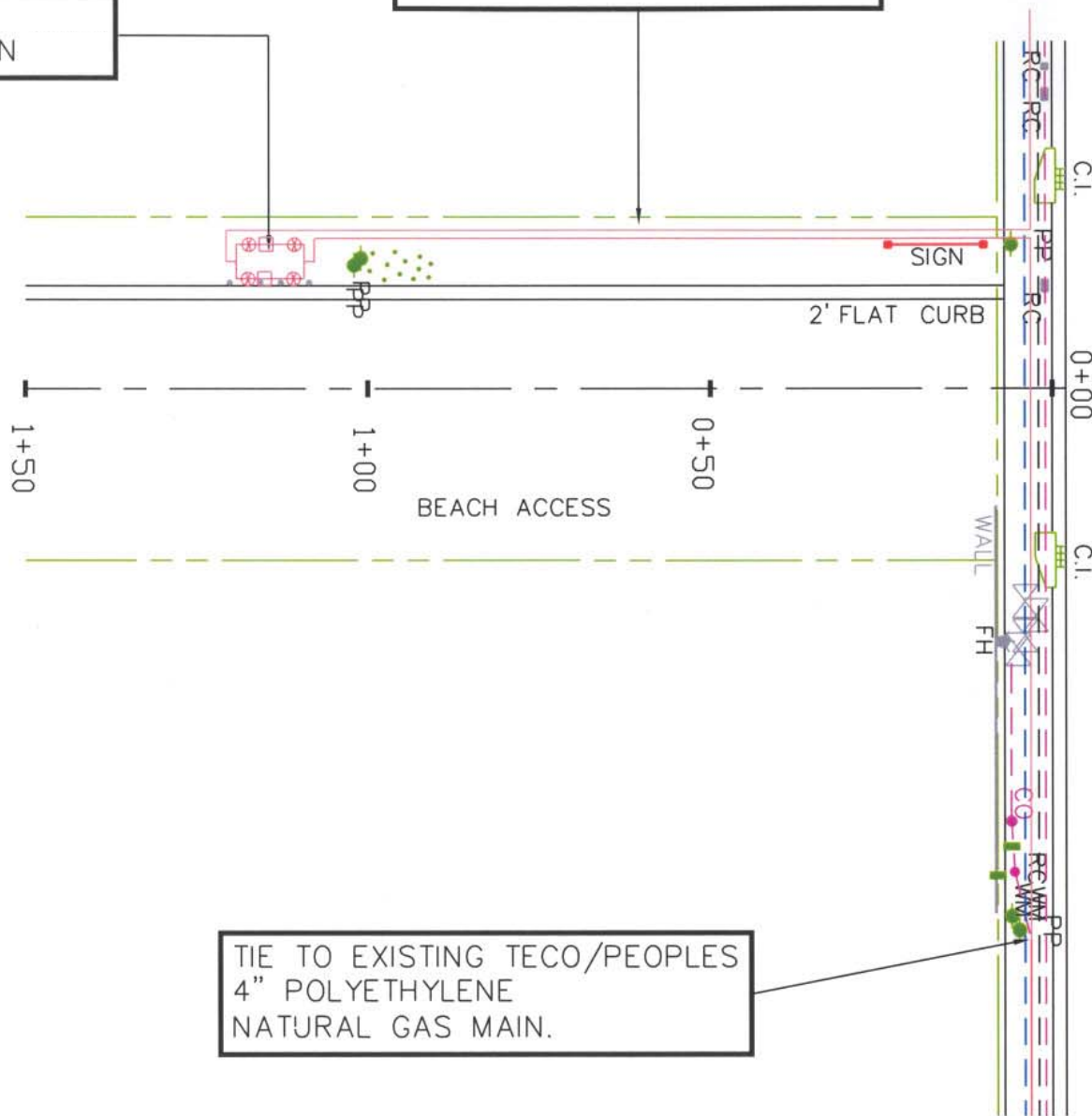
Exhibit "C"

Redington/Maderia Connection Point



LOCATION OF
TRANSFER STATION

4" POLYETHYLENE
NATURAL GAS MAINS.



GULF BOULEVARD

TIE TO EXISTING TECO/PEOPLES
4" POLYETHYLENE
NATURAL GAS MAIN.

JANUARY 31, 2003

SHEET 1 OF 2

EXHIBIT "C"

Exhibit D
Natural Gas Service Agreement Between
Clearwater Gas System & Peoples Gas
System
Little Road Connection Point


The initial purpose of this connection point is to provide transportation gas from Peoples Gas System (PGS) to a Clearwater Gas System (CGS) customer, Empire Distillery & Winery located at 11807 Little Road. This customer is in the CGS service territory but is closer to the PGS main lines. PGS will provide the gas under this agreement and CGS will bill the customer. In the future, additional CGS customers may be served off this connection point.

PGS installed one six-inch turbine meter to measure consumption of natural gas thru the connection point. This meter is connected to their existing 2" PE (polyethylene) pipe and PGS maintains this meter.

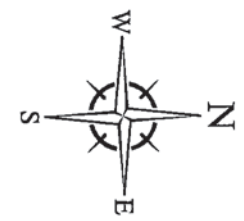
CGS installed 300 feet of 6" PE pipe located on the west side of Little Road, south from State Road 52. CGS also installed 380 feet of 2" PE service line west from 165 feet south of Teak Road as shown on Exhibit D diagram.

EXHIBIT "D"

LITTLE ROAD CONNECTION POINT



Clearwater Gas System
Natural & Propane Gas
400 NORTH MYRTLE AVENUE
CLEARWATER, FL 33755



NOT TO SCALE

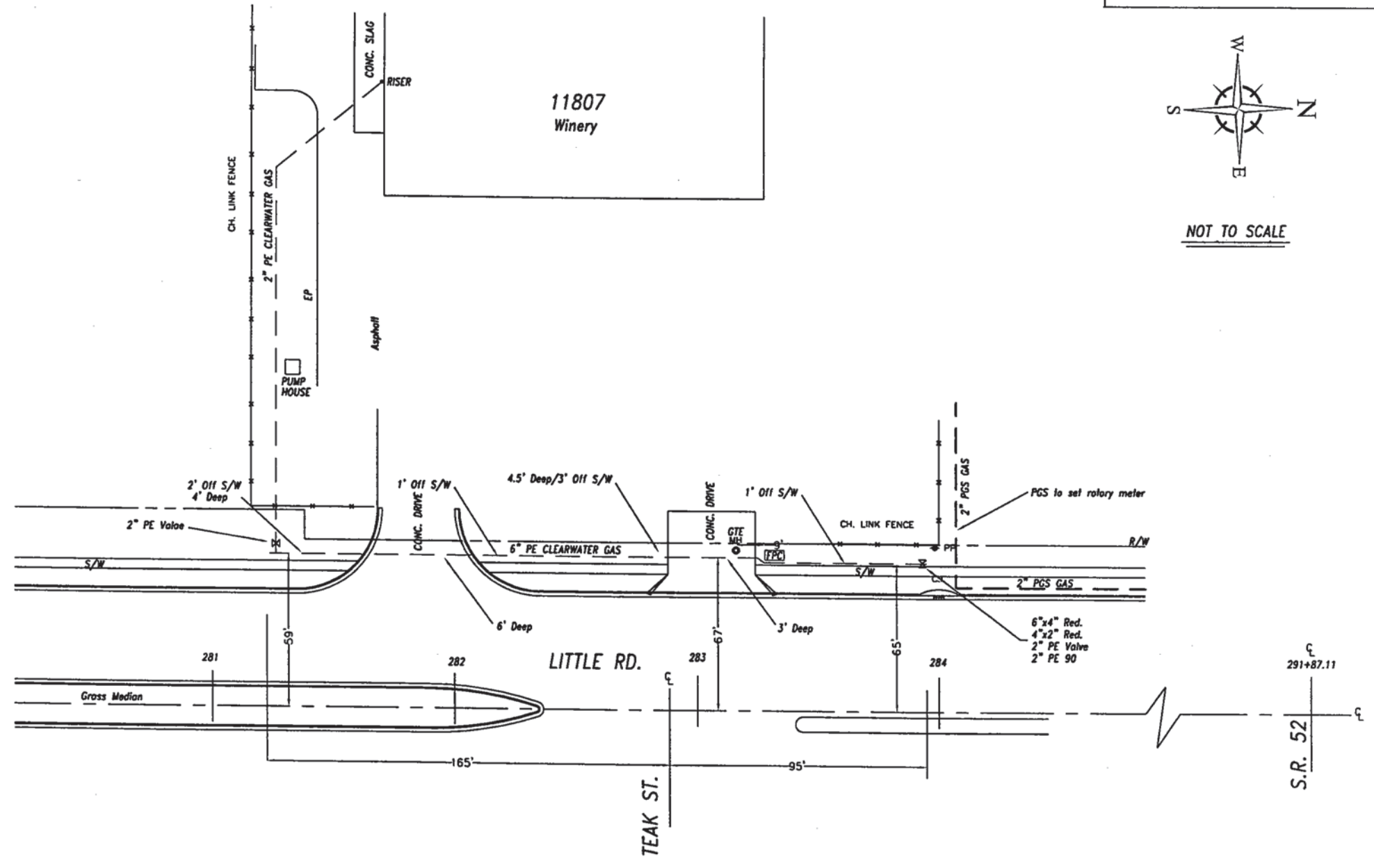


Exhibit E
Natural Gas Service Agreement Between
Clearwater Gas System & Peoples Gas
System
Central Pasco Connection Point

The purpose of this connection point is to provide a continuous gas supply feed from Peoples' gate/distribution station located on Hayes Rd, North of State Road 52. Gas supplied from this connection point will serve CGS's customers generally located east of the Suncoast Parkway in Central Pasco.

Exhibit F
Natural Gas Service Agreement Between
Clearwater Gas System & Peoples Gas
System
Asturia Connection Point

The purpose of this transfer station is to provide for an automatic interconnect site located in the right-of-way on the north side of State Road 54 in Pasco County, where CGS and PGS distributions systems meet, with capability to automatically transfer gas to each company's system in the event there is a reduction in pressure due to various unforeseen reasons.

Peoples Gas System (PGS) extended a 6-inch polyethelyne (PE) main up to the CGS/PGS territory boundary on State Road 54. PGS provided an approximate 10-foot stub out to connect to the transfer station.

The transfer station is a joint venture of both companies. The pipe each company has installed on "their side" will be owned and maintained by that respective company as indicated on the attached diagram. CGS and PGS will each install and maintain their own meters on each side of the apparatus.

Exhibit F

Astoria Connection Point

PEOPLES GAS/ CLEARWATER GAS INTERCONNECT ON SR 54 IN FRONT OF ASTURIA SUBDIVISION

DISTRIBUTION SKETCH, DATED JAN. 7, 2016

