

**SERVICE AGREEMENT**  
**Firm Transportation Service-Market Area**  
**Rate Schedule FTS-1**  
**Contract No. 107352**

THIS AGREEMENT entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and CITY OF CLEARWATER (herein called "Shipper"),

**W I T N E S S E T H**

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

**ARTICLE I**

**Definitions**

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-1, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-1" shall mean Transporter's Rate Schedule FTS-1 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 5.2 hereof or in compliance with any final FERC order affecting such rate schedule.

1.2 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

**ARTICLE II**

**Quantity**

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth on a seasonal basis, and by Division if applicable, on Exhibit B attached hereto. The applicable MDTQ shall be the largest daily quantity of gas expressed in MMBtu, that Transporter is obligated to transport and make available for delivery to Shipper under this Service Agreement on any one day.

2.2 During the term of this Agreement, Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each receipt point as set out on Exhibit A, plus Transporter's fuel, if applicable, and to transport and make available for delivery to Shipper at each Delivery Point specified on Exhibit B, up to the amount scheduled by Transporter less Transporter's fuel, if applicable (as provided in Rate Schedule FTS-1), provided however, that Transporter shall not be required to accept for transportation and make available for delivery more than the MDTQ on any day.

**ARTICLE III**

**No Notices Transportation Service**

To the extent that Shipper has subscribed for No Notice Transportation Service within its FTS-1 MDTQ, such level of No Notice Transportation Service subscribed for is set forth on the NNTS Addendum to this FTS-1 Service Agreement. Such No Notice Transportation Service shall be provided in accordance with the terms and conditions of Rate Schedule NNTS, and within Shipper's MDTQ under this FTS-1 Service Agreement.

**ARTICLE IV**

**Payment and Rights in the Event of Non-Payment**

4.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-1 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

4.2 Termination for Non-Payment. In the event Shipper fails to pay for the service provided under this Agreement, pursuant to the condition set forth in Section 15 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall have the right to terminate this Agreement pursuant to the condition set forth in said Section 15.

**ARTICLE V**

**Rights to Amend Rates and Terms and Conditions of Service**

5.1 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

5.2 Transporter shall have the unilateral right to file with the appropriate regulatory authority and seek to make changes in (a) the rates and charges applicable to its Rate Schedule FTS-1 (b) Rate Schedule FTS-1 including the Form of Service Agreement and the existing Service Agreement pursuant to which this service is rendered; provided however, that the firm character of service shall not be subject to change hereunder by means of a Section 4 Filing by Transporter, and/or (c) any provisions of the General Terms and Conditions of Transporter's Tariff applicable to Rate Schedule FTS-1. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.

## ARTICLE VI

### Term of Agreement and Commencement of Service

6.1 This Agreement shall become effective on 02/01/2017 and shall continue in effect through 01/31/2027. In accordance with the provisions in Section 20 of the General Terms and Conditions of the Transporter's Tariff, the Shipper has elected Rollover.

6.2 In the event the capacity being contracted for was acquired pursuant to Section 18.C.2 of Transporter's Tariff, then this Agreement shall terminate on the date set forth in Section 6.1 above. Otherwise, upon the expiration of the primary term and any extension or roll-over, termination will be governed by the provisions of Section 20 of the General Terms and Conditions of Transporter's Tariff.

6.3 Service hereunder shall commence as set forth in Section 2 of Rate Schedule FTS-1.

## ARTICLE VII

### Point(s) of Receipt and Delivery and Maximum Daily Quantities

7.1 The Primary Point(s) of Receipt and maximum daily quantity for each Primary Point of Receipt, for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt on Transporter's pipeline system as set forth in Exhibit A attached hereto. In accordance with the provisions of Section 8.A. of Rate Schedule FTS-1 and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Receipt. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff.

7.2 The Primary Point(s) of Delivery and maximum daily quantity for each point for all gas made available for delivery by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery as set forth in Exhibit B and shall be in Transporter's Market Area; provided, however, that a Shipper who acquires a segment of FTS-1 capacity in the Western Division may only request new Delivery Points in Transporter's Western Division. In accordance with the provisions of Section 9.A. of Rate Schedule FTS-1 and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Delivery provided that such new requested Primary Delivery Points must be located in Transporter's Market Area; provided, however, that a Shipper who acquires a segment of FTS-1 capacity in the Western Division may only request new Delivery Points in Transporter's Western Division. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff. Transporter is not obligated to accept changes where the new Primary Delivery Point is also a delivery point under a Rate Schedule SFTS Service Agreement and the load to be served is an existing behind-the-gate customer of a Rate Schedule SFTS Shipper as defined in Section 11 of Rate Schedule SFTS.

## ARTICLE VIII

### Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to Transporter's address posted on Transporter's Internet website or to Shipper's address stated below or at any other such address as may hereafter be designated in writing:

Shipper: CITY OF CLEARWATER  
400 NORTH MYRTLE AVE  
CLEARWATER FL 33755  
Attention: BRIAN LANGILLE  
Telephone 727.562.4911; FAX 727.562.4903

## ARTICLE IX

### Construction of Facilities

To the extent that construction of new or requested facilities is necessary to provide service under this Service Agreement, such construction, including payment for the facilities, shall occur in accordance with Section 21 of the General Terms and Conditions of Transporter's Tariff.

## ARTICLE X - Not Applicable

## ARTICLE XI

### Pressure

11.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

11.2 Transporter shall have no obligation to provide compression and/or alter its system operation to effectuate deliveries at the Point(s) of Delivery hereunder.

## ARTICLE XII

### Other Provisions

## ARTICLE XIII

### Miscellaneous

13.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

13.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

13.3 This Agreement contains Exhibits A and B (and NNTS Addendum, if applicable) which are incorporated fully herein.

13.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ANY CONFLICT OF LAWS DOCTRINE WHICH WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

## ARTICLE XIV

### Superseding Prior Service Agreements

This Agreement supersedes and replaces the following Service Agreements between Transporter and Shipper: Contract No. 107352 dated 10/01/1993.

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

### TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY, LLC

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

Name: Bradley Holmes

Title: Vice President, Market Services

Date: \_\_\_\_\_

### SHIPPER

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