AUSLEY & MCMULLEN
ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

April 3, 2006

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition of Tampa Electric Company for Approval of a Standard Offer Contract for Small Qualifying Facilities and Producers of Renewable Energy; FPSC Docket No. 050810-EQ

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Second Petition for Approval of a Standard Offer Contract for Small Qualifying Facilities and Producers of Renewable Energy.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Enclosure

DOCUMENT NUMBER-DATE
02968 APR-3 06
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company for Approval of a Standard Offer Contract for Small Qualifying Facilities and Producers of Renewable Energy.	DOCKET NO. 050810-EQ FILED: April 3, 2006

TAMPA ELECTRIC COMPANY'S SECOND PETITION FOR APPROVAL OF A STANDARD OFFER CONTRACT FOR SMALL QUALIFYING FACILITIES AND PRODUCERS OF RENEWABLE ENERGY

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Sections 366.91 and 366.051, Florida Statutes, and Rule 25-17.0832, Florida Administrative Code ("F.A.C."), files this its second petition to the Florida Public Service Commission ("the Commission") to approve a new Standard Offer Contract ("Standard Offer") to include renewable energy. As grounds therefor, the company says:

1. The name, address, telephone number and facsimile number of the petitioner are:

Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-4111
(813) 228-1770 (fax)

2. Tampa Electric is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes.

3. All notices, pleadings and correspondence required to be served on the Petitioner should be directed to:

Lee L. Willis James D. Beasley Ausley & McMullen Post Office Box 391 Tallahassee, FL 32302 (850) 224-9115 (850 222-7952 (fax)	Brenda Irizarry, Coordinator Regulatory Affairs Tampa Electric Company Post Office Box 111 Tampa, FL 33601 (813) 228-1752 (813) 228-1770 (fax)

Background

4. Section 366.91, Florida Statutes, was enacted in 2005. This new law required each public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes, to offer, on or before January 1, 2006, and continue to offer continuously, a 10-year minimum purchase contract to producers of renewable energy, as renewable energy is defined in that section. Section 366.91, Florida Statutes, further states that the Commission shall establish requirements related to the purchase of capacity and energy from renewable energy producers based upon the utility's full avoided costs, as defined in Section 366.051, Florida Statutes, and that prudent and reasonable costs associated with a renewable energy contract shall be recovered from ratepayers of the contracting utility through the appropriate cost-recovery clause mechanism.

5. On October 14, 2005 Tampa Electric submitted its initial petition, with associated proposed standard offer contract ("SOC") and rate schedules to meet the new statutory requirement and provide a continuous SOC for the purchase of Firm Capacity and Energy from Small Qualifying Facilities or Facilities Fueled by Renewable Resources.

6. Tampa Electric's proposed SOC and those of the other investor-owned electric utilities ("IOUs") were considered at the Commission's December 20, 2005 Agenda Conference, after which the Commission voted to approve each of the tariffs and SOCs proposed by the IOUs, including Tampa Electric, subject to the IOUs, except for FPUC, refiling portions of their tariffs and standard offer contracts with certain agreed changes no later than December 28, 2005, for administrative approval by the Commission's Staff. Tampa Electric submitted its refiling on December 21, 2005 and obtained Staff's administrative approval for the filing to take effect January 1, 2006.

7. Protests and/or requests for hearing were subsequently filed by various non-utility entities. A workshop on the renewables standard offer contract was conducted March 6, 2006. During the workshop the four major IOUs presented a joint proposal for implementing Section 366.91, Florida Statutes, while various non-utility participants advanced other very different implementation proposals and concepts. At the conclusion of the workshop the IOUs were directed to submit new standard offer contracts for renewables by April 3, 2006. This Second Petition is submitted pursuant to that directive.

Tampa Electric's Proposed Standard Offer Contract for Renewables

8. Tampa Electric continues to believe that, with certain modifications, the SOC and accompanying rate schedule COG-2 submitted with its October 14, 2005 Petition, as modified by the company's December 21, 2005 filing, are appropriate, will encourage renewables and fully implement the legislative intent of Section 366.91, F.S., and are consistent with all of the Commission's rules governing standard offers and tariffs pursuant to Rule 25-17.0832(4)-(6), F.A.C. The company's proposal represents a balanced approach that will foster the development of renewable energy in Florida and at the same time preserve the interests of Tampa Electric's customers in having electric rates that are fair and reasonable. Accordingly, Tampa Electric adopts and incorporates herein by reference the justifications set forth in its first Petition in this docket and the SOC and rate schedule COG-2 that accompanied that Petition, as modified by the company's December 21, 2005 filing, and subject to the modifications discussed below.

Modifications to the SOC and Rate Schedule COG-2
That Accompanied Tampa Electric's First Petition

9. Subsequent to the Commission's approval of Tampa Electric's current SOC and rate schedule COG-2, certain changes have been made to the company's ten-year site plan. Tampa Electric is this date filing a new ten-year site plan. While the avoided unit in the new ten-

year site plan remains a combustion turbine ("CT"), it is a different CT than the one on which the company's current SOC and rate schedule COG-2 are based. The avoided CT identified in the company's current SOC and rate schedule COG-2 has a winter capacity of 180 MW with capital costs and operating parameters characteristic of a General Electric 7-F machine. The proposed avoided CT contained in the attached revised SOC and rate schedule COG-2 is based on the General Electric LMS100, a 97 MW (winter rating) high efficiency gas turbine which is the type unit contained in that newly filed ten-year site plan.

10. Significant differences in the capital costs and operating characteristics between the two avoided CTs necessitate the modification of nine of the individual tariff sheets that accompanied Tampa Electric's initial petition in this docket, as amended by the company's December 21, 2005 supplemental filing for administrative approval. Attached hereto as Composite Exhibit A are the nine affected tariff sheets, with the index of Exhibit A briefly describing the nature of the revisions to each of the nine tariff sheets.

11. Another modification made by Tampa Electric addresses the subscription limit. In the originally filed SOC a 10 MW subscription limit was imposed. This has been modified in this new SOC and COG-2 to reflect the entire 97 MW capacity of the avoided unit.

12. As a final modification, Tampa Electric has revised the closure date from June 1, 2006 to June 1, 2007. In its refiled December 21, 2005 SOC and COG-2 tariffs, the company included a June 1, 2006 closure date as directed by the Commission at the preceding agenda conference. In this filing, the company has revised the closure date to June 1, 2007 reflecting the proposal the IOUs made at the March 6, 2006 workshop. That proposal provided that the tariffs would be put into effect for a year. If, during that year, a change was made to any IOU ten-year site plan such that the avoided unit used for the SOC and COG-2 changed, then the utility would make a filing with the Commission to change it. If that happened when the next ten-year site

plan was to be filed on its usual annual basis in April, the same would occur. The June 1, 2007 date assures that if that happens in 2007 there would be a renewable standard offer open pending Commission action on any change that might be filed that April. If no change in avoided unit is shown by the April 2007 filing of the ten-year site plan, Tampa Electric would request that the Commission authorize the Commission Staff to administratively approve a change in the closure date at that time to 2008, and that this process would continue each year for the renewable standard offer.

Procedural Considerations

13. During the course of the March 6 workshop in this proceeding, an issue was raised as to whether a rulemaking proceeding would be necessary in order to develop an appropriate renewables standard offer contract methodology. If the Commission and the other participants in this docket accept as reasonable and appropriate the standard offer contract methodology proposed by Tampa Electric herein, then from Tampa Electric's perspective it should be possible to avoid the need for rulemaking. However, if the Commission deems it necessary to pursue some other materially different alternative or approach, such as one of those discussed and/or proposed in that workshop, then Tampa Electric does not see how such an alternative can be properly accommodated in the renewable standard offer contract outside the context of a rulemaking.

14. Tampa Electric is not aware of any disputed issues of material fact relative to the subject matter of this second petition.

WHEREFORE, Tampa Electric respectfully requests that the Commission grant this Second Petition for approval of the company's proposed SOC and revised COG-2 tariff that accompanied Tampa Electric's October 14, 2005 Petition in this docket, as modified in the revised tariff sheets contained in Composite Exhibit A hereto.

DATED this 5th day of April 2006.

Respectfully submitted,

LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition, filed on behalf of Tampa Electric Company, has been served by hand delivery(*) or U. S. Mail on this 3rd day of April 2006 to the folllowing:

Mr. Wm. Cochran Keating IV
Staff Counsel
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. William C. Henry
Burke Law Firm
P. O. Box 70
Panama City FL 32402

Mr. Richard A. Zambo
Richard A. Zambo, P.A.
2336 S.E. Ocean Boulevard, #309
Stuart, FL 34996

ATTORNEY

EXHIBIT A

INDEX

TARIFF SHEET NO.	REVISION
8.200	Document title, closure date, avoided unit description, and subscription limit
8.205	Subscription limit
8.210	Avoided unit description and subscription limit
8.225	Capacity payments
8.355	Avoided unit description and parameter values
8.360	Avoided unit parameter values
8.365	Avoided unit description and subscription limit
8.390	Avoided unit heat rate
8.475	Document Title, closure date, avoided unit description, and subscription limit

STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY FROM SMALL QUALIFYING FACILITIES OR FACILITIES FUELED BY RENEWABLE SOURCES

(Expires June 1, 2007)

SCHEDULE: COG-2, Firm Capacity and Energy

AVAILABLE: Tampa Electric Company, herein after referred to as the "Company," will purchase Firm Capacity and Energy offered by any qualifying facility or facility utilizing renewable fuel or process waste heat to which a Standard Offer Contract is available under Chapter 366.91 Florida Statutes (F.S) and Florida Public Service Commission (FPSC) Rule 25-17.0832(4)(a), Florida Administrative Code (F.A.C.). Unless specifically referred to, small "qualifying facilities" and "renewable" facilities may jointly be referred to as "QFs." The Company has designated a 97 MW (winter rating) natural gas fired combustion turbine generating unit with an in-service date of January 1, 2009, as its next Designated Avoided Unit. Until such time as the Designated Avoided Unit subscription limits have been fully and acceptably subscribed or the term of the Company's Standard Offer Contract has expired, the Company will accept Firm Capacity and Energy offered by any QF under the provisions of this schedule.

The Company will negotiate and may contract with any qualifying facility as defined in Chapter 366.91 F. S. and FPSC Rule 25-17.080, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company, for the purchase of Firm Capacity and Energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers.

APPLICABLE: To any QF to which Standard Offer Contracts are available under Chapter 366.91 F. S. and FPSC Rule 25-17.0832(4)(a), F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's Standard Offer Contract or a separately negotiated contract.

Continued to Sheet No. 8.205

Continued from Sheet No. 8.200

Firm Capacity and Energy are described in FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF pursuant to a negotiated or Standard Offer Contract and subject to certain contractual provisions as to quantity, time and reliability of delivery. Criteria for achieving qualifying facility or renewable facility status shall be those set out in Chapter 366.91 F.S. and FPSC Rules 25-17.080, 25-17.082(4)(a), and 25-17.091, F.A.C., as applicable.

CHARACTER OF SERVICE: Purchases within the territory served by the Company shall be, at the option of the Company, single or 3-phase, 60 Hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be 3-phase, 60 Hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering Firm Capacity and Energy from the qualifying facility or municipal solid waste facility.

LIMITATIONS: Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System," "NERC Planning Standards," September 1997, [Copyright @ 1997 by the North American Electric Reliability Council] that are applicable to generation and transmission facilities which are connected to, or being planned to be connected to the Company's transmission system (document provided upon request) and to FPSC Rules 25-17.080 through 25-17.091, F.A.C. and are limited to those QFs which are defined by FPSC Rule 25-17.082(4)(a), F.A.C. and which:

1. execute a Company Standard Offer Contract by the closure of the open-season and evaluation period defined herein, for the Company's purchase of Firm Capacity and Energy; and

2. commit to commence deliveries of Firm Capacity and Energy no later than January 1, 2009, and to continue such deliveries through December 31, 2018 and

3. provide capacity that would not exceed 97 MW, the winter capacity rating of the avoided unit.

RATES FOR PURCHASES BY THE COMPANY: Firm Capacity and Energy are purchased at unit costs, in dollars per kilowatt per month ($/kW/month) and cents per kilowatt-hour (¢/kWh), respectively, based on the value of deferring additional Company generating capacity.

Continued to Sheet No. 8.210

Continued from Sheet No. 8.205

For the purpose of this schedule, the Avoided Unit has been designated by the Company as a 97 MW (winter rating) combustion turbine generating unit with an in-service date of January 1, 2009. Appendix A of this schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's Standard Offer Contract pursuant to FPSC Rules 25-17.080 through 25-17.091, F.A.C.

1. **Firm Capacity Rates:** Four options (i.e. Options 1, 2, 3, and 4, as set forth below) are available for payment of Firm Capacity which is produced by the QF and delivered to the Company. Once selected, the selected option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown on sheets following this section, contain the monthly rate per kilowatt (kW) of Firm Capacity the QF has contractually committed to deliver to the Company and are based on a contract term which extends 10 years beyond the in-service date of the Designated Avoided Unit (i.e., through December 31, 2018). Payment schedules for longer contract terms will be made available to a QF upon request and may be calculated based on the methodologies described in Appendix A. At a maximum, Firm Capacity and Energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the in-service date of the Designated Avoided Unit.

Option 1 - Value of Deferral Capacity Payments: Value of Deferral Capacity Payments shall commence on January 1, 2009, the in-service date of the Designated Avoided Unit, provided the QF is delivering Firm Capacity and Energy to the Company in accordance with the Minimum Performance Standards (MPS) as described in Appendix C. Capacity payments under this option shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with FPSC Rule 25-17.0832, F.A.C., as described in Appendix A.

Continued to Sheet No. 8.215

Continued from Sheet No. 8.220

UNIT TYPE: 97 MW (Winter Rating) COMBUSTION TURBINE (IN-SERVICE 1/1/2009)
MONTHLY CAPACITY PAYMENT RATE $/kW/MONTH

CONTRACT YEAR FROM	TO	OPTION 1 NORMAL PAYMENT STARTING 1/1/2009 $/kW/MO	OPTION 2 EARLY PAYMENT STARTING 1/1/2008 $/kW/MO	OPTION 2 EARLY PAYMENT STARTING 1/1/2007 $/kW/MO	OPTION 3 LEVELIZED PAYMENT STARTING 1/1/2009 $/kW/MO	OPTION 4 EARLY LEVELIZED PAYMENT STARTING 1/1/2008 $/kW/MO	OPTION 4 EARLY LEVELIZED PAYMENT STARTING 1/1/2007 $/kW/MO
1/1/07	12/31/07	-	-	4.33	-	-	4.78
1/1/08	12/31/08	-	5.01	4.43	-	5.49	4.79
1/1/09	12/31/09	5.85	5.13	4.53	6.35	5.50	4.80
1/1/10	12/31/10	5.98	5.25	4.64	6.36	5.51	4.80
1/1/11	12/31/11	6.12	5.37	4.75	6.37	5.51	4.81
1/1/12	12/31/12	6.26	5.49	4.86	6.38	5.52	4.82
1/1/13	12/31/13	6.41	5.62	4.97	6.39	5.53	4.82
1/1/14	12/31/14	6.55	5.75	5.08	6.40	5.54	4.83
1/1/15	12/31/15	6.70	5.88	5.20	6.41	5.55	4.84
1/1/16	12/31/16	6.86	6.02	5.32	6.42	5.55	4.84
1/1/17	12/31/17	7.02	6.16	5.44	6.43	5.56	4.85
1/1/18	12/31/18	7.18	6.30	5.57	6.44	5.57	4.86

2. **Energy Payment Rates:**

a. **Payments Prior to January 1, 2009**: The As-Available Energy Payment Rate in ¢/kWh will apply and shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel and identifiable variable operation and maintenance expenses.

Continued to Sheet No. 8.230

DESIGNATED AVOIDED UNIT
PARAMETERS FOR AVOIDED CAPACITY COSTS
SCHEDULE COG-2
APPENDIX B

Beginning with the in-service date (1/1/2009) of the Company's Designated Avoided Unit (a 180 MW (Winter Rating) natural gas-fired Combustion Turbine), for a 1 year deferral:			**Value**
VAC_m	=	Company's monthly value of avoided capacity, in \$/kW/month, for each month of year n;	5.85
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year	1.6926
I_n	=	total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit(s) that would have been paid had the Designated Avoided Unit(s) been constructed;	510.09
O_n	=	total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	3.96
i_p	=	annual escalation rate associated with the plant cost of the Designated Avoided Unit(s);	2.3%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.5%
r	=	annual discount rate, defined as the Company's incremental after tax cost of capital;	9.09%
L	=	expected life of the Designated Avoided Unit(s); and	26

Continued to Sheet No. 8.360

Continued from Sheet No. 8.355

			Value
n	=	year for which the Designated Avoided Unit(s) is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy;	2009
A_m	=	monthly early capacity payments to be made to the QF starting as early as 2 years prior to the in-service date of the Company's Designated Avoided Unit(s), in $/kW/month;	4.33
m	=	earliest year for which capacity payments to a QF may be made;	2007
F	=	the cumulative present value of the annual avoided capital cost component of capacity payments for a ten year period, commencing with the in-service date of the Designated Avoided Unit(s) (in $/kW/year in 2007 dollars);	423.63
t	=	the minimum term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m.	12

Parameters for Avoided Energy and Variable Operation and Maintenance Costs

Beginning on January 1, 2009, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

O_v	=	total variable operating and maintenance expense, in $/MWH, of the Designated Avoided Unit(s), in year n;	2.91
h	=	the average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s).	8,200

DESIGNATED AVOIDED UNIT
MINIMUM PERFORMANCE STANDARDS
SCHEDULE COG-2
APPENDIX C

The Company's Standard Offer Contract is based on a 97 MW (winter rating) fully dispatchable simple cycle, natural gas fired Combustion Turbine generating unit with an in-service date of January 1, 2009. In order to receive a Monthly Capacity Payment, all Firm Capacity and Energy provided by QFs shall meet or exceed the following MPS on a monthly basis. The MPS are based on the anticipated peak and off-peak dispatchability, unit availability, and operating factor of a 2009 Combustion Turbine designated as the Avoided Unit over the term of this Standard Offer Contract. The QF's facility will be evaluated against the anticipated performance of the Company's Designated Avoided Unit, starting with the first Monthly Period following the date selected in Paragraph 4.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The QF shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Monthly Capacity Payment, for months the unit is to be dispatched, the QF must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.

2. **Dispatch Procedure:** The Company shall electronically transmit the next day's expected hour-by-hour dispatch schedule for the QF's unit based on the hour-by-hour Committed Capacity schedule supplied by the QF at 3:00 PM that day. Friday's electronic transmissions will include Saturday, Sunday, and Monday schedules. Communications between the Company and the QF during holiday periods will be similarly adjusted. The QF shall control and operate its unit consistent with the Company's dispatch schedule. From time to time (i.e. during emergency conditions), the Company may be required to adjust or ignore scheduled levels altogether, however, each party shall make reasonable efforts to minimize departures from the daily schedule.

3. **Automatic Generation Control:** At the Company's discretion, the QF will operate its unit with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.

Continued to Sheet No. 8.370

Continued from Sheet No. 8.385

Note: For any given hour the QF unit must be operating on AGC a minimum of 30 minutes to qualify under case (a).

The QF's total monthly energy payment shall equal; (1) the sum of the hourly energy at the Unit Energy Payment Rate (EPR), when the QF's unit was dispatched by the Company, plus (2) the sum of the hourly energy at the corresponding hourly As-Available Energy Rate when the QF's unit was operating at times other than when the Company dispatched the unit.

2. **Unit Energy Payment Rate**: Starting January 1, 2009, the QF will be paid at the EPR for energy provided in Paragraph 1.a, Paragraph 1.b and that portion of the energy provided up to the dispatched level in Paragraph 1.c as defined in the Section entitled Basis for Monthly Energy Payment Calculations. The EPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 8,200 Btu/kWh, will be calculated monthly by the following formula:

$$EPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in $/MWH defined in Rate Schedule COG-2, Appendix B.

FC = Fuel Component of the Energy Payment in $/MWH as defined by:

$$FC = \frac{8{,}200 \text{ Btu/kWh} \times FP}{1{,}000}$$

Continued to Sheet No. 8.395

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A SMALL QUALIFYING FACILITY OR FACILITIES FUELED BY RENEWABLE SOURCES

(Expires June 1, 2007)

This agreement is made and entered into this ______ day of __________, ______by and between ____________________, hereinafter referred to as the "QF" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties."

WITNESSETH:

WHEREAS, QF desires to sell, and the Company desires to purchase, Firm Capacity and Energy to be generated by small Qualifying Facilities or by facilities fuels by renewable sources (unless specifically referred to, small "Qualifying Facilities" and "Renewable Facilities" will jointly be referred to as "QFs") consistent with Chapter 366.91 F.S. and Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.091, Florida Administrative Code (F.A.C.); of Order No. 23625 issued October 16, 1990, Docket No. 891049-EU; and the Company's Rate Schedule COG-2; and

WHEREAS, QF has signed an Interconnection Agreement with the utility in whose service territory the QF's generating facility is located, attached hereto as Appendix A; and

WHEREAS, the FPSC has approved the following Standard Offer Contract for the purchase of Firm Capacity and Energy from QFs;

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

1. **Facilities**

   a. **Designated Avoided Unit:** The Company has identified as its Desiqnated Avoided Unit, a 97 MW (winter rating) natural gas fired combustion turbine with an in-service date of January 1, 2009.

Continued to Sheet No. 8.480

STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY FROM SMALL QUALIFYING FACILITIES OR FACILITIES FUELED BY RENEWABLE SOURCES

(Expires June 1, 2007)

SCHEDULE: COG-2, Firm Capacity and Energy

AVAILABLE: Tampa Electric Company, herein after referred to as the "Company," will purchase Firm Capacity and Energy offered by any qualifying facility or facility utilizing renewable fuel or process waste heat to which a Standard Offer Contract is available under Chapter 366.91 Florida Statutes (F.S) and Florida Public Service Commission (FPSC) Rule 25-17.0832(4)(a), Florida Administrative Code (F.A.C.). Unless specifically referred to, small "qualifying facilities" and "renewable" facilities may jointly be referred to as "QFs." The Company has designated a 97 MW (winter rating) natural gas fired combustion turbine generating unit with an in-service date of January 1, 2009, as its next Designated Avoided Unit. Until such time as the Designated Avoided Unit subscription limits have been fully and acceptably subscribed or the term of the Company's Standard Offer Contract has expired, the Company will accept Firm Capacity and Energy offered by any QF under the provisions of this schedule.

The Company will negotiate and may contract with any qualifying facility as defined in Chapter 366.91 F. S. and FPSC Rule 25-17.080, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company, for the purchase of Firm Capacity and Energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers.

APPLICABLE: To any QF to which Standard Offer Contracts are available under Chapter 366.91 F. S. and FPSC Rule 25-17.0832(4)(a), F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's Standard Offer Contract or a separately negotiated contract.

~~**CLOSED TO NEW BUSINESS**~~

Continued to Sheet No. 8.205

Continued from Sheet No. 8.200

Firm Capacity and Energy are described in FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF pursuant to a negotiated or Standard Offer Contract and subject to certain contractual provisions as to quantity, time and reliability of delivery. Criteria for achieving qualifying facility or renewable facility status shall be those set out in Chapter 366.91 F.S. and FPSC Rules 25-17.080, 25-17.082(4)(a), and 25-17.091, F.A.C., as applicable.

CHARACTER OF SERVICE: Purchases within the territory served by the Company shall be, at the option of the Company, single or 3-phase, 60 Hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be 3-phase, 60 Hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering Firm Capacity and Energy from the qualifying facility or municipal solid waste facility.

LIMITATIONS: Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System," "NERC Planning Standards," September 1997, [Copyright @ 1997 by the North American Electric Reliability Council] that are applicable to generation and transmission facilities which are connected to, or being planned to be connected to the Company's transmission system (document provided upon request) and to FPSC Rules 25-17.080 through 25-17.091, F.A.C. and are limited to those QFs which are defined by FPSC Rule 25-17.082(4)(a), F.A.C. and which:

1. execute a Company Standard Offer Contract by the closure of the open-season and evaluation period defined herein, for the Company's purchase of Firm Capacity and Energy; and

2. commit to commence deliveries of Firm Capacity and Energy no later than January 1, 2009, and to continue such deliveries through December 31, 2018 and

3. provide capacity that would not exceed 97 MW, the winter capacity rating of the avoided unit.

RATES FOR PURCHASES BY THE COMPANY: Firm Capacity and Energy are purchased at unit costs, in dollars per kilowatt per month ($/kW/month) and cents per kilowatt-hour (¢/kWh), respectively, based on the value of deferring additional Company generating capacity.

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Continued to Sheet No. 8.210

Continued from Sheet No. 8.205

For the purpose of this schedule, the Avoided Unit has been designated by the Company as a 97 MW (winter rating) combustion turbine generating unit with an in-service date of January 1, 2009. Appendix A of this schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's Standard Offer Contract pursuant to FPSC Rules 25-17.080 through 25-17.091, F.A.C.

1. **Firm Capacity Rates:** Four options (i.e. Options 1, 2, 3, and 4, as set forth below) are available for payment of Firm Capacity which is produced by the QF and delivered to the Company. Once selected, the selected option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown on sheets following this section, contain the monthly rate per kilowatt (kW) of Firm Capacity the QF has contractually committed to deliver to the Company and are based on a contract term which extends 10 years beyond the in-service date of the Designated Avoided Unit (i.e., through December 31, 2018). Payment schedules for longer contract terms will be made available to a QF upon request and may be calculated based on the methodologies described in Appendix A. At a maximum, Firm Capacity and Energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the in-service date of the Designated Avoided Unit.

Option 1 - Value of Deferral Capacity Payments: Value of Deferral Capacity Payments shall commence on January 1, 2009, the in-service date of the Designated Avoided Unit, provided the QF is delivering Firm Capacity and Energy to the Company in accordance with the Minimum Performance Standards (MPS) as described in Appendix C. Capacity payments under this option shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with FPSC Rule 25-17.0832, F.A.C., as described in Appendix A.

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Continued from Sheet No. 8.220

UNIT TYPE: 97 MW (Winter Rating) COMBUSTION TURBINE (IN-SERVICE 1/1/2009)
MONTHLY CAPACITY PAYMENT RATE $/kW/MONTH

CONTRACT YEAR FROM	TO	OPTION 1 NORMAL PAYMENT STARTING 1/1/2009 $/kW/MO	OPTION 2 EARLY PAYMENT STARTING 1/1/2008 $/kW/MO	OPTION 2 EARLY PAYMENT STARTING 1/1/2007 $/kW/MO	OPTION 3 LEVELIZED PAYMENT STARTING 1/1/2009 $/kW/MO	OPTION 4 EARLY LEVELIZED PAYMENT STARTING 1/1/2008 $/kW/MO	OPTION 4 EARLY LEVELIZED PAYMENT STARTING 1/1/2007 $/kW/MO
1/1/07	12/31/07	-	-	4.33	-	-	4.78
1/1/08	12/31/08	-	5.01	4.43	-	5.49	4.79
1/1/09	12/31/09	5.85	5.13	4.53	6.35	5.50	4.80
1/1/10	12/31/10	5.98	5.25	4.64	6.36	5.51	4.80
1/1/11	12/31/11	6.12	5.37	4.75	6.37	5.51	4.81
1/1/12	12/31/12	6.26	5.49	4.86	6.38	5.52	4.82
1/1/13	12/31/13	6.41	5.62	4.97	6.39	5.53	4.82
1/1/14	12/31/14	6.55	5.75	5.08	6.40	5.54	4.83
1/1/15	12/31/15	6.70	5.88	5.20	6.41	5.55	4.84
1/1/16	12/31/16	6.86	6.02	5.32	6.42	5.55	4.84
1/1/17	12/31/17	7.02	6.16	5.44	6.43	5.56	4.85
1/1/18	12/31/18	7.18	6.30	5.57	6.44	5.57	4.86

2. **Energy Payment Rates:**

a. **Payments Prior to January 1, 2009**: The As-Available Energy Payment Rate in ¢/kWh will apply and shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel and identifiable variable operation and maintenance expenses.

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DESIGNATED AVOIDED UNIT
PARAMETERS FOR AVOIDED CAPACITY COSTS
SCHEDULE COG-2
APPENDIX B

Beginning with the in-service date (1/1/2009) of the Company's Designated Avoided Unit (a 180 MW (Winter Rating) natural gas-fired Combustion Turbine), for a 1 year deferral:			**Value**
VAC_m	=	Company's monthly value of avoided capacity, in \$/kW/month, for each month of year n;	5.85
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year	1.6926
I_n	=	total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit(s) that would have been paid had the Designated Avoided Unit(s) been constructed;	510.09
O_n	=	total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	3.96
i_p	=	annual escalation rate associated with the plant cost of the Designated Avoided Unit(s);	2.3%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.5%
r	=	annual discount rate, defined as the Company's incremental after tax cost of capital;	9.09%
L	=	expected life of the Designated Avoided Unit(s); and	26

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Continued from Sheet No. 8.355

			Value
n	=	year for which the Designated Avoided Unit(s) is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy;	2009
A_m	=	monthly early capacity payments to be made to the QF starting as early as 2 years prior to the in-service date of the Company's Designated Avoided Unit(s), in $/kW/month;	4.33
m	=	earliest year for which capacity payments to a QF may be made;	2007
F	=	the cumulative present value of the annual avoided capital cost component of capacity payments for a ten year period, commencing with the in-service date of the Designated Avoided Unit(s) (in $/kW/year in 2007 dollars);	423.63
t	=	the minimum term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m.	12

Parameters for Avoided Energy and Variable Operation and Maintenance Costs

Beginning on January 1, 2009, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

O_v	=	total variable operating and maintenance expense, in $/MWH, of the Designated Avoided Unit(s), in year n;	2.91
h	=	the average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s).	8,200

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: ~~September 12, 2005~~

DESIGNATED AVOIDED UNIT
MINIMUM PERFORMANCE STANDARDS
SCHEDULE COG-2
APPENDIX C

The Company's Standard Offer Contract is based on a 97 MW (winter rating) fully dispatchable simple cycle, natural gas fired Combustion Turbine generating unit with an in-service date of January 1, 2009. In order to receive a Monthly Capacity Payment, all Firm Capacity and Energy provided by QFs shall meet or exceed the following MPS on a monthly basis. The MPS are based on the anticipated peak and off-peak dispatchability, unit availability, and operating factor of a 2009 Combustion Turbine designated as the Avoided Unit over the term of this Standard Offer Contract. The QF's facility will be evaluated against the anticipated performance of the Company's Designated Avoided Unit, starting with the first Monthly Period following the date selected in Paragraph 4.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The QF shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Monthly Capacity Payment, for months the unit is to be dispatched, the QF must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.

2. **Dispatch Procedure:** The Company shall electronically transmit the next day's expected hour-by-hour dispatch schedule for the QF's unit based on the hour-by-hour Committed Capacity schedule supplied by the QF at 3:00 PM that day. Friday's electronic transmissions will include Saturday, Sunday, and Monday schedules. Communications between the Company and the QF during holiday periods will be similarly adjusted. The QF shall control and operate its unit consistent with the Company's dispatch schedule. From time to time (i.e. during emergency conditions), the Company may be required to adjust or ignore scheduled levels altogether, however, each party shall make reasonable efforts to minimize departures from the daily schedule.

3. **Automatic Generation Control:** At the Company's discretion, the QF will operate its unit with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.

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Continued to Sheet No. 8.370

Continued from Sheet No. 8.385

Note: For any given hour the QF unit must be operating on AGC a minimum of 30 minutes to qualify under case (a).

The QF's total monthly energy payment shall equal; (1) the sum of the hourly energy at the Unit Energy Payment Rate (EPR), when the QF's unit was dispatched by the Company, plus (2) the sum of the hourly energy at the corresponding hourly As-Available Energy Rate when the QF's unit was operating at times other than when the Company dispatched the unit.

2. **Unit Energy Payment Rate:** Starting January 1, 2009, the QF will be paid at the EPR for energy provided in Paragraph 1.a, Paragraph 1.b and that portion of the energy provided up to the dispatched level in Paragraph 1.c as defined in the Section entitled Basis for Monthly Energy Payment Calculations. The EPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 8,200 Btu/kWh, will be calculated monthly by the following formula:

$$EPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in $/MWH defined in Rate Schedule COG-2, Appendix B.

FC = Fuel Component of the Energy Payment in $/MWH as defined by:

$$FC = \frac{8{,}200 \text{ Btu/kWh} \times FP}{1{,}000}$$

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Continued to Sheet No. 8.395

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A SMALL QUALIFYING FACILITY OR FACILITIES FUELED BY RENEWABLE SOURCES

(Expires June 1, 2007)

This agreement is made and entered into this ______ day of ___________, ______ by and between ____________________, hereinafter referred to as the "QF" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties."

WITNESSETH:

WHEREAS, QF desires to sell, and the Company desires to purchase, Firm Capacity and Energy to be generated by small Qualifying Facilities or by facilities fuels by renewable sources (unless specifically referred to, small "Qualifying Facilities" and "Renewable Facilities" will jointly be referred to as "QFs") consistent with Chapter 366.91 F.S. and Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.091, Florida Administrative Code (F.A.C.); of Order No. 23625 issued October 16, 1990, Docket No. 891049-EU; and the Company's Rate Schedule COG-2; and

WHEREAS, QF has signed an Interconnection Agreement with the utility in whose service territory the QF's generating facility is located, attached hereto as Appendix A; and

WHEREAS, the FPSC has approved the following Standard Offer Contract for the purchase of Firm Capacity and Energy from QFs;

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

1. **Facilities**

   a. **Designated Avoided Unit:** The Company has identified as its Designated Avoided Unit, a 97 MW (winter rating) natural gas fired combustion turbine with an in-service date of January 1, 2009.

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Continued to Sheet No. 8.480