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MEMORANDUM

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May 14, 2003

COMMISSION
CLERK

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TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: DIVISION OF LEGAL SERVICES (STERN)MKS

RE: DOCKET NO. 000061-EI

Attached are four letters, correspondence between TECO and Allied Universal Corp., discussing the Contract Service Arrangement for the Provision of Service Under the Commercial/Industrial Service Rider. Please file them in the above referenced docket.

MKS
Attachment

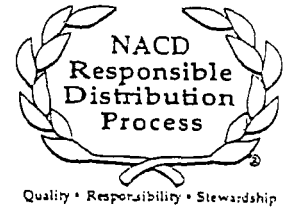
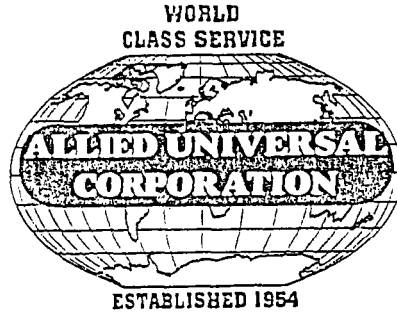
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PPSC-COMMISSION CLERK

000619



November 27, 2001

Mr. Rob Jennings
Tampa Electric Company
702 North Franklin Street
Tampa, FL 33602

RE: Allied Universal Corporation/TECO Contract Service Arrangement

RECEIVED
03 APR 16 AM 11:52
FLORIDA SUPPLY COUNCIL
OFFICE OF THE
GENERAL COUNSEL

Dear Rob:

Pursuant to Paragraph 4 of the "Contract Service Arrangement For The Provision Of Service Under The Commercial/Industrial Service Rider" ("the Agreement") between Allied Universal Corporation ("Allied") and TECO, this letter will serve as formal notice of an event of force majeure obstructing or delaying Allied's ability to commence, prosecute or complete the work necessary to comply with the specified period for Allied's commencement of commercial operations.

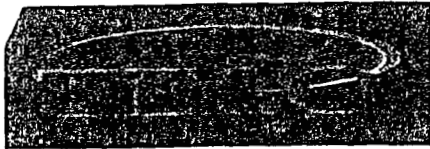
The event of force majeure arises from the inability of Kvaerner Chemetics to construct Allied's proposed new sodium hypochlorite manufacturing facility. It is Allied's understanding that Kvaerner Chemetics' inability to construct the plant was procured by Odyssey Manufacturing Co. and/or Sentry Industries, Inc., through a contractual agreement that purports to preclude Kvaerner Chemetics from constructing a cell process plant within 150 miles of Odyssey's existing plant. Allied believes that the Odyssey/Sentry/Chemetics agreement is an illegal contract in restraint of trade, and Allied is pursuing, with all possible dispatch, all available remedies.

Very truly yours,

ALLIED UNIVERSAL CORPORATION

R. M. Namoff
C E O

/cg



TAMPA ELECTRIC

December 20, 2001

Mr. Robert Namoff
Allied Universal Corporation
8350 93rd St NW
Miami, Fl 33166-2098

Re: Allied Universal Corporation/TECO Contract Service Agreement

Dear Bob:

Thank you for your letter of November 27, 2001 in which you describe what you consider to be a force majeure event under our Contract Service Arrangement For The Provision Of Service Under The Commercial/Industrial Service Rider (the "Agreement"). After careful review of your letter and consultation with legal counsel, Tampa Electric has concluded that the circumstances that you describe do not amount to a force majeure event that would extend the period within which Allied Universal must commence commercial operation of its new sodium hypochlorite manufacturing facility pursuant to the Agreement.

The basis for Tampa Electric's position is twofold. First, Allied Universal was fully aware, at the time that it entered into the Agreement, of the contractual constraints faced by Kvaerner Chemetics with regard to the construction of new sodium hypochlorite manufacturing facilities in the Tampa area. Under these circumstances, it would be unreasonable, in our opinion, to view this pre-existing circumstance as a force majeure event that suspends Allied Universal's obligation to perform. Second, while we understand that Kvaerner Chemetics is the company that Allied Universal would prefer to hire, there are clearly other companies who could construct the proposed sodium hypochlorite manufacturing facility on the site that Allied Universal ultimately selects. The unavailability of a preferred contractor, when other able contractors are available, does not amount to the kind of commercial impossibility that reasonably could be construed as a force majeure event under the Agreement.

Tampa Electric values its business relationship with Allied Universal and I will continue to do everything reasonably possible to assist you in bringing your proposed new sodium hypochlorite manufacturing facility into commercial operation within the terms of the Agreement.

Sincerely,

Robert L. Jennings
Account Manager
Tampa Electric Company

Cc: Greg McAuley-TEC ✓
Vicky Westra-TEC
Harry Long-TEC
Bill Ashburn-TEC

TAMPA ELECTRIC COMPANY
P. O. BOX 111 TAMPA, FL 33601-0111

(813) 228-4111

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OUTSIDE HILLSBOROUGH COUNTY 1 (888) 223-0800

ANANIA, BANDKLAYDER, BLACKWELL,
BAUMGARTEN & TORRICELLA

ATTORNEYS AT LAW

BANK OF AMERICA TOWER, SUITE 4300

100 SOUTHEAST SECOND STREET

MIAMI, FLORIDA 33131-2144

TELEPHONE (305) 373-4900

FACSIMILE (305) 373-6914

FRANCIS A. ANANIA
DANIEL K. BANDKLAYDER
MAURICE J. BAUMGARTEN
DONALD A. BLACKWELL
KELLY S. COHEN
HEATHER M. MACKENDREE
ANA M. RIVERO-ALEXANDER
DOUGLAS H. STEIN
ROBERTO A. TORRICELLA, JR.

February 6, 2002

VIA FEDERAL EXPRESS

Robert Jennings
Account Manager
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601-0111

Re: Allied Universal Corp./Teco CSA Docket No. 000061-EI

Dear Mr. Jennings:

Our firm represents Allied Universal Corp. ("Allied"). We acknowledge receipt of your December 20, 2001 letter to Mr. Namoff.

The force majeure provision in the Allied/Teco agreement speaks for itself, and it would serve no useful purpose for us to debate, at this point, whether Odyssey Mfg. Co.'s latest attempt to block Allied's new plant falls within its purview. Suffice to say, Allied did not know, and could not reasonably have anticipated, that Odyssey would attempt to enforce a patently illegal contractual provision that purports to preclude Chemetics from constructing any further bleach plants within a 150 mile radius for ten years.

Chemetics is not just a "preferred contractor." It is the *only* contractor that has successfully constructed a similarly sized plant of this type in the United States. Clearly Teco cannot reasonably expect Allied to invest millions of dollars in reliance upon a contractor that has never successfully constructed a similar plant in this country.

Allied is outraged over this turn of events and already has filed suit against Odyssey to have the restrictive covenant declared null and void as an illegal contract in restraint of trade. A copy of the Complaint is enclosed. Allied is moving forward expeditiously with the lawsuit, but in view of the delays inherent in any litigation, it is becoming increasingly

Robert Jennings

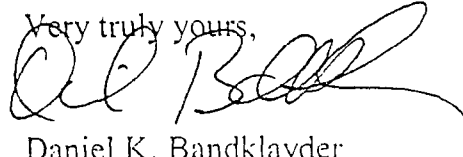
Page 2

unlikely that the matter can be resolved in time to complete construction of the facility within the original 24 month time frame.

Allied has moved forward diligently with its plans for a new bleach manufacturing facility. Indeed, I understand that, among other things, Mr. Namoff has met with you in Tampa on several occasions and, as a result, Allied and Teco have identified suitable sites for the new facility. Allied remains committed to constructing the facility as quickly as practicable under the circumstances, and trusts that Teco will continue to work with Allied, in a spirit of cooperation, toward this goal and a continued long-term relationship that will benefit Allied, Teco and the many municipalities and others that depend upon Allied's bleach to provide safe drinking water and waste water treatment.

It is imperative that Teco immediately confirm that Allied will receive the agreed upon electric rate pursuant to the force majeure provision of the Contract Service Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "DKB", with a long horizontal flourish extending to the right.

Daniel K. Bandklayder

DKB:jg
Enclosures



April 10, 2003

Mr. James W. Palmer
Allied Universal Corporation
3901 N.W. 115th Avenue.
Miami, FL 33178

Re: Allied Universal/Tampa Electric Contract Service Agreement

Dear Mr. Palmer:

Pursuant to Paragraph 3 of the "Contract Service Arrangement For The Provision Of Service Under The Commercial/Industrial Service Rider" (the "Agreement") between Allied Universal Corporation ("Allied") and Tampa Electric Company, this letter will serve as formal notice of termination of the Agreement. Such termination shall be effective as of April 24, 2003.

Paragraph 3 of the Agreement requires Allied to commence commercial operation at its proposed new sodium hypochlorite manufacturing facility within 24 months following the effective date of the Florida Public Service Commission ("FPSC") Order approving the settlement reached in Docket No. 000061-EI, except to the extent that this period is extended by the occurrence of a legitimate Force Majeure event pursuant to Paragraph 4 of the Agreement. As you know, the FPSC Order in question was issued and made effective as of April 24, 2001 and Allied has yet to start construction of its proposed new plant.

Tampa Electric is cognizant of Allied's assertion of the occurrence of a Force Majeure event pursuant to Paragraph 4 of the Agreement. However, for the reasons set forth in my December 20, 2001 letter to Mr. Robert Namoff, Tampa Electric does not believe that the circumstances advanced by Allied in support of this assertion amount to a Force Majeure event within the meaning of the Agreement. For ease of reference, a copy of my December 20th letter to Mr. Namoff is attached. Therefore, Tampa Electric does not recognize any extension of the 24-month period specified under Paragraph 3 of the Agreement.

Tampa Electric values its business relationship with Allied and will do everything reasonably possible to assist Allied in bringing its proposed new manufacturing facility into commercial operation. However, in light of the termination of the Agreement, new rates, terms and conditions must be negotiated for your proposed facility. I suggest that we begin discussions as soon as possible in order to avoid any delay to your proposed project. In the meantime, I will continue to assist Allied in its search for an appropriate site for its proposed facility.

Regards,

A handwritten signature in black ink that reads "Robert L. Jennings". The signature is written in a cursive style with a large, looped initial "R".

Robert L. Jennings