

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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

070729

December 17, 2007

HAND DELIVERED

RECEIVED - FPSC
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COMMISSION
CLERK

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition of Tampa Electric Company for approval
of three Performance Guaranty Agreements

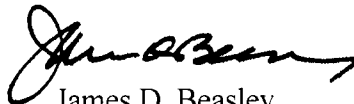
Dear Ms. Cole:

Enclosed for filing in the above docket, on behalf of Tampa Electric Company, are the original and fifteen (15) copies of its Petition for approval of Performance Guaranty Agreements.

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

CMP _____

COM _____

CTR _____
JDB/pp

ECR _____
Enclosure

GCL 3

OPC _____

RCA _____

SCR _____

SGA _____

SEC _____

OTH CLK:2

DOCUMENT NUMBER-DATE

10978 DEC 17 08

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for approval of three Performance)
Guaranty Agreements.)
_____)

DOCKET NO. 070729
FILED: December 17, 2007

PETITION

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Chapter 366.06, Florida Statutes, Rules 25-6.095 (3) and 25-6.080, Florida Administrative Code, petitions the Commission for approval of Performance Guaranty Agreements ("Guaranty Agreements"). In support thereof, the company says:

1. Tampa Electric is an investor-owned electric utility operating under the jurisdiction of this Commission and serving retail customers in Hillsborough and portions of Polk, Pinellas and Pasco Counties. The company's principal offices are located at 702 North Franklin Street, Tampa, Florida 33602.

2. The persons to whom all notices and other documents should be sent in connection with this docket are:

Mr. Lee L. Willis
Mr. James D. Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115
(850) 222-7952 (fax)

Paula Brown
Administrator, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, Florida 33601
(813) 228-1444
(813) 228-1770 (fax)

3. Tampa Electric is seeking Commission approval of three Guaranty Agreements, the "Performance Guaranty Agreement" ("PGA"), the "Performance Guaranty Agreement for Mining Facilities" ("MPGA"), and the "Performance Guaranty Agreement for Residential Subdivision Development" ("RPGA"). The PGA will be included in Tampa Electric's tariff as Original Sheet Nos. 7.880, 7.885, 7.890, 7.895, 7.900, 7.905, and 7.910; the MPGA will be

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included in the tariff as Original Sheet Nos. 7.915, 7.920, 7.925, 7.930, 7.935, 7.940, and 7.945; and the RPGA will be included in the tariff as Original Sheet Nos. 7.950, 7.955, 7.960, 7.965, and 7.970. The tariff sheets containing the PGA, MPGA, and RPGA are attached herewith as Exhibits A, B, and C, respectively. Upon approval of the Guaranty Agreements, Tampa Electric will submit for administrative approval a tariff sheet revising the Company's Index of Standard Forms.

Proposed Guaranty Agreements

4. The Guaranty Agreements being proposed by Tampa Electric are similar in purpose to Florida Power and Light Company's ("FPL") "Performance Guaranty Agreement for Incremental Capacity" and "Performance Guaranty Agreement", that the Commission approved by its Order No. PSC-01-0031-TRF-EI in Docket No. 001579-EI dated January 8, 2001 and Order No. PSC-04-0406-TRF-EI in Docket 031074-EI dated April 19, 2004, and FPL's "Performance Guaranty Agreement for Residential Subdivision Development" modifications to which were recently approved by the Commission in Order No. PSC-07-0835-TRF-EI in Docket No. 070231-EI dated October 16, 2007.

PGA

5. Pursuant to Section 5.2.6, "Availability and Location of Service", of the General Rules and Regulations and Standard Electrical Service Requirements section of the Tampa Electric tariff, the company reserves the right to require an up-front Contribution in Aid of Construction ("CIAC") when a customer's new or updated facilities requires an expansion of the company's overhead distribution system that exceeds the investment allowance¹. The CIAC fee is intended to place the cost responsibility for the cost of such service requests in excess of the

¹ The investment allowance is equal to four times the expected annual incremental base demand and energy revenue generated by the investment.

investment allowance on the applicant for service instead of other customers. However, if the Customer's projected load does not initially materialize, or fails to meet the projections on which the investment allowance was calculated, the revenue generated from the load will not offset the electric system expansion cost and other customers will end up subsidizing that portion of the system expansion cost.

6. The company is requesting approval of the PGA to ensure that other customers are held harmless in the event that the load associated with an electric system expansion does not meet projections within the five-year period beginning on the in-service date of the electric system expansion. A five-year period is consistent with Rule 25-6.064(2)(c), Florida Administrative Code, regarding CIAC for the installation of new or upgraded facilities.

7. The PGA was developed to cover service level requests that are significantly in excess of what would typically be expected for a building or premises of similar size, type and location, or significantly non-standard such that the facilities may not be useful for other applications, or otherwise speculative in nature.

8. Upon execution of the Guaranty Agreement, an applicant will be required to post a Performance Guaranty. The applicant has the option of posting the guaranty in cash, or as a surety bond or irrevocable bank letter of credit. The Performance Guaranty Amount is calculated by multiplying that portion of the company's investment that the company has determined to be at risk by a present value revenue requirement factor. The investment portion deemed to be at risk is the difference between: (i) the costs the company ordinarily would incur to provide a more typical level of service to the premises based on past experience and tested assumptions; and (ii) the costs the company estimates it will incur to meet the requested level of service or the entire investment in cases where due to the speculative nature or unusual

circumstances of the facilities being served, the entire investment is deemed to be at risk.

9. Tampa Electric will refund (or cancel) the Performance Guaranty in whole if, within five years from the in-service date, incremental base revenues equal or exceed the Performance Guaranty Amount. Incremental base revenue is defined in the Guaranty Agreement and represents the difference between base revenue actually received and a baseline amount of base revenue that the company estimates is attributable either to the pre-existing capacity or to an amount of capacity more typical for the premises. The applicant would be responsible for that portion of the incremental costs not offset by the incremental base revenue received over the five-year period.

MPGA

10. Periodically, the company installs new electric facilities at the request of its mining customers in order to provide electric service to mobile (e.g., dragline/slurry systems), relocated and/or expanded mining facilities (collectively, the "Mining Facilities") that support mining operations within the company's service territory. The cost to serve relocated Mining Facilities is typically recovered through a CIAC paid by the customer; however, when expansion of the Mining Facilities is also involved, CIAC may be offset by the investment allowance associated with the additional revenue from the incremental load. Because of the transitory nature of the Mining Facilities and the fact that the Mining Facilities are surrounded by lands wholly-owned by the mining customer or located in isolated areas of the service area, there is a higher risk that the company's investment in electric facilities to serve these Mining Facilities will become stranded. The company is proposing the PGA-Mining to cover these circumstances.

11. The terms and conditions of PGA-Mining are similar to those of the PGA.

RPGA

12. Pursuant to Section 3.4.1.9, "Performance Security", of the company's General Rules and Regulations, and Rule 25-6.080 of the Florida Administrative Code, the company may require a reasonable performance deposit before commencing construction on extension of an underground distribution system through a section or sections of a subdivision where service may not be connected for at least two years due to the manner in which the subdivision is developed. The performance deposit protects the general body of ratepayers from subsidizing the incremental costs incurred by the company for the system expansion if the expected revenue from the subdivision does not materialize because the expected build-out is indefinitely delayed. With this purpose in mind, Tampa Electric is requesting Commission approval of the RPGA to cover expansions of the distribution system, including overhead feeder lines and underground feeder cables, for residential subdivisions. The application of the RPGS will be restricted to those expansions that require a company investment exceeding \$600,000.

13. The residential building boom of recent years has resulted in an oversupply of newly constructed homes in the Company's service territory relative to the current demand for housing in the area. Giving rise to this Petition is the growing concern that the company's continued investment in expanding distribution facilities within residential subdivisions may become stranded as builders delay housing construction due to market conditions.

14. Upon execution of the RPGA, an applicant will be required to post a Performance Guaranty. The applicant has the option of posting the guaranty in cash or as an irrevocable bank letter of credit. As set forth in the RPGA, the amount of the Performance Guaranty is calculated by multiplying the company's estimate of the total expansion cost less the applicant's CIAC by a present value factor.

15. Tampa Electric will refund (or cancel) the Performance Guaranty in whole if, within five years from the in-service date, the company has connected electric service to an anticipated number of houses representing the total build-out of the subdivision or that portion of the subdivision for which the expansion was constructed. On a quarterly basis, the Applicant may request a reduction in the Performance Guaranty proportionate to the percent of total anticipated service connections completed at the time.

16. The Guaranty Agreements provide written assurance that Tampa Electric's other customers will not bear the incremental costs incurred by Tampa Electric if the projected revenue from certain new or expanded loads does not materialize. The Guaranty Agreements serve a purpose similar to CIAC, i.e., placing responsibility for costs, not covered by received revenue, on the applicant for the service. However, unlike the application of CIAC charges, the Performance Guaranty will be returned or cancelled if projected revenues are realized.


17. In no case, shall a Performance Guaranty be used as substitute for CIAC to cover the differential costs between underground and overhead construction in non-underground designated areas.

18. Tampa Electric knows of no disputed issues of material fact relative to the Performance Guaranty Agreements proposed herein.

WHEREFORE, Tampa Electric respectfully requests that the Commission approve the PGA, MPGA, and RPGA, as set forth in Exhibits A, B, and C, respectively.

DATED this 17th day of December, 2007.

Respectfully submitted,



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

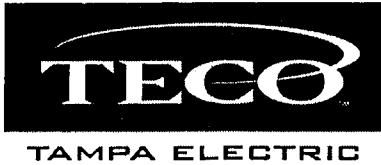
ATTORNEYS FOR TAMPA ELECTRIC COMPANY

EXHIBIT A

DOCUMENT NUMBER-DATE

10978 DEC 17 6

FPSC-COMMISSION CLERK



PERFORMANCE GUARANTY AGREEMENT

This Performance Guaranty Agreement ("Agreement:") is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

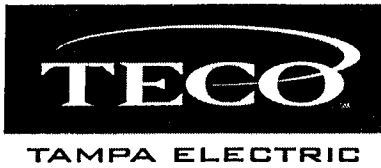
Whereas, in connection with the property located at _____ in _____, Florida ("Premises"), the Customer has requested that the Company install electric infrastructure ("Facilities") described in Exhibit A in order to provide electric service to the Premises;

Whereas, the Customer's estimate of the electric power need of the Premises will require an expansion of the Company's present electric system and, due to the speculative nature of the Customer's facilities, the company believes that the Customer's projected load may not initially materialize and/or may decrease or disappear within five years following the requested service date of _____ ("In-Service Date") for the proposed system expansion; and

Whereas, the Company may not fully recover its investment in such infrastructure expansion should the Customer's projected load not be in existence at a sufficient level for at least four years duration, thereby placing the burden for those costs on Company's other customers; and

Whereas, the Customer is willing to provide assurance that the Company will recover its investment in the expansion of the Company's electric system based on the Customer's projections in the event that sufficient revenue from service to the Premises is not realized within five years following the requested service date;

Now, therefore, in recognition of the foregoing premises and in consideration of the covenants and promises set forth herein below, the Company and the Customer do hereby agree as follows:



ARTICLE 1 – DEFINITIONS

- 1.1 "Base Revenue" is the portion of electric revenue received by the Company for electric service to the Premises consisting only of applicable base demand charges, base non-fuel energy charges and facilities rental charges, if applicable. Base Revenue excludes, without limitation, capacity, customer, energy conservation, environmental, and fuel and purchased power recovery charges, franchise fees, and taxes.
- 1.2 "Baseline Base Revenue" equals the Base Revenue, if any, received for electric service at the location for the twelve-month period prior to the In-Service Date. If electric service has existed for less than twelve months prior to the In-Service Date, the Baseline Base Revenue will be calculated by averaging the monthly Base Revenue for those months that the electric service has existed prior to the In-Service Date and multiplying that average monthly Base Revenue by twelve .
- 1.3 "Incremental Base Revenue" is Base Revenue received during the Performance Guaranty Period for electric service rendered to the Premises in excess of Baseline Base Revenue.
- 1.4 "Performance Guaranty Period" is the period of time commencing with the In-service Date, and ending on the fifth anniversary of the In-Service Date ("Expiration Date").
- 1.5 "Performance Guaranty Amount" is the dollar amount calculated in 2.2 below.

ARTICLE II - PERFORMANCE GUARANTEE AMOUNT

2.1 For purposes of this Agreement, Incremental Base Revenue will be calculated as follows:

$$\begin{array}{r}
 \$ \underline{\hspace{2cm}} \text{ (Base Revenue)} \\
 - \quad \$ \underline{\hspace{2cm}} \text{ (Baseline Base Revenue)} \\
 = \quad \$ \underline{\hspace{2cm}} \text{ (Incremental Base Revenue)}
 \end{array}$$

2.2 The Performance Guaranty Amount is the cost, as determined by the Company, of the required system expansion less Customer's Contribution in Aid of Construction ("CIAC") multiplied by a factor of 1.53. The Customer agrees to provide Company a Performance Guaranty Amount in the amount specified in the table below prior to Company installing the Facilities necessary to provide the electric service to serve the Premises.



Calculation of Performance Guaranty Amount	
A. Cost of Facilities	
B. Customer CIAC	
C. Remaining Cost (A - B)	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

- 2.3 The Performance Guaranty Amount does not constitute or serve in lieu of CIAC. Nothing in this Agreement shall be construed as relieving the Customer from the obligation to pay or prohibiting the Company from collecting from Customer a CIAC for underground service pursuant to the Company's applicable tariff.
- 2.4 The Customer shall provide the above-specified Performance Guaranty Amount to Company prior to Company beginning construction of the Facilities.
- 2.5 The facilities to be installed to serve the Premises, together with their estimated costs, are shown on Exhibit A of this Agreement.

ARTICLE III - PAYMENT and REFUND

- 3.1 If the Incremental Base Revenue collected from the Customer by the end of the Performance Guaranty Period, or upon default of this Agreement, is less than the Performance Guaranty Amount, Customer shall pay to Company the Performance Guaranty Amount, less the amount of Base Revenue previously collected from the Customer.
- 3.2 At the Customer's option, the Performance Guaranty Amount may be posted with Company in cash, or may be secured either by a surety bond or irrevocable bank letter of credit in a form acceptable to Company.



- 3.3 If at the end or at any time during the Performance Guaranty Period, Incremental Base Revenue collected equals or exceeds the Performance Guaranty Amount and Customer secured the Performance Guaranty Amount through a surety bond, or irrevocable letter of credit, such bond or letter of credit shall be released or exonerated from all past, present, and future liabilities associated with this Agreement. Customer shall have the right to reduce the face value of the surety bond or letter of credit on an annual basis to reflect the difference between the Performance Guaranty Amount and the Incremental Base Revenue collected in the previous 12-month period. If at the end of the Performance Guaranty Period the Incremental Base Revenue does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to draw down the surety bond or letter of credit by the difference between the Base Revenue and the Performance Guaranty Amount. The Company will accept payment for any such difference in cash from Customer in lieu of drawing down the surety bond or letter of credit provided that Customer pays within sixty days of the Performance Guaranty ending or upon default of this Agreement.
- 3.4 If the Customer elects to post the Performance Guaranty Amount in cash, the Company agrees to reduce the Performance Guaranty Amount cash balance by the amount of the previous twelve-month's Incremental Base Revenue collected and provide an annual bill credit or refund check to the Customer in an amount equal to such prior twelve months of Base Revenue collections, until such time as the Performance Guaranty cash balance is depleted. If at the end of the Performance Guaranty Period the Incremental Base Revenue previously collected from the Customer does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to permanently retain the remaining cash balance of the Performance Guaranty Amount.
- 3.5 In the event that Company's construction of the Facilities shown on Exhibit "A" commences but is not completed due to a change in Customer's plans or other circumstances related to the Premises that are not within Company's control, or if twelve months following the effective date of this Agreement Company has been unable to complete the requested installation and commence service due to changes or delays in Customer's schedule or plans or as the result of a lack of cooperation by the Customer, the Company shall be immediately entitled to an amount of the Performance Guaranty equal to Company's construction expenditures incurred in connection with this Agreement. Thereafter, the Company may elect to terminate this Agreement and, in the event of such termination by the Company, the balance, if any, of the Performance Guaranty not required to cover the Company's expenditures incurred in connection with this Agreement will be refunded if Customer posted a cash Performance Guaranty.



ARTICLE IV - TERM OF AGREEMENT

The term of this Agreement shall commence on the above written In-Service Date and end on the earlier of the Expiration Date, or on the date Incremental Base Revenue collected from the Customer equals the Performance Guaranty, whichever is earlier, unless terminated earlier pursuant to Section 3.5.

ARTICLE V - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded or otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit or surety bond shall become immediately due and payable.

ARTICLE VI - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto.

ARTICLE VIII - HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement shall inure to the benefits of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but Customer shall not assign this Agreement without first having obtained the written consent of Company, such consent not to be unreasonably withheld.



TAMPA ELECTRIC

ARTICLE IX - SUBJECT TO FPSC RULES

This Agreement is subject to the Rules and Orders of the Florida Public Service Commission and to Tampa Electric Company's Electric Tariff including, but not limited to the General Rules and Regulations for Electric Service (collectively "Regulations"), as such Regulations are now written, or as they may be hereafter revised, amended or supplemented, and at Company's request, Customer agrees to conform this Agreement to such provisions, or enter into a new Agreement reflecting such provisions. This Agreement shall not be used in lieu of applicable requirements set forth in the Regulations pertaining to contributions in aid of construction, advances or deposits.

In Witness Whereof, Customer and Company hereby have caused this Agreement to be executed in triplicate by their duly authorized representatives to be effective as of the day and year first written above.

Charges and Terms Accepted by:

Customer (Print/Type Name of Organization)

TAMPA ELECTRIC COMPANY

By: Signature (Authorized Representative)

By: Signature (Authorized Representative)

(Print or Type Name)

(Print or Type Name)

Title:

Title:



TAMPA ELECTRIC

ORIGINAL SHEET NO. 7.910

EXHIBIT A

FACILITIES TO BE INSTALLED TO SERVE THE PREMISES

ISSUED BY: C. R. Black, President

DATE EFFECTIVE:



PERFORMANCE GUARANTY AGREEMENT

This Performance Guaranty Agreement ("Agreement:") is made this _____ day of _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

Whereas, in connection with the property located at _____ in _____, Florida ("Premises"), the Customer has requested that the Company install electric infrastructure ("Facilities") described in Exhibit A in order to provide electric service to the Premises;

Whereas, the Customer's estimate of the electric power need of the Premises will require an expansion of the Company's present electric system and, due to the speculative nature of the Customer's facilities, the company believes that the Customer's projected load may not initially materialize and/or may decrease or disappear within five years following the requested service date of _____ ("In-Service Date") for the proposed system expansion; and

Whereas, the Company may not fully recover its investment in such infrastructure expansion should the Customer's projected load not be in existence at a sufficient level for at least four years duration, thereby placing the burden for those costs on Company's other customers; and

Whereas, the Customer is willing to provide assurance that the Company will recover its investment in the expansion of the Company's electric system based on the Customer's projections in the event that sufficient revenue from service to the Premises is not realized within five years following the requested service date;

Now, therefore, in recognition of the foregoing premises and in consideration of the covenants and promises set forth herein below, the Company and the Customer do hereby agree as follows:



<u>Calculation of Performance Guaranty Amount</u>	
A. Cost of Facilities	
B. Customer CIAC	
C. Remaining Cost (A - B)	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

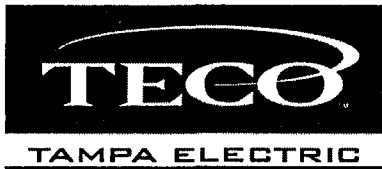
- 2.3 The Performance Guaranty Amount does not constitute or serve in lieu of CIAC. Nothing in this Agreement shall be construed as relieving the Customer from the obligation to pay or prohibiting the Company from collecting from Customer a CIAC for underground service pursuant to the Company's applicable tariff.
- 2.4 The Customer shall provide the above-specified Performance Guaranty Amount to Company prior to Company beginning construction of the Facilities.
- 2.5 The facilities to be installed to serve the Premises, together with their estimated costs, are shown on Exhibit A of this Agreement.

ARTICLE III - PAYMENT and REFUND

- 3.1 If the Incremental Base Revenue collected from the Customer by the end of the Performance Guaranty Period, or upon default of this Agreement, is less than the Performance Guaranty Amount, Customer shall pay to Company the Performance Guaranty Amount, less the amount of Base Revenue previously collected from the Customer.
- 3.2 At the Customer's option, the Performance Guaranty Amount may be posted with Company in cash, or may be secured either by a surety bond or irrevocable bank letter of credit in a form acceptable to Company.



- 3.3 If at the end or at any time during the Performance Guaranty Period, Incremental Base Revenue collected equals or exceeds the Performance Guaranty Amount and Customer secured the Performance Guaranty Amount through a surety bond, or irrevocable letter of credit, such bond or letter of credit shall be released or exonerated from all past, present, and future liabilities associated with this Agreement. Customer shall have the right to reduce the face value of the surety bond or letter of credit on an annual basis to reflect the difference between the Performance Guaranty Amount and the Incremental Base Revenue collected in the previous 12-month period. If at the end of the Performance Guaranty Period the Incremental Base Revenue does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to draw down the surety bond or letter of credit by the difference between the Base Revenue and the Performance Guaranty Amount. The Company will accept payment for any such difference in cash from Customer in lieu of drawing down the surety bond or letter of credit provided that Customer pays within sixty days of the Performance Guaranty ending or upon default of this Agreement.
- 3.4 If the Customer elects to post the Performance Guaranty Amount in cash, the Company agrees to reduce the Performance Guaranty Amount cash balance by the amount of the previous twelve-month's Incremental Base Revenue collected and provide an annual bill credit or refund check to the Customer in an amount equal to such prior twelve months of Base Revenue collections, until such time as the Performance Guaranty cash balance is depleted. If at the end of the Performance Guaranty Period the Incremental Base Revenue previously collected from the Customer does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to permanently retain the remaining cash balance of the Performance Guaranty Amount.
- 3.5 In the event that Company's construction of the Facilities shown on Exhibit "A" commences but is not completed due to a change in Customer's plans or other circumstances related to the Premises that are not within Company's control, or if twelve months following the effective date of this Agreement Company has been unable to complete the requested installation and commence service due to changes or delays in Customer's schedule or plans or as the result of a lack of cooperation by the Customer, the Company shall be immediately entitled to an amount of the Performance Guaranty equal to Company's construction expenditures incurred in connection with this Agreement. Thereafter, the Company may elect to terminate this Agreement and, in the event of such termination by the Company, the balance, if any, of the Performance Guaranty not required to cover the Company's expenditures incurred in connection with this Agreement will be refunded if Customer posted a cash Performance Guaranty.



ARTICLE IV - TERM OF AGREEMENT

The term of this Agreement shall commence on the above written In-Service Date and end on the earlier of the Expiration Date, or on the date Incremental Base Revenue collected from the Customer equals the Performance Guaranty, whichever is earlier, unless terminated earlier pursuant to Section 3.5.

ARTICLE V - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded or otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit or surety bond shall become immediately due and payable.

ARTICLE VI - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto.

ARTICLE VIII - HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement shall inure to the benefits of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but Customer shall not assign this Agreement without first having obtained the written consent of Company, such consent not to be unreasonably withheld.

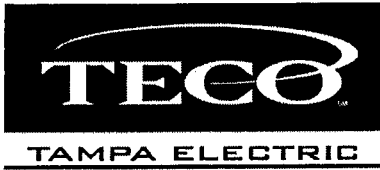


EXHIBIT A

FACILITIES TO BE INSTALLED TO SERVE THE PREMISES

EXHIBIT B

DOCUMENT NUMBER-DATE
10978 DEC 17 5
COMMISSION CLERK.



PERFORMANCE GUARANTY AGREEMENT FOR MINING FACILITIES

This Performance Guaranty Agreement ("Agreement:") is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

Whereas, in connection with the property located at _____ in _____, Florida ("Premises"), the Customer has requested that the Company install electric infrastructure ("Facilities") described in Exhibit A in order to provide electric service to relocated or expanded mining facilities supporting mining operations at or near the Premises;

Whereas, the Customer's estimate of the electric power need of the Premises will require a significant expansion of the Company's present electric system and, due to the transitory nature of the Customer's mining operations, the company believes that the Customer's projected load may not initially materialize or may decrease or disappear within five years following the requested service date of _____ ("In-Service Date") for the proposed system expansion; and

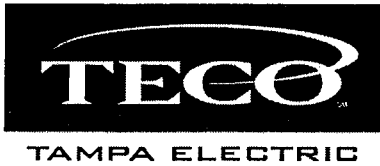
Whereas, the Company may not fully recover its investment in such infrastructure expansion should the Customer's projected load not materialize or be sustained at the projected level for at least four years duration, thereby placing the burden for the stranded investment on Company's other customers; and

Whereas, the Customer is willing to provide assurance that the Company will recover its investment in the expansion of the Company's electric system based on the Customer's projections in the event that sufficient revenue from service to the Premises is not realized within five years following the requested service date;

Now, therefore, in recognition of the foregoing premises and in consideration of the covenants and promises set forth herein below, the Company and the Customer do hereby agree as follows:

**ARTICLE I – DEFINITIONS**

- 1.1 "Relocated Facilities"– Customer facilities that have been dismantled or removed from one site on the customer's lands and reconstructed or relocated to the Premises in support of expanded mining activity within a specified region of customer lands within the Company's service territory.
- 1.2 "Expanded Facilities"– new Customer facilities built at or near the Premises to support expanded mining operations within a specified region of Customer lands within the Company's service territory.
- 1.3 "Base Revenue" is the portion of electric revenue received by the Company for electric service to the Premises consisting only of applicable base demand charges, base non-fuel energy charges and facilities rental charges, if applicable. Base Revenue excludes, without limitation, capacity, customer, energy conservation, environmental, and fuel and purchased power recovery charges, franchise fees, and taxes.
- 1.4 "Baseline Base Revenue" equals the Base Revenue, if any, received for electric service at the current Premises (in the case of Expanded Mining Facilities) or at the former location (in the case of Relocated Mining Facilities), for the twelve-month period prior to the In-Service Date. If electric service has existed for less than twelve months prior to the In-Service Date, the Baseline Base Revenue will be calculated by averaging the monthly Base Revenue for those months that the electric service has existed prior to the In-Service Date and multiplying that average monthly Base Revenue by twelve .
- 1.5 "Incremental Base Revenue" is Base Revenue received during the Performance Guaranty Period for electric service rendered to the Premises in excess of Baseline Base Revenue.
- 1.6 "Performance Guaranty Period" is the period of time commencing with the In-service Date, and ending on the fifth anniversary of the In-Service Date ("Expiration Date").
- 1.7 "Performance Guaranty Amount" is the dollar amount calculated in 2.2 below



ARTICLE II – PERFORMANCE GUARANTY AMOUNT

2.1 For purposes of this Agreement, Incremental Base Revenue will be calculated as follows:

$$\begin{array}{r}
 \$ \underline{\hspace{2cm}} \text{ (Base Revenue)} \\
 - \$ \underline{\hspace{2cm}} \text{ (Baseline Base Revenue)} \\
 = \$ \underline{\hspace{2cm}} \text{ (Incremental Base Revenue)}
 \end{array}$$

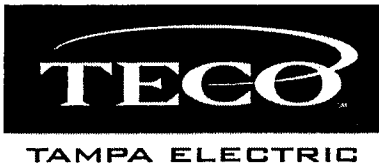
2.2 The Performance Guaranty Amount is the cost, as determined by the Company, of the total cost of the system expansion less Customer's Contribution in Aid of Construction ("CIAC") multiplied by a factor of 1.53. The Customer agrees to provide Company a Performance Guaranty Amount in the amount specified in the table below prior to Company installing the Facilities necessary to provide the electric service to the Premises.

Calculation of Performance Guaranty Amount	
A. Cost of Facilities	
B. Customer CIAC	
C. Remaining Cost (A – B)	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

2.3 The Performance Guaranty Amount does not constitute or serve in lieu of CIAC. Nothing in this Agreement shall be construed as relieving the Customer from the obligation to pay or prohibiting the Company from collecting from Customer a CIAC for underground service pursuant to the Company's applicable tariff.

The Customer shall provide the above-specified Performance Guaranty Amount to Company prior to Company beginning construction of the Facilities.

2.4 The Facilities to be installed to serve the Premises, together with their estimated costs, are shown on Exhibit A of this Agreement.

**ARTICLE III – PAYMENT AND REFUND**

- 3.1 If the Incremental Base Revenue collected from the Customer by the end of Performance Guaranty Period, or upon default of this Agreement, is less than the Performance Guaranty Amount, Customer shall pay to Company the Performance Guaranty Amount, less the amount of Base Revenue previously collected from the Customer.
- 3.2 At the Customer's option, the Performance Guaranty Amount may be posted with Company in cash, or may be secured either by a surety bond or irrevocable bank letter of credit in a form acceptable to Company.
- 3.3 If at the end or at any time during the Performance Guaranty Period, Incremental Base Revenue collected equals or exceeds the Performance Guaranty Amount and Customer secured the Performance Guaranty through a surety bond, or irrevocable letter of credit, such bond or letter of credit shall be released or exonerated from all past, present, and future liabilities associated with this Agreement. Customer shall have the right to reduce the face value of the surety bond or letter of credit on an annual basis to reflect the difference between the Performance Guaranty Amount and the Base Revenue collected in the previous 12-month period. If at the end of the Performance Guaranty Period the Incremental Base Revenue does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to draw down the surety bond or letter of credit to the extent of the difference between the Base Revenue collected and the Performance Guaranty Amount. The Company will accept payment for any such difference in cash from Customer in lieu of drawing down the surety bond or letter of credit provided that Customer pays by the end of the Performance Guarantee Period.
- 3.4 If the Customer elects to post the Performance Guaranty Amount in cash, the Company agrees to reduce the Performance Guaranty Amount cash balance by the amount of the previous 12-month's Incremental Base Revenue collected and provide an annual bill credit or refund check to the Customer in an amount equal to such prior twelve months of Base Revenue collections, until such time as the Performance Guaranty Amount cash balance is depleted. If at the end of the Performance Guaranty Period the Incremental Base Revenue previously collected from the Customer does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to permanently retain the remaining cash balance of the Performance Guaranty Amount.



3.5 In the event that Company's construction of the Facilities shown on Exhibit "A" commences but is not completed due to a change in Customer's plans or other circumstances related to the Premises that are not within Company's control, or if twelve months following the effective date of this Agreement Company has been unable to complete the requested installation and commence service due to changes or delays in Customer's schedule or plans or as the result of a lack of cooperation by the Customer, the Company shall be immediately entitled to an amount of the Performance Guaranty equal to Company's construction expenditures incurred in connection with this Agreement. Thereafter, the Company may elect to terminate the Agreement and, in the event of such termination by the Company, the balance, if any, of the Performance Guaranty not required to cover the Company's expenditures incurred in connection with this Agreement will be refunded if Customer posted a cash Performance Guaranty.

ARTICLE IV - TERM OF AGREEMENT

The term of this Agreement shall commence on the above written In-Service Date and end on the earlier of the Expiration Date, or on the date Incremental Base Revenue collected from the Customer equals the Performance Guaranty, whichever is earlier, unless terminated earlier pursuant to Section 3.1 or Section 3.5.

ARTICLE V - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded and not otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit or surety bond shall become immediately due and payable.

ARTICLE VI - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between Company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto.



ARTICLE VIII - HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement shall inure to the benefits of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but Customer shall not assign this Agreement without first having obtained the written consent of Company, such consent not to be unreasonably withheld.

ARTICLE IX - SUBJECT TO FPSC RULES

This Agreement is subject to the Rules and Orders of the Florida Public Service Commission and to Tampa Electric Company's Electric Tariff including, but not limited to the General Rules and Regulations for Electric Service (collectively "Regulations"), as such Regulations are now written, or as they may be hereafter revised, amended or supplemented, and at Company's request, Customer agrees to conform this Agreement to such provisions, or enter into a new Agreement reflecting such provisions. This Agreement shall not be used in lieu of applicable requirements set forth in the Regulations pertaining to contributions in aid of construction, advances or deposits.

In Witness Whereof, Customer and Company hereby have caused this Agreement to be executed in triplicate by their duly authorized representatives to be effective as of the day and year first written above.

Charges and Terms Accepted by:

Customer
(Print/Type Name of Organization)

TAMPA ELECTRIC COMPANY

By: _____
Signature (Authorized Representative)

By: _____
Signature (Authorized Representative)

(Print or Type Name)

(Print or Type Name)

Title: _____

Title: _____



TAMPA ELECTRIC

ORIGINAL SHEET NO. 7.945

EXHIBIT A

FACILITIES TO BE INSTALLED TO SERVE THE PREMISES

ISSUED BY: C. R. Black, President

DATE EFFECTIVE:



PERFORMANCE GUARANTY AGREEMENT FOR MINING FACILITIES

This Performance Guaranty Agreement ("Agreement:") is made this _____ day of _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

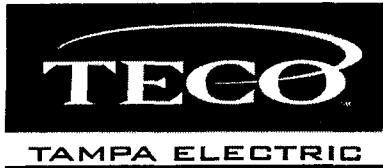
Whereas, in connection with the property located at _____ in _____, Florida ("Premises"), the Customer has requested that the Company install electric infrastructure ("Facilities") described in Exhibit A in order to provide electric service to relocated or expanded mining facilities supporting mining operations at or near the Premises;

Whereas, the Customer's estimate of the electric power need of the Premises will require a significant expansion of the Company's present electric system and, due to the transitory nature of the Customer's mining operations, the company believes that the Customer's projected load may not initially materialize or may decrease or disappear within five years following the requested service date of _____ ("In-Service Date") for the proposed system expansion; and

Whereas, the Company may not fully recover its investment in such infrastructure expansion should the Customer's projected load not materialize or be sustained at the projected level for at least four years duration, thereby placing the burden for the stranded investment on Company's other customers; and

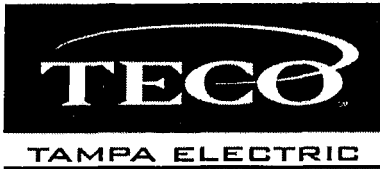
Whereas, the Customer is willing to provide assurance that the Company will recover its investment in the expansion of the Company's electric system based on the Customer's projections in the event that sufficient revenue from service to the Premises is not realized within five years following the requested service date;

Now, therefore, in recognition of the foregoing premises and in consideration of the covenants and promises set forth herein below, the Company and the Customer do hereby agree as follows:



ARTICLE I – DEFINITIONS

- 1.1 "Relocated Facilities"– Customer facilities that have been dismantled or removed from one site on the customer's lands and reconstructed or relocated to the Premises in support of expanded mining activity within a specified region of customer lands within the Company's service territory.
- 1.2 "Expanded Facilities"– new Customer facilities built at or near the Premises to support expanded mining operations within a specified region of Customer lands within the Company's service territory.
- 1.3 "Base Revenue" is the portion of electric revenue received by the Company for electric service to the Premises consisting only of applicable base demand charges, base non-fuel energy charges and facilities rental charges, if applicable. Base Revenue excludes, without limitation, capacity, customer, energy conservation, environmental, and fuel and purchased power recovery charges, franchise fees, and taxes.
- 1.4 "Baseline Base Revenue" equals the Base Revenue, if any, received for electric service at the current Premises (in the case of Expanded Mining Facilities) or at the former location (in the case of Relocated Mining Facilities), for the twelve-month period prior to the In-Service Date. If electric service has existed for less than twelve months prior to the In-Service Date, the Baseline Base Revenue will be calculated by averaging the monthly Base Revenue for those months that the electric service has existed prior to the In-Service Date and multiplying that average monthly Base Revenue by twelve .
- 1.5 "Incremental Base Revenue" is Base Revenue received during the Performance Guaranty Period for electric service rendered to the Premises in excess of Baseline Base Revenue.
- 1.6 "Performance Guaranty Period" is the period of time commencing with the In-service Date, and ending on the fifth anniversary of the In-Service Date ("Expiration Date").
- 1.7 "Performance Guaranty Amount" is the dollar amount calculated in 2.2 below



ARTICLE II – PERFORMANCE GUARANTY AMOUNT

2.1 For purposes of this Agreement, Incremental Base Revenue will be calculated as follows:

\$	(Base Revenue)
- \$	(Baseline Base Revenue)
= \$	(Incremental Base Revenue)

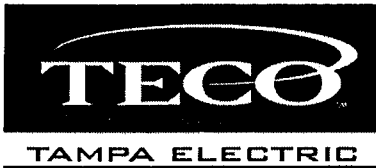
2.2 The Performance Guaranty Amount is the cost, as determined by the Company, of the total cost of the system expansion less Customer's Contribution in Aid of Construction ("CIAC") multiplied by a factor of 1.53. The Customer agrees to provide Company a Performance Guaranty Amount in the amount specified in the table below prior to Company installing the Facilities necessary to provide the electric service to the Premises.

<u>Calculation of Performance Guaranty Amount</u>	
A. Cost of Facilities	
B. Customer CIAC	
C. Remaining Cost (A – B)	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

2.3 The Performance Guaranty Amount does not constitute or serve in lieu of CIAC. Nothing in this Agreement shall be construed as relieving the Customer from the obligation to pay or prohibiting the Company from collecting from Customer a CIAC for underground service pursuant to the Company's applicable tariff.

The Customer shall provide the above-specified Performance Guaranty Amount to Company prior to Company beginning construction of the Facilities.

2.4 The Facilities to be installed to serve the Premises, together with their estimated costs, are shown on Exhibit A of this Agreement.



ARTICLE III – PAYMENT AND REFUND

- 3.1** If the Incremental Base Revenue collected from the Customer by the end of Performance Guaranty Period, or upon default of this Agreement, is less than the Performance Guaranty Amount, Customer shall pay to Company the Performance Guaranty Amount, less the amount of Base Revenue previously collected from the Customer.
- 3.2** At the Customer's option, the Performance Guaranty Amount may be posted with Company in cash, or may be secured either by a surety bond or irrevocable bank letter of credit in a form acceptable to Company.
- 3.3** If at the end or at any time during the Performance Guaranty Period, Incremental Base Revenue collected equals or exceeds the Performance Guaranty Amount and Customer secured the Performance Guaranty through a surety bond, or irrevocable letter of credit, such bond or letter of credit shall be released or exonerated from all past, present, and future liabilities associated with this Agreement. Customer shall have the right to reduce the face value of the surety bond or letter of credit on an annual basis to reflect the difference between the Performance Guaranty Amount and the Base Revenue collected in the previous 12-month period. If at the end of the Performance Guaranty Period the Incremental Base Revenue does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to draw down the surety bond or letter of credit to the extent of the difference between the Base Revenue collected and the Performance Guaranty Amount. The Company will accept payment for any such difference in cash from Customer in lieu of drawing down the surety bond or letter of credit provided that Customer pays by the end of the Performance Guarantee Period.
- 3.4** If the Customer elects to post the Performance Guaranty Amount in cash, the Company agrees to reduce the Performance Guaranty Amount cash balance by the amount of the previous 12-month's Incremental Base Revenue collected and provide an annual bill credit or refund check to the Customer in an amount equal to such prior twelve months of Base Revenue collections, until such time as the Performance Guaranty Amount cash balance is depleted. If at the end of the Performance Guaranty Period the Incremental Base Revenue previously collected from the Customer does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to permanently retain the remaining cash balance of the Performance Guaranty Amount.



3.5 In the event that Company's construction of the Facilities shown on Exhibit "A" commences but is not completed due to a change in Customer's plans or other circumstances related to the Premises that are not within Company's control, or if twelve months following the effective date of this Agreement Company has been unable to complete the requested installation and commence service due to changes or delays in Customer's schedule or plans or as the result of a lack of cooperation by the Customer, the Company shall be immediately entitled to an amount of the Performance Guaranty equal to Company's construction expenditures incurred in connection with this Agreement. Thereafter, the Company may elect to terminate the Agreement and, in the event of such termination by the Company, the balance, if any, of the Performance Guaranty not required to cover the Company's expenditures incurred in connection with this Agreement will be refunded if Customer posted a cash Performance Guaranty.

ARTICLE IV - TERM OF AGREEMENT

The term of this Agreement shall commence on the above written In-Service Date and end on the earlier of the Expiration Date, or on the date Incremental Base Revenue collected from the Customer equals the Performance Guaranty, whichever is earlier, unless terminated earlier pursuant to Section 3.1 or Section 3.5.

ARTICLE V - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded and not otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit or surety bond shall become immediately due and payable.

ARTICLE VI - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between Company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto.

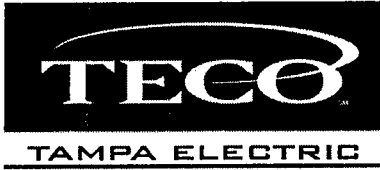


EXHIBIT A

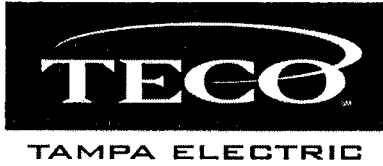
FACILITIES TO BE INSTALLED TO SERVE THE PREMISES

EXHIBIT C

DOCUMENT NUMBER-DATE

10978 DEC 17 6

FPSC-COMMISSION CLERK



**PERFORMANCE GUARANTY AGREEMENT
FOR RESIDENTIAL SUBDIVISION DEVELOPMENT**

This Performance Guaranty Agreement ("Agreement") is made this ___ day of ____, ____, by and between _____ (hereinafter called "Applicant"), and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called "the Company").

WITNESSETH:

Whereas, the Applicant has applied to the Company for underground electric service distribution facilities to be installed on Applicant's property commonly known as _____ located in _____, Florida ("Premises"); and

Whereas, the Premises requires a significant expansion of the Company's present electric distribution system and a Company investment exceeding \$600,000; and

Whereas, the revenue expected to be derived from all or a portion of the extension within two years is uncertain; and

Whereas, the Company requires a Performance Guaranty Agreement for Residential Subdivision Development ("Performance Guaranty") to provide assurance to the Company that appropriate revenue will be derived from the installation of new facilities so recovery of its costs is certain; and

Whereas, the Applicant is agreeable to providing a Performance Guaranty

Now, therefore, in recognition of their mutual covenants and promises, the Company and the Applicant do hereby agree as follows:

ARTICLE 1 – DEFINITIONS

1.1 "Service Installation" shall be defined as: 1) the completed installation of service cable from the Company's designated point of service to the electric meter enclosure, and 2) the receipt by the Company of an electrical release from the appropriate governmental authorities ("Electrical Release") acknowledging that the Premises constructed by the Applicant is available for occupancy, such that the Company may install and connect electric meters.



1.2 "Expiration Date" shall be defined as the date five (5) years from the date the Company determines it is first ready to render electric service to the extension.

**ARTICLE II -
DETERMINATION OF INITIAL PERFORMANCE GUARANTY AMOUNT**

Applicant agrees to provide the Company a Performance Guaranty to be determined by the Company as follows:

2.1 The Company will estimate the total cost of facilities to be installed on the Premises ("Facilities") and deduct the amount of Contribution in Aid of Construction ("CIAC") paid by the Applicant pursuant to the Company's Electric Tariff. The remaining amount will be multiplied by a present value factor of 1.53 and prorated among the projected number of Service Installations from which sufficient revenue may be derived to recover the Company's investment expense. Based upon the Company's evaluation of Applicants' construction plans, construction schedule, and the manner in which the subdivision is to be developed, a prorated amount for each service installed will be required for ___ Service Installations in all or part of the subdivision where, in the opinion of the Company, service may not be connected within two years from the date the Company is first ready to render electric service.

Calculation of Performance Guaranty Amount	
A. Cost of Facilities	
B. Applicant CIAC	
C. Remaining Cost	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

2.2 In accordance with the above, the initial Performance Guaranty amount required by the Company prior to installing the requested line extension shall be _____ (\$_____).



ARTICLE III – PAYMENT AND REFUND

- 3.1 The Applicant shall pay the above specified Performance Guaranty Amount to the Company to guarantee that the Applicant's development is completed so that all Facilities installed to serve new customers are utilized. This amount may be paid in cash or secured by an irrevocable letter of credit in a form acceptable to the Company.
- 3.2 At the request of the Applicant, this Performance Guaranty Amount will be refunded without interest, if cash, or the required amount reduced, if secured by an irrevocable bank letter of credit, each year of the term on a prorated basis of _____ (\$ _____) for each Service Installation and _____ (\$ _____) for the final Service Installation.
- 3.3 If the Performance Guaranty Amount is secured by an irrevocable bank letter of credit, the Applicant may provide either an amended or replacement irrevocable bank letter of credit in a form acceptable to the Company at the time to reflect the reduced Performance Guaranty Amount as provided for in Section 3.2. If, upon notice of cancellation or prior to expiration of an irrevocable bank letter of credit, a replacement irrevocable bank letter of credit in a form acceptable to the Company or payment in cash is not provided by Applicant to the Company, the Company will require the third party issuing either of these guaranties to pay the full balance due in accordance with this Agreement in cash. It is the responsibility of the customer to track the progress of construction and report it to the Company on an annual basis. The Company will continue to refund the Performance Guaranty Amount in accordance with Section 3.2 except such refund will be paid jointly to the Applicant and the designated third party having paid the Performance Guaranty Amount. The check shall be provided to the Applicant with a copy to the third party.
- 3.4 Upon written consent from the Company, the Applicant may replace the balance of any cash Performance Guaranty Amount with an irrevocable bank letter of credit acceptable to the Company. Upon receipt of such irrevocable bank letter of credit, the Company will refund the balance of the cash Performance Guaranty Amount. If a third party has made payment to the Company pursuant to Section 3.3, then any such refund will be paid jointly to the Applicant and the designated third party. The check shall be provided to the Applicant with a copy to the third party.



ARTICLE IV - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded or otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit shall become immediately due and payable.

ARTICLE V - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VI - PROCEEDING WITH WORK

The Company, upon execution of this Agreement by both parties and receipt of the required Performance Guaranty Amount, will proceed with the extension work as described in the plans and specifications attached as EXHIBIT A, and all work done and materials used shall conform to the methods and practices specified by the Company's engineers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto; provided however, that all terms and conditions contained in the Company's Underground Distribution Facilities Installation Agreement dated _____ relating to the installation of the Facilities shall be adhered to.

ARTICLE VIII - HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement shall inure to the benefits of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but Customer shall not assign this Agreement without first having obtained the written consent of Company, such consent not to be unreasonably withheld.



ARTICLE IX - SUBJECT TO FPSC RULES

This Agreement is subject to the Rules and Orders of the Florida Public Service Commission and to Tampa Electric Company's Electric Tariff including, but not limited to the General Rules and Regulations for Electric Service (collectively "Regulations"), as such Regulations are now written, or as they may be hereafter revised, amended or supplemented, and at Company's request, Customer agrees to conform this Agreement to such provisions, or enter into a new Agreement reflecting such provisions. This Agreement shall not be used in lieu of applicable requirements set forth in the Regulations pertaining to contributions in aid of construction, advances or deposits.

In Witness Whereof, Customer and Company hereby have caused this Agreement to be executed in triplicate by their duly authorized representatives to be effective as of the day and year first written above.

Charges and Terms Accepted by:

TAMPA ELECTRIC COMPANY

Customer
(Print/Type Name of Organization)

By: _____
Signature (Authorized Representative)

By: _____
Signature (Authorized Representative)

(Print or Type Name)

(Print or Type Name)

Title: _____

Title: _____



**PERFORMANCE GUARANTY AGREEMENT
FOR RESIDENTIAL SUBDIVISION DEVELOPMENT**

This Performance Guaranty Agreement ("Agreement") is made this _____ day of _____, by and between _____ (hereinafter called "Applicant"), and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called "the Company").

WITNESSETH:

Whereas, the Applicant has applied to the Company for underground electric service distribution facilities to be installed on Applicant's property commonly known as _____ located in _____, Florida ("Premises"); and

Whereas, the Premises requires a significant expansion of the Company's present electric distribution system and a Company investment exceeding \$600,000; and

Whereas, the revenue expected to be derived from all or a portion of the extension within two years is uncertain; and

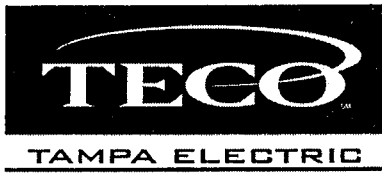
Whereas, the Company requires a Performance Guaranty Agreement for Residential Subdivision Development ("Performance Guaranty") to provide assurance to the Company that appropriate revenue will be derived from the installation of new facilities so recovery of its costs is certain; and

Whereas, the Applicant is agreeable to providing a Performance Guaranty

Now, therefore, in recognition of their mutual covenants and promises, the Company and the Applicant do hereby agree as follows:

ARTICLE 1 – DEFINITIONS

1.1 "Service Installation" shall be defined as: 1) the completed installation of service cable from the Company's designated point of service to the electric meter enclosure, and 2) the receipt by the Company of an electrical release from the appropriate governmental authorities ("Electrical Release") acknowledging that the Premises constructed by the Applicant is available for occupancy, such that the Company may install and connect electric meters.



1.2 "Expiration Date" shall be defined as the date five (5) years from the date the Company determines it is first ready to render electric service to the extension.

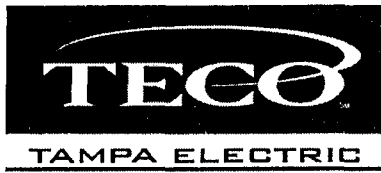
**ARTICLE II -
DETERMINATION OF INITIAL PERFORMANCE GUARANTY AMOUNT**

Applicant agrees to provide the Company a Performance Guaranty to be determined by the Company as follows:

2.1 The Company will estimate the total cost of facilities to be installed on the Premises ("Facilities") and deduct the amount of Contribution in Aid of Construction ("CIAC") paid by the Applicant pursuant to the Company's Electric Tariff. The remaining amount will be multiplied by a present value factor of 1.53 and prorated among the projected number of Service Installations from which sufficient revenue may be derived to recover the Company's investment expense. Based upon the Company's evaluation of Applicants' construction plans, construction schedule, and the manner in which the subdivision is to be developed, a prorated amount for each service installed will be required for _____ Service Installations in all or part of the subdivision where, in the opinion of the Company, service may not be connected within two years from the date the Company is first ready to render electric service.

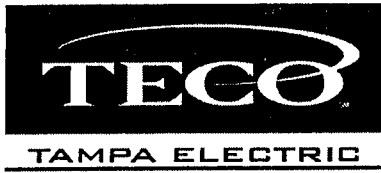
<u>Calculation of Performance Guaranty Amount</u>	
<u>A. Cost of Facilities</u>	
<u>B. Applicant CIAC</u>	
<u>C. Remaining Cost</u>	
<u>D. Present Value Factor</u>	<u>1.53</u>
<u>E. Performance Guaranty Amount (C * D)</u>	

2.2 In accordance with the above, the initial Performance Guaranty amount required by the Company prior to installing the requested line extension shall be _____ (\$ _____).



ARTICLE III – PAYMENT AND REFUND

- 3.1 The Applicant shall pay the above specified Performance Guaranty Amount to the Company to guarantee that the Applicant's development is completed so that all Facilities installed to serve new customers are utilized. This amount may be paid in cash or secured by an irrevocable letter of credit in a form acceptable to the Company.
- 3.2 At the request of the Applicant, this Performance Guaranty Amount will be refunded without interest, if cash, or the required amount reduced, if secured by an irrevocable bank letter of credit, each year of the term on a prorated basis of (\$) for each Service Installation and (\$) for the final Service Installation.
- 3.3 If the Performance Guaranty Amount is secured by an irrevocable bank letter of credit, the Applicant may provide either an amended or replacement irrevocable bank letter of credit in a form acceptable to the Company at the time to reflect the reduced Performance Guaranty Amount as provided for in Section 3.2. If, upon notice of cancellation or prior to expiration of an irrevocable bank letter of credit, a replacement irrevocable bank letter of credit in a form acceptable to the Company or payment in cash is not provided by Applicant to the Company, the Company will require the third party issuing either of these guaranties to pay the full balance due in accordance with this Agreement in cash. It is the responsibility of the customer to track the progress of construction and report it to the Company on an annual basis. The Company will continue to refund the Performance Guaranty Amount in accordance with Section 3.2 except such refund will be paid jointly to the Applicant and the designated third party having paid the Performance Guaranty Amount. The check shall be provided to the Applicant with a copy to the third party.
- 3.4 Upon written consent from the Company, the Applicant may replace the balance of any cash Performance Guaranty Amount with an irrevocable bank letter of credit acceptable to the Company. Upon receipt of such irrevocable bank letter of credit, the Company will refund the balance of the cash Performance Guaranty Amount. If a third party has made payment to the Company pursuant to Section 3.3, then any such refund will be paid jointly to the Applicant and the designated third party. The check shall be provided to the Applicant with a copy to the third party.



ARTICLE IV - FINAL SETTLEMENT

Upon the termination or expiration of this Agreement, any portion of the Performance Guaranty Amount not previously refunded or otherwise eligible for refund under the terms of this Agreement shall be retained by Company and any remaining balance of the Performance Guaranty Amount that is subject to a letter of credit shall become immediately due and payable.

ARTICLE V - TITLE AND OWNERSHIP

Title to and complete ownership and control over the Facilities shall at all times remain with Company and Company shall have the right to use the same for the purpose of serving other customers.

ARTICLE VI - PROCEEDING WITH WORK

The Company, upon execution of this Agreement by both parties and receipt of the required Performance Guaranty Amount, will proceed with the extension work as described in the plans and specifications attached as EXHIBIT A, and all work done and materials used shall conform to the methods and practices specified by the Company's engineers.

ARTICLE VII - ENTIRE AGREEMENT

This Agreement supersedes all previous agreements, or representations, whether written or oral, between company and Customer, made with respect to the matters herein contained, and when duly executed constitutes the entire agreement between the parties hereto; provided however, that all terms and conditions contained in the Company's Underground Distribution Facilities Installation Agreement dated _____ relating to the installation of the Facilities shall be adhered to.

ARTICLE VIII - HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement shall inure to the benefits of and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, but Customer shall not assign this Agreement without first having obtained the written consent of Company, such consent not to be unreasonably withheld.



ARTICLE IX - SUBJECT TO FPSC RULES

This Agreement is subject to the Rules and Orders of the Florida Public Service Commission and to Tampa Electric Company's Electric Tariff including, but not limited to the General Rules and Regulations for Electric Service (collectively "Regulations"), as such Regulations are now written, or as they may be hereafter revised, amended or supplemented, and at Company's request, Customer agrees to conform this Agreement to such provisions, or enter into a new Agreement reflecting such provisions. This Agreement shall not be used in lieu of applicable requirements set forth in the Regulations pertaining to contributions in aid of construction, advances or deposits.

In Witness Whereof, Customer and Company hereby have caused this Agreement to be executed in triplicate by their duly authorized representatives to be effective as of the day and year first written above.

Charges and Terms Accepted by:

TAMPA ELECTRIC COMPANY

Customer
(Print/Type Name of Organization)

By: Signature (Authorized Representative) By: Signature (Authorized Representative)

(Print or Type Name) (Print or Type Name)

Title: Title: