

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

April 1, 2009

HAND DELIVERED

RECEIVED--FPSC
09 APR - 1 PM 1:52
COMMISSION
CLERK

090165-EQ

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

Re: Petition of Tampa Electric Company for Approval of Revisions to Standard Offer Contract for Small Qualifying Facilities and Producers of Renewable Energy

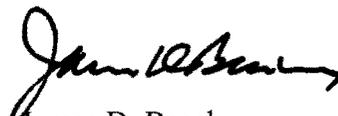
Dear Ms. Cole:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Tampa Electric Company's 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

COM	_____
ECR	_____
GCL	2
OPC	1
RCP	1
SSC	_____
SGA	2
ADM	_____
CLK	_____

DOCUMENT NUMBER-DATE

02894 APR-1 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for Approval of revisions to Standard Offer)
Contract for small Qualifying Facilities and)
Producers of Renewable Energy.)
_____)

DOCKET NO. 090165

FILED: April 1 2009

**TAMPA ELECTRIC COMPANY'S 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 366.051 and 366.91, Florida Statutes, and Rules 25-17.200 through 25-17.310, Florida Administrative Code, petitions the Florida Public Service Commission ("the Commission") to approve revisions to its Standard Offer Contract for the Purchase of Contracted Capacity and Associated Energy from a Renewable Generating Facility or a Small Qualifying Facility ("SOC" or "Standard Offer") and accompanying rate schedule, COG-2. 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 an investor-owned 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

Paul Brown, Administrator
Regulatory Coordination
Tampa Electric Company

SECRET NUMBER-DATE

02894 APR-1 8

FPSC-COMMISSION CLERK

Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7952 (fax)

Post Office Box 111
Tampa, FL 33601
(813) 228-1444
(813) 228-1770 (fax)

4 In its petition, Tampa Electric has proposed revisions to its Standard Offer based on the technology reflected in the company's generation expansion plan contained in its proposed Ten Year Site Plan ("TYSP"), filed concurrently with this Petition. The company is proposing Standard Offers based on a 2012 combustion turbine and a 2018 combined cycle unit.

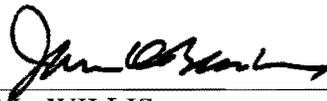
5. The revised tariff sheets containing the proposed revisions to the SOC and Rate Schedule COG-2 are attached hereto in both standard and legislative formats as Exhibits "B", and "C", respectively. Also attached hereto, Exhibit "A" contains a listing of revised tariff sheets and a description of the proposed changes for each tariff sheet.

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

WHEREFORE, Tampa Electric respectfully requests that the Commission grant this Petition for Approval of its revised SOC and COG-2 tariff as reflected in the revised tariff sheets contained in Exhibits "B", and "C".

DATED this 1st day of April 2009.

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

REVISED TARIFF SHEET LISTING

**Proposed Revisions to Tampa Electric Company's
Standard Offer Contract for the
Purchase of Contracted Capacity and Associated Energy
From a Renewable Generating Facility or a Small Qualifying Facility**

TARIFF SHEET NO.	COMMENTS
8.215	Punctuation corrections
8.216	Added blank for date to begin capacity payments.
8.224	Added clarification that security required if CEP does not qualify (at company discretion) for un-secured credit.
8.236	Interest rate tied to current discount rate
8.242	Rewrite of Mandatory Default section to be consistent with standard contract language
8.243	New sheet for overflow of Mandatory Default section and subsequent Optional Default and Default Remedy sections formerly on previous sheet
8.252	Revised subsection "v" per Credit Dept to be consistent with standard contract language
8.256	Revised subsections "g" and "j" per Credit Dept to be consistent with standard contract language
8.257	Carry over of revised subsection "j" and inserted new subsection "k" per Credit Dept.
8.258	Subsections relabeled to accommodate new section on previous page and minor wording change "the" to "this"
8.262	Same as above plus punctuation and correction to section reference
8.278	Modified Section 4a per Credit Dept based on standard contract language
8.282	Subsection 5d overflowed to this page due to previous page modifications
8.306	Update rate schedules and adjustment factors (delivery voltage)
8.312	Update Customer Charges
8.326	Updated COG-2 Table of Appendices for avoided unit in-service date
8.336	Clarification under Repayment of Early Capacity Payments per Credit Dept
8.406	Corrected avoided unit capacity
8.422	Avoided unit costs and financial assumptions for 2012 avoided CT
8.424	Revised avoided unit costs reflecting 2012 avoided CT
8.426	Revised table of capacity payments based on 2012 avoided CT
8.428	Updated CT heat rate and gas pricing formula
8.434	Update gas components used in pricing formula on Sheet No. 8.428
8.436	Updated 2012 CT heat rate and variable O&M costs
8.438	Updated 2018 avoided NGCC unit information
8.448	Update unit costs and financial assumptions for 2018 avoided NGCC
8.450	Revised avoided unit costs reflecting 2018 avoided NGCC
8.452	Revised table of standard and early capacity payments based on 2018 avoided NGCC
8.454	Revised table of levelized and early levelized capacity payments based on 2018 NGCC
8.456	Update NGCC heat rate
8.458	Update gas pricing formula and formula components
8.460	Updated in-service date, variable O&M cost, and heat rate for NGCC

EXHIBIT B
REVISED TARIFF SHEETS
STANDARD FORMAT



Continued from Sheet No. 8.214

7. **Extension of Facility In-Service Date:** The CEP may request and the Company may grant, at its sole discretion, an Extended Facility In-Service Date provided, however, that the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted, or the Extended Facility In-Service Date is not satisfied, the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract, which may be requested by the CEP and may be granted by the Company, at its sole discretion.
8. **Billing Methodology:** The billing methodology applicable to the Company's purchase, and the CEP's sale, of Contract Capacity and Associated Energy pursuant to this Contract shall be: (i) () Net Billing Arrangement; or (ii) () Simultaneous Purchase and Sale Arrangement, such purchases being arranged from the interconnecting utility and sales being made to the Company. Once made, the selection of a billing methodology may only be changed in accordance with FPSC Rule 25-17.082, F.A.C., and shall be in accordance with the following provisions:
- a. upon at least 30 days advance written notice to the Company; and
 - b. upon installation by the Company of any additional metering equipment reasonably required to effect the change in billing methodology; and
 - c. upon payment by the CEP for such metering equipment and its installation; and
 - d. upon the Company's approval and completion of any alterations to the Interconnection Point that are reasonably required to effect the change in billing methodology and upon payment by the CEP for such alterations.

The Parties agree that the CEP's obligation to generate and sell Contracted Capacity and Associated Energy from the Facility is subject to both scheduled and unscheduled outages of the Facility and the transmission service(s) required to effect delivery of same to the Delivery Point. Neither Party shall be required to compensate the other Party for Contracted Capacity and Associated Energy which from time to time may not be generated and sold by the CEP, or received and purchased by the Company, as a result of such scheduled and unscheduled outages. The Parties agree to use best efforts to minimize the duration of any scheduled or unscheduled outages which from time to time may interrupt the purchase and sale of Contracted Capacity and Associated Energy under this Contract.

Continued to Sheet No. 8.216



Continued from Sheet No. 8.215

9. **Payment:**

a. **Associated Energy Payment:** The Company agrees to pay the CEP for Associate Energy delivered to the Company at the Delivery Point in accordance with the energy payment options, rates, and procedures contained in Rate Schedule COG-2 attached hereto as Appendix II.

i. **Standard Energy Payments:** Associated Energy payments made prior to _____, shall be based on the Company's actual avoided energy costs as defined in Appendix B of Rate Schedule COG-2.

Beginning _____, to the extent that the Designated Avoided Unit would have been operated had it been installed by the Company, the CEP's Associated Energy payments will be based on the Company's Designated Avoided Unit's energy costs as calculated in Appendix -__ of Rate Schedule COG-2, otherwise the CEP's Associated Energy payment will be based on the Company's actual avoided energy costs. The determination of which energy cost shall be applied will be made hourly.

ii. **Fixed Energy Payments:** The CEP does ___ does not ___ request fixed Associated Energy payments as follows:

___Yes___No, as to Associated Energy payments made prior to _____, which, if requested, shall be based on the Company's year-by-year projection of system incremental fuel costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions, plus a fuel market volatility risk premium mutually agreed to by Tampa Electric and the CEP, which projected system incremental fuel costs will be provided by the Company within 30 days of the date of request by the CEP. The CEP and Tampa agree to the following fuel market volatility risk premium(s):_____.

___Yes___No, as to Associated Energy payments, calculated as follows: Subsequent to the determination of full avoided cost and subject to the provisions of paragraphs 25-17.0823(3)(a) through (d) F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the Company and the CEP, shall be fixed and amortized on a present value basis over this Contract commencing, at the election of the CEP, as early as the in-service date of the CEP's Facility. "Base energy costs associated with the avoided unit" means the energy costs

Continued to Sheet No. 8.218



Continued from Sheet No. 8.222

- a. **Completion Security:** If the CEP or its guarantor, if any, does not qualify for unsecured credit in Company's reasonable sole discretion, the CEP shall pay to the Company a security deposit equal to \$30.00 per kilowatt (\$30.00/kW) of Contracted Capacity as security for the CEP's completion of the Facility by the Facility In-Service Date. Such security will be required within sixty (60) days of execution of this Contract. Such security shall be in the form of cash deposited in an interest bearing escrow account mutually acceptable to the Company and the CEP; an unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or a performance bond in form and substance satisfactory to the Company. The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event that the CEP fails to complete the construction and achieve commercial in-service status by the Facility In-Service Date.

If the Facility In-Service Date is achieved, then the entire deposit and any interest therein, if applicable, shall be refunded to the CEP upon payment by the CEP of the Performance Security as required in Section 11.b.

If the Facility In-Service Date is delayed, the Company may, upon the request of the CEP, at its sole discretion, agree to an Extended Facility In-Service Date, in which case the Company shall be entitled to retain or draw down on an amount equal to twenty percent (20%) of the original deposit amount for each month (or portion thereof) that the Facility In-Service Date is delayed. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted or the Extended Facility In-Service Date is not satisfied or delayed beyond the Extended Facility In-Service Date, the Company shall retain all of the deposit and terminate this Contract.

Notwithstanding the foregoing if the CEP does not satisfy the Construction Commencement Date or the Facility In-Service Date as defined in COG-2 in accordance with the terms and conditions of this Contract, this Contract shall be rendered of no force and effect, except for those provisions of this Agreement that provide the Company rights and remedies as against CEP because of its failure to meet the Construction Commencement Date or the Facility In-Service Date.

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Contracted Capacity payment made to the CEP and the "normal" Contracted Capacity payment calculated pursuant to Contracted Capacity payment option 1 (Value of Deferral Payments) in COG-2 will also be added each month to the Repayment Account, so long as the payment made to the CEP is greater than the monthly payment the CEP would have received if it had selected Contracted Capacity Payment Option 1 in Section 6.b.iii. The annual balance in the Repayment Account shall accrue interest at an annual rate of 8.33%.

Also beginning on _____, at such time that the Monthly Contracted Capacity Payment made to the CEP, pursuant to the Contracted Capacity Payment Option selected, is less than the "normal" Monthly Contracted Capacity Payment in Capacity Payment Option 1 in COG-2, there shall be debited from the Repayment Account an Early Payment Offset Amount to reduce the balance in the Repayment Account. Such Early Payment Offset Amount shall be equal to the amount which the Company would have paid for capacity in that month if Contracted Capacity payments had been calculated pursuant to Contracted Capacity Payment Option 1 in COG-2 and the CEP had elected to begin receiving Contracted Capacity payments on _____, minus the Monthly Contracted Capacity Payment the Company makes to the CEP (assuming the MPS are met or exceeded), pursuant to the Contracted Capacity Payment Option chosen by the CEP in Section 6.b.ii.

The CEP shall owe the Company and be liable for the current balance in the Repayment Account. The Company agrees to notify the CEP monthly as to the current Repayment Account balance.

In the event of default by the CEP, the total Repayment Account balance shall become due and payable within twenty (20) business days of receipt of written notice, as reimbursement for the Early Contracted Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of the CEP's Contract with the Company. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

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to the Contracted Capacity payment option selected is less than the "normal" Monthly Contracted Capacity Payment had the CEP selected Option 1, then the CEP shall be liable for and shall pay the Company an amount equal to the Early Payment Offset Amount for the month; provided, however, that such calculation shall assume that the CEP satisfied the MPS. Any payments thus required of the CEP shall be separately invoiced by the Company to Energy Provider after each month for which such payment is due and shall be paid by the CEP within twenty (20) business days after receipt of such invoice by the CEP. Such payment shall be debited from the Capacity Account as an Early Payment Offset Amount provided that any such payment will not exceed the current balance in the Capacity Account.

21. **Default:**

a. **Mandatory Default:** The CEP shall be in default under this Contract if it:

- i. is dissolved (other than pursuant to a consolidation, amalgamation or merger); or
- ii. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; or
- iii. makes a general assignment, arrangement or composition with or for the benefit of its creditors; or
- iv. institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; or
- v. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; or

Continued to Sheet No. 8.243



Continued from Sheet No. 8.242

- vi. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
 - vii. fails to perform in accordance with Section 11.b.
 - viii. fails to maintain its status as a Renewable Energy Facility or small Qualifying Facility as required herein; or
 - ix. fails to achieve, on both accounts, a minimum Monthly Availability Factor of fifty percent (50%) and fails to achieve a minimum Monthly Capacity Factor of fifty percent, during the same month, for twelve (12) consecutive months starting .
- b. **Optional Default:** The Company may declare the CEP to be in default if:
- i. at any time prior to _____, and after Monthly Contracted Capacity Payments have begun, the Company has sufficient reason to believe that the CEP is unable to deliver the entire amount of Contracted Capacity; or
 - ii. after Monthly Capacity Payments have begun, the CEP fails each month, for twenty-four (24) consecutive months, to meet the MPS; or
 - iii. the CEP refuses, is unable or anticipatorily breaches its obligation to deliver the entire amount of Contracted Capacity after _____.
- c. **Default Remedy:** In the event of default by the CEP, the total Repayment Account balance shall become due and payable within 20 business days of receipt of written notice, as reimbursement for the Early Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of this Contract. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

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Continued from Sheet No. 8.248

judgment, injunction, order, decree or other instrument binding upon the CEP, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.

- iii. **Compliance with Laws:** The CEP has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The CEP is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the CEP or the Company. By entering into this Contract, the CEP represents and warrants that Facility is a renewable facility pursuant to Rule 25-17.210(1) and(2) F.A.C. or a QF with a design capacity of 100 kW, or less, pursuant to Rule 17.080 F.A.C. and confirms such representation and warranty with the signature of the CEP's authorized representative on this Contract.
- iv. **Governmental Approvals:** Except as expressly contemplated herein, neither the execution and delivery by the CEP of this Contract, nor the consummation by the CEP of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the CEP has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).
- v. **No Proceedings:** There are no actions, suits, proceedings or investigations pending or, to the knowledge of the CEP, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the CEP's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The CEP has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. CEP is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- f. **Conditions Precedent:** Notwithstanding any other provisions of this Contract including the provisions of Section 20.b, the Company shall have the right to terminate this Contract by notice to the CEP, without cause, liability or obligation, if

Continued to Sheet No. 8.254



Continued from Sheet No. 8.254

- viii. Within 9 months after the effective date of this Contract: The CEP provides evidence in writing in a form satisfactory to the Company indicating and substantiating the ownership of or the right to use the real property at the specific site upon which the Facility will be located; and
- ix. Within 9 months after the effective date of this Contract: The CEP provides sufficient information satisfactory to the Company describing the technical capability and experience of the Facility's technology, including the environmental performance of the Facility.
- g. **Assignment:** The Company and the CEP shall have the right to assign its benefits under this Contract, but the CEP shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.
- h. **Disclaimer:** In executing this Contract, the Company does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the CEP or any assignee of this Contract.
- i. **Notification:** For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Contract, the Parties designate the following to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions changing such designate.

For: the CEP

For: the Company

c/o Manager-Wholesale Contracts,
 Wholesale Marketing and Sales
 Tampa Electric Company
 702 North Franklin Street (33602)
 P.O. Box 111
 Tampa, Florida 33601

- j. **Governing Law and Jurisdiction:** This Contract shall be governed by and construed and enforced in accordance with the laws, rules, and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time. With respect to any suit, action or proceedings relating to this Contract, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in

Continued to Sheet No. 8.257



Continued from Sheet No. 8.256

Hillsborough County in Tampa, Florida; and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing shall prevent the Beneficiary from enforcing any related judgment against the Guarantor in any other jurisdiction.

- k. **Waiver of jury trial:** Each party waives, to the fullest extent permitted by applicable law, any and all rights it may have to a trial by jury in respect of any suit, action or proceeding relating to this agreement or any credit support document. Each party (i) certifies that no representative, agent or attorney of the other party or any credit support provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this agreement and provide for any credit support document, as applicable, by, among other things, the mutual waivers and certifications in this section.

Continued to Sheet No. 8.258



Continued from Sheet No. 8.257

- i. **Taxation:** In the event that the Company becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Services determination, through audit, ruling or other authority, that the Company's payments to the CEP for capacity under Options B, C, or D are not fully deductible when paid (additional tax liability), the Company may bill the CEP monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these capacity payments are not currently deductible for federal and/or state income tax purposes. The Company, at its option, may offset these costs against amounts due the CEP hereunder. These costs would be calculated so as to place the Company in the same economic position in which it would have been if the entire capacity payments had been deductible in the period in which the payments were made. If the Company decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with the Company.
- m. **Severability:** If any part of this Contract, for any reason, be declared invalid, or unenforceable by a court or public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of this Contract, which remainder shall remain in force and effect as if this Contract had been executed without the invalid or unenforceable portion.
- n. **Complete Contract and Amendments:** All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Contract are hereby abrogated. No amendment or modification to this Contract shall be binding unless it shall be set forth in writing and duly executed by both Parties to this Contract.
- o. **Incorporation of Rate Schedule:** The Parties agree that this Contract shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.
- p. **Survival of Contract:** This Contract, as it may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

Continued to Sheet No. 8.262



Continued from Sheet No. 8.258

- q. **Record Retention:** The CEP agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all CEP entities to retain for the same period all such records.
- r. **No Waiver:** No waiver of any of the terms and conditions of this Contract shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The failure of a Party to insist, in any instance, on the strict performance of any of the terms and conditions hereof shall not be construed as a waiver of such Party's right in the future to insist on such strict performance.
- s. **Set-off:** The Company may at any time, but shall be under no obligation to, set off any and all sums due from the CEP against sums due to the CEP hereunder.
- t. **Assistance With the Company FIN 46R Compliance:** Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require the Company to evaluate whether the CEP must be consolidated, as a variable interest entity (as defined in FIN 46R), in the financial statements of the Company. The CEP agrees to fully cooperate with the Company and make available to the Company all financial data and other information, as deemed necessary by the Company, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R. If the result of a the evaluation under FIN 46R indicates that the CEP must be consolidated in the financial statements of the Company, the CEP agrees to provide financial statements, together with other required information, as determined by the Company, for inclusion in disclosures contained in the footnotes to the financial statements and in the Company's required filings with the Securities and Exchange Commission ("SEC"). The CEP shall provide this information to the Company in a timeframe consistent with the Company's earnings release and SEC filing schedules, to be determined at the Company's discretion. The CEP also agrees to fully cooperate with the Company and the Company's independent auditors in completing an assessment of the CEP's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of the Company. The Company will treat any information provided by the CEP in satisfying Section 22(s) as confidential information and shall only disclose such information to the extent required by accounting and SEC rules and any applicable laws.

Continued to Sheet No. 8.264



Continued from Sheet No. 8.268

- g. Site Control: Has the project's location been identified? Has the site been secured? Does the site require specific environmental considerations, i.e. wetlands, etc.? Please explain.
4. **Developer's Qualifications:**
- a. Project's Financial Stability: The Company will assess the creditworthiness of the project developer and/or its guarantor, if any, and determine in the Company's reasonable sole discretion if the project developer's level of unsecured credit is sufficient to provide the required Security to the Company. Please provide detail for the project developer or its guarantor, if any: (a) audited year-end financial statements (including balance sheet, income statement, and statement of cash flows) for the past three fiscal years, and (b) senior unsecured bond ratings from Moody's Investors Service and Standard and Poor's, if applicable.
 - b. Developer's Experience: Has developer any projects in operation? Has developer any other projects under construction? Please provide details for each previous Independent Power Production or QF projects undertaken by the developer, including but not limited to:
 - i. Financial arrangements and Institutions,
 - ii. Fuel contracts,
 - iii. Scheduling/project control information,
 - iv. Regulatory treatment,
 - v. Ownership structure, i.e. partnership, limited partnership, contract buy-outs, etc., and
 - vi. Total operating experience and performance.
 - c. Project Financing: Has project financing been secured? Will ownership equity in project be 15% or greater? Will the project be structured as a non-recourse financing project? Please provide detail.
 - d. Working Capital: Has long-term working capital been secured? Are sufficient reserves available to fund 6 months of debt service? Are sufficient funds available to cover 6 months of O&M expenses? Does project have warranties for key operating equipment during the first year of operations? Please provide detail.
5. **Additional Information:** Please provide the following additional general information to assist the Company in evaluating your Standard Offer Contract
- a. Standard Offer Committed Capacity (MW):
 - b. Size and type of generation:
 - c. Any existing or planned capacity commitments or energy sales to other utilities, if so provide detail:

Continued to Sheet No. 8.282



Continued from Sheet No. 8.278

- d. Will the project directly interconnect into the Company's transmission grid?
Please explain:
- e. If the project is located external to the Company's retail service area, how will the power be delivered to the Company? Please explain:
- f. Will steam host use a portion of electric generation, if so provide detail:
- g. Please provide developer's ownership structure for this project:
- h. Developer's insurance carrier:
 - o Property damage insurance:
 - o Business interruption insurance:
 - o Rating of insurance carrier:
- i. Please provide estimates of the following:
 - o Expected annual metered electric output,
 - o Expected annual metered useful thermal output, in Btu/hr X operating hours/year,
 - o Expected annual metered fuel input, in Btu/hr X operating hours/year
- j. Other:

EVALUATION CRITERIA AND SCORING: The Company will accept a Standard Offer Contract on the basis of the information provided in response to the evaluation criteria and upon its judgment of other relevant factors. A Standard Offer Contract which has convincingly demonstrated that the project is financially and technically viable and that the committed capacity would be available by the date specified in the Standard Offer Contract will be accepted for further negotiations leading to a contract offer.



Continued from Sheet No. 8.304

Such security shall be in the form of cash deposited in an interest bearing escrow account mutually acceptable to the Company and the EP; an unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or a performance bond in form and substance satisfactory to the Company. The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event of default by the CEP.

Florida Statute 377.709(4) requires a local government to refund Early Capacity Payments should a Municipal Solid Waste Facility owned, operated by or on the behalf of the local government be abandoned, closed down or rendered illegal. Therefore a utility may not require risk-related guarantees from a Municipal Solid Waste Facility as required in FPSC Rule 25-17.0832 (2)(c) and (3)(e)(8), F. A. C. However, at its option, a Municipal Solid Waste Facility may provide such risk-related guarantees.

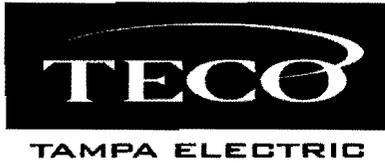
4. **Additional Criteria:**

- a. The CEP shall provide monthly generation estimates by December 1 for the next calendar year; and
- b. The CEP shall promptly update its yearly generation schedule when any changes are determined necessary; and
- c. The CEP shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
- d. The CEP shall coordinate scheduled outages with the Company;
- e. The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications.

DELIVERY VOLTAGE ADJUSTMENT: Energy Payments to CEPs within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Rate Schedule	Adjustment Factor
RS, GS	1.0548
GSD, SBF	1.0511
IS, SBI	1.0212

Continued to Sheet No. 8.308



Continued from Sheet No. 8.308

Should the CEP elect a Net Billing Arrangement, the hourly net capacity and energy sales delivered to the purchasing utility shall be purchased at the utility's avoided capacity and energy rates, where applicable, in accordance with FPSC Rules 25-17.0825 and 25-17.0832, F.A.C. Purchases from the interconnecting utility shall be billed at the retail rate schedule, under which the CEP load would receive service as a customer of the utility.

Although a billing option may be changed in accordance with FPSC Rule 25-17.082, F.A.C., the Contracted Capacity may only change through mutual negotiations satisfactory to the CEP and the Company.

Customer charges that are directly attributable to the purchase of firm capacity and energy from the CEP are deducted from the CEP's total monthly payment. A statement covering the charges and payments due the CEP is rendered monthly and payment normally is made by the 20th business day following the end of the Monthly Period.

CHARGES/CREDITS TO THE EP:

1. **Customer Charges:** A monthly Customer Charge will be rendered for maintaining an account for the CEP engaged in either an As-Available Energy or firm capacity and energy transaction and for other applicable administrative costs. Actual charges will depend on how the CEP is interconnected to the Company.

CEPs not directly interconnected to the Company, will be billed \$580 monthly as a Customer Charge.

Monthly customer charges, applicable to CEPs directly interconnected to the Company, by Rate Schedule are:

RATE SCHEDULE	CUSTOMER CHARGE (\$)	RATE SCHEDULE	CUSTOMER CHARGE (\$)
RS	10.50		
GS	10.50	GST	12.00
GSD (secondary)	57.00	GSDT (secondary)	57.00
GSD (primary)	130.00	GSDT (primary)	130.00
GSD (subtrans.)	950.00	GSDT (subtrans.)	950.00
SBF (secondary)	82.00	SBFT (secondary)	82.00
SBF (primary)	155.00	SBFT (primary)	155.00
SBF (subtrans.)	955.00	SBFT (subtrans.)	955.00
IS (primary)	622.00	IST (primary)	622.00
IS (subtrans.)	2,372.00	IST (subtrans.)	2,372.00
SBI (primary)	647.00		
SBI (subtrans.)	2,397.00		

Continued to Sheet No. 8.314



Rate Schedule COG-2
Table of Appendices

APPENDIX	TITLE	SHEET NO.
A	VALUE OF DEFERRAL METHODOLGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2012 COMBUSTION TURBINE • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs	8.406
D	2018 NATURAL GAS COMBINED CYCLE • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs	8.438
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-



Continued from Sheet No. 8.334

CALCULATION OF LEVELIZED AND EARLY LEVELIZED CAPACITY PAYMENTS: FPSC Rule 25-17.0832(6)(c), F.A.C., specifies that, Monthly Levelized and Early Levelized Capacity Payments shall be calculated as follows:

$$P_L = F/12 \{r / [1 - (1 + r)^{-t}]\} + O$$

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Designated Avoided Unit(s);
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with FPSC Rule 25-17.0832, paragraph 6(a) for Levelized Capacity Payments or with paragraph 6(b) for Early Levelized Capacity Payments, F.A.C.

Currently approved parameters for each Designated Avoided Unit applicable to the formulas above are found in Appendices C through F.

CALCULATION OF MONTHLY AVAILABILITY AND CAPACITY FACTOR: Pursuant to FPSC Rule 25-17.0832, F.A.C., and Docket No. 891049-EU, the CEP must meet or exceed, on a monthly basis, the MPS of the Company's Designated Avoided Unit(s) as described in Appendices C through F of COG-2 in order to receive monthly capacity payments. At the end of each Monthly Period, beginning with the Monthly Period specified in Paragraph 6.b.ii of the Company's Standard Offer Contract, the Company will calculate the CEP's Monthly Availability and Monthly Capacity Factor.

REPAYMENT OF EARLY CAPACITY PAYMENTS: FPSC Rule 25-17.0832(3)(c), F.A.C., requires that when early, levelized, early levelized, and front-end loaded capacity payments are elected, the CEP must provide a security deposit for assurance of repayment of Early Capacity Payments in the event the CEP is unable to meet the terms and conditions of its contract. Depending on the nature of the CEP's operation, financial health and solvency of the CEP or its guarantor, if any, and its ability to meet the terms and conditions of the Company's Standard Offer Contract; one of the following may constitute an equivalent assurance of repayment:

Continued to Sheet No. 8.338



RATE SCHEDULE COG-2
APPENDIX C

2012 COMBUSTION TURBINE

This Designated Avoided Unit is a 61 MW (winter rating) natural gas-fired combustion turbine with a May 1, 2012, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs 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 the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of a combustion turbine, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch



PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (5/1/2012) of the Company's Designated Avoided Unit, a 61 MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	VALUE
$VAC_m =$ Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	8.03
$K =$ 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	1.5984
$I_n =$ total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	624.85
$O_n =$ total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	20.01
$i_p =$ annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	1.8%
$i_o =$ annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.2%
$r =$ discount rate, defined as the Company's incremental after tax cost of capital;	8.33%



L	=	expected life of the Designated Avoided Unit(s); and	25
n	=	year for which the Designated Avoided Unit 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.	2012
A _m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in \$/kW/month, if payments start in 2009;	5.27
m	=	Earliest year in which early capacity payments to the CEP may begin;	2009*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	461.20*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	13 *

** Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.*



2012 COMBUSTION TURBINE
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2			OPTION 3	OPTION 4		
		NORMAL PAYMENT	EARLY PAYMENT			LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.
5/1/09	4/30/10				5.27				5.66
5/1/10	4/30/11			6.02	5.37			6.43	5.68
5/1/11	4/30/12		6.92	6.13	5.47		7.36	6.46	5.71
5/1/12	4/30/13	8.03	7.06	6.25	5.57	8.49	7.39	6.49	5.73
5/1/13	4/30/14	8.18	7.19	6.37	5.68	8.53	7.43	6.52	5.76
5/1/14	4/30/15	8.33	7.32	6.49	5.78	8.56	7.46	6.55	5.79
5/1/15	4/30/16	8.49	7.46	6.61	5.89	8.60	7.49	6.58	5.81
5/1/16	4/30/17	8.65	7.60	6.73	6.00	8.64	7.53	6.61	5.84
5/1/17	4/30/18	8.81	7.75	6.86	6.12	8.68	7.56	6.64	5.87
5/1/18	4/30/19	8.98	7.89	6.99	6.23	8.72	7.60	6.67	5.90
5/1/19	4/30/20	9.15	8.04	7.12	6.35	8.76	7.64	6.70	5.93
5/1/20	4/30/21	9.32	8.19	7.26	6.47	8.81	7.67	6.74	5.96
5/1/21	4/30/22	9.50	8.35	7.39	6.59	8.85	7.71	6.77	5.99

BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:
 - a. The Company has dispatched the CEP's unit on AGC; or
 - b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or
 - c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or



Continued from Sheet No. 8.426

d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

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

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

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR 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 above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 10,200 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

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

$$FC = \frac{10,200 \text{ Btu/kWh} \times FP}{1,000}$$

where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC$$

Continued to Sheet No. 8.434



Continued from Sheet No. 8.428

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Market Area Transportation (ITS-1), including usage and surcharges.

FRP= then currently approved FGT Company tariff Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.

Continued to Sheet No. 8.436



PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, 2012, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
O_v = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	3.72
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	10,200



**RATE SCHEDULE COG-2
APPENDIX D**

2018 NATURAL GAS COMBINED CYCLE UNIT

This Designated Avoided Unit is a 607 MW (winter rating) natural gas-fired combined cycle (NGCC) with a May 1, 2018, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs 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 the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of an NGCC, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch



PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (1/1/2018) of the Company's Designated Avoided Unit, a 607 MW (Winter Rating) NGCC, for a 1 year deferral:

	VALUE
VAC_m = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	16.56
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	1.6508
I_n = total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	1528.71
O_n = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	5.79
i_p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	1.8%
i_o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.2%
r = discount rate, defined as the Company's incremental after tax cost of capital;	8.33%



L	=	expected life of the Designated Avoided Unit(s); and	25
n	=	year for which the Designated Avoided Unit 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.	2018
A_m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in \$/kW/month, if payments start in 2008;	5.38
m	=	Earliest year in which early capacity payments to the CEP may begin;	2009*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	721.03*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	19*

** Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.*



**FIRST REVISED SHEET NO. 8.452
CANCELS ORIGINAL SHEET NO. 8.452**

2018 NATURAL GAS COMBINED CYCLE UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2								
		NORMAL PAYMENT	EARLY PAYMENT								
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09
FROM	TO	\$/kw-mo									
5/1/09	4/30/10										5.38
5/1/10	4/30/11									6.00	5.48
5/1/11	4/30/12								6.71	6.11	5.58
5/1/12	4/30/13							7.52	6.83	6.22	5.68
5/1/13	4/30/14						8.47	7.66	6.95	6.33	5.78
5/1/14	4/30/15					9.57	8.62	7.80	7.08	6.45	5.89
5/1/15	4/30/16				10.87	9.75	8.78	7.94	7.21	6.56	5.99
5/1/16	4/30/17			12.42	11.07	9.92	8.94	8.08	7.34	6.68	6.10
5/1/17	4/30/18		14.28	12.65	11.27	10.10	9.10	8.23	7.47	6.80	6.21
5/1/18	4/30/19	16.56	14.54	12.88	11.48	10.29	9.27	8.38	7.61	6.93	6.32
5/1/19	4/30/20	16.86	14.81	13.11	11.68	10.47	9.43	8.53	7.74	7.05	6.44
5/1/20	4/30/21	17.16	15.07	13.35	11.90	10.66	9.60	8.69	7.88	7.18	6.56
5/1/21	4/30/22	17.47	15.35	13.59	12.11	10.86	9.78	8.84	8.03	7.31	6.67
5/1/22	4/30/23	17.79	15.63	13.83	12.33	11.05	9.96	9.00	8.17	7.44	6.80
5/1/23	4/30/24	18.11	15.91	14.09	12.55	11.25	10.14	9.17	8.32	7.58	6.92
5/1/24	4/30/25	18.44	16.20	14.34	12.78	11.46	10.32	9.33	8.47	7.71	7.04
5/1/25	4/30/26	18.77	16.49	14.60	13.01	11.67	10.51	9.50	8.63	7.85	7.17
5/1/26	4/30/27	19.11	16.79	14.87	13.25	11.88	10.70	9.67	8.78	8.00	7.30
5/1/27	4/30/28	19.46	17.09	15.13	13.49	12.09	10.89	9.85	8.94	8.14	7.43

ISSUED BY: C. R. Black, President

DATE EFFECTIVE:



**FIRST REVISED SHEET NO. 8.454
CANCELS ORIGINAL SHEET NO. 8.454**

2018 NATURAL GAS COMBINED CYCLE UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4									
		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT									
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	
5/1/09	4/30/10										6.07	
5/1/10	4/30/11									6.73	6.07	
5/1/11	4/30/12								7.49	6.74	6.08	
5/1/12	4/30/13							8.35	7.49	6.74	6.08	
5/1/13	4/30/14						9.35	8.36	7.50	6.74	6.08	
5/1/14	4/30/15					10.51	9.36	8.36	7.50	6.75	6.09	
5/1/15	4/30/16				11.86	10.51	9.36	8.37	7.50	6.75	6.09	
5/1/16	4/30/17			13.47	11.87	10.52	9.37	8.37	7.51	6.76	6.09	
5/1/17	4/30/18		15.39	13.48	11.88	10.53	9.37	8.38	7.51	6.76	6.10	
5/1/18	4/30/19	17.72	15.40	13.48	11.89	10.53	9.38	8.38	7.52	6.76	6.10	
5/1/19	4/30/20	17.73	15.41	13.49	11.89	10.54	9.38	8.39	7.52	6.77	6.11	
5/1/20	4/30/21	17.74	15.42	13.50	11.90	10.55	9.39	8.39	7.53	6.77	6.11	
5/1/21	4/30/22	17.75	15.43	13.51	11.91	10.55	9.40	8.40	7.53	6.78	6.11	
5/1/22	4/30/23	17.76	15.44	13.52	11.92	10.56	9.40	8.41	7.54	6.78	6.12	
5/1/23	4/30/24	17.78	15.45	13.53	11.92	10.57	9.41	8.41	7.55	6.79	6.12	
5/1/24	4/30/25	17.79	15.46	13.54	11.93	10.58	9.42	8.42	7.55	6.79	6.13	
5/1/25	4/30/26	17.80	15.47	13.55	11.94	10.58	9.42	8.42	7.56	6.80	6.13	
5/1/26	4/30/27	17.81	15.48	13.56	11.95	10.59	9.43	8.43	7.56	6.80	6.14	
5/1/27	4/30/28	17.82	15.49	13.57	11.96	10.60	9.44	8.44	7.57	6.81	6.14	

ISSUED BY: C. R. Black, President

DATE EFFECTIVE:



BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:
 - a. The Company has dispatched the CEP's unit on AGC; or
 - b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or
 - c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or
 - d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

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

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

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR 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 above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 7,462 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

- O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.
- FC = Fuel Component of the Energy Payment in \$/MWH as defined by:
- $FC = \frac{7,462 \text{ Btu/kWh} \times FP}{1,000}$



where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC$$

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Market Area Transportation, (ITS-1), including usage and surcharges.

FRP = then currently approved FGT Company tariff Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.



PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, 2018, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
O_v = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	3.83
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	7,462

EXHIBIT C

REVISED TARIFF SHEETS

LEGISLATIVE FORMAT



Continued from Sheet No. 8.214

7. **Extension of Facility In-Service Date:** The CEP may request and the Company may grant, at its sole discretion, an Extended Facility In-Service Date provided, however, that the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted, or the Extended Facility In-Service Date is not satisfied, the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract, which may be requested by the CEP and may be granted by the Company, at its sole discretion.
8. **Billing Methodology:** The billing methodology applicable to the Company's purchase, and the CEP's sale, of Contract Capacity and Associated Energy pursuant to this Contract shall be: (i) () Net Billing Arrangement; or (ii) () Simultaneous Purchase and Sale Arrangement, such purchases being arranged from the interconnecting utility and sales being made to the Company. Once made, the selection of a billing methodology may only be changed in accordance with FPSC Rule 25-17.082, F.A.C., and shall be in accordance with the following provisions:
- a. upon at least 30 days advance written notice to the Company; and
 - b. upon installation by the Company of any additional metering equipment reasonably required to effect the change in billing methodology; and
 - c. upon payment by the CEP for such metering equipment and its installation; and
 - d. upon the Company's approval and completion of any alterations to the Interconnection Point that are reasonably required to effect the change in billing methodology and upon payment by the CEP for such alterations.

The Parties agree that the CEP's obligation to generate and sell Contracted Capacity and Associated Energy from the Facility is subject to both scheduled and unscheduled outages of the Facility and the transmission service(s) required to effect delivery of same to the Delivery Point. Neither Party shall be required to compensate the other Party for Contracted Capacity and Associated Energy which from time to time may not be generated and sold by the CEP, or received and purchased by the Company, as a result of such scheduled and unscheduled outages. The Parties agree to use best efforts to minimize the duration of any scheduled or unscheduled outages which from time to time may interrupt the purchase and sale of Contracted Capacity and Associated Energy under this Contract.

Continued to Sheet No. 8.216



Continued from Sheet No. 8.215

9. **Payment:**

a. **Associated Energy Payment:** The Company agrees to pay the CEP for Associate Energy delivered to the Company at the Delivery Point in accordance with the energy payment options, rates, and procedures contained in Rate Schedule COG-2 attached hereto as Appendix II.

i. **Standard Energy Payments:** Associated Energy payments made prior to _____, shall be based on the Company's actual avoided energy costs as defined in Appendix B of Rate Schedule COG-2.

Beginning _____, to the extent that the Designated Avoided Unit would have been operated had it been installed by the Company, the CEP's Associated Energy payments will be based on the Company's Designated Avoided Unit's energy costs as calculated in Appendix -__ of Rate Schedule COG-2, otherwise the CEP's Associated Energy payment will be based on the Company's actual avoided energy costs. The determination of which energy cost shall be applied will be made hourly.

ii. **Fixed Energy Payments:** The CEP does ___ does not ___ request fixed Associated Energy payments as follows:

___ Yes ___ No, as to Associated Energy payments made prior to _____, which, if requested, shall be based on the Company's year-by-year projection of system incremental fuel costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions, plus a fuel market volatility risk premium mutually agreed to by Tampa Electric and the CEP, which projected system incremental fuel costs will be provided by the Company within 30 days of the date of request by the CEP. The CEP and Tampa agree to the following fuel market volatility risk premium(s): _____ .

___ Yes ___ No, as to Associated Energy payments, calculated as follows: Subsequent to the determination of full avoided cost and subject to the provisions of paragraphs 25-17.0823(3)(a) through (d) F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the Company and the CEP, shall be fixed and amortized on a present value basis over this Contract commencing, at the election of the CEP, as early as the in-service date of the CEP's Facility. "Base energy costs associated with the avoided unit" means the energy costs

Continued to Sheet No. 8.218



SECONDFIRST REVISED SHEET NO. 8.224
CANCELS FIRST REVISED ORIGINAL SHEET NO. 8.224

Continued from Sheet No. 8.222

- a. **Completion Security:** If the CEP or its guarantor, if any, does not qualify for unsecured credit in Company's reasonable sole discretion, ~~the~~ CEP shall pay to the Company a security deposit equal to \$30.00 per kilowatt (\$30.00/kW) of Contracted Capacity as security for the CEP's completion of the Facility by the Facility In-Service Date. Such security will be required within sixty (60) days of execution of this Contract. Such security shall be in the form of cash deposited in an interest bearing escrow account mutually acceptable to the Company and the CEP; ~~an~~ unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or a performance bond in form and substance satisfactory to the Company. The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event that the CEP fails to complete the construction and achieve commercial in-service status by the Facility In-Service Date.

If the Facility In-Service Date is achieved, then the entire deposit and any interest therein, if applicable, shall be refunded to the CEP upon payment by the CEP of the Performance Security as required in Section 11.b.

If the Facility In-Service Date is delayed, the Company may, upon the request of the CEP, at its sole discretion, agree to an Extended Facility In-Service Date, in which case the Company shall be entitled to retain or draw down on an amount equal to twenty percent (20%) of the original deposit amount for each month (or portion thereof) that the Facility In-Service Date is delayed. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted or the Extended Facility In-Service Date is not satisfied or delayed beyond the Extended Facility In-Service Date, the Company shall retain all of the deposit and terminate this Contract.

Notwithstanding the foregoing if the CEP does not satisfy the Construction Commencement Date or the Facility In-Service Date as defined in COG-2 in accordance with the terms and conditions of this Contract, this Contract shall be rendered of no force and effect, except for those provisions of this Agreement that provide the Company rights and remedies as against CEP because of its failure to meet the Construction Commencement Date or the Facility In-Service Date.

Continued to Sheet No. 8.226



Continued from Sheet No. 8.234

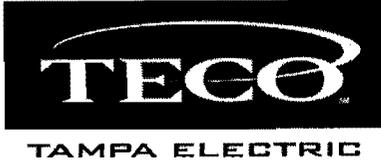
Contracted Capacity payment made to the CEP and the "normal" Contracted Capacity payment calculated pursuant to Contracted Capacity payment option 1 (Value of Deferral Payments) in COG-2 will also be added each month to the Repayment Account, so long as the payment made to the CEP is greater than the monthly payment the CEP would have received if it had selected Contracted Capacity Payment Option 1 in Section 6.b.iii. The annual balance in the Repayment Account shall accrue interest at an annual rate of 8.337-88%.

Also beginning on _____, at such time that the Monthly Contracted Capacity Payment made to the CEP, pursuant to the Contracted Capacity Payment Option selected, is less than the "normal" Monthly Contracted Capacity Payment in Capacity Payment Option 1 in COG-2, there shall be debited from the Repayment Account an Early Payment Offset Amount to reduce the balance in the Repayment Account. Such Early Payment Offset Amount shall be equal to the amount which the Company would have paid for capacity in that month if Contracted Capacity payments had been calculated pursuant to Contracted Capacity Payment Option 1 in COG-2 and the CEP had elected to begin receiving Contracted Capacity payments on _____, minus the Monthly Contracted Capacity Payment the Company makes to the CEP (assuming the MPS are met or exceeded), pursuant to the Contracted Capacity Payment Option chosen by the CEP in Section 6.b.ii.

The CEP shall owe the Company and be liable for the current balance in the Repayment Account. The Company agrees to notify the CEP monthly as to the current Repayment Account balance.

In the event of default by the CEP, the total Repayment Account balance shall become due and payable within twenty (20) business days of receipt of written notice, as reimbursement for the Early Contracted Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of the CEP's Contract with the Company. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

Continued to Sheet No. 8.238



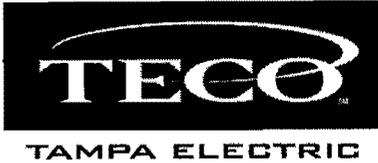
Continued from Sheet No. 8.238

to the Contracted Capacity payment option selected is less than the "normal" Monthly Contracted Capacity Payment had the CEP selected Option 1, then the CEP shall be liable for and shall pay the Company an amount equal to the Early Payment Offset Amount for the month; provided, however, that such calculation shall assume that the CEP satisfied the MPS. Any payments thus required of the CEP shall be separately invoiced by the Company to Energy Provider after each month for which such payment is due and shall be paid by the CEP within twenty (20) business days after receipt of such invoice by the CEP. Such payment shall be debited from the Capacity Account as an Early Payment Offset Amount provided that any such payment will not exceed the current balance in the Capacity Account.

48.21. **Default:**

a. **Mandatory Default:** The CEP shall be in default under this Contract if it:

- i. is dissolved (other than pursuant to a consolidation, amalgamation or merger)The CEP voluntarily declares bankruptcy; or
- ii. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become dueThe CEP fails to achieve, on both accounts, a minimum Monthly Availability Factor of fifty percent (50%) and fails to achieve a minimum Monthly Capacity Factor of fifty percent, during the same month, for twelve (12) consecutive months starting _____; or
- iii. makes a general assignment, arrangement or composition with or for the benefit of its creditorsThe CEP fails to maintain its status as a Renewable Energy Facility or small Qualifying Facility as required herein; or
- iv. institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereofThe CEP fails to perform in accordance with Section 711.b; or
- v. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for



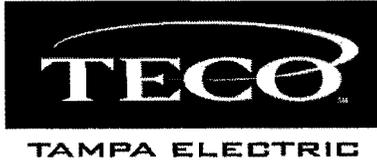
it or for all or substantially all its assets; or

~~b. **Optional Default:** The Company may declare the CEP to be in default if:~~

- ~~i. at any time prior to _____, and after Monthly Contracted Capacity Payments have begun, the Company has sufficient reason to believe that the CEP is unable to deliver the entire amount of Contracted Capacity; or~~
- ~~ii. after Monthly Capacity Payments have begun, the CEP fails each month, for twenty-four (24) consecutive months, to meet the MPS; or~~
- ~~iii. the CEP refuses, is unable or anticipatorily breaches its obligation to deliver the entire amount of Contracted Capacity after _____.~~

~~c. **Default Remedy:** In the event of default by the CEP, the total Repayment Account balance shall become due and payable within 20 business days of receipt of written notice, as reimbursement for the Early Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of this Contract. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.~~

Continued to Sheet No. 8.243



Continued from Sheet No. 8.242

- vi. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- vii. fails to perform in accordance with Section 11.b.
- viii. fails to maintain its status as a Renewable Energy Facility or small Qualifying Facility as required herein; or
- ix. fails to achieve, on both accounts, a minimum Monthly Availability Factor of fifty percent (50%) and fails to achieve a minimum Monthly Capacity Factor of fifty percent, during the same month, for twelve (12) consecutive months starting .
- b. Optional Default:** The Company may declare the CEP to be in default if:
 - i. at any time prior to _____, and after Monthly Contracted Capacity Payments have begun, the Company has sufficient reason to believe that the CEP is unable to deliver the entire amount of Contracted Capacity; or
 - ii. after Monthly Capacity Payments have begun, the CEP fails each month, for twenty-four (24) consecutive months, to meet the MPS; or
 - iii. the CEP refuses, is unable or anticipatorily breaches its obligation to deliver the entire amount of Contracted Capacity after _____.
- c. Default Remedy:** In the event of default by the CEP, the total Repayment Account balance shall become due and payable within 20 business days of receipt of written notice, as reimbursement for the Early Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of this Contract. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

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judgment, injunction, order, decree or other instrument binding upon the CEP, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.

- iii. **Compliance with Laws:** The CEP has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The CEP is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the CEP or the Company. By entering into this Contract, the CEP represents and warrants that Facility is a renewable facility pursuant to Rule 25-17.210(1) and(2) F.A.C. or a QF with a design capacity of 100 kW, or less, pursuant to Rule 17.080 F.A.C. and confirms such representation and warranty with the signature of the CEP's authorized representative on this Contract.
- iv. **Governmental Approvals:** Except as expressly contemplated herein, neither the execution and delivery by the CEP of this Contract, nor the consummation by the CEP of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the CEP has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).
- v. **No Suits, Proceedings:** There are no actions, suits, proceedings or investigations pending or, to the knowledge of the CEP, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the CEP's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The CEP has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. CEP is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- f. **Conditions Precedent:** Notwithstanding any other provisions of this Contract including the provisions of Section 20.b, the Company shall have the right to terminate this Contract by notice to the CEP, without cause, liability or obligation, if

Continued to Sheet No. 8.254



Continued from Sheet No. 8.254

- viii. Within 9 months after the effective date of this Contract: The CEP provides evidence in writing in a form satisfactory to the Company indicating and substantiating the ownership of or the right to use the real property at the specific site upon which the Facility will be located; and
- ix. Within 9 months after the effective date of this Contract: The CEP provides sufficient information satisfactory to the Company describing the technical capability and experience of the Facility's technology, including the environmental performance of the Facility.
- g. **Assignment:** The Company and the CEP shall have the right to assign its benefits under this Contract, but the CEP shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.
- h. **Disclaimer:** In executing this Contract, the Company does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the CEP or any assignee of this Contract.
- i. **Notification:** For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Contract, the Parties designate the following to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions changing such designate.

For: the CEP

For: the Company

c/o Manager-Wholesale Contracts,
 Wholesale Marketing and Sales
 Tampa Electric Company
 702 North Franklin Street (33602)
 P.O. Box 111
 Tampa, Florida 33601

- j. **Governing Applicable Law and Jurisdiction:** This Contract shall be governed by and construed and enforced in accordance with the laws, rules, and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time. With respect to any suit, action or proceedings relating to this Contract, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in

Continued to Sheet No. 8.257



Continued from Sheet No. 8.256

Hillsborough County in Tampa, Florida; and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing shall prevent the Beneficiary from enforcing any related judgment against the Guarantor in any other jurisdiction.

- k. Waiver of jury trial: Each party waives, to the fullest extent permitted by applicable law, any and all rights it may have to a trial by jury in respect of any suit, action or proceeding relating to this agreement or any credit support document. Each party (i) certifies that no representative, agent or attorney of the other party or any credit support provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this agreement and provide for any credit support document, as applicable, by, among other things, the mutual waivers and certifications in this section.

Continued to Sheet No. 8.258



Continued from Sheet No. 8.257

l. Taxation: In the event that the Company becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Services determination, through audit, ruling or other authority, that the Company's payments to the CEP for capacity under Options B, C, or D are not fully deductible when paid (additional tax liability), the Company may bill the CEP monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these capacity payments are not currently deductible for federal and/or state income tax purposes. The Company, at its option, may offset these costs against amounts due the CEP hereunder. These costs would be calculated so as to place the Company in the same economic position in which it would have been if the entire capacity payments had been deductible in the period in which the payments were made. If the Company decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with the Company.

l.m. Severability: If any part of this Contract, for any reason, be declared invalid, or unenforceable by a court or public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of this Contract, which remainder shall remain in force and effect as if this Contract had been executed without the invalid or unenforceable portion.

m.n. Complete Contract and Amendments: All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Contract are hereby abrogated. No amendment or modification to this Contract shall be binding unless it shall be set forth in writing and duly executed by both Parties to this Contract.

r.o. Incorporation of Rate Schedule: The Parties agree that this Contract shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.

s.p. Survival of Contract: This Contract, as it may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

Continued to Sheet No. 8.262



Continued from Sheet No. 8.258

p.q. **Record Retention:** The CEP agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all CEP entities to retain for the same period all such records.

q.r. **No Waiver:** No waiver of any of the terms and conditions of this Contract shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The failure of a Party to insist, in any instance, on the strict performance of any of the terms and conditions hereof shall not be construed as a waiver of such Party's right in the future to insist on such strict performance.

r.s. **Set-off:** The Company may at any time, but shall be under no obligation to, set off any and all sums due from the CEP against sums due to the CEP hereunder.

s.t. **Assistance With the Company FIN 46R Compliance:** Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require the Company to evaluate whether the CEP must be consolidated, as a variable interest entity (as defined in FIN 46R), in the financial statements of the Company. The CEP agrees to fully cooperate with the Company and make available to the Company all financial data and other information, as deemed necessary by the Company, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R. If the result of a the evaluation under FIN 46R indicates that the CEP must be consolidated in the financial statements of the Company, the CEP agrees to provide financial statements, together with other required information, as determined by the Company, for inclusion in disclosures contained in the footnotes to the financial statements and in the Company's required filings with the Securities and Exchange Commission ("SEC"). The CEP shall provide this information to the Company in a timeframe consistent with the Company's earnings release and SEC filing schedules, to be determined at the Company's discretion. The CEP also agrees to fully cooperate with the Company and the Company's independent auditors in completing an assessment of the CEP's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of the Company. The Company will treat any information provided by the CEP in satisfying Section 22(s) as confidential information and shall only disclose such information to the extent required by accounting and SEC rules and any applicable laws.

Continued to Sheet No. 8.264



Continued from Sheet No. 8.278

- d. Will the project directly interconnect into the Company's transmission grid?
Please explain:
- e. If the project is located external to the Company's retail service area, how will the power be delivered to the Company? Please explain:
- f. Will steam host use a portion of electric generation, if so provide detail:
- g. Please provide developer's ownership structure for this project:
- h. Developer's insurance carrier:
- Property damage insurance:
 - Business interruption insurance:
 - Rating of insurance carrier:
- i. Please provide estimates of the following:
- Expected annual metered electric output,
 - Expected annual metered useful thermal output, in Btu/hr X operating hours/year,
 - Expected annual metered fuel input, in Btu/hr X operating hours/year
- j. Other:

EVALUATION CRITERIA AND SCORING: The Company will accept a Standard Offer Contract on the basis of the information provided in response to the evaluation criteria and upon its judgment of other relevant factors. A Standard Offer Contract which has convincingly demonstrated that the project is financially and technically viable and that the committed capacity would be available by the date specified in the Standard Offer Contract will be accepted for further negotiations leading to a contract offer.



Continued from Sheet No. 8.304

Such security shall be in the form of cash deposited in an interest bearing escrow account mutually acceptable to the Company and the EP; an unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or a performance bond in form and substance satisfactory to the Company. The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event of default by the CEP.

Florida Statute 377.709(4) requires a local government to refund Early Capacity Payments should a Municipal Solid Waste Facility owned, operated by or on the behalf of the local government be abandoned, closed down or rendered illegal. Therefore a utility may not require risk-related guarantees from a Municipal Solid Waste Facility as required in FPSC Rule 25-17.0832 (2)(c) and (3)(e)(8), F. A. C. However, at its option, a Municipal Solid Waste Facility may provide such risk-related guarantees.

4. Additional Criteria:

- a. The CEP shall provide monthly generation estimates by December 1 for the next calendar year; and
- b. The CEP shall promptly update its yearly generation schedule when any changes are determined necessary; and
- c. The CEP shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
- d. The CEP shall coordinate scheduled outages with the Company;
- e. The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications.

DELIVERY VOLTAGE ADJUSTMENT: Energy Payments to CEPs within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Rate Schedule	Adjustment Factor
RS, GS	<u>1.04721.0548</u>
GSD, GSLD, SBF	<u>1.04341.0511</u>
IS, SBI-1, IS-3	<u>1.01731.0212</u>
SBI-1, SBI-3	<u>1.0173</u>

Continued to Sheet No. 8.308



Continued from Sheet No. 8.308

Should the CEP elect a Net Billing Arrangement, the hourly net capacity and energy sales delivered to the purchasing utility shall be purchased at the utility's avoided capacity and energy rates, where applicable, in accordance with FPSC Rules 25-17.0825 and 25-17.0832, F.A.C. Purchases from the interconnecting utility shall be billed at the retail rate schedule, under which the CEP load would receive service as a customer of the utility.

Although a billing option may be changed in accordance with FPSC Rule 25-17.082, F.A.C., the Contracted Capacity may only change through mutual negotiations satisfactory to the CEP and the Company.

Customer charges that are directly attributable to the purchase of firm capacity and energy from the CEP are deducted from the CEP's total monthly payment. A statement covering the charges and payments due the CEP is rendered monthly and payment normally is made by the 20th business day following the end of the Monthly Period.

CHARGES/CREDITS TO THE EP:

- Customer Charges:** A monthly Customer Charge will be rendered for maintaining an account for the CEP engaged in either an As-Available Energy or firm capacity and energy transaction and for other applicable administrative costs. Actual charges will depend on how the CEP is interconnected to the Company.

CEPs not directly interconnected to the Company, will be billed \$580 monthly as a Customer Charge.

Monthly customer charges, applicable to CEPs directly interconnected to the Company, by Rate Schedule are:

<u>RATE SCHEDULE</u>	<u>CUSTOMER CHARGE (\$)</u>	<u>RATE SCHEDULE</u>	<u>CUSTOMER CHARGE (\$)</u>
RS	10.50 8.50	RST	\$ 11.50
GS	10.50 8.50	GST	12.00 11.50
GSD (secondary)	57.00 42.00	GSDT (secondary)	57.00 49.00
GSD (primary)	130.00 255.00	GSDT (primary)	130.00 255.00
GSD (subtrans.)	950.00	GSDT (subtrans.)	950.00
GSLD		GSLDT	
SBF (secondary)	82.00 280.00	SBFT (secondary)	82.00 1,000.00
SBF (primary)	155.00	SBFT (primary)	155.00
SBF (subtrans.)	955.00	SBFT (subtrans.)	955.00
IS-1 (primary)	622.00 1,000.00	IST-1 (primary)	622.00 1,025.00
IS-3 (subtrans.)	2,372.00 1,000.00	IST-3 (subtrans.)	2,372.00 1,025.00
SBI-1 (primary)	647.00 1,025.00		
SBI-3 (subtrans.)	2,397.00 1,025.00		

Continued to Sheet No. 8.314



Rate Schedule COG-2
Table of Appendices

APPENDIX	TITLE	SHEET NO.
A	VALUE OF DEFERRAL METHODOLGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2012 COMBUSTION TURBINE <ul style="list-style-type: none">• Minimum Performance Standard• Parameters for Avoided Unit Capacity Costs• Exemplary Capacity Payment Schedules• Parameters for Avoided Unit Energy Costs	8.406
D	2018 2017 NATURAL GAS COMBINED CYCLE <ul style="list-style-type: none">• Minimum Performance Standard• Parameters for Avoided Unit Capacity Costs• Exemplary Capacity Payment Schedules• Parameters for Avoided Unit Energy Costs	8.438
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-



Continued from Sheet No. 8.334

CALCULATION OF LEVELIZED AND EARLY LEVELIZED CAPACITY PAYMENTS: FPSC Rule 25-17.0832(6)(c), F.A.C., specifies that, Monthly Levelized and Early Levelized Capacity Payments shall be calculated as follows:

$$P_L = F/12 \{ r / [1 - (1 + r)^{-t}] \} + O$$

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Designated Avoided Unit(s);
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with FPSC Rule 25-17.0832, paragraph 6(a) for Levelized Capacity Payments or with paragraph 6(b) for Early Levelized Capacity Payments, F.A.C.

Currently approved parameters for each Designated Avoided Unit applicable to the formulas above are found in Appendices C through F.

CALCULATION OF MONTHLY AVAILABILITY AND CAPACITY FACTOR: Pursuant to FPSC Rule 25-17.0832, F.A.C., and Docket No. 891049-EU, the CEP must meet or exceed, on a monthly basis, the MPS of the Company's Designated Avoided Unit(s) as described in Appendices C through F of COG-2 in order to receive monthly capacity payments. At the end of each Monthly Period, beginning with the Monthly Period specified in Paragraph 6.b.ii of the Company's Standard Offer Contract, the Company will calculate the CEP's Monthly Availability and Monthly Capacity Factor.

REPAYMENT OF EARLY CAPACITY PAYMENTS: FPSC Rule 25-17.0832(3)(c), F.A.C., requires that when early, levelized, early levelized, and front-end loaded capacity payments are elected, the CEP must provide a security deposit for assurance of repayment of Early Capacity Payments in the event the CEP is unable to meet the terms and conditions of its contract. Depending on the nature of the CEP's operation, financial health and solvency of the CEP or its guarantor, if any, and its ability to meet the terms and conditions of the Company's Standard Offer Contract; one of the following may constitute an equivalent assurance of repayment:

Continued to Sheet No. 8.338



RATE SCHEDULE COG-2
APPENDIX C

2012 COMBUSTION TURBINE

This Designated Avoided Unit is a 6158 MW (winter rating) natural gas-fired combustion turbine with a May 1, 2012, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs 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 the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of a combustion turbine, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch



PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (5/1/2012) of the Company's Designated Avoided Unit, a 6158 MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	VALUE
VAC_m = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	<u>8.0311.88</u>
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	<u>1.59841.6696</u>
I_n = total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	<u>624.851,012.72</u>
O_n = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	<u>20.0123.49</u>
i_p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	<u>1.82.3%</u>
i_o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	<u>2.22.3%</u>
r = discount rate, defined as the Company's incremental after tax cost of capital;	<u>8.337.89%</u>



L	=	expected life of the Designated Avoided Unit(s); and	25
n	=	year for which the Designated Avoided Unit 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.	2012
A _m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in \$/kW/month, if payments start in 20098;	<u>5.276.89</u>
m	=	Earliest year in which early capacity payments to the CEP may begin;	20098*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	<u>461.20699.98*</u>
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	<u>1314 *</u>

** Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.*



SECONDFIRST REVISED SHEET NO. 8.426
CANCELS FIRST REVISED ORIGINAL SHEET NO. 8.426

2012 COMBUSTION TURBINE
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2					OPTION 3	OPTION 4			
		NORMAL PAYMENT	EARLY PAYMENT					LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT			
CONTRACT YEAR		Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	Starting 5/1/08	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	Starting 5/1/08	
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.							
5/1/08	4/31/09	-	-	-	-	6.89	-	-	-	-	7.65	
5/1/09	4/31/10	-	-	-	7.82	7.06	-	-	-	8.62	7.68	
5/1/10	4/31/11	-	-	8.93	8.00	7.24	-	-	9.77	8.66	7.70	
5/1/11	4/31/12	-	10.26	9.13	8.18	7.38	-	11.15	9.84	8.68	7.73	
5/1/12	4/31/13	11.88	10.49	9.34	8.37	7.55	12.82	11.19	9.84	8.71	7.76	
5/1/13	4/31/14	12.16	10.73	9.56	8.56	7.72	12.87	11.23	9.88	8.75	7.79	
5/1/14	4/31/15	12.44	10.98	9.78	8.76	7.90	12.94	11.27	9.94	8.78	7.82	
5/1/15	4/31/16	12.72	11.23	10.00	8.96	8.08	12.96	11.34	9.96	8.84	7.86	
5/1/16	4/31/17	13.01	11.49	10.23	9.17	8.26	13.04	11.35	9.99	8.86	7.88	
5/1/17	4/31/18	13.31	11.76	10.47	9.38	8.45	13.06	11.40	10.03	8.88	7.91	
5/1/18	4/31/19	13.62	12.03	10.71	9.60	8.65	13.11	11.44	10.07	8.92	7.94	
5/1/19	4/31/20	13.93	12.30	10.95	9.82	8.86	13.16	11.49	10.11	8.95	7.97	
5/1/20	4/31/21	14.25	12.59	11.20	10.04	9.05	13.21	11.53	10.16	8.99	8.01	
6/1/21	4/31/22	14.58	12.88	11.46	10.27	9.26	13.27	11.58	10.19	9.03	8.04	

2012 COMBUSTION TURBINE
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2				OPTION 3	OPTION 4		
		NORMAL PAYMENT	EARLY PAYMENT				LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	
5/1/09	4/30/10	-	-	-	5.27	-	-	-	-	
5/1/10	4/30/11	-	-	6.02	5.37	-	-	6.43	5.68	
5/1/11	4/30/12	-	6.92	6.13	5.47	-	7.36	6.46	5.71	
5/1/12	4/30/13	8.03	7.06	6.25	5.57	8.49	7.39	6.49	5.73	
5/1/13	4/30/14	8.18	7.19	6.37	5.68	8.53	7.43	6.52	5.76	
5/1/14	4/30/15	8.33	7.32	6.49	5.78	8.56	7.46	6.55	5.79	

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



<u>5/1/15</u>	<u>4/30/16</u>	<u>8.49</u>	<u>7.46</u>	<u>6.61</u>	<u>5.89</u>	<u>8.60</u>	<u>7.49</u>	<u>6.58</u>	<u>5.81</u>
<u>5/1/16</u>	<u>4/30/17</u>	<u>8.65</u>	<u>7.60</u>	<u>6.73</u>	<u>6.00</u>	<u>8.64</u>	<u>7.53</u>	<u>6.61</u>	<u>5.84</u>
<u>5/1/17</u>	<u>4/30/18</u>	<u>8.81</u>	<u>7.75</u>	<u>6.86</u>	<u>6.12</u>	<u>8.68</u>	<u>7.56</u>	<u>6.64</u>	<u>5.87</u>
<u>5/1/18</u>	<u>4/30/19</u>	<u>8.98</u>	<u>7.89</u>	<u>6.99</u>	<u>6.23</u>	<u>8.72</u>	<u>7.60</u>	<u>6.67</u>	<u>5.90</u>
<u>5/1/19</u>	<u>4/30/20</u>	<u>9.15</u>	<u>8.04</u>	<u>7.12</u>	<u>6.35</u>	<u>8.76</u>	<u>7.64</u>	<u>6.70</u>	<u>5.93</u>
<u>5/1/20</u>	<u>4/30/21</u>	<u>9.32</u>	<u>8.19</u>	<u>7.26</u>	<u>6.47</u>	<u>8.81</u>	<u>7.67</u>	<u>6.74</u>	<u>5.96</u>
<u>5/1/21</u>	<u>4/30/22</u>	<u>9.50</u>	<u>8.35</u>	<u>7.39</u>	<u>6.59</u>	<u>8.85</u>	<u>7.71</u>	<u>6.77</u>	<u>5.99</u>

BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:
 - a. The Company has dispatched the CEP's unit on AGC; or
 - b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or
 - c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or



Continued from Sheet No. 8.426

- d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

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

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

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR 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 above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 10,200~~10,213~~ Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

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

$$FC = \frac{10,200\cancel{10,213} \text{ Btu/kWh} \times FP}{1,000}$$

where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC + AGA + PPS + FRG$$

Continued to Sheet No. 8.434



Continued from Sheet No. 8.428

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Transmission Service-Market Area Transportation (ITS-1), including usage and surcharges.

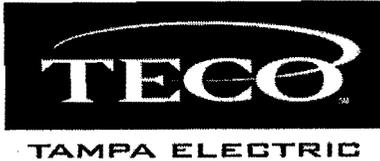
~~ACA = then currently approved FGT Company tariff rate in \$/MMBTU for recovery of charges permitted by Section 154.38(d)(6) of the FERC regulations under the Natural Gas Act.~~

~~PPS = then currently approved FGT Company tariff rate in \$/MMBTU for recovery of costs associated with electrical usage used to operate FGT's electrical compressor units.~~

FRPFRG = then currently approved FGT Company tariff rate in \$/MMBTU Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. As-Available Energy Payment Rate (AEPR): For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.

Continued to Sheet No. 8.436



PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, 2012, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
O_v = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	<u>3.72</u> 3.99
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	<u>10,200</u> 10,213



**RATE SCHEDULE COG-2
APPENDIX D**

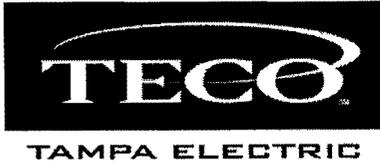
20182017 NATURAL GAS COMBINED CYCLE UNIT

This Designated Avoided Unit is a 607 MW (winter rating) natural gas-fired combined cycle (NGCC) with a May~~January~~ 1, 2018~~7~~, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs 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 the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of an NGCC, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch



PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (1/1/~~2018~~2017) of the Company's Designated Avoided Unit, a 607 MW (Winter Rating) NGCC, for a 1 year deferral:

	VALUE
VAC_m = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	<u>16.56</u> 10.52
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	<u>1.650</u> 81.6696
I_n = total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	<u>1528.71</u> 1014.17
O_n = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	<u>5.796</u> .92
i_p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	<u>1.82</u> .3%
i_o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	<u>2.22</u> .3%
r = discount rate, defined as the Company's incremental after tax cost of capital;	<u>8.337</u> .89%



L	=	expected life of the Designated Avoided Unit(s); and	25
n	=	year for which the Designated Avoided Unit 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.	<u>2018</u> 2017
A _m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in \$/kW/month, if payments start in 2008;	<u>5.383</u> .44
m	=	Earliest year in which early capacity payments to the CEP may begin;	<u>2009</u> 2008*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	<u>721.03</u> 479.51*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	19*

** Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.*



FIRST REVISED ORIGINAL SHEET NO. 8.452
CANCELS ORIGINAL SHEET NO. 8.452

2017 NATURAL GAS COMBINED CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
 NON-LEVELIZED PAYMENT OPTIONS

		OPTION-1	OPTION-2								
		NORMAL PAYMENT	EARLY PAYMENT								
CONTRACT YEAR		Starting 1/1/17	Starting 1/1/16	Starting 1/1/15	Starting 1/1/14	Starting 1/1/13	Starting 1/1/12	Starting 1/1/11	Starting 1/1/10	Starting 1/1/09	Starting 1/1/08
FROM	TO	\$/kw-mo									
1/1/08	12/31/08	-	-	-	-	-	-	-	-	-	3.44
1/1/09	12/31/09	-	-	-	-	-	-	-	-	3.84	3.52
1/1/10	12/31/10	-	-	-	-	-	-	-	4.28	3.92	3.60
1/1/11	12/31/11	-	-	-	-	-	-	4.80	4.38	4.04	3.69
1/1/12	12/31/12	-	-	-	-	-	5.40	4.91	4.48	4.11	3.77
1/1/13	12/31/13	-	-	-	-	6.10	5.52	5.02	4.59	4.20	3.86
1/1/14	12/31/14	-	-	-	6.92	6.24	5.65	5.14	4.69	4.30	3.95
1/1/15	12/31/15	-	-	7.90	7.08	6.38	5.78	5.26	4.80	4.40	4.04
1/1/16	12/31/16	-	9.08	8.08	7.24	6.53	5.91	5.38	4.91	4.50	4.13
1/1/17	12/31/17	10.52	9.29	8.27	7.41	6.68	6.05	5.50	5.02	4.60	4.23
1/1/18	12/31/18	10.76	9.50	8.46	7.58	6.83	6.19	5.63	5.14	4.71	4.32
1/1/19	12/31/19	11.04	9.72	8.65	7.75	6.99	6.33	5.76	5.26	4.81	4.42
1/1/20	12/31/20	11.26	9.94	8.85	7.93	7.15	6.48	5.89	5.38	4.93	4.52
1/1/21	12/31/21	11.52	10.17	9.05	8.11	7.31	6.62	6.03	5.50	5.04	4.63
1/1/22	12/31/22	11.78	10.40	9.26	8.30	7.48	6.78	6.16	5.63	5.15	4.73
1/1/23	12/31/23	12.05	10.64	9.48	8.49	7.65	6.93	6.31	5.76	5.27	4.84
1/1/24	12/31/24	12.33	10.89	9.69	8.69	7.83	7.09	6.45	5.89	5.39	4.95
1/1/25	12/31/25	12.61	11.14	9.92	8.89	8.01	7.26	6.60	6.02	5.52	5.07
1/1/26	12/31/26	12.90	11.40	10.14	9.09	8.19	7.42	6.75	6.16	5.65	5.19

2018 NATURAL GAS COMBINED CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
 NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2								
		NORMAL PAYMENT	EARLY PAYMENT								
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



**FIRST REVISED ORIGINAL SHEET NO. 8.452
 CANCELS ORIGINAL SHEET NO. 8.452**

FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo
-	-	-	-	-	-	-	-	-	-	-	-
<u>5/1/09</u>	<u>4/30/10</u>	-	-	-	-	-	-	-	-	-	<u>5.38</u>
<u>5/1/10</u>	<u>4/30/11</u>	-	-	-	-	-	-	-	-	<u>6.00</u>	<u>5.48</u>
<u>5/1/11</u>	<u>4/30/12</u>	-	-	-	-	-	-	-	<u>6.71</u>	<u>6.11</u>	<u>5.58</u>
<u>5/1/12</u>	<u>4/30/13</u>	-	-	-	-	-	-	<u>7.52</u>	<u>6.83</u>	<u>6.22</u>	<u>5.68</u>
<u>5/1/13</u>	<u>4/30/14</u>	-	-	-	-	-	<u>8.47</u>	<u>7.66</u>	<u>6.95</u>	<u>6.33</u>	<u>5.78</u>
<u>5/1/14</u>	<u>4/30/15</u>	-	-	-	-	<u>9.57</u>	<u>8.62</u>	<u>7.80</u>	<u>7.08</u>	<u>6.45</u>	<u>5.89</u>
<u>5/1/15</u>	<u>4/30/16</u>	-	-	-	<u>10.87</u>	<u>9.75</u>	<u>8.78</u>	<u>7.94</u>	<u>7.21</u>	<u>6.56</u>	<u>5.99</u>
<u>5/1/16</u>	<u>4/30/17</u>	-	-	<u>12.42</u>	<u>11.07</u>	<u>9.92</u>	<u>8.94</u>	<u>8.08</u>	<u>7.34</u>	<u>6.68</u>	<u>6.10</u>
<u>5/1/17</u>	<u>4/30/18</u>	-	<u>14.28</u>	<u>12.65</u>	<u>11.27</u>	<u>10.10</u>	<u>9.10</u>	<u>8.23</u>	<u>7.47</u>	<u>6.80</u>	<u>6.21</u>
<u>5/1/18</u>	<u>4/30/19</u>	<u>16.56</u>	<u>14.54</u>	<u>12.88</u>	<u>11.48</u>	<u>10.29</u>	<u>9.27</u>	<u>8.38</u>	<u>7.61</u>	<u>6.93</u>	<u>6.32</u>
<u>5/1/19</u>	<u>4/30/20</u>	<u>16.86</u>	<u>14.81</u>	<u>13.11</u>	<u>11.68</u>	<u>10.47</u>	<u>9.43</u>	<u>8.53</u>	<u>7.74</u>	<u>7.05</u>	<u>6.44</u>
<u>5/1/20</u>	<u>4/30/21</u>	<u>17.16</u>	<u>15.07</u>	<u>13.35</u>	<u>11.90</u>	<u>10.66</u>	<u>9.60</u>	<u>8.69</u>	<u>7.88</u>	<u>7.18</u>	<u>6.56</u>
<u>5/1/21</u>	<u>4/30/22</u>	<u>17.47</u>	<u>15.35</u>	<u>13.59</u>	<u>12.11</u>	<u>10.86</u>	<u>9.78</u>	<u>8.84</u>	<u>8.03</u>	<u>7.31</u>	<u>6.67</u>
<u>5/1/22</u>	<u>4/30/23</u>	<u>17.79</u>	<u>15.63</u>	<u>13.83</u>	<u>12.33</u>	<u>11.05</u>	<u>9.96</u>	<u>9.00</u>	<u>8.17</u>	<u>7.44</u>	<u>6.80</u>
<u>5/1/23</u>	<u>4/30/24</u>	<u>18.11</u>	<u>15.91</u>	<u>14.09</u>	<u>12.55</u>	<u>11.25</u>	<u>10.14</u>	<u>9.17</u>	<u>8.32</u>	<u>7.58</u>	<u>6.92</u>
<u>5/1/24</u>	<u>4/30/25</u>	<u>18.44</u>	<u>16.20</u>	<u>14.34</u>	<u>12.78</u>	<u>11.46</u>	<u>10.32</u>	<u>9.33</u>	<u>8.47</u>	<u>7.71</u>	<u>7.04</u>
<u>5/1/25</u>	<u>4/30/26</u>	<u>18.77</u>	<u>16.49</u>	<u>14.60</u>	<u>13.01</u>	<u>11.67</u>	<u>10.51</u>	<u>9.50</u>	<u>8.63</u>	<u>7.85</u>	<u>7.17</u>
<u>5/1/26</u>	<u>4/30/27</u>	<u>19.11</u>	<u>16.79</u>	<u>14.87</u>	<u>13.25</u>	<u>11.88</u>	<u>10.70</u>	<u>9.67</u>	<u>8.78</u>	<u>8.00</u>	<u>7.30</u>
<u>5/1/27</u>	<u>4/30/28</u>	<u>19.46</u>	<u>17.09</u>	<u>15.13</u>	<u>13.49</u>	<u>12.09</u>	<u>10.89</u>	<u>9.85</u>	<u>8.94</u>	<u>8.14</u>	<u>7.43</u>

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



2017 NATURAL GAS COMBINED CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
 LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4								
		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT								
CONTRACT YEAR		Starting 1/1/13	Starting 1/1/16	Starting 1/1/15	Starting 1/1/14	Starting 1/1/13	Starting 1/1/12	Starting 1/1/11	Starting 1/1/10	Starting 1/1/09	Starting 1/1/08
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo
1/1/08	12/31/08	-	-	-	-	-	-	-	-	-	4.01
1/1/09	12/31/09	-	-	-	-	-	-	-	-	4.44	4.02
1/1/10	12/31/10	-	-	-	-	-	-	-	4.93	4.45	4.02
1/1/11	12/31/11	-	-	-	-	-	-	5.48	4.93	4.45	4.03
1/1/12	12/31/12	-	-	-	-	-	6.12	5.49	4.94	4.46	4.03
1/1/13	12/31/13	-	-	-	-	6.86	6.13	5.49	4.94	4.46	4.04
1/1/14	12/31/14	-	-	-	7.73	6.87	6.13	5.50	4.95	4.47	4.04
1/1/15	12/31/15	-	-	8.75	7.73	6.88	6.14	5.51	4.95	4.47	4.05
1/1/16	12/31/16	-	9.97	8.76	7.74	6.88	6.15	5.51	4.96	4.48	4.05
1/1/17	12/31/17	11.46	9.98	8.77	7.76	6.89	6.16	5.52	4.97	4.48	4.06
1/1/18	12/31/18	11.47	9.99	8.78	7.76	6.90	6.16	5.53	4.97	4.49	4.06
1/1/19	12/31/19	11.48	10.01	8.79	7.77	6.91	6.17	5.53	4.98	4.50	4.07
1/1/20	12/31/20	11.50	10.02	8.80	7.78	6.92	6.18	5.54	4.99	4.50	4.07
1/1/21	12/31/21	11.51	10.03	8.81	7.79	6.93	6.19	5.55	4.99	4.51	4.08
1/1/22	12/31/22	11.52	10.04	8.82	7.80	6.94	6.20	5.56	5.00	4.51	4.09
1/1/23	12/31/23	11.54	10.06	8.83	7.81	6.95	6.20	5.56	5.01	4.52	4.09
1/1/24	12/31/24	11.56	10.07	8.85	7.82	6.95	6.21	5.57	5.01	4.53	4.10
1/1/25	12/31/25	11.57	10.08	8.86	7.83	6.96	6.22	5.58	5.02	4.53	4.10
1/1/26	12/31/26	11.59	10.10	8.87	7.84	6.97	6.23	5.59	5.03	4.54	4.11

2018 NATURAL GAS COMBINED CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
 LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4								
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**FIRST REVISED ORIGINAL SHEET NO. 8.454
 CANCELS ORIGINAL SHEET NO. 8.454**

		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT								
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo
5/1/09	4/30/10	-	-	-	-	-	-	-	-	-	6.07
5/1/10	4/30/11	-	-	-	-	-	-	-	-	6.73	6.07
5/1/11	4/30/12	-	-	-	-	-	-	-	7.49	6.74	6.08
5/1/12	4/30/13	-	-	-	-	-	-	8.35	7.49	6.74	6.08
5/1/13	4/30/14	-	-	-	-	-	9.35	8.36	7.50	6.74	6.08
5/1/14	4/30/15	-	-	-	-	10.51	9.36	8.36	7.50	6.75	6.09
5/1/15	4/30/16	-	-	-	11.86	10.51	9.36	8.37	7.50	6.75	6.09
5/1/16	4/30/17	-	-	13.47	11.87	10.52	9.37	8.37	7.51	6.76	6.09
5/1/17	4/30/18	-	15.39	13.48	11.88	10.53	9.37	8.38	7.51	6.76	6.10
5/1/18	4/30/19	17.72	15.40	13.48	11.89	10.53	9.38	8.38	7.52	6.76	6.10
5/1/19	4/30/20	17.73	15.41	13.49	11.89	10.54	9.38	8.39	7.52	6.77	6.11
5/1/20	4/30/21	17.74	15.42	13.50	11.90	10.55	9.39	8.39	7.53	6.77	6.11
5/1/21	4/30/22	17.75	15.43	13.51	11.91	10.55	9.40	8.40	7.53	6.78	6.11
5/1/22	4/30/23	17.76	15.44	13.52	11.92	10.56	9.40	8.41	7.54	6.78	6.12
5/1/23	4/30/24	17.78	15.45	13.53	11.92	10.57	9.41	8.41	7.55	6.79	6.12
5/1/24	4/30/25	17.79	15.46	13.54	11.93	10.58	9.42	8.42	7.55	6.79	6.13
5/1/25	4/30/26	17.80	15.47	13.55	11.94	10.58	9.42	8.42	7.56	6.80	6.13
5/1/26	4/30/27	17.81	15.48	13.56	11.95	10.59	9.43	8.43	7.56	6.80	6.14
5/1/27	4/30/28	17.82	15.49	13.57	11.96	10.60	9.44	8.44	7.57	6.81	6.14



BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:
 - a. The Company has dispatched the CEP's unit on AGC; or
 - b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or
 - c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or
 - d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

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

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

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR 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 above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of 7,4627,100 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

- O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.
- FC = Fuel Component of the Energy Payment in \$/MWH as defined by:
- $FC = \frac{7,4627,100 \text{ Btu/kWh} \times FP}{1,000}$



where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC + ACA + PPS + FRG$$

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Transmission Service Market Area Transportation, (ITS-1), including usage and surcharges.

~~ACA = then currently approved FGT Company tariff rate in \$/MMBTU for recovery of charges permitted by Section 154.38(d)(6) of the FERC regulations under the Natural Gas Act.~~

~~PPS = then currently approved FGT Company tariff rate in \$/MMBTU for recovery of costs associated with electrical usage used to operate FGT's electrical compressor units.~~

FRPFRG = then currently approved FGT Company tariff rate in \$/MMBTU Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.



PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on ~~May~~January 1, ~~2018~~2017, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
O_v = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	<u>3.834</u> 8
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	<u>7,462</u> 400