

# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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

April 1, 2013

HAND DELIVERED

RECEIVED-FPSC  
13 APR -1 PM 2:09  
COMMISSION  
CLERK

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

130073-EQ

Re: Petition of Tampa Electric Company for Approval of Revisions to Standard Offer Contract and Rate Schedules COG-1 and COG-2

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 Revisions to the Standard Offer Contract and Rate Schedules COG-1 and COG-2.

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	_____
AFD	_____
APA	_____
ECO	_____
ENG	13
GCL	_____
IDM	_____
TEL	_____
CLK	_____

DOCUMENT NUMBER-DATE  
01589 APR -1 13  
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company )  
for Approval of Revisions to Standard Offer )  
Contract and Rate Schedules COG-1 and )  
COG-2. )  
\_\_\_\_\_ )

DOCKET NO. 130073-EQ

FILED: April 1, 2013

**TAMPA ELECTRIC COMPANY'S PETITION FOR APPROVAL OF  
REVISIONS TO THE STANDARD OFFER CONTRACT AND  
RATE SCHEDULES COG-1 AND COG-2**

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 ("SOC" or "Standard Offer") and associated rate schedules, COG-1 and 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:

James D. Beasley  
J. Jeffry Wahlen  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, FL 32302  
(850) 224-9115  
(850) 222-7960 (fax)

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

DOCUMENT NUMBER-DATE

01589 APR-1 2013

FPSC-COMMISSION CLERK

4. Tampa Electric proposes revisions to its Standard Offer and Rate Schedule COG-2 based on the generating unit technology and in-service dates 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 a Standard Offer based on a GE7FA.05 combustion turbine with an in-service date of May 1, 2020.

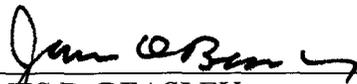
5. Revised tariff sheets containing proposed revisions to the SOC and Rate Schedules COG-1 and COG-2 are attached hereto in both standard and legislative formats as Exhibits "B" and "C", respectively. Also attached hereto, Exhibit "A" contains a listing of revised tariff sheets and a description of the 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 Exhibit "B".

DATED this 1st day of April 2013.

Respectfully submitted,



---

JAMES D. BEASLEY  
J. JEFFRY WAHLEN  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, FL 32302  
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

EXHIBIT A

**PROPOSED REVISIONS TO TAMPA ELECTRIC COMPANY'S  
STANDARD OFFER CONTRACT AND RATE SCHEDULES COG-1 AND COG-2**

<b>TARIFF SHEET NO.</b>	<b>REVISIONS/COMMENTS</b>
8.103	(COG-1) Replaced "spinning" with "operating" to be consistent with the language used in the FRCC Contingency (Operating) Reserve Policy.
8.326	Updated the avoided unit in-service date in the title of Appendix C.
8.356	(COG-2) Replaced "spinning" with "operating" to be consistent with the language used in the FRCC Contingency (Operating) Reserve Policy.
8.406	Updated in-service date and winter capacity rating in the avoided unit description.
8.416	Updated the maintenance requirements for the avoided unit.
8.422	(COG-2) Updated avoided unit in-service date, winter capacity rating, costs, and financial assumptions for avoided CT
8.424	(COG-2) Updated avoided unit costs to reflect avoided CT
8.426	(COG-2) Updated table of capacity payments based on avoided CT
8.427	(COG-2) Updated table of capacity payments based on avoided CT
8.428	(COG-2) Updated CT heat rate
8.434	(COG-2) Updated CT heat rate
8.436	(COG-2) Updated CT heat rate and variable O&M costs
8.720	(COG-2) Updated liability section to reference limitations for certain entities provided under the Section 768.28(2), Florida Statutes, and the company's rights provided under Section 768.28, F.S. and the Federal Tort Claims Act.
8.725	(COG-2) Updated insurance requirement section with provision for self-insurance by QF.

**EXHIBIT B**



Continued from Sheet No. 8.102

9. The Company's available maximum generation resources in this methodology is defined as the maximum capacity less operating reserve requirements.
10. The "Standard Tariff Block" is defined to be an x-megawatt (XMW) block equivalent to the combined actual hourly generation delivered to Tampa Electric from all QFs making as-available energy sales to Tampa Electric. In the absence of metered information on exports from a QF making as-available energy sales to Tampa Electric, an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MW and then added to the sum of all other known as-available energy purchases for that hour.

**SUPPLEMENTAL FUEL**

The term "supplemental fuel" refers to the variable cost for additional fuel to be delivered to Tampa Electric's generation facilities. The supplemental fuel price includes the cost of the fuel commodity at market prices plus the variable cost to deliver the commodity to the generation facility. Market prices for coal, oil and natural gas are based on published indexes or current market activity for commodities of comparable quality to those used in Tampa Electric's generation facilities.

Continued to Sheet No. 8.104



FIFTH REVISED SHEET NO. 8.326  
CANCELS FOURTH REVISED SHEET NO. 8.326

**RATE SCHEDULE COG-2  
TABLE OF APPENDICES**

<b>APPENDIX</b>	<b>TITLE</b>	<b>SHEET NO.</b>
A	VALUE OF DEFERRAL METHODOLGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2020 COMBUSTION TURBINE • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs	8.406
D	RESERVED FOR FUTURE USE	-
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.356  
CANCELS FIRST REVISED SHEET NO. 8.356

Continued from Sheet No. 8.352

9. The Company's Maximum Available Generation in this methodology is defined as the maximum capacity less operating reserve requirements.
10. The "Standard Tariff Block" is defined to be an x-megawatt (XMW) block equivalent to the combined actual hourly generation delivered to the Company from all CEPs making As-Available Energy sales to the Company. In the absence of metered information on exports from the CEP making As-Available Energy sales to the Company, an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MW and then added to the sum of all other known As-Available Energy purchases for that hour.

Continued to Sheet No. 8.376

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



**RATE SCHEDULE COG-2  
APPENDIX C**

**2020 COMBUSTION TURBINE**

This Designated Avoided Unit is a 220 MW (winter rating) natural gas-fired combustion turbine with a May 1, 2020, 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

Continued to Sheet No. 8.408



Continued from Sheet No. 8.414

4. **Annual Scheduled Maintenance:** Each year the CEP shall prepare, coordinate, and provide by April 1st all planned maintenance with the Company. The Company will review and approve annual/major scheduled maintenance by July 1st for the balance of the current year and following calendar year. A maximum of 7 days 168 hours) each year for annual maintenance and a total of 4 weeks (672 hours) every fifth year for major maintenance will be allowed. Scheduled maintenance shall not be planned during December through February without prior written consent from the Company. At the option of the CEP and by written notification to the Company, scheduled outage time may be utilized during any other months to improve the CEP's Availability and Capacity Factors and such scheduled outage hours will be disregarded from the Monthly Availability Factor and Capacity Factor calculations. However, once allowable maintenance hours have been utilized, all other hours during the year will be considered in Availability and Capacity Factor calculations.

5. **Monthly Capacity Payment:** Starting with the CEP's Commercial In-Service Date, for months when the CEP unit has been dispatched (provided that CEP has achieved at least a 90% Monthly Availability Factor), the Monthly Capacity Payment for each Monthly Period shall be calculated according to the following:

a. In the event that the Monthly Capacity Factor is less than 80%, no Monthly Capacity Payment shall be paid to the CEP. That is:

$$\text{MCP} = \$0$$

b. In the event that the Monthly Capacity Factor is greater than or equal to 80% but less than 90%, the Monthly Capacity Payment shall be calculated from the following formula:

$$\text{MCP} = [(BCC) \times (.02 \times (CF - 45))] \times CC$$

Continued on Sheet No. 8.418



Continued from Sheet No. 8.418

**PARAMETERS FOR AVOIDED CAPACITY COSTS**

Beginning with the in-service date (5/1/2020) of the Company's Designated Avoided Unit, a 220MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	<b>VALUE</b>
VAC <sub>m</sub> = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	7.76
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	1.4759
I <sub>n</sub> = 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	813.08
O <sub>n</sub> = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	13.46
i <sub>p</sub> = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	3.0%
i <sub>o</sub> = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.4%
r = discount rate, defined as the Company's incremental after tax cost of capital;	7.95%

Continued to Sheet No. 4.424



Continued from Sheet No. 8.422

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.	2020
A <sub>m</sub>	=	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 2013;	3.10
m	=	Earliest year in which early capacity payments to the CEP may begin;	2013*
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);	381.00*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	17*

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

Continued to Sheet No. 8.426



Continued from Sheet No. 8.424

2020 COMBUSTION TURBINE - AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW-MONTH)  
 NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2						
		NORMAL PAYMENT	EARLY PAYMENT						
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13
FROM	TO	\$/kw -mo							
5/1/13	4/30/14								3.10
5/1/14	4/30/15							3.49	3.19
5/1/15	4/30/16						3.93	3.59	3.29
5/1/16	4/30/17					4.45	4.04	3.69	3.38
5/1/17	4/30/18				5.06	4.58	4.16	3.80	3.48
5/1/18	4/30/19			5.80	5.21	4.71	4.28	3.91	3.58
5/1/19	4/30/20		6.68	5.97	5.36	4.85	4.41	4.02	3.69
5/1/20	4/30/21	7.76	6.87	6.14	5.52	4.99	4.54	4.14	3.79
5/1/21	4/30/22	7.99	7.07	6.32	5.68	5.14	4.67	4.26	3.90
5/1/22	4/30/23	8.22	7.28	6.50	5.85	5.29	4.81	4.39	4.02
5/1/23	4/30/24	8.46	7.49	6.69	6.02	5.44	4.95	4.51	4.14
5/1/24	4/30/25	8.71	7.71	6.89	6.19	5.60	5.09	4.65	4.26
5/1/25	4/30/26	8.96	7.94	7.09	6.37	5.76	5.24	4.78	4.38
5/1/26	4/30/27	9.22	8.17	7.29	6.56	5.93	5.39	4.92	4.51
5/1/27	4/30/28	9.49	8.41	7.51	6.75	6.10	5.55	5.06	4.64
5/1/28	4/30/29	9.77	8.65	7.73	6.95	6.28	5.71	5.21	4.77
5/1/29	4/30/30	10.05	8.90	7.95	7.15	6.47	5.88	5.36	4.91

Continued to Sheet No. 8.427



FIRST REVISED SHEET NO. 8.427  
 CANCELS ORIGINAL SHEET NO. 8.427

Continued from Sheet No. 8.426

2020 COMBUSTION TURBINE - AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW-MONTH)  
 LEVELIZED PAYMENT OPTIONS

		OPTION 3		OPTION 4					
		LEVELIZED NORMAL PAYMENT		LEVELIZED EARLY PAYMENT					
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13
FROM	TO	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo
5/1/13	4/30/14								3.67
5/1/14	4/30/15							4.09	3.68
5/1/15	4/30/16						4.57	4.10	3.69
5/1/16	4/30/17					5.12	4.58	4.11	3.70
5/1/17	4/30/18				5.78	5.14	4.59	4.12	3.71
5/1/18	4/30/19			6.55	5.79	5.15	4.61	4.14	3.73
5/1/19	4/30/20		7.47	6.57	5.81	5.17	4.62	4.15	3.74
5/1/20	4/30/21	8.59	7.49	6.59	5.83	5.19	4.64	4.16	3.75
5/1/21	4/30/22	8.62	7.52	6.61	5.85	5.20	4.65	4.18	3.76
5/1/22	4/30/23	8.65	7.54	6.63	5.87	5.22	4.67	4.19	3.78
5/1/23	4/30/24	8.68	7.57	6.65	5.89	5.24	4.69	4.21	3.79
5/1/24	4/30/25	8.70	7.59	6.68	5.91	5.26	4.70	4.22	3.80
5/1/25	4/30/26	8.73	7.62	6.70	5.93	5.28	4.72	4.24	3.82
5/1/26	4/30/27	8.76	7.65	6.72	5.95	5.30	4.74	4.25	3.83
5/1/27	4/30/28	8.79	7.67	6.75	5.97	5.32	4.75	4.27	3.85
5/1/28	4/30/29	8.83	7.70	6.77	6.00	5.34	4.77	4.29	3.86
5/1/29	4/30/30	8.86	7.73	6.80	6.02	5.36	4.79	4.30	3.88

Continued to Sheet No. 8.428

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



Continued from Sheet No. 8.427

**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 10,146 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

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

Continued to Sheet No. 8.434



Continued from Sheet No. 8.428

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

$$FC = \frac{10,146 \text{ Btu/kWh} \times FP}{1,000}$$

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.

Continued to Sheet No. 8.436



Continued from Sheet No. 8.428

**PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS**

Beginning on May 1, 2020, 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	2.13
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	10,146



Continued from Sheet No. 8.715

- iv. Any other event or act that is the result of, or proximately caused by a party.

For the purpose of this paragraph, the term party shall mean either the Company or QF, as the case may be.

With respect to a QF that is the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), Florida Statutes, or the successor thereto), the obligations of Customer set forth in Paragraph 6.b above shall be subject to Section 768.28 (or the successor thereto), including the limitations contained therein. With respect to a QF that is the United States of America, or agency or subdivision thereof, the obligations set forth in the first sentence of Paragraph 6.b shall not apply. In either case, the Company reserves its rights under Section 768.28 (or the successor thereto), and the Federal Tort Claims Act (or the successor thereto), as applicable, including, but not limited to, the right to pursue legislative relief.

c. **Insurance:** The QF shall deliver to the Company, at least fifteen (15) days prior to the start of any interconnection work, a certificate of insurance certifying the QF's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the QF as named insured, and the Company as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering the liabilities accepted under this agreement arising out of the interconnection to the QF, or caused by operation of any of the QF's equipment or by the QF's failure to maintain its equipment in satisfactory and safe operating condition.

- i. In subsequent years, a certificate of insurance renewal must be provided annually to the Company indicating the QF's continued coverage as described herein. Renewal certification shall be sent to:

Tampa Electric Company  
Risk Management Department  
P. O. Box 111  
Tampa, FL 33601

- ii. The policy providing such coverage for a Standard Offer Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence; provided however, if QF has insurance with limits greater than the minimum limits required herein, the QF shall set any amount higher than the minimum limits required by the Company to satisfy the insurance requirements of this Agreement.

Continued to Sheet No. 8.725



Continued from Sheet No. 8.720

iii. The policy providing such coverage for a Negotiated Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence. The Parties may negotiate the amount of insurance over \$1,000,000.

iv. The above required policy shall be endorsed with a provision requiring the insurance company will notify the Company thirty (30) days prior to the effective date of cancellation or material change in said policy.

v. The QF shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company.

vi. As an alternative to the foregoing insurance requirement, the QF may self-insure upon receiving the Company's prior written approval. The Company will provide the QF with written notification of approval or disapproval of a self-insurance application with 30 business days after the Company's receipt of all documentation required to support the application. In the event that the Company approves QF's request to self-insure, QF shall provide proof of its continuing ability to self-insure to the Company on an annual basis, or more frequently if requested by the Company. Notwithstanding the foregoing, the minimum insurance coverage amount set forth above shall be limited for the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), or the successor thereto), to the maximum dollar amounts set forth in Section 768.28(5), or the successor thereto.

7. **Protection and Operation:** It will be the responsibility of the QF to provide all devices necessary to protect the QF's equipment from damage by the abnormal conditions and operations which occur on the Company system that result from interruptions and restorations of service by the Company's equipment and personnel. The QF shall protect its generator and associated equipment from overvoltage, undervoltage, overload, short circuits (including ground fault condition), open circuits, phase unbalance and reversal, over or under frequency condition, and other injurious electrical conditions that may arise on the Company's system and any reclose attempt by the Company.

The Company may reserve the right to perform such tests as it deems necessary to ensure safe and efficient protection and operation of the QF's equipment.

Continued to Sheet No. 8.730

EXHIBIT C



Continued from Sheet No. 8.102

9. The Company's available maximum generation resources in this methodology is defined as the maximum capacity less spinning-operating reserve requirements.
10. The "Standard Tariff Block" is defined to be an x-megawatt (XMW) block equivalent to the combined actual hourly generation delivered to Tampa Electric from all QFs making as-available energy sales to Tampa Electric. In the absence of metered information on exports from a QF making as-available energy sales to Tampa Electric, an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MW and then added to the sum of all other known as-available energy purchases for that hour.

**SUPPLEMENTAL FUEL**

The term "supplemental fuel" refers to the variable cost for additional fuel to be delivered to Tampa Electric's generation facilities. The supplemental fuel price includes the cost of the fuel commodity at market prices plus the variable cost to deliver the commodity to the generation facility. Market prices for coal, oil and natural gas are based on published indexes or current market activity for commodities of comparable quality to those used in Tampa Electric's generation facilities.

Continued to Sheet No. 8.104



FOURTH-FIFTH REVISED SHEET NO. 8.326  
CANCELS THIRD-FOURTH REVISED SHEET NO. 8.326

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	<del>2019-2020</del> COMBUSTION TURBINE • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs	8.406
D	RESERVED FOR FUTURE USE	-
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 19, 2012~~



FIRST-SECOND REVISED SHEET NO. 8.356  
CANCELS ORIGINAL FIRST REVISED SHEET NO. 8.356

Continued from Sheet No. 8.352

9. The Company's Maximum Available Generation in this methodology is defined as the maximum capacity less spinning-operating reserve requirements.
10. The "Standard Tariff Block" is defined to be an x-megawatt (XMW) block equivalent to the combined actual hourly generation delivered to the Company from all CEPs making As-Available Energy sales to the Company. In the absence of metered information on exports from the CEP making As-Available Energy sales to the Company, an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MW and then added to the sum of all other known As-Available Energy purchases for that hour.

Continued to Sheet No. 8.376

**ISSUED BY:** ~~C. R. Black~~ G. L. Gillette,  
President

**DATE EFFECTIVE:** July 29, 2008



**RATE SCHEDULE COG-2  
APPENDIX C**

**2019-2020 COMBUSTION TURBINE**

This Designated Avoided Unit is a ~~177-220~~ MW (winter rating) natural gas-fired combustion turbine with a May 1, ~~2019~~2020, 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

Continued to Sheet No. 8.408



Continued from Sheet No. 8.414

4. **Annual Scheduled Maintenance:** Each year the CEP shall prepare, coordinate, and provide by April 1st all planned maintenance with the Company. The Company will review and approve annual/major scheduled maintenance by July 1st for the balance of the current year and following calendar year. A maximum of 47 days (~~72~~ 168 hours) each year for annual maintenance and a total of 424 weeks (~~2,016~~ 672 hours) every ~~fifteenth~~ fifth year for major maintenance will be allowed. Scheduled maintenance shall not be planned during December through February without prior written consent from the Company. At the option of the CEP and by written notification to the Company, scheduled outage time may be utilized during any other months to improve the CEP's Availability and Capacity Factors and such scheduled outage hours will be disregarded from the Monthly Availability Factor and Capacity Factor calculations. However, once allowable maintenance hours have been utilized, all other hours during the year will be considered in Availability and Capacity Factor calculations.

5. **Monthly Capacity Payment:** Starting with the CEP's Commercial In-Service Date, for months when the CEP unit has been dispatched (provided that CEP has achieved at least a 90% Monthly Availability Factor), the Monthly Capacity Payment for each Monthly Period shall be calculated according to the following:

a. In the event that the Monthly Capacity Factor is less than 80%, no Monthly Capacity Payment shall be paid to the CEP. That is:

$$MCP = \$0$$

b. In the event that the Monthly Capacity Factor is greater than or equal to 80% but less than 90%, the Monthly Capacity Payment shall be calculated from the following formula:

$$MCP = [(BCC) \times (.02 \times (CF - 45))] \times CC$$

Continued on Sheet No. 8.418



Continued from Sheet No. 8.418

**PARAMETERS FOR AVOIDED CAPACITY COSTS**

Beginning with the in-service date (5/1/2019/2020) of the Company's Designated Avoided Unit, a 477-220MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	<b>VALUE</b>
VAC <sub>m</sub> = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	8,427.76
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	4,47631.4759
I <sub>n</sub> = 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	878,11813.08
O <sub>n</sub> = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	6,6713.46
i <sub>p</sub> = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	3.0%



Continued from Sheet No. 8.418

**PARAMETERS FOR AVOIDED CAPACITY COSTS**

Beginning with the in-service date (5/1/2019/2020) of the Company's Designated Avoided Unit, a 477-220MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	<b>VALUE</b>
VAC <sub>m</sub> = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	8.427.76
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	1.47631.4759
I <sub>n</sub> = 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	878.11813.08
O <sub>n</sub> = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	9.6713.46
i <sub>p</sub> = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	3.0%
i <sub>o</sub> = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.4%
r = discount rate, defined as the Company's incremental after tax cost of capital;	7.95%

Continued to Sheet No. 4.424



Continued from Sheet No. 8.1228.422

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.	<del>2019</del> <u>2020</u>
A <sub>m</sub>	=	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 <u>2012</u> <del>2013</del> ;	<del>3.253</del> <u>3.10</u>
m	=	Earliest year in which early capacity payments to the CEP may begin;	<del>2012</del> <u>2013</u> *
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);	<del>411.58381</del> <u>1.00</u> *
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	17*

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

Continued to Sheet No. 8.426



FIFTH SIXTH REVISED SHEET NO. 8.426  
 CANCELS FOURTH FIFTH REVISED SHEET NO. 8.426

Continued from Sheet No. 8.424

2019 COMBUSTION TURBINE - AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW MONTH)  
 NON LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2						
		NORMAL PAYMENT	EARLY PAYMENT						
CONTRACT YEAR		Starting- 5/1/19	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
FROM	TO	\$/kw-mo							
5/1/12	4/30/13								3.19
5/1/13	4/30/14							3.58	3.28
5/1/14	4/30/15						4.04	3.69	3.38
5/1/15	4/30/16					4.57	4.16	3.78	3.48
5/1/16	4/30/17				5.20	4.71	4.28	3.91	3.58
5/1/17	4/30/18			5.96	5.36	4.86	4.40	4.02	3.68
5/1/18	4/30/19		6.87	6.13	5.52	4.99	4.53	4.14	3.79
5/1/19	4/30/20	7.98	7.07	6.31	5.68	5.14	4.67	4.26	3.90
5/1/20	4/30/21	8.21	7.28	6.50	5.84	5.29	4.80	4.39	4.02
5/1/21	4/30/22	8.45	7.49	6.69	6.02	5.44	4.95	4.52	4.14
5/1/22	4/30/23	8.70	7.71	6.89	6.19	5.60	5.09	4.65	4.26
5/1/23	4/30/24	8.96	7.94	7.09	6.38	5.77	5.24	4.78	4.38
5/1/24	4/30/25	9.22	8.17	7.30	6.56	5.94	5.40	4.93	4.51
5/1/25	4/30/26	9.49	8.41	7.51	6.76	6.11	5.55	5.07	4.65
5/1/26	4/30/27	9.77	8.66	7.73	6.95	6.29	5.72	5.22	4.78
5/1/27	4/30/28	10.06	8.91	7.96	7.16	6.48	5.89	5.37	4.92
5/1/28	4/30/29	10.36	9.17	8.20	7.37	6.67	6.06	5.53	5.07

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



FIFTH SIXTH REVISED SHEET NO. 8.426  
 CANCELS FOURTH FIFTH REVISED SHEET NO. 8.426

2020 COMBUSTION TURBINE - AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW-MONTH)  
 NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2						
		NORMAL PAYMENT	EARLY PAYMENT						
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13
FROM	TO	\$/kw -mo							
5/1/13	4/30/14								3.10
5/1/14	4/30/15							3.49	3.19
5/1/15	4/30/16						3.93	3.59	3.29
5/1/16	4/30/17					4.45	4.04	3.69	3.38
5/1/17	4/30/18				5.06	4.58	4.16	3.80	3.48
5/1/18	4/30/19			5.80	5.21	4.71	4.28	3.91	3.58
5/1/19	4/30/20		6.68	5.97	5.36	4.85	4.41	4.02	3.69
5/1/20	4/30/21	7.76	6.87	6.14	5.52	4.99	4.54	4.14	3.79
5/1/21	4/30/22	7.99	7.07	6.32	5.68	5.14	4.67	4.26	3.90
5/1/22	4/30/23	8.22	7.28	6.50	5.85	5.29	4.81	4.39	4.02
5/1/23	4/30/24	8.46	7.49	6.69	6.02	5.44	4.95	4.51	4.14
5/1/24	4/30/25	8.71	7.71	6.89	6.19	5.60	5.09	4.65	4.26
5/1/25	4/30/26	8.96	7.94	7.09	6.37	5.76	5.24	4.78	4.38
5/1/26	4/30/27	9.22	8.17	7.29	6.56	5.93	5.39	4.92	4.51
5/1/27	4/30/28	9.49	8.41	7.51	6.75	6.10	5.55	5.06	4.64
5/1/28	4/30/29	9.77	8.65	7.73	6.95	6.28	5.71	5.21	4.77
5/1/29	4/30/30	10.05	8.90	7.95	7.15	6.47	5.88	5.36	4.91

Continued to Sheet No. 8.427



ORIGINAL FIRST REVISED SHEET NO. 8.427  
 CANCELS ORIGINAL SHEET NO. 8.427

Continued from Sheet No. 8.426

2010 COMBUSTION TURBINE AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW MONTH)  
 LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4						
		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT						
CONTRACT YEAR		Starting- 5/1/19	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
FROM	TO	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo
5/1/12	4/30/13								3.80
5/1/13	4/30/14							4.23	3.81
5/1/14	4/30/15						4.41	4.24	3.81
5/1/15	4/30/16					5.30	4.73	4.26	3.82
5/1/16	4/30/17				5.97	5.31	4.74	4.26	3.83
5/1/17	4/30/18			6.77	5.99	5.32	4.76	4.27	3.84
5/1/18	4/30/19		7.72	6.78	6.00	5.33	4.77	4.27	3.85
5/1/19	4/30/20	8.88	7.74	6.80	6.01	5.35	4.78	4.28	3.86
5/1/20	4/30/21	8.90	7.75	6.81	6.03	5.36	4.79	4.29	3.87
5/1/21	4/30/22	8.92	7.77	6.83	6.04	5.37	4.80	4.31	3.88
5/1/22	4/30/23	8.94	7.79	6.84	6.05	5.38	4.81	4.32	3.89
5/1/23	4/30/24	8.96	7.81	6.86	6.07	5.40	4.82	4.33	3.90
5/1/24	4/30/25	8.98	7.83	6.88	6.08	5.41	4.83	4.34	3.91
5/1/25	4/30/26	9.00	7.85	6.90	6.10	5.42	4.85	4.35	3.92
5/1/26	4/30/27	9.02	7.87	6.91	6.11	5.44	4.86	4.36	3.93
5/1/27	4/30/28	9.04	7.89	6.93	6.13	5.45	4.87	4.37	3.94
5/1/28	4/30/29	9.07	7.91	6.95	6.15	5.47	4.89	4.39	3.95

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



ORIGINAL FIRST REVISED SHEET NO. 8.427  
 CANCELS ORIGINAL SHEET NO. 8.427

2020 COMBUSTION TURBINE - AVOIDED UNIT  
 MONTHLY CAPACITY PAYMENT RATE ( \$/KW-MONTH)  
 LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4						
		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT						
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13
FROM	TO	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo	\$/kw -mo
5/1/13	4/30/14								3.67
5/1/14	4/30/15							4.09	3.68
5/1/15	4/30/16						4.57	4.10	3.69
5/1/16	4/30/17					5.12	4.58	4.11	3.70
5/1/17	4/30/18				5.78	5.14	4.59	4.12	3.71
5/1/18	4/30/19			6.55	5.79	5.15	4.61	4.14	3.73
5/1/19	4/30/20		7.47	6.57	5.81	5.17	4.62	4.15	3.74
5/1/20	4/30/21	8.59	7.49	6.59	5.83	5.19	4.64	4.16	3.75
5/1/21	4/30/22	8.62	7.52	6.61	5.85	5.20	4.65	4.18	3.76
5/1/22	4/30/23	8.65	7.54	6.63	5.87	5.22	4.67	4.19	3.78
5/1/23	4/30/24	8.68	7.57	6.65	5.89	5.24	4.69	4.21	3.79
5/1/24	4/30/25	8.70	7.59	6.68	5.91	5.26	4.70	4.22	3.80
5/1/25	4/30/26	8.73	7.62	6.70	5.93	5.28	4.72	4.24	3.82
5/1/26	4/30/27	8.76	7.65	6.72	5.95	5.30	4.74	4.25	3.83
5/1/27	4/30/28	8.79	7.67	6.75	5.97	5.32	4.75	4.27	3.85
5/1/28	4/30/29	8.83	7.70	6.77	6.00	5.34	4.77	4.29	3.86
5/1/29	4/30/30	8.86	7.73	6.80	6.02	5.36	4.79	4.30	3.88

Continued to Sheet No. 8.428

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



Continued from Sheet No. 8.427

**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 ~~10,798~~10,146 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

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

Continued to Sheet No. 8.434



Continued from Sheet No. 8.428

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

$$FC = \frac{11,983-10,146 \text{ Btu/kWh} \times FP}{1,000}$$

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.

Continued to Sheet No. 8.436



Continued from Sheet No. 8.428

**PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS**

Beginning on May 1, ~~2019~~2020, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	<b>VALUE</b>
$O_v$ = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	4.87 <u>2.13</u>
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	11,983 <u>10,146</u>



Continued from Sheet No. 8.715

- iv. Any other event or act that is the result of, or proximately caused by a party.

For the purpose of this paragraph, the term party shall mean either the Company or qfQF, as the case may be.

With respect to a QF that is the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), Florida Statutes, or the successor thereto), the obligations of Customer set forth in Paragraph 6.b above shall be subject to Section 768.28 (or the successor thereto), including the limitations contained therein. With respect to a QF that is the United States of America, or agency or subdivision thereof, the obligations set forth in the first sentence of Paragraph 6.b shall not apply. In either case, the Company reserves its rights under Section 768.28 (or the successor thereto), and the Federal Tort Claims Act (or the successor thereto), as applicable, including, but not limited to, the right to pursue legislative relief.

c. **Insurance:** The qf-QF shall deliver to the Company, at least fifteen (15) days prior to the start of any interconnection work, a certificate of insurance certifying the qf's QF's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the qf-QF as named insured, and the Company as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering the liabilities accepted under this agreement arising out of the interconnection to the qfQF, or caused by operation of any of the qf's-QF's equipment or by the qf's-QF's failure to maintain its equipment in satisfactory and safe operating condition.

- i In subsequent years, a certificate of insurance renewal must be provided annually to the Company indicating the qf's-QF's continued coverage as described herein. Renewal certification shall be sent to:

Tampa Electric Company  
Risk Management Department  
P. O. Box 111  
Tampa, FL 33601

ii. The policy providing such coverage for a Standard Offer Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence; provided however, if qf-QF has insurance with limits greater than the minimum limits required herein, the qf-QF shall set any amount higher than the minimum limits required by the Company to satisfy the insurance requirements of this Agreement.

Continued to Sheet No. 8.725

ISSUED BY: J. B. Rami G. L. Gillette,  
President

DATE EFFECTIVE: March 30, 1999



Continued from Sheet No. 8.720

iii. The policy providing such coverage for a Negotiated Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence. The Parties may negotiate the amount of insurance over \$1,000,000.

iv. The above required policy shall be endorsed with a provision requiring the insurance company will notify the Company thirty (30) days prior to the effective date of cancellation or material change in said policy.

v. The QF shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company.

vi. As an alternative to the foregoing insurance requirement, the QF may self-insure upon receiving the Company's prior written approval. The Company will provide the QF with written notification of approval or disapproval of a self-insurance application with 30 business days after the Company's receipt of all documentation required to support the application. In the event that the Company approves QF's request to self-insure, QF shall provide proof of its continuing ability to self-insure to the Company on an annual basis, or more frequently if requested by the Company. Notwithstanding the foregoing, the minimum insurance coverage amount set forth above shall be limited for the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), or the successor thereto), to the maximum dollar amounts set forth in Section 768.28(5), or the successor thereto.

7. **Protection and Operation:** It will be the responsibility of the ~~qf~~-QF to provide all devices necessary to protect the ~~qf's~~-QF's equipment from damage by the abnormal conditions and operations which occur on the Company system that result from interruptions and restorations of service by the Company's equipment and personnel. The ~~qf~~-QF shall protect its generator and associated equipment from overvoltage, undervoltage, overload, short circuits (including ground fault condition), open circuits, phase unbalance and reversal, over or under frequency condition, and other injurious electrical conditions that may arise on the Company's system and any reclose attempt by the Company.

The Company may reserve the right to perform such tests as it deems necessary to ensure safe and efficient protection and operation of the ~~qf's~~-QF's equipment.

Continued to Sheet No. 8.730

ISSUED BY: J. B. Ramil G. L. Gillette,  
President

DATE EFFECTIVE: March 30, 1999