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July 22, 2013

HAND DELIVERED

REDACTED

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

RECEIVED - FPSC
13 JUL 22 PM 1:17
COMMISSION
CLERK

Re: Petition for Rate Increase by Tampa Electric Company
FPSC Docket No. 130040-EI

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Request for Confidential Classification and Motion for Temporary Protective Order regarding Staff's audit workpapers pursuant to Audit Control No. 13-105-2-1.

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

cc: All Parties of Record (w/enc.)

COM	_____
AFD	_____ 1
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase)
by Tampa Electric Company.)
_____)

DOCKET NO. 130040-EI

FILED: July 22, 2013

**TAMPA ELECTRIC COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
AND MOTION FOR TEMPORARY PROTECTIVE ORDER**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby request confidential classification of the yellow highlighted information contained in the following described document(s) ("the Document(s)") stamped "CONFIDENTIAL" and all information that is or may be printed on yellow paper stock stamped "CONFIDENTIAL" within the Document(s), all of said confidential information being hereinafter referred to as "Confidential Information."

Description of the Document(s)

Audit workpapers pursuant to Audit Control No. 13-105-2-1 (Bates stamped pages 1-17, 32-33, and 47-48). In support of this request, the company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Subsection 366.093(3)(d), Florida Statutes. Proprietary confidential business information also

includes “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.” Section 366.093(3)(e), Florida Statutes. The Confidential Information that is the subject of this request and motion falls within the statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

2. Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information contained in the Document(s).

3. Attached hereto as Exhibit "B" are two public versions of the Document(s) with the Confidential Information redacted, unless previously filed as indicated.

4. The Confidential Information contained in the Document(s) is intended to be and is treated by Tampa Electric as private and has not been publicly disclosed.

5. For the same reasons set forth herein in support of its request for confidential classification, Tampa Electric also moves the Commission for entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

Requested Duration of Confidential Classification

6. Tampa Electric requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), Florida Administrative Code. If, and to the extent that the company is in need of confidential classification of the Confidential Information beyond the 18 month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Tampa Electric Company respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months, subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion. The company further moves for the entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

DATED this 22nd day of July 2013.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
KENNETH R. HART
ASHLEY M. DANIELS
Ausley & McMullen
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(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification and Motion for Temporary Protective Order, filed on behalf of Tampa Electric Company, has been served by hand delivery (*) or U. S. Mail on this 22nd day of July, 2013 to the following:

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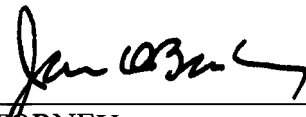
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ATTORNEY

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF
HIGHLIGHTED PORTIONS OF TAMPA ELECTRIC'S DOCUMENTS SELECTED
AS AUDIT WORK PAPERS PURSUANT TO AUDIT CONTROL NO. 13-105-2-1**

<u>Work Paper</u>	<u>Bates Stamp Page No.</u>	<u>Detailed Description</u>	<u>Rationale</u>
Audit Request TEC-06-12(REV), Request No.1, 8-3 P1-P3	1-3	All information on page	(1)
9 P1- P3	4-6	All information on page	(2)
Audit Request TEC-15-12, Request No. 1 9-4	7	All information on page	(2)
Audit Request TEC-28-12, Request Nos.1-2, 39-1 P1-P2	8-9	All information on page	(3)
Audit Request TEC-38-12, Request No. 1, 43-35/1-3	10	All information on page	(4)
43-35/1-4 P1-P4	11-14	All information on page	(4)
43-35/1-5	15	All information on page	(4)
Audit Request TEC-29-12, Request No.3, 43-35/1-6 P1-P2	16-17	All information on page	(4)
Audit Request TEC-38-12, Request No. 1, 43-46/3 P5-P6	32-33	All Highlighted Information	(5)
Audit Request TEC-38-12, Request No. 1, 43-46/4 P9-P10	47-48	All Highlighted Information	(5)

- (1) The information in question consists of Board of Director meeting minutes and summary of meeting minutes. This information is entitled to confidential protection because it contains sensitive and strategic information not made public, the disclosure of which could harm the competitive interests of Tampa Electric and possibly trigger Securities and Exchange Commission reporting obligations. As such this information is protected under 366.093(3)(e), Florida Statutes
- (2) The information in question consists of third party consultant work product, to-wit, PriceWaterhouseCoopers work papers. Public disclosure of this information would harm the competitive interests of PriceWaterhouseCoopers by disclosing their audit procedures, techniques and methodologies. While the results of their audits are summarized in annual reports, the details of the work papers are not and PriceWaterhouseCoopers has made clear that public disclosure of this information would

harm its competitive interests. At the outset of the Staff audit in this proceeding PriceWaterhouseCoopers informed the Commission that its audit work papers contained trade secrets and confidential commercial and financial information of both PriceWaterhouseCoopers and the audited companies that is privileged and confidential and expressly reserved all rights with respect to disclosure to third parties. As such, the information in question is entitled to confidential treatment pursuant to Section 366.093(e), Florida Statutes.

- (3) The financial information in question consists of projected information about the capital structure of the affiliated and consolidated companies. If publicly disclosed, this information would harm the competitive interests of the provider of the information and would trigger Securities and Exchange Commission reporting obligations. As such, the information is protected under Section 366.093 (3)(e), Florida Statutes.
- (4) This information is proprietary third party, privately negotiated and proprietary contractual information regarding TECO Plaza lease payments. Public disclosure of this information would harm the competitive interests of the owners of TECO Plaza and impair their competitive business. It would also have an adverse effect on Tampa Electric's ability to renegotiate these payments in the future. As such the information in question is entitled to confidential treatment under Section 366.093(3)(d) and (e), Florida Statutes.
- (5) The documents in question are Tampa Electric's service agreement contracts governing the operation of its generating units. The information in question concerns contractual data, the disclosure of which would impair Tampa Electric's future efforts to contract for goods and services on favorable terms. The information is also considered confidential by the other party to the contract, as it could potentially affect its future ability to negotiate and contract with other companies on favorable terms. As such, the information in question is entitled to confidential treatment pursuant to Section 366.093(3)(d) and (e), Florida Statutes.

PUBLIC VERSION(S) OF THE DOCUMENT(S)

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached

Public Version(s) of the Document(s) previously filed on _____

REDACTED

BATES STAMPED PAGES

1 THROUGH 17

ARE REDACTED

COM	_____
AFD	_____
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Petition for Rate Relief
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TECO - TEC

Schedule to Services Agreement dated January 1, 2003
Between

TECO Energy, Inc. and Tampa Electric Company, et al
Schedule Effective Date: January 1, ~~2011~~2012

1. GENERAL PROVISIONS

A. **The Agreement; Definitions.** This Schedule forms a part of the Services Agreement between TECO Energy, Inc. ("Company") and Tampa Electric Company ("Customer") dated as of January 1, ~~2011~~2012 ("Agreement"). Capitalized terms not defined in this Schedule shall have the meanings ascribed to them in the body of the countersigned instrument or in the General Terms and Conditions included within the Agreement. For purposes of the Schedule, the following definitions shall apply:

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"Direct Labor Cost" shall mean payroll cost for employees directly employed in provision of the service.

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"Fringe Cost" shall mean payroll related costs for employees directly employed in provision of the service, including non-productive time (e.g. vacation, holidays, illness, etc.), direct benefits (e.g. retirement, insurance, savings plan), Performance Sharing costs, and company paid payroll taxes.

"Other Direct Cost" shall mean other non-capital related department operations and maintenance costs (e.g. supplies, travel, telephone, etc.)

B. **Schedule Effective Date; Changes.** This Schedule describes the Services provided by the Company and the pricing of said Services for a one-year period commencing January 1, ~~2011~~2012 ("Schedule Effective Date") and thereafter for any subsequent Renewal Term unless superseded by a subsequent Schedule agreed to in writing by the Parties. The Company reserves the right from time to time, upon written notice, to change on a prospective basis, any term or condition contained in this Schedule, subject to limitations imposed by any governmental authority having jurisdiction thereof. The Customer agrees to notify the Company of any anticipated changes in its requirements for Services under this Agreement.

C. **Services Provided.** The following Services shall be provided hereunder, as more specifically described below in Section 2, subject to the terms and conditions of this Agreement.

- i. Management Services
- ii. Audit/Corporate Compliance/Corporate Safety Services
- iii. Energy Risk Management Services
- iv. Insurance Risk Management Services
- v. Shareholder / Investor Relations Services
- vi. Treasury / Credit / Cash Management Services
- vii. Governmental Affairs Services, excluding lobbying
- viii. Corporate Tax Services
- ix. Accounting, Financial Reporting & Regulatory Services
- x. Efficiency & Process Improvements Services



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Source: TEC-38-12

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Tampa Electric Company
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Schedule to Services Agreement dated January 1, 2003
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xi. Legal Services

D. Pricing Categories.

i. **Basic Services.** As more specifically described below in Sections 2.A and 3.A, certain components of certain Services are designated "Basic Services" and are provided on an annual fixed price basis, one twelfth of which is charged back to the Customer on a monthly basis. Said Services are priced at the lesser of fair market value or an allocation of fully loaded costs.

ii. **Supplemental Services.** As more specifically described below in Sections 2.B and 3.B, the remainder of the Services, together with each of the other Services provided hereunder, are designated as "Supplemental Services" and are charged directly on a unit price or toll charge basis or indirectly on the basis of an allocation formula as further described below. Said Services are priced at the lesser of (x) fair market value or (y) Direct Labor Cost plus Fringe Cost, except that Services purchased by the Company from third party providers are priced on a cost pass-through basis. Supplemental Services may be requested by any representative designated by the Customer. Upon request, the Company shall provide a cost estimate for any Supplemental Services requested by the Customer.

E. **Contact.** Each party shall designate from time to time one or more representatives having responsibility for and authority to request or respond to requests for Services hereunder and to resolve issues respecting performance hereunder.

2. DETAILED DESCRIPTION OF SERVICES

A. **Basic Services**

None

B. **Supplemental Services**

i. **Management Services.**

TECO Energy shall provide strategic direction, consultation and advice to Customer from its senior officers.

ii. **Audit/Corporate Compliance/Corporate Safety Services.**

TECO Energy shall provide Customer with Audit services in accordance with the Audit Plan approved by the Audit Committee and upon request, including financial, system and operational audits.



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TECO Energy shall provide Customer with Corporate Compliance services, to maintain a comprehensive program based on sound ethical business practices to ensure compliance with, and to prevent and detect violations of the law.

TECO Energy shall provide Customer with Corporate Safety services including training, prevention, reporting and assessment.

iii. Energy Risk Management Services.

TECO Energy shall provide Customer with Energy Risk Management Services. TECO Energy shall provide Customer with Energy Risk Management Services. These services shall include: identification of energy commodity price risk, measurement of energy commodity price risk, establishment of risk parameters and limits, monitoring of positions against limits, enforcement of Risk policies, validation of methodologies and procedures, and training.

iv. Insurance Risk Management Services.

TECO Energy's Risk Management department shall provide Customer with all dimensions of risk management, including risk identification, risk analysis, risk transfer, risk financing, risk control, and risk administration. Specific functions include but are not limited to contract review, liability inspections/surveys, property inspections/surveys, self-insurance administration, insurance purchase, and claim management.

v. Shareholder / Investor Relations Services.

TECO Energy's Investor Relations/Shareholder Service group, a part of the TECO Energy Treasury department, coordinates the various communications that are made with financial audiences of TECO Energy and its subsidiaries. This includes formal written communications such as the TECO Energy Annual Report to Shareholders, various forms filed with the Securities and Exchange Commission (SEC) and other documents, presentations and meetings as needed to communicate the individual company and/or corporate financial story.

vi. Treasury / Credit / Cash Management Services.



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As more fully described in Appendix 1 (2003 Cash Management Services for Tampa Electric), TECO Energy shall provide Customer with Cash Management services such that cash monitoring and forecasting, funds transfer, short-term cash investing, issuance and management of short-term debt, and cash accounting and reporting are performed in conjunction with similar activities for TECO Energy and other affiliates and subsidiaries. TECO Energy shall also provide Customer with treasury and credit-related services.

vii. **Governmental Affairs Services, excluding lobbying:**

TECO Energy shall provide Customer with Governmental Affairs services including interactions with state and federal governments. TECO Energy shall provide Customer with Corporate communications services including interactions with press, development of intra and inter-company communications products, advertising and publicity.

viii. **Corporate Tax Services.**

TECO Energy shall manage the overall tax functions for Tampa Electric Company. Those functions include, but are not limited to all federal and state compliance reporting for income, excise, franchise, sales and use, ad valorem, intangible and any other tax or duty.

TECO Energy shall provide tax planning and implementation services in order to ensure that Tampa Electric pays the lowest tax possible under the various laws in relevant jurisdictions. Additionally, TECO Energy shall manage Tampa Electric's accounting for tax functions. Those functions including but not limited to preparing or reviewing monthly journal entries to record all tax transactions, reconciling all tax general ledger accounts to compliance reports filed and reconciling all tax general ledger accounts to cash payments and receipts.

TECO Energy shall provide tax related support services for Tampa Electric's preparation of its other external reporting requirements, including but not limited to the SEC Form 10-K and 10-Q, FERC filings, etc.

TECO Energy shall provide tax controversy support services to defend Tampa Electric against any challenge of tax positions and amounts paid at the Exam, Appeals and Judicial level as needed in all applicable jurisdictions. Additionally, TECO Energy shall provide other tax services that might arise from time to time relative to administering the Tax Allocation Agreement



Source: TEC-38-12

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between TECO Energy and its subsidiaries or any other tax service that might arise on an as needed basis.

ix. **Accounting, Financial Reporting & Regulatory Services.**

TECO Energy shall provide Customer with accounting and financial reporting services, including but not limited to the filing of SEC Forms 10-K and 10-Q and any filings made for registered security offerings done by Customer. In addition, TECO Energy shall provide Customer with certain other services on request, for which the third party fees are passed through to the Customer, including without limitation, subscription fees associated with professional research materials, seminar registration fees and other incidental purchases. In addition, certain non-cash costs (e.g. restricted or performance stock amortization) shall be charged directly to each company, including Customer, based on factors such as participation.

TECO Energy shall provide coordination services with respect to regulatory related activities among its subsidiaries affected by or subject to economic regulatory oversight, including Customer.

x. **Efficiency & Process Improvement Services**

TECO Energy shall provide Customer with Efficiency and Process Improvements services, including assessment of current procedures and practices and suggestions for future improvements.

xi. **Legal Services.**

Customer hereby engages TECO Energy's Legal Department to provide Customer with various legal, corporate secretarial and corporate compliance services as follows. Legal services include (a) basic legal services including client counseling, the negotiation, documentation and closing of Customer business transactions, and support of litigation and regulatory activities (b) management services relating to the retention and oversight of outside counsel (c) preventive law training and (d) maintaining a clearinghouse of contract document and legal research information. and legal management services. A project code/identifier shall be established prior to commencing any legal services for the benefit of Customer. Hours shall be tracked for all services performed by the professional legal staff (both attorneys and legal assistants) and the appropriate project code/identifier shall be charged. A periodic report shall be provided to Customer detailing hours spent on projects related to Customer. TECO Energy's attorneys providing



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representation of Customer are authorized to sign letters and other appropriate documents on behalf of Customer on its letterhead as counsel for the Company, using such attorney's regular TECO Energy titles.

3. ~~2011~~2012 SERVICE FEES FOR SERVICES PROVIDED TO CUSTOMER

The following sets forth the fees and charges for each Service to be provided to the Customer hereunder in ~~2011~~2012 (each a "Service Fee" and collectively the "Service Fees").

A. Basic Services: Services Fee and Pricing Detail

The following is a list of the annual Service Fees for all Basic Services to be provided to the Customer hereunder in ~~2011~~2012.

None

B. Supplemental Services: Services Fees & Pricing Detail

The following is a description of the Service Fees for all Supplemental Services to be provided to the Customer hereunder in ~~2011~~2012.

i. Management Services

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Management services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

ii. Audit/Corporate Compliance/Corporate Safety Services.

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Audit, Corporate Compliance and Corporate Safety services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and operating income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates

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Source: TEC-38-12

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indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

iii. **Energy Risk Management Services.**

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Energy Risk Management services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

iv. **Insurance Risk Management Services.**

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Insurance Risk Management services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

v. **Shareholder / Investor Relations Services.**

TECO Energy shall bill Tampa Electric indirect charges for Shareholder and Investor Relations services. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.



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vi. **Treasury / Credit / Cash Management Services.**

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Treasury / Credit / Cash Management services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

vii. **Governmental Affairs Services, excluding lobbying.**

TECO Energy shall bill Tampa Electric for both direct and indirect charges for Economic Development / Governmental Affairs services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

viii. **Corporate Tax Services.**

TECO Energy shall allocate to Customer both direct and indirect charges for Corporate Tax services. Direct charges are expenses that are directly tied back to services provided Customer. Indirect charges are for activities that benefit all subsidiaries and are allocated to Customer based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.



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ix. **Accounting, Financial Reporting & Regulatory Services.**

TECO Energy shall allocate to Tampa Electric both direct and indirect charges for Accounting and Regulatory services. Direct charges are expenses that are directly tied back to services provided Tampa Electric. Indirect charges are for activities that benefit all subsidiaries and are allocated to Tampa Electric based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Services are priced at Direct Labor Cost plus Fringe Cost. Services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

x. **Efficiency & Process Improvement Services**

TECO Energy shall provide Customer with Efficiency and Process Improvements services, including assessment of current procedures and practices and suggestions for future improvements.

xi. **Legal Services.**

TECO Energy shall allocate to Customer direct and indirect charges for Legal services. Direct charges are expenses that are directly tied back to services provided Customer. Services are priced at Direct Labor Cost plus Fringe Cost, Other Direct Cost and overhead costs such as rent, equipment and facilities costs. Indirect charges for activities that benefit all subsidiaries incurred by the Corporate Secretary and General Counsel are allocated to Customer based on a formula that uses operating assets, operating revenue and income for all subsidiaries. TECO Energy then determines the resulting blended rate for each subsidiary and allocates indirect charges back on that percentage. Legal services purchased by TECO Energy from third party providers on behalf of Customer are priced to Customer on a cost pass-through basis.

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Between
TECO Energy, Inc. and Tampa Electric Company, et al
Schedule Effective Date: January 1, ~~2011~~2012

IN WITNESS WHEREOF, the Parties have executed this Schedule to the Services Agreement as of January 1, ~~2011~~2012.

TAMPA ELECTRIC COMPANY

TECO ENERGY, INC.

By: _____
S. W. Callahan
Vice President

By: _____
P. L. Barringer
Vice President

POWER ENGINEERING & CONSTRUCTION, INC.

By: _____
W. T. Whale
President

CONFIDENTIAL



Source: TEC-38-12

42-46
2/10

6/27/13

Tampa Electric Company
Petition for Rate Relief
Docket No. 130040-EI - APA# 13-105-2-1
12-Month Period Ending December 31, 2012

TEC → TECO Energy

Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Energy, Inc.
Schedule Effective Date: January 1, ~~2011~~ 2012

1. GENERAL PROVISIONS

A. **The Agreement; Definitions.** This Schedule forms a part of the Services Agreement between Tampa Electric Company ("Tampa Electric" or "Company") and TECO Energy, Inc. ("Customer") dated as of January 1, 2003 ("Agreement"). Capitalized terms not defined in this Schedule shall have the meanings ascribed to them in the body of the countersigned instrument or in the General Terms and Conditions included within the Agreement. For purposes of the Schedule, the following definitions shall apply:

consistent with 43-46/p1

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"Direct Labor Cost" shall mean payroll cost for employees directly employed in provision of the service.

"Fringe Cost" shall mean payroll related costs for employees directly employed in provision of the service, including non-productive time (e.g. vacation, holidays, illness, etc.), direct benefits (e.g. retirement, insurance, savings plan), Performance Sharing costs, and company paid payroll taxes.

"Other Direct Cost" shall mean other non-capital related department operations and maintenance costs (e.g. supplies, travel, telephone, etc.).

B. **Schedule Effective Date; Changes.** This Schedule describes the Services provided by the Company and the pricing of said Services for a one-year period commencing January 1, ~~2011~~ 2012 ("Schedule Effective Date"), and thereafter for any subsequent Renewal Term unless superseded by a subsequent Schedule agreed to in writing by the Parties. The Company reserves the right from time to time, upon written notice, to change on a prospective basis any term or condition contained in this Schedule relating to Supplemental Services as defined below, subject to limitations imposed by any governmental authority having jurisdiction thereof. The Customer agrees to notify the Company of any anticipated changes in its requirements for Services under this Agreement. This Schedule supersedes all prior Schedules with respect to the Agreement.

C. **Services Provided.** The following Services shall be provided hereunder, as more specifically described below in Section 2, subject to the terms and conditions of this Agreement.

- i. Facility Services
- ii. Information Technology Services
- iii. Telecommunications Equipment & Service
- iv. Human Resources Services
- v. Corporate Communications Services
- vi. Regulatory & Payroll Services
- vii. Procurement and Storage Services
- viii. Environmental Services

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Tampa Electric Company
Petition for Rate Relief
Docket No. 130040-EI - APA# 13-105-2-1
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D. Pricing Categories.

i. **Basic Services.** As more specifically described below in Sections 2.A and 3.A, certain components of the Facilities Services, Information Technology Services and Telecommunications Services are designated "Basic Services" and are provided on an annual fixed price basis, one twelfth of which is charged back to the Customer on a monthly basis. Said Services are priced at the greater of fair market value or an allocation of fully loaded costs. Basic Services are those services that are core to managing and maintaining corporate assets that include buildings, telephone, and computer networks/infrastructures. Such services are primarily managed and controlled by the Corporate Services department of the Company.

ii. **Supplemental Services.** As more specifically described below in Sections 2.B and 3.B, the remainder of the Facilities Services, Information Technology Services and Telecommunications Services, together with each of the other Services provided hereunder, are designated as "Supplemental Services" and are charged directly on a unit price or toll charge basis or indirectly on the basis of an allocation formula as further described below. Said Services are priced at the greater of (x) fair market value or (y) Direct Labor Cost plus Fringe Cost, except that Services purchased by the Company from third party providers are priced on a cost pass-through basis. Supplemental Services may be requested by any representative designated by the Customer. Upon request, the Company shall provide a cost estimate for any Supplemental Services requested by the Customer.

E. **Contact.** Each party shall designate from time to time one or more representatives having responsibility for and authority to request or respond to requests for Services hereunder and to resolve issues respecting performance hereunder.

2. DETAILED DESCRIPTION OF SERVICES

A. Basic Services

i. Facility Services

Tampa Electric shall provide Customer with (a) office space within the TECO Plaza structure occupied by Customer employees in the approximate square footage indicated in Section 3.A.i and (b) services to operate and maintain said space. This includes provision and maintenance of electrical, heating, ventilation, air conditioning (HVAC), roof and plumbing systems, general structure maintenance, provision of utility services (including water and sewer and disposal of office trash and recycled products), janitorial services, painting, pest control, exterior grounds maintenance, fire protection and interoffice mail distribution services. The Facility Services shall be



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provided subject to the Real Property Sublease Terms attached hereto as Appendix 1.

ii. Information Technology Services

Tampa Electric shall provide Customer with services to support, operate and maintain desktop computers (hardware and software), corporate applications and systems and business unit specific applications and systems. This includes all the necessary mainframe and distributed network infrastructure associated with applications and systems.

Tampa Electric shall provide Customer Help Desk services in connection with the Facility Services, the Information Technology Services, the Telecommunication Services and Personnel Services herein to facilitate centralized service requesting and problem reporting, during normal business hours and on a limited basis outside normal business hours.

iii. Telecommunications Equipment & Service

Tampa Electric shall provide to Customer services to operate and maintain the voice and data connectivity network and the operations and maintenance of the corporate PBX network at TECO Plaza and also the Ybor City or Big Bend facilities.

B. Supplemental Services

i. Facility Services.

Tampa Electric shall provide to Customer duplicating and printing services, remodeling, construction project management and other facility related services, on an as requested basis.

ii. Information Technology Services.

Tampa Electric shall provide to Customer purchasing of any new or unique software/hardware products, data security consultations, and any other IT related services, which are provided on an as requested basis.

iii. Telecommunications Equipment & Service.

Tampa Electric shall provide to Customer leased services (such as long distance, pagers and point to point circuits), purchases and maintenance of

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Tampa Electric Company and TECO Energy, Inc.
Schedule Effective Date: January 1, ~~2011~~ 2012

any telephony equipment, and any other phone related requests on an as requested basis.

iv. Human Resources Services

Tampa Electric's Human Resources department shall provide to Customer services including executive compensation, administrative policies, retirement savings plan, medical insurance, life insurance, disability management, human resources information system ("SAP"), security, employee and labor relations, training and development, recruitment and staffing, testing and assessment, and compensation.

v. Corporate Communications Services

Tampa Electric's Corporate Communications department shall provide Customer communications strategy planning with emphasis on corporate, financial and media communication services, and coordination of Corporate-Wide Events and Company Volunteer Activities. Services include: document writing support, marketing plan formation, event coordination, print advertising and design, display design and construction, multi-media presentations, website design and maintenance, video production and professional photography. In addition the department shall provide corporate research assistance to customer, including daily media research and special database queries regarding customer demographics.

vii. Regulatory & Payroll Services

Tampa Electric Regulatory Affairs department shall provide to Customer federal and state regulatory research, analysis and coordination services on an as-requested basis. These services include strategic, consulting, and regulatory filing/reporting services for Customer's regulatory, governmental, market design and analysis activities throughout the country.

Tampa Electric's payroll department shall provide to Customer all payroll-related services. These services include collecting and calculating attendance, absences, and overtime, etc. data to the distribution of checks and stubs. Third party remittances such as 401k contributions, ESOP and Federal and State garnishments and levies are calculated and submitted to the appropriate agencies. On a monthly basis, a reconciliation of labor distribution is performed and submitted to the affiliated companies. Tampa Electric payroll department also shall perform all of the payroll tax administration such as calculating and depositing federal, state, Social



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Security, Medicare, FUTA and SUI payroll taxes, including issuing W-2 forms and filing returns and reconciliation reports. Other miscellaneous services such as, performance sharing calculations, worker's compensation reporting, ad hoc reporting, and submittal of information to internal and external auditor requests are also provided.

viii. Procurement and Storage Services

Tampa Electric shall provide to Customer services with respect to procurement of materials and supplies, as well as services to provide supplier diversity support. Tampa Electric shall provide Customer with services to store and retain corporate records, computer tape, engineering print production, and scanning company documents on an as-requested basis and Company Store.

ix. Environmental Services

Tampa Electric shall provide to Customer environmental services including environmental permitting, compliance, auditing, lab and stack testing on an as-needed or as-requested basis.

3. 20112012 SERVICE FEES FOR SERVICES PROVIDED TO CUSTOMER

The following sets forth the fees and charges for each Service to be provided to the Customer hereunder in ~~2011~~2012 (each a "Service Fee" and collectively the "Service Fees").

A. Basic Services: Service Fees and Pricing Detail

The following is a list of the annual Service Fees for all Basic Services to be provided to the Customer hereunder in ~~2011~~2012.

i. Facility Services

Facility Services are priced at Direct Labor Cost plus Fringe Cost and Other



Source: TEC-38-12

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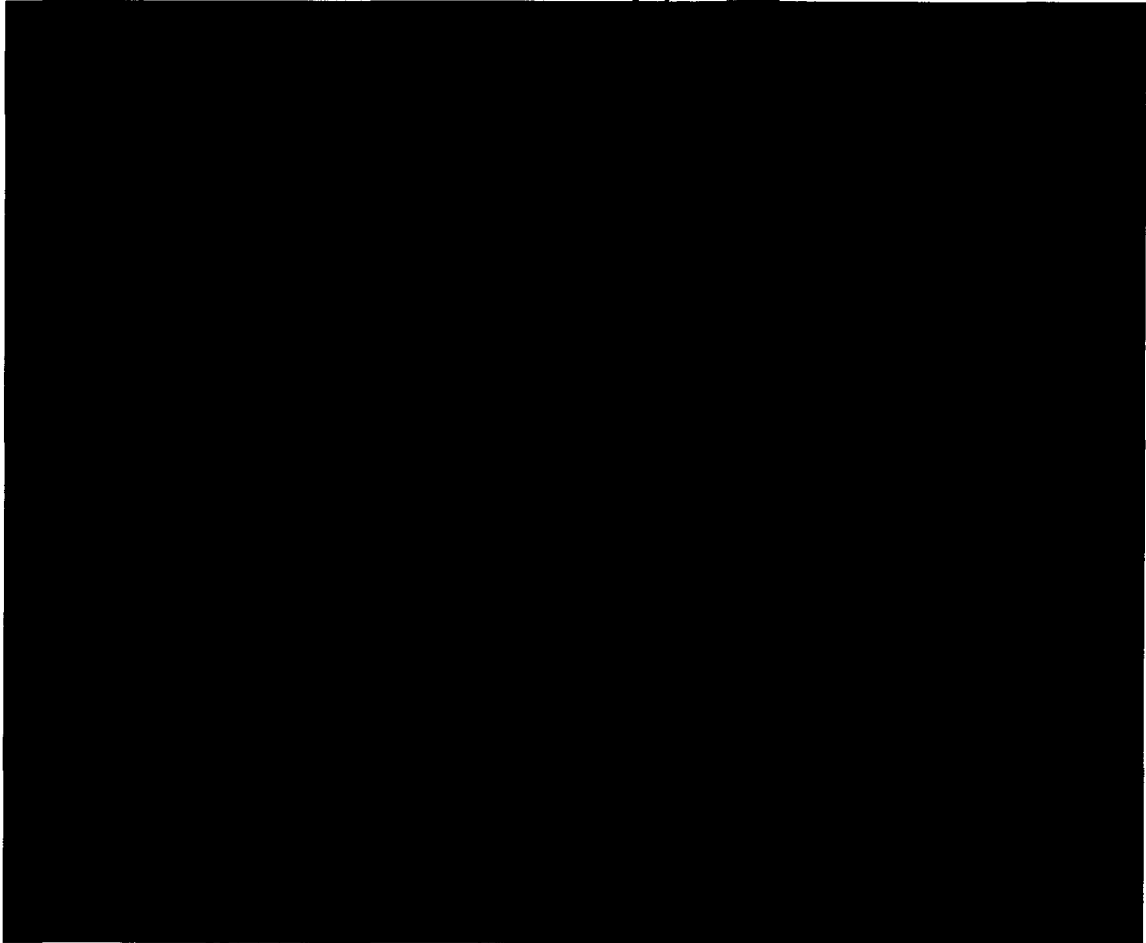
REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
AUDIT REQUEST NO.: 13-105-2-1
FILED: JULY 22, 2013

Tampa Electric Company
Petition for Rate Relief
Docket No. 130040-EI - APA# 13-105-2-1
12-Month Period Ending December 31, 2012

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The following is a description of the Service Fees for all Supplemental Services to be provided to the Customer hereunder in ~~2011~~2012.

i. Facilities Services

Supplemental Facilities Services are priced at Direct Labor Cost plus Fringe Cost and Other Direct Cost at the time of request, on a usage basis. Services purchased by the Company from third party providers are priced to the Customer on a cost pass-through basis.

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**Schedule to Services Agreement dated as of January 1, 2003
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ii. Information Technology Services

Supplemental Information Technology Service are priced at Direct Labor Cost plus Fringe Cost and Other Direct Cost at the time of request, on a usage basis. Services purchased by the Company from third party providers are priced to the Customer on a cost pass-through basis.

iii. Telecommunications Equipment & Service

Supplemental Telecommunications Equipment and Service are priced at Direct Labor Cost plus Fringe Cost and Other Direct Cost at the time of request, on a usage basis. Services purchased by the Company from third party providers are priced to the Customer on a cost pass-through basis.

iv. Human Resources Services

Tampa Electric shall bill Customer, for Human Resources services, charges based on services provided, which may be in part based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

v. Corporate Communications Services

Tampa Electric shall bill Customer for Corporate Communications services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost. Databases used to provide general services are allocated based on number of users or number of requests.

vi. Regulatory & Payroll Services

Tampa Electric shall bill Customer, for Accounting and Regulatory services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

vii. Procurement and Storage Services

Tampa Electric shall bill Customer, for Procurement and Storage services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor



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Cost plus Fringe Cost plus Other Direct Cost. Direct materials and supplies are charged back at cost. Engineering print production services are market based priced and charged on a per record basis. Computer tape storage and retrieval are market based priced and charged on a per item basis.

viii. Environmental Services

Tampa Electric shall bill Customer, for Environmental services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost plus Other Direct Cost.

IN WITNESS WHEREOF, the Parties have executed this Schedule to the Services Agreement effective as of January 1, ~~2011~~ 2012.

TAMPA ELECTRIC COMPANY

TECO ENERGY, INC.

By: _____
Phil L. Barringer
Vice President

By: _____
S. W. Callahan
Senior Vice President



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Schedule to Services Agreement dated as of January 1, 2003
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Appendix 1 - Real Property Sublease Terms

(a) Premises. Subject to and upon the terms, provisions, and conditions hereinafter set forth, and each in consideration of the duties, covenants, and obligations of the other hereunder, Tampa Electric does hereby sublease to Customer, and Customer does hereby sublease from Tampa Electric, those certain premises identified in the Agreement hereto and containing the net rentable area described therein (the "Premises"), together with a pro rata share of common area of the Building (such sublease, as set forth in this Paragraph (a), being the "Sublease"). Tampa Electric agrees to provide utilities and maintenance services for the Premises comparable to those provided in the remainder of the Building. For purposes of this Agreement, the "Building" means the real property owned by Tampa Electric located at 702 N. Franklin Street, Tampa, Florida 33602 or any other location designated by Tampa Electric.

(b) Rent. During the term of this Agreement, Customer agrees to pay to Tampa Electric an annual rent for the Sublease of the Premises as set forth in Section 3 of this Schedule payable in equal quarterly installments which shall be due and payable in arrears on the first day of each calendar quarter during the term of this Agreement. If the terms of this Agreement commences on a day other than the first day of the month, then the installment of rent payments shall be prorated for such month based on the actual number of days to elapse during such month from the commencement of this Agreement and the installment so prorated shall be paid in advance.

(c) Signage. Tampa Electric shall provide and install appropriate signs on the access/entry into the Premises identifying such Premises as those of Customer.

(d) Repairs by Customer. Customer covenants and agrees with Tampa Electric at Customer's own cost and expense, to repair promptly any damage done to the Premises, or any part thereof including replacement of damaged portions or items, caused by Customer or its agents, employees, invitees, or visitors and Customer covenants and agrees to make all such repairs as may be required to restore the Premises to as good as a condition as it was prior to such damage.

(e) Care of the Premises. Customer covenants and agrees with Tampa Electric not to commit or allow any waste or damage to be committed on any portion of the Premises, and at the termination of this Agreement, by lapse of time or otherwise, to deliver up the Premises to Tampa Electric in as good condition as at the date of the commencement of the term of this Agreement, ordinary wear and tear results owing to the acts of God or other acts beyond the reasonable control of Customer excepted. Upon any termination of this Agreement, Tampa Electric shall have the right to re-enter and resume possession of the Premises.

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Between
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(f) Alterations, Additions and Improvements. Customer covenants and agrees with Tampa Electric not to permit the Premises to be used for any purpose other than for general office space or make or allow to be made any alterations or physical additions in or to the Premises except as contemplated by or necessary to comply with this Agreement.

(g) Legal Use and Violations of Insurance Coverage Laws and Regulations. Customer covenants and agrees with Tampa Electric not to occupy or use, or permit any portion of the Premises to be occupied or used, for any business or purpose that is unlawful, disreputable or extra hazardous on account of fire, or permit anything to be done that would in any way increase the rate of fire, liability, or any other insurance coverage on the building and/or its contents.

(h) Assignment and Subletting. Customer shall not, without prior written consent of Tampa Electric, (i) assign or in any manner transfer this Sublease or any estate or interest therein, (ii) to the extent within its control, permit any assignment of this Sublease or any estate or interest therein by operation of law, (iii) further sublease the Premises or any part thereof, (iv) grant any lease, concession, or other right of occupancy of any portion of the Premises, or (v) permit the use of the Premises by any parties other than Customer, its agents and employees. Consent by Tampa Electric to one or more assignments or sublease shall not operate as a waiver of Tampa Electric's right as to any subsequent assignments and subleases. Notwithstanding any assignment or subletting, Customer shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Customer's other obligations under this Sublease.

(i) Mechanic's Liens. Customer will not permit any mechanic's lien or liens to be placed upon the Premises or improvements thereon or the Building during the term hereof caused by or resulting from any work performed, materials furnished, or obligation incurred by or at the request of Customer, and nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Tampa Electric, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the Premises, or any part thereof, nor as giving Customer such right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's or other liens against the interest of Tampa Electric in the Premises.

(j) No Implied Waiver. No payment by Customer or receipt by Tampa Electric of a lesser amount than the quarterly installment of fees due under this Sublease shall be deemed to be other than on account of the earliest such fee due hereafter, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as such fee be deemed in accord and satisfaction, and Tampa Electric may accept such check or



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[Handwritten signature]

Schedule to Services Agreement dated as of January 1, 2003
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Schedule Effective Date: January 1, ~~2011~~2012

payment without prejudice to Tampa Electric's right to recover the balance of such fees, or pursue any other remedy provided in this Agreement.

(k) Indemnity. Tampa Electric shall not be liable to Customer, or to Customer's agents, servants, employees, customers, or invitees, for any damage to person or property caused by any act, omission, or neglect of Customer, its agents, servants, or employees, and Customer agrees to indemnify and hold Tampa Electric harmless from all liability and claims for any such damage caused by any act, omission or neglect of Customer.



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TEC → Affiliates
① TECO Partners
② TECO Energy Properties
③ TECO Properties

Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, ~~2011~~2012

1. GENERAL PROVISIONS

A. **The Agreement; Definitions.** This Schedule forms a part of the Services Agreement between Tampa Electric Company ("Tampa Electric" or "Company") and each of (i) TECO Solutions, Inc. (ii) TECO Partners, Inc. (iii) TECO Gas Services, Inc. (iv) TECO EnergySource, Inc. and (v) TECO Properties Corporation (each a "Customer") dated as of January 1, 2003 ("Agreement"). Capitalized terms not defined in this Schedule shall have the meanings ascribed to them in the body of the countersigned instrument or in the General Terms and Conditions included within the Agreement. For purposes of the Schedule, the following definitions shall apply:

43-46d1

"Direct Labor Cost" shall mean payroll cost for employees directly employed in provision of the service.

Consistent with 43-46/1d

"Fringe Cost" shall mean payroll related costs for employees directly employed in provision of the service, including non-productive time (e.g. vacation, holidays, illness, etc.), direct benefits (e.g. retirement, insurance, savings plan), Performance Sharing costs, and company paid payroll taxes.

"Other Direct Cost" shall mean other non-capital related department operations and maintenance costs (e.g. supplies, travel, telephone, etc.).

A. **Schedule Effective Date; Changes.** This Schedule describes the Services provided by the Company and the pricing of said Services for a one-year period commencing January 1, ~~2011~~2012 ("Schedule Effective Date") and thereafter for any subsequent Renewal Term unless superseded by a subsequent Schedule agreed to in writing by the Parties. The Company reserves the right at any time from time to time, upon written notice, to change on a prospective basis any term or condition contained in this Schedule relating to Supplemental Services as defined below, subject to limitations imposed by any governmental authority having jurisdiction thereof. The Customer agrees to notify the Company of any anticipated changes in its requirements for Services under this Agreement. This Schedule supersedes all prior Schedules with respect to the Agreement.

B. **Services Provided.** The following Services shall be provided hereunder, as more specifically described below in Section 2, subject to the terms and conditions of this Agreement.

- i. Facility Services
- ii. Information Technology Services
- iii. Telecommunications Equipment & Service
- iv. Corporate Communications Services



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Schedule Effective Date: January 1, ~~2011~~ 2012**

- v. Storage Services
- vi. Environmental Services
- vii. Regulatory & Customer Service

C. Pricing Categories.

- i. **Basic Services.** As more specifically described below in Sections 2.A and 3.A, certain components of the Facilities Services, Information Technology Services and Telecommunications Services are designated "Basic Services" and are provided on an annual fixed price basis, one twelfth of which is charged back to the Customer on a monthly basis. Said Services are priced at the greater of fair market value or an allocation of fully loaded costs. Basic Services are those services that are core to managing and maintaining corporate assets that include buildings, telephone, and computer networks/infrastructures. Such services are primarily managed and controlled by the Technology and Support Services department of the Company.
- ii. **Supplemental Services.** As more specifically described below in Sections 2.B and 3.B, the remainder of the Facilities Services, Information Technology Services and Telecommunications Services, together with each of the other Services provided hereunder, are designated as "Supplemental Services" and are charged directly on a unit price or toll charge basis or indirectly on the basis of an allocation formula as further described below. Said Services are priced at the greater of (x) fair market value or (y) Direct Labor Cost plus Fringe Cost, except that Services purchased by the Company from third party providers are priced on a cost pass-through basis. Supplemental Services may be requested by any representative designated by the Customer. Upon request, the Company shall provide a cost estimate for any Supplemental Services requested by the Customer.

D. Contact. Each party shall designate from time to time one or more representatives having responsibility for and authority to request or respond to requests for Services hereunder and to resolve issues respecting performance hereunder.

2. DETAILED DESCRIPTION OF SERVICES

A. Basic Services

- i. Facility Services



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Tampa Electric shall provide Customer with (a) office space within the TECO Plaza structure occupied by Customer employees in the approximate square footage indicated in Section 3.A.i and (b) services to operate and maintain said space. This includes provision and maintenance of electrical, heating, ventilation, air conditioning (HVAC), roof and plumbing systems, general structure maintenance, provision of utility services (including water and sewer and disposal of office trash and recycled products), janitorial services, painting, pest control, exterior grounds maintenance, fire protection and interoffice mail distribution services. The Facility Services shall be provided subject to the Real Property Sublease Terms attached hereto as Appendix I.

ii. Information Technology Services

Tampa Electric shall provide each Customer with services to support, operate and maintain desktop computers (hardware and software), corporate applications and systems and business unit specific applications and systems. This includes all the necessary mainframe and distributed network infrastructure associated with applications and systems.

Tampa Electric shall provide each Customer Help Desk services in connection with the Facility Services, the Information Technology Services, the Telecommunication Services and Personnel Services herein to facilitate centralized service requesting and problem reporting, during normal business hours and on a limited basis outside normal business hours.

iii. Telecommunications Equipment & Service

Tampa Electric shall provide to each Customer services to operate and maintain the voice and data connectivity network and the operations and maintenance of the corporate PBX network at TECO Plaza and also the Ybor City or Big Bend facilities.

B. Supplemental Services

i. Facility Services.

Tampa Electric shall provide to each Customer duplicating and printing services, remodeling, construction project management and other facility related services, on an as needed/as requested basis.

ii. Information Technology Services.

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**Schedule to Services Agreement dated as of January 1, 2003
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Tampa Electric Company and TECO Solutions, Inc. et al.
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Tampa Electric shall provide to each Customer purchasing of any new or unique software/hardware products, data security consultations, and any other IT related services, which are provided on an as requested basis.

iii. Telecommunications Equipment & Service.

Tampa Electric shall provide to each Customer leased services (such as long distance, pagers and point to point circuits), purchases and maintenance of any telephone equipment, and any other phone related requests on an as requested basis.

iv. Corporate Communications Services

Tampa Electric's Corporate Communications department shall provide Customer with Customer communications strategy planning, with emphasis on corporate, financial and media communication services, and coordination of Corporate-Wide Events and Company Volunteer Activities. Services include: document writing support, marketing plan formation, event coordination, print advertising and design, display design and construction, multi-media presentations, website design and maintenance, video production and professional photography. In addition the department shall provide corporate research assistance to customer, including daily media research and special database queries regarding customer demographics.

v. Storage Services

Tampa Electric shall provide Customer with services to store and retain corporate records, computer tape, engineering print production, and scanning company documents on an as-requested basis.

vi. Environmental Services

Tampa Electric will provide to Customer environmental services including environmental audits and monitoring on an as-needed as requested basis.

vii. Regulatory & Customer Service

Tampa Electric Regulatory Affairs department shall provide to Customer federal and state regulatory research, analysis and coordination services on an as-requested basis. These services include strategic, consulting, and



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regulatory filing/reporting services for Customer's regulatory, governmental, market design and analysis activities throughout the country.

Tampa Electric's Customer Service provide to Customer back office support, training, program development, and project management on an as- requested basis.

3. 2011-2012 SERVICE FEES FOR SERVICES PROVIDED TO CUSTOMER

The following sets forth the fees and charges for each Service to be provided to the Customer hereunder in ~~2011~~2012 (each a "Service Fee" and collectively the "Service Fees").

A. Basic Services: Service Fees and Pricing Detail

The following is a list of the annual Service Fees for all Basic Services to be provided to the Customer hereunder in ~~2011~~2012.

i. Facility Services

For a detailed description of these services see section 2.A.1

Facility Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, and are allocated based on a per square foot usage methodology. For a specific break-out of fees for each Customer see attached Appendix 2.

ii. Information Technology

For a detailed description of these services see section 2.A.2

These services are priced at Direct Labor Cost plus Fringe Cost and are allocated based on a direct support, user id counts, or employee headcount basis. For a specific break-out of fees for each Customer see attached Appendix 2.

iii. Telecommunications

For a detailed description of these services see section 2.A.3



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Schedule Effective Date: January 1, ~~2011~~2012**

Telecommunications Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, and are allocated on a per usage basis. For a specific break-out of fees for each Customer see attached Appendix 2.

B. Supplemental Services: Service Fees and Pricing Detail

The following is a description of the Service Fees for all Supplemental Services to be provided to the Customer hereunder in ~~2011~~2012 upon Customer's request for such Supplemental Services.

i. Facilities Services

Supplemental Facilities Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis. Services purchased by the Company from third party providers are price to the Customer on a cost pass-through basis.

ii. Information Technology Services

Supplemental Information Technology Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis. Services purchased by the Company from third party providers are price to the Customer on a cost pass-through basis.

iii. Telecommunications Equipment & Service

Supplemental Telecommunications Equipment and Service are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis. Services purchased by the Company from third party providers are price to the Customer on a cost pass-through basis.

iv. Corporate Communications Services

Tampa Electric shall bill Customer, for Corporate Communications services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost. Databases used to provide general services are allocated based on number of users or number of requests.

v. Procurement and Storage Services

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Source: TEC-38-12

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Schedule to Services Agreement dated as of January 1, 2003
Between
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Schedule Effective Date: January 1, ~~2011~~2012

Tampa Electric shall bill Customer, for Procurement and Storage services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost plus Other Direct Cost. Direct materials and supplies are charged back at cost. Engineering print production services are market based priced and charged on a per record basis. Computer tape storage and retrieval are market based priced and charged on a per item basis.

vi. Environmental Services

Tampa Electric shall bill Customer, for Environmental services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost plus Other Direct Cost.

vii. Regulatory & Customer Service

Tampa Electric Regulatory Affairs department shall provide to Customer federal and state regulatory research, analysis and coordination services on an as-requested basis. These services include strategic, consulting, and regulatory filing/reporting services for Customer's regulatory, governmental, market design and analysis activities throughout the country.

Tampa Electric's Customer Service provide to Customer back office support, training, program development, and project management on an as- requested basis.



IN WITNESS WHEREOF, the Parties have executed this Schedule to Services Agreement effective as of January 1, ~~2011~~2012.

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Tampa Electric Company
Petition for Rate Relief
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Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, ~~2011~~ 2012

TECO SOLUTIONS, INC.

TAMPA ELECTRIC COMPANY

By: _____
S. W. Callahan
Vice President

By: _____
S. W. Callahan
Vice President

TECO PARTNERS, INC.

TECO PROPERTIES CORPORATION

By: _____
S. W. Callahan
Vice President

By: _____
S. W. Callahan
Vice President

ON BEHALF OF
TECO GAS SERVICES, INC.,
TECO ENERGYSOURCE, INC.,
SUCCESSOR

By: _____
S. W. Callahan
Vice President Vice President

TECO ~~ENERGYSOURCE~~ ENERGYSOURCE, INC.

By: _____
S. W. Callahan
Vice President



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REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
AUDIT REQUEST NO.: 13-105-2-1
FILED: JULY 22, 2013

Tampa Electric Company
Petition for Rate Relief
Docket No. 130040-EI - APAN 13-105-2-1
12-Month Period Ending December 31, 2012

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Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, ~~2011~~ 2012

Appendix 2



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REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
AUDIT REQUEST NO.: 13-105-2-1
FILED: JULY 22, 2013

Tampa Electric Company
Petition for Rate Relief
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**Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, 2011-2012**



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Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, 2011~~2012~~

Appendix 1 - Real Property Sublease Terms

(a) Premises. Subject to and upon the terms, provisions, and conditions hereinafter set forth, and each in consideration of the duties, covenants, and obligations of the other hereunder, Tampa Electric does hereby sublease to Customer, and Customer does hereby sublease from Tampa Electric, those certain premises identified in the Agreement hereto and containing the net rentable area described therein (the "Premises"), together with a pro rata share of common area of the Building (such sublease, as set forth in this Paragraph (a), being the "Sublease"). Tampa Electric agrees to provide utilities and maintenance services for the Premises comparable to those provided in the remainder of the Building. For purposes of this Agreement, the "Building" means the real property owned by Tampa Electric located at 702 N. Franklin Street, Tampa, Florida 33602 or any other location designated by Tampa Electric.

(b) Rent. During the term of this Agreement, Customer agrees to pay to Tampa Electric an annual rent for the Sublease of the Premises as set forth in Section 3 of this Schedule payable in equal quarterly installments which shall be due and payable in arrears on the first day of each calendar quarter during the term of this Agreement. If the terms of this Agreement commences on a day other than the first day of the month, then the installment of rent payments shall be prorated for such month based on the actual number of days to elapse during such month from the commencement of this Agreement and the installment so prorated shall be paid in advance.

(c) Signage. Tampa Electric shall provide and install appropriate signs on the access/entry into the Premises identifying such Premises as those of Customer.

(d) Repairs by Customer. Customer covenants and agrees with Tampa Electric at Customer's own cost and expense, to repair promptly any damage done to the Premises, or any part thereof including replacement of damaged portions or items, caused by Customer or its agents, employees, invitees, or visitors and Customer covenants and agrees to make all such repairs as may be required to restore the Premises to as good as a condition as it was prior to such damage.

(e) Care of the Premises. Customer covenants and agrees with Tampa Electric not to commit or allow any waste or damage to be committed on any portion of the Premises, and at the termination of this Agreement, by lapse of time or otherwise, to deliver up the Premises to Tampa Electric in as good condition as at the date of the commencement of the term of this Agreement, ordinary wear and tear results owing to the acts of God or other acts beyond the reasonable control of Customer excepted. Upon any termination of this Agreement, Tampa Electric shall have the right to re-enter and resume possession of the Premises.

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Schedule to Services Agreement dated as of January 1, 2003
Between
Tampa Electric Company and TECO Solutions, Inc. et al.
Schedule Effective Date: January 1, ~~2011~~2012

(f) Alterations, Additions and Improvements. Customer covenants and agrees with Tampa Electric not to permit the Premises to be used for any purpose other than for general office space or make or allow to be made any alterations or physical additions in or to the Premises except as contemplated by or necessary to comply with this Agreement.

(g) Legal Use and Violations of Insurance Coverage Laws and Regulations. Customer covenants and agrees with Tampa Electric not to occupy or use, or permit any portion of the Premises to be occupied or used, for any business or purpose that is unlawful, disreputable or extra hazardous on account of fire, or permit anything to be done that would in any way increase the rate of fire, liability, or any other insurance coverage on the building and/or its contents.

(h) Assignment and Subletting. Customer shall not, without prior written consent of Tampa Electric, (i) assign or in any manner transfer this Sublease or any estate or interest therein, (ii) to the extent within its control, permit any assignment of this Sublease or any estate or interest therein by operation of law, (iii) further sublease the Premises or any part thereof, (iv) grant any lease, concession, or other right of occupancy of any portion of the Premises, or (v) permit the use of the Premises by any parties other than Customer, its agents and employees. Consent by Tampa Electric to one or more assignments or sublease shall not operate as a waiver of Tampa Electric's right as to any subsequent assignments and subleases. Notwithstanding any assignment or subletting, Customer shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Customer's other obligations under this Sublease.

(i) Mechanic's Liens. Customer will not permit any mechanic's lien or liens to be placed upon the Premises or improvements thereon or the Building during the term hereof caused by or resulting from any work performed, materials furnished, or obligation incurred by or at the request of Customer, and nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Tampa Electric, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the Premises, or any part thereof, nor as giving Customer such right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's or other liens against the interest of Tampa Electric in the Premises.

(j) No Implied Waiver. No payment by Customer or receipt by Tampa Electric of a lesser amount than the quarterly installment of fees due under this Sublease shall be deemed to be other than on account of the earliest such fee due hereafter, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as such fee be deemed in accord and satisfaction, and Tampa Electric may accept such check or



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payment without prejudice to Tampa Electric's right to recover the balance of such fees, or pursue any other remedy provided in this Agreement.

(k) Indemnity. Tampa Electric shall not be liable to Customer, or to Customer's agents, servants, employees, customers, or invitees, for any damage to person or property caused by any act, omission, or neglect of Customer, its agents, servants, or employees, and Customer agrees to indemnify and hold Tampa Electric harmless from all liability and claims for any such damage caused by any act, omission or neglect of Customer.

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TEC → SeaCoast 609

SERVICES AGREEMENT

This SERVICES AGREEMENT (the "Services Agreement") is dated as of the 4th of June 2008, (the "Effective Date") by and between Tampa Electric Company, a Florida corporation ("Tampa Electric"), and SeaCoast Gas Transmission, LLC a Florida corporation ("Customer" Tampa Electric and Customer sometimes are referred to herein individually as a "Party" and collectively as the "Parties").

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RECITALS

WHEREAS, Customer and Tampa Electric are affiliated companies; and

WHEREAS, Customer desires to engage Tampa Electric to provide selected services or space, and Tampa Electric desires to perform such services or provide such space;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1
COMPONENTS OF THIS SERVICES AGREEMENT

1.1 This Services Agreement consists of (1) the body of this instrument; (2) the attached Services and Pricing Schedule ("Schedule"); and (3) the attached Tampa Electric General Terms and Conditions ("GT&Cs"). The terms of the Schedule and the GT&Cs are hereby fully incorporated herein as if they were fully reproduced herein. In the event of a conflict between the terms of the body of this instrument, the Schedule, or the GT&Cs, the conflict will be resolved in favor of (i) the body of this instrument; (ii) the Schedule; and (iii) the GT&Cs in that order of priority. Tampa Electric reserves the right from time to time, upon written notice, to change any term or condition contained in the Schedule or in the GT&Cs, subject to limitations imposed by any governmental authority having jurisdiction thereof.

ARTICLE 2
TERM

2.1 This Services Agreement shall commence as of the Effective Date, and shall continue until December 31, 2008(the "Initial Term"), subject to any provision in this Services Agreement expressly providing for early termination. The term of this Services Agreement shall be automatically renewed for subsequent periods of one (1) year each thereafter (each a "Renewal Term") unless either Party delivers to the other Party at least sixty (60) days prior to the end of the Initial Term or the then current Renewal Term, as the case may be, a written notice of its intent not to renew this Services Agreement. As of the Effective Date, this Services Agreement shall supersede the Prior Services Agreement, which Prior Services Agreement is as of the Effective Date terminated.

2.2 This Services Agreement shall automatically terminate in the event Customer is dissolved, or is otherwise no longer an affiliate of Tampa Electric. With respect to an Affiliate (defined below) that receives services or is provided space pursuant to this Services Agreement,



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the Services Agreement shall, with respect to such Affiliate, automatically terminate in the event such Affiliate is dissolved or is otherwise no longer an affiliate of TECO family, it being understood that such partial termination shall not affect in any way the continuation of this Agreement with respect to Customer and its other Affiliates.

**ARTICLE 3
PROVISION OF SERVICES**

3.1 Customer appoints Tampa Electric to provide, and Tampa Electric agrees to provide to Customer, the Services or space as set forth in Section 2 of the attached Schedule (the "Services"). Tampa Electric may also provide Services to the affiliates of Customer identified on Exhibit A (the "Affiliates"). Movement of an Affiliate to another parent within the TECO family shall not affect the provision of Services to such Affiliate, and this Services Agreement shall, unless otherwise amended, continue with respect to such Affiliate, so long as such Affiliate remains a member of the TECO family.

**ARTICLE 4
INVOICING AND COMPENSATION**

4.1 For each category of service provided to Customer by Tampa Electric, Customer shall pay to Tampa Electric the service fee set forth in Section 3 of the attached Schedule. (the "Service Fee").

4.2 Tampa Electric shall invoice the Customer as set forth in the GT&Cs.

**ARTICLE 5
NOTICES; CONTACTS**

5.1 Notices. Whenever this Agreement requires or permits any consent, approval, notice, request, statement or demand from one Party to another, the consent, approval, notice, request, statement or demand must be in writing to be effective (unless expressly provided for otherwise in this Agreement) and shall be deemed to be delivered and received by the Party to whom notice is sent when actually received, if (i) personally delivered or if delivered by courier service (including, overnight courier service); (ii) delivered by telex or facsimile; or (iii) delivered by mail, postage prepaid, certified or registered, addressed to the appropriate Party, at the address and/or facsimile numbers of such Party set forth below (or at such other address as such Party may designate by written notice to the other Party in accordance with this Section):

If to Customer: SeaCoast Gas Transmission, LLC
702 N. Franklin St.
Tampa, FL 33602
Attn: Controller
Fax No.: (813) 228-4643

If to Tampa Electric: Tampa Electric Company
702 N. Franklin St.



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Tampa, FL 33602
Attn: Controller
Fax No.: (813) 228-1180

**ARTICLE 6
COUNTERPARTS**

6.1 This Services Agreement may be executed and delivered by the parties in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. This Services Agreement may be delivered by facsimile transmission.

IN WITNESS WHEREOF, the Parties have executed this Services Agreement as of the date and year first above written.

SEACOAST GAS TRANSMISSION, LLC

TAMPA ELECTRIC COMPANY

By: _____

By: _____

Title: _____

Title: _____



Source: TEC-38-12 TEC - SeaCoast 2008

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**Schedule to Services Agreement dated as of June 4, 2008
between Tampa Electric Company and
SeaCoast Gas Transmission, LLC
Schedule Effective Date: June 4, 2008**

1. GENERAL PROVISIONS

A. The Agreement; Definitions. This Schedule forms a part of the Services Agreement between Tampa Electric Company ("Tampa Electric" or "Company") and SeaCoast Gas Transmission, LLC ("Customer") dated as of June 4, 2008 ("Agreement"). Capitalized terms not defined in this Schedule shall have the meanings ascribed to them in the body of the countersigned instrument or in the General Terms and Conditions included within the Agreement. For purposes of the Schedule, the following definitions shall apply:

Consistent with 43-46/1 p1

"Direct Labor Cost" shall mean payroll cost for employees directly employed in provision of the service.

"Fringe Cost" shall mean payroll related costs for employees directly employed in provision of the service, including non-productive time (e.g. vacation, holidays, illness, etc.), direct benefits (e.g. retirement, insurance, savings plan), Success Sharing costs, and company paid payroll taxes.

"Other Direct Cost" shall mean other non-capital related department operations and maintenance costs (e.g. supplies, travel, telephone, etc.).

B. Schedule Effective Date; Changes. This Schedule describes the Services provided by the Company and the pricing of said Services for the period commencing June 4, 1, 2008 ("Schedule Effective Date"), and thereafter for any subsequent Renewal Term unless superseded by a subsequent Schedule agreed to in writing by the Parties. The Company reserves the right from time to time, upon written notice, to change on a prospective basis any term or condition contained in this Schedule relating to Supplemental Services as defined below, subject to limitations imposed by any governmental authority having jurisdiction thereof. The Customer agrees to notify the Company of any anticipated changes in its requirements for Services under this Agreement. This Schedule supersedes all prior Schedules with respect to the Agreement.

C. Services Provided. The following Services shall be provided hereunder, as more specifically described below in Section 2, subject to the terms and conditions of this Agreement.

- i. Facility Services
- ii. Information Technology Services
- iii. Telecommunications Equipment & Service
- iv. Human Resources Services
- v. Training, Consulting & Maintenance Services
- vi. Corporate Communications Services
- vii. Accounting & Regulatory Services



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- viii. Procurement and Storage Services
- ix. Environmental Services
- x. Engineering and Construction Services
- xi. O&M Services

D. Pricing Categories.

- i. **Basic Services.** As more specifically described below in Sections 2.A and 3.A, certain components of the Facilities Services, Information Technology Services and Telecommunications Services are designated "Basic Services" and are provided on an annual fixed price basis, one twelfth of which is charged back to the Customer on a monthly basis. Said Services are priced at the greater of fair market value or an allocation of fully loaded costs. Basic Services are those services that are core to managing and maintaining corporate assets that include buildings, telephone, and computer networks/infrastructures. Such services are primarily managed and controlled by the Corporate Services department of the Company.
- ii. **Supplemental Services.** As more specifically described below in Sections 2.B and 3.B, the remainder of the Facilities Services, Information Technology Services and Telecommunications Services, together with each of the other Services provided hereunder, are designated as "Supplemental Services" and are charged directly on a unit price or toll charge basis or indirectly on the basis of an allocation formula as further described below. Said Services are priced at the greater of (x) fair market value or (y) Direct Labor Cost plus Fringe Cost, except that Services purchased by the Company from third party providers are priced on a cost pass-through basis. Supplemental Services may be requested by any representative designated by the Customer, subject to prior approval of the Vice President & Controller of the Customer or his/her designee, as provided in Section 3.2 of the main body of the Agreement. Upon request, the Company shall provide a cost estimate for any Supplemental Services requested by the Customer.

E. Contact. Each party shall designate from time to time one or more representatives having responsibility for and authority to request or respond to requests for Services hereunder and to resolve issues respecting performance hereunder.



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2. DETAILED DESCRIPTION OF SERVICES

A. **Basic Services**

i. **Facility Services**

Tampa Electric shall provide Customer with (a) office space within the TECO Plaza structure occupied by Customer employees in the approximate square footage indicated in Section 3.A.i and (b) services to operate and maintain said space. This includes provision and maintenance of electrical, heating, ventilation, air conditioning (HVAC), roof and plumbing systems, general structure maintenance, provision of utility services (including water and sewer and disposal of office trash and recycled products), janitorial services, painting, pest control, exterior grounds maintenance, fire protection and interoffice mail distribution services. The Facility Services shall be provided subject to the Real Property Sublease Terms attached hereto as Appendix 1.

ii. **Information Technology Services**

Tampa Electric shall provide Customer with services to support, operate and maintain desktop computers (hardware and software), corporate applications and systems and business unit specific applications and systems. This includes all the necessary mainframe and distributed network infrastructure associated with applications and systems.

Tampa Electric shall provide Customer Help Desk services in connection with the Facility Services, the Information Technology Services, the Telecommunication Services and Personnel Services herein to facilitate centralized service requesting and problem reporting, during normal business hours and on a limited basis outside normal business hours.

iii. **Telecommunications Equipment & Service**

Tampa Electric shall provide to Customer services to operate and maintain the voice and data connectivity network and the operations and maintenance of the corporate PBX network at TECO Plaza and also the Ybor City facility.



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B. Supplemental Services

i. Facility Services.

Tampa Electric shall provide to Customer duplicating and printing services, remodeling, construction project management and other facility related services, on an as requested basis. Services purchased by the Company from third party providers are priced on a cost pass-through basis.

ii. Information Technology Services.

Tampa Electric shall provide to Customer purchasing of any new or unique software/hardware products, data security consultations, and any other IT related services, which are provided on an as requested basis. Services purchased by the Company from third party providers are priced on a cost pass-through basis.

iii. Telecommunications Equipment & Service.

Tampa Electric shall provide to Customer leased services (such as long distance, pagers and point to point circuits), purchases and maintenance of any telephony equipment, and any other phone related requests on an as requested basis. Services purchased by the Company from third party providers are priced on a cost pass-through basis.

iv. Human Resources Services

Tampa Electric's Human Resources department shall provide to Customer services including executive compensation, administrative policies, retirement savings plan, medical, dental and vision insurance, life insurance, long-term care insurance disability management, human resources information system ("SAP"), security, employee and labor relations, training and development, recruitment and staffing, testing and assessment, and compensation.

v. Training, Consulting & Maintenance Services

Tampa Electric shall provide PowerPros skills training on site for Customer, on an as-requested and as-available basis.



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Tampa Electric shall provide incidental consulting services to Customer for projects outside of Florida, e.g. relating to control area operations and remote control of units, on an as-requested and as-available basis.

vi. Corporate Communications Services

Tampa Electric's Corporate Communications department shall provide and customer communications strategy planning, with emphasis on corporate, financial and media communication services and coordination of Corporate-Wide Special Events and Company Volunteer Activities. Services include: document writing support, marketing plan formation, event coordination, print advertising and design, display design and construction, multi-media presentations, website design and maintenance, video production and professional photography. In addition the department shall provide corporate research assistance to customer, including daily media research and special database queries regarding customer demographics.

vii. Accounting & Regulatory Services

Tampa Electric Regulatory Affairs department shall provide to Customer federal and state regulatory research, analysis and coordination services on an as-requested basis. These services include strategic, consulting, and regulatory filing/reporting services for Customer's regulatory, governmental, market design and analysis activities throughout the country.

Tampa Electric's payroll department shall provide to Customer all payroll-related services. These services include collecting and calculating attendance, absences, and overtime, etc. data to the distribution of checks and stubs. Third party remittances such as 401k contributions, Health Savings Account (HS) contributions and Federal and State garnishments and levies are calculated and submitted to the appropriate agencies. On a monthly basis, a reconciliation of labor distribution is performed and submitted to the affiliated companies. Tampa Electric payroll department also shall perform all of the payroll tax administration such as calculating and depositing federal, state, Social Security, Medicare, FUTA and SUI payroll taxes, including issuing W-2 forms and filing returns and reconciliation reports. Other miscellaneous services such as, performance sharing calculations, worker's compensation reporting, ad hoc reporting, and submittal of information to internal and external auditor requests are also provided.



viii. Procurement and Storage Services

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Tampa Electric shall provide to Customer services with respect to procurement of materials and supplies, as well as services to provide supplier diversity support. Tampa Electric shall provide Customer with services to store and retain corporate records, computer tape, engineering print production, scanning company documents on an as-requested basis, and services for the Company store.

ix. **Environmental Services**

Tampa Electric shall provide to Customer environmental services including environmental permitting, compliance, auditing, lab and stack testing on an as-needed or as-requested basis.

x. **Engineering & Construction Services**

Tampa Electric shall provide to Customer engineering and construction services including development, site acquisition, facility design, equipment and services procurement, construction, commissioning, contract development, contract administration, engineering and construction oversight, general consulting, development of specifications and requirements, engineering and construction documentation including final drawings, and other services as agreed to between the parties.

xi. **O&M Services**

Tampa Electric shall provide to Customer operations and maintenance services including strategic management, organizational and management consulting, technical services, engineering services, operating procedures, maintenance procedures, outage services (to include planning, scope development, craft support, outage management, and reporting), recruitment and selection services, training support, team development services, plant infrastructure support, plant equipment support, procurement services, budget services, contract negotiation and administration services, environmental services (to include consulting, permitting, compliance reporting, and audit), safety services (to include consulting, compliance reporting, and audit), insurance claims administration, community relations services, and other services as agreed to between the parties.

3. **2008 SERVICE FEES FOR SERVICES PROVIDED TO CUSTOMER**



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SeaCoast Gas Transmission, LLC
Schedule Effective Date: June 4, 1, 2008**

The following sets forth the fees and charges for each Service to be provided to the Customer hereunder in 2008 (each a "Service Fee" and collectively the "Service Fees").

A. Basic Services: Service Fees and Pricing Detail

The following is a list of the annual Service Fees for all Basic Services to be provided to the Customer hereunder in 2008.

i. Facility Services

Facility Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, and are allocated based on a per square foot usage methodology.

For a detailed description of these services see section 2.A.1

TECO Plaza (_____ Sq.ft) \$ _____
Total for Facilities Services \$ _____

ii. Information Technology

For a detailed description of these services see section 2.A.2

These services are priced at the higher (x) Direct Labor Cost plus Fringe Cost or (y) market, and are allocated based on a direct support, user id counts, or employee headcount basis.

Desktop Services \$ _____
Corporate Applications or Systems \$ _____
Business Unit Specific Applications or Systems \$ _____
Total for IT \$ _____

iii. Telecommunications

For a detailed description of these services see section 2.A.3



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Telecommunications Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, and are allocated on a usage basis.

PBX Network Services (Phone Systems)	\$ _____
Total for Telecom	\$ _____
Total Service Fee for Basic Services	\$ _____

B. Supplemental Services: Service Fees and Pricing Detail

The following is a description of the Service Fees for all Supplemental Services to be provided to the Customer hereunder in 2008.

i. Facilities Services

Supplemental Facilities Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis.

ii. Information Technology Services

Supplemental Information Technology Services are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis.

iii. Telecommunications Equipment & Service

Supplemental Telecommunications Equipment and Service are priced at the higher of (x) Direct Labor Cost plus Fringe Cost or (y) market, at the time of request, on a usage basis.

iv. Human Resources Services

Tampa Electric shall bill Customer, for Human Resources services, charges based on services provided, which may be in part based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.



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v. **Training, Consulting & Maintenance Services**

Tampa Electric shall bill Customer, for Corporate Communications services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost. Databases used to provide general services are allocated based on number of users or number of requests.

vi. **Corporate Communications Services**

Tampa Electric shall bill Customer, for Corporate Communications services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost. Databases used to provide general services are allocated based on number of users or number of requests.

vii. **Accounting & Regulatory Services**

Tampa Electric shall bill Customer, for Accounting and regulatory services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

viii. **Procurement and Storage Services**

Tampa Electric shall bill Customer, for Procurement and Storage services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost plus Other Direct Cost. Direct materials and supplies are charged back at cost. Engineering print production services are market based priced and charged on a per record basis. Computer tape storage and retrieval are market based priced and charged on a per item basis. Services for Company store.

ix. **Environmental Services**

Tampa Electric shall bill Customer, for Environmental services, charges based on services provided, which may in part be based on a standard labor



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distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost plus Other Direct Cost.

x. Engineering & Construction

Tampa Electric shall bill Customer, for Engineering & Construction services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

xi. O&M Services

Tampa Electric shall bill Customer, for O&M services, charges based on services provided, which may in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

IN WITNESS WHEREOF, the Parties have executed this Schedule to the Agreement effective as of June 4, 1, 2008.

SEACOAST GAS TRANSMISSION, LLC

TAMPA ELECTRIC COMPANY

By: _____
B. Narzissenfeld
Vice President

By: _____
S. W. Callahan
Vice President



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Tampa Electric Company
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Schedule to Services Agreement dated as of June 4, 2008
between Tampa Electric Company and
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Schedule Effective Date: June 4, 1, 2008

Appendix 1 - Real Property Sublease Terms

(a) **Premises.** Subject to and upon the terms, provisions, and conditions hereinafter set forth, and each in consideration of the duties, covenants, and obligations of the other hereunder, Tampa Electric does hereby sublease to Customer, and Customer does hereby sublease from Tampa Electric, those certain premises identified in the Agreement hereto and containing the net rentable area described therein (the "Premises"), together with a pro rata share of common area of the Building (such sublease, as set forth in this Paragraph (a), being the "Sublease"). Tampa Electric agrees to provide utilities and maintenance services for the Premises comparable to those provided in the remainder of the Building. For purposes of this Agreement, the "Building" means the real property owned by Tampa Electric located at 702 N. Franklin Street, Tampa, Florida 33602 or any other location designated by Tampa Electric.

(b) **Rent.** During the term of this Agreement, Customer agrees to pay to Tampa Electric an annual rent for the Sublease of the Premises as set forth in Section 3 of this Schedule payable in equal quarterly installments which shall be due and payable in arrears on the first day of each calendar quarter during the term of this Agreement. If the terms of this Agreement commences on a day other than the first day of the month, then the installment of rent payments shall be prorated for such month based on the actual number of days to elapse during such month from the commencement of this Agreement and the installment so prorated shall be paid in advance.

(c) **Signage.** Tampa Electric shall provide and install appropriate signs on the access/entry into the Premises identifying such Premises as those of Customer.

(d) **Repairs by Customer.** Customer covenants and agrees with Tampa Electric at Customer's own cost and expense, to repair promptly any damage done to the Premises, or any part thereof including replacement of damaged portions or items, caused by Customer or its agents, employees, invitees, or visitors and Customer covenants and agrees to make all such repairs as may be required to restore the Premises to as good as a condition as it was prior to such damage.

(e) **Care of the Premises.** Customer covenants and agrees with Tampa Electric not to commit or allow any waste or damage to be committed on any portion of the Premises, and at the termination of this Agreement, by lapse of time or otherwise, to deliver up the Premises to Tampa Electric in as good condition as at the date of the commencement of the term of this Agreement, ordinary wear and tear results owing to the acts of God or other acts beyond the reasonable control of Customer excepted. Upon any termination of this Agreement, Tampa Electric shall have the right to re-enter and resume possession of the Premises.



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(f) Alterations, Additions and Improvements. Customer covenants and agrees with Tampa Electric not to permit the Premises to be used for any purpose other than for general office space or make or allow to be made any alterations or physical additions in or to the Premises except as contemplated by or necessary to comply with this Agreement.

(g) Legal Use and Violations of Insurance Coverage Laws and Regulations. Customer covenants and agrees with Tampa Electric not to occupy or use, or permit any portion of the Premises to be occupied or used, for any business or purpose that is unlawful, disreputable or extra hazardous on account of fire, or permit anything to be done that would in any way increase the rate of fire, liability, or any other insurance coverage on the building and/or its contents.

(h) Assignment and Subletting. Customer shall not, without prior written consent of Tampa Electric, (i) assign or in any manner transfer this Sublease or any estate or interest therein, (ii) to the extent within its control, permit any assignment of this Sublease or any estate or interest therein by operation of law, (iii) further sublease the Premises or any part thereof, (iv) grant any lease, concession, or other right of occupancy of any portion of the Premises, or (v) permit the use of the Premises by any parties other than Customer, its agents and employees. Consent by Tampa Electric to one or more assignments or sublease shall not operate as a waiver of Tampa Electric's right as to any subsequent assignments and subleases. Notwithstanding any assignment or subletting, Customer shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Customer's other obligations under this Sublease.

(i) Mechanic's Liens. Customer will not permit any mechanic's lien or liens to be placed upon the Premises or improvements thereon or the Building during the term hereof caused by or resulting from any work performed, materials furnished, or obligation incurred by or at the request of Customer, and nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Tampa Electric, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the Premises, or any part thereof, nor as giving Customer such right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's or other liens against the interest of Tampa Electric in the Premises.

(j) No Implied Waiver. No payment by Customer or receipt by Tampa Electric of a lesser amount than the quarterly installment of fees due under this Sublease shall be deemed to be other than on account of the earliest such fee due hereafter, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as such fee be deemed in accord and satisfaction, and Tampa Electric may accept



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such check or payment without prejudice to Tampa Electric's right to recover the balance of such fees, or pursue any other remedy provided in this Agreement.

(k) Indemnity. Tampa Electric shall not be liable to Customer, or to Customer's agents, servants, employees, customers, or invitees, for any damage to person or property caused by any act, omission, or neglect of Customer, its agents, servants, or employees, and Customer agrees to indemnify and hold Tampa Electric harmless from all liability and claims for any such damage caused by any act, omission or neglect of Customer.



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TEC → TECO Gemstone

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Schedule to Services Agreement dated as of November 26, 2007
Between
Tampa Electric Company and TECO Gemstone, Inc.
Schedule Effective Date: January 1, ~~2011~~2012

1. GENERAL PROVISIONS

A. The Agreement; Definitions. This Schedule forms a part of the Services Agreement between Tampa Electric Company ("Tampa Electric" or "Company") and TECO Gemstone, Inc. ("Customer") dated as of November 26, 2007 ("Agreement"). Capitalized terms not defined in this Schedule shall have the meanings ascribed to them in the body of the countersigned instrument or in the General Terms and Conditions included within the Agreement. For purposes of the Schedule, the following definitions shall apply:

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*consistent with
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"Direct Labor Cost" shall mean payroll cost for employees directly employed in provision of the service.

"Fringe Cost" shall mean payroll related costs for employees directly employed in provision of the service, including non-productive time (e.g. vacation, holidays, illness, etc.), direct benefits (e.g. retirement, insurance, savings plan), Performance Sharing costs, and company paid payroll taxes.

"Other Direct Cost" shall mean other non-capital related department operations and maintenance costs (e.g. supplies, travel, telephone, etc.).

B. Schedule Effective Date; Changes. This Schedule describes the Services provided by the Company and the pricing of said Services for a one-year period commencing January 1, ~~2011~~2012 ("Schedule Effective Date"), and thereafter for any subsequent Renewal Term unless superseded by a subsequent Schedule agreed to in writing by the Parties. The Company reserves the right from time to time, upon written notice, to change on a prospective basis any term or condition contained in this Schedule relating to Supplemental Services as defined below, subject to limitations imposed by any governmental authority having jurisdiction thereof. The Customer agrees to notify the Company of any anticipated changes in its requirements for Services under this Agreement. This Schedule supersedes all prior Schedules with respect to the Agreement.

C. Services Provided. The following Services shall be provided hereunder, as more specifically described below in Section 2, subject to the terms and conditions of this Agreement.

i. Human Resources Services

D. Pricing Categories.

i. **Supplemental Services.** Services provided hereunder, are designated as "Supplemental Services" and are charged directly on a unit price or toll charge basis or indirectly



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Source: TEC-38-10 pnt TECO Gemstone

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on the basis of an allocation formula as further described below. Said Services are priced at the greater of (x) fair market value or (y) Direct Labor Cost plus Fringe Cost, except that Services purchased by the Company from third party providers are priced on a cost pass-through basis. Supplemental Services may be requested by any representative designated by the Customer. Upon request, the Company shall provide a cost estimate for any Supplemental Services requested by the Customer.

This agreement will be automatically subject to compliance with the pricing restrictions of FERC Order No. 707, issued February 21, 2008, as they may be clarified or modified on rehearing as of the later of July 1, 2008 or 30 days after issuance of an order on rehearing, and the pricing provisions hereof shall be automatically conformed to said pricing restrictions as of such date.

E. **Contact.** Each party shall designate from time to time one or more representatives having responsibility for and authority to request or respond to requests for Services hereunder and to resolve issues respecting performance hereunder.

2. **DETAILED DESCRIPTION OF SERVICES**

A. **Supplemental Services**

i. **Human Resources Services**

Tampa Electric's Human Resources department shall provide to Customer services including executive compensation, administrative policies, retirement savings plan, life insurance, disability management, human resources information system ("SAP"), security, training and development, and compensation.

3. **SERVICE FEES FOR SERVICES PROVIDED TO CUSTOMER**

The following sets forth the fees and charges for each Service to be provided to the Customer hereunder (each a "Service Fee" and collectively the "Service Fees").

A. **Supplemental Services: Service Fees and Pricing Detail**

The following is a description of the Service Fees for all Supplemental Services to be provided to the Customer hereunder.

i. **Human Resources Services**



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Tampa Electric Company and TECO Gemstone, Inc.
Schedule Effective Date: January 1, ~~2011~~2012

Tampa Electric shall bill Customer, for Human Resources services, charges based on services provided, which may be in part be based on a standard labor distribution allocation, and which are calculated based on Direct Labor Cost plus Fringe Cost. Direct materials and supplies are charged back at cost.

IN WITNESS WHEREOF, the Parties have executed this Schedule to the Services Agreement effective as of as of January 1, ~~2011~~2012.

TECO GEMSTONE, INC.

TAMPA ELECTRIC COMPANY

By: _____
S. W. Callahan
Vice President

By: _____
P. L. Barringer
Vice President



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REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION

Tampa Electric requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefor is set forth below:

n/a