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April 2, 2020

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Teitzman:

Enclosed is a Joint Petition of Tampa Electric Company and Sumter Electric Cooperative, Inc. for Approval of Extension of Territorial Agreement and First Amendment to Territorial Agreement.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/bmp
Enclosure

cc: Paula K. Brown (w/enc.)
Scott A. Gerken (w/enc.)
Floyd R. Self (w/enc.)
Kevin M. Stone (w/enc.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Tampa Electric)
Company and Sumter Electric Cooperative, Inc.)
for Approval of Extension of Territorial)
Agreement and First Amendment to Territorial)
Agreement)
_____)

DOCKET NO. _____

FILED: April 2, 2020

**JOINT PETITION OF TAMPA ELECTRIC COMPANY
AND SUMTER ELECTRIC COOPERATIVE, INC.
FOR APPROVAL OF EXTENSION OF TERRITORIAL AGREEMENT
AND FIRST AMENDMENT TO TERRITORIAL AGREEMENT**

Tampa Electric Company (“Tampa Electric”) and Sumter Electric Cooperative Inc. (“SECO”) (hereinafter collectively, “Parties” or individually “Party”), pursuant to Section 366.04(2)(d), Florida Statutes, and Rule 25-6.0440, Florida Administrative Code, hereby jointly petition the Florida Public Service Commission (“the Commission”) for approval of a 15-year automatic extension of the Parties’ May 16, 1994 territorial agreement (“the Agreement”) entered into by and between Tampa Electric and SECO and further seek approval of the First Amendment to the Territorial Agreement, and, in support of this Joint Petition, say:

1. Tampa Electric is a Commission regulated electric utility and SECO is a rural electric cooperative serving consumers in the state of Florida. Tampa Electric’s principal place of business is located in Tampa, Hillsborough County Florida and SECO’s principal place of business is located in Sumterville, Sumter County, Florida.

2. All notices and pleadings in this matter should be served upon the following:

FOR TAMPA ELECTRIC COMPANY

James D. Beasley
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J. Jeffrey Wahlen
jwahlen@ausley.com
Malcolm N. Means
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(850) 224-9115
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Paula K. Brown
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Manager, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-1444
(813) 228-1770 (fax)

FOR SUMTER ELECTRIC COOPERATIVE, INC.

Floyd R. Self, B.C.S.
fself@bergersingerman.com
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313 North Monroe Street, Suite 301
Tallahassee, FL 32301
(850) 521-6727

Scott A. Gerken, Esq.
scott@stoneandgerken.com
Stone & Gerken, P.A.
4850 N. Highway 19A
Mount Dora, FL 32757
(352) 357-0330

3. On May 16, 1994 Tampa Electric and SECO entered into an agreement in an effort to more accurately define portions of the parties' respective service areas which are contiguous in many places. Such agreement expressly provided that it is contingent upon the subsequent approval of the Commission. Attached hereto as Exhibit 1 is a copy of the Agreement dated May 16, 1994.

4. On November 16, 1994 the Commission issued its Notice of Proposed Agency Action approving the Agreement.¹ Section 5.1 of the Agreement states that it shall continue and remain in effect for a period of 25 years from the date of the Commission's initial order approving the Agreement, and shall be automatically renewed for additional 15-year periods unless either Party gives written notice to the other of its intent not to renew at least two years prior to the expiration of any 15-year period. Neither Party has provided such written notice of any intent not to renew and,

¹ Order No. PSC-94-1397-FOF-EU issued November 16, 1994 in Docket No. 940947-EU (the "Order").

indeed, both Parties desire for the Agreement to automatically extend for 15 years. Section 5.1 further provides that each such renewal of the Agreement shall require prerequisite approval of the Commission as required by Article IV of the Agreement.

5. Under Section 5.1 of the Agreement the initial 25-year term ended on or about November 16, 2019. The Agreement has worked well for the Parties and their abilities to provide safe, reliable and efficient electric power to their respective customers. The Parties desire for the Agreement to automatically extend for another 15-year period beyond November 16, 2019, through November 16, 2034, and seek the Commission's approval of such automatic renewal pursuant to Section 5.1 and Article IV of the Agreement.

6. The Commission is authorized by Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and resolve territorial disputes between rural electric cooperatives and other electric utilities under its jurisdiction. The Commission has promulgated Rule 25-6.0440, Florida Administrative Code, to implement this authority. The Commission has often recognized the wisdom of such agreements, and has held that such agreements, when properly presented to the Commission, are advisable in proper circumstances and, indeed, in the public interest.

7. The provisions of paragraph 6, 7, and 8 in the September 6, 1994 joint petition for approval of the territorial agreement submitted by Tampa Electric and SECO regarding maps and descriptions, number and classification of customers served by each utility and effect on service remain as stated therein. That is to say, the composite Exhibit A to the Agreement consisting of maps and legal descriptions defining the territorial boundaries of the Agreement remain the same. No customers of Tampa Electric, SECO or any other electric utility will be transferred or otherwise affected by the automatic extension of the Agreement. Accordingly, there are no customers to notify under Commission Rule 25-6.0440(1), Florida Administrative Code, with respect to the effect on

service. There is no reasonable likelihood that the requested continuation of the Agreement will cause a decrease in the reliability of electric service to the existing or future customers of Tampa Electric or SECO. The Parties continue to believe that the provisions of the Agreement and the automatic extension thereof will help avoid future uneconomic duplications of facilities and prevent disputes and uncertainties.

8. Approval of the automatic extension addressed in this petition represents the continued efforts by the Parties to minimize costs to their respective customers by avoiding unnecessary duplications of generation, transmission and distribution facilities.

9. In addition to approval of the automatic extension, Tampa Electric and SECO have prepared a First Amendment to the Territorial Agreement, attached hereto as Exhibit 2. This First Amendment would modify the Agreement as follows:

a. The first change updates the Agreement to bring the language of the Agreement into compliance with the Commission's Order approving the Agreement. In the Order, the Commission declined to adopt a portion of Section 2.2 that would have required the filing of all interim service agreements, and instead the Commission directed that only interim agreements expected to last for more than one year be filed. *See* Order, at 2. The proposed amendment to Section 2.2 of the Agreement deletes the mandatory submission language and replaces it with language that requires the filing of agreements as the Commission may require by its rules and orders.

b. The second change is to delete Section 2.3 of the Agreement. Section 2.3 of the Agreement relates only to SECO and its 503(c)(12) tax status and the rare and unlikely circumstances where a potential SECO customer would refuse to become a member of SECO, whereupon SECO may decline to provide service. While SECO

continues to enjoy its nonprofit tax status, it does not have a significant concern that its status would be jeopardized by the circumstances described in Section 2.3, and its more recent territorial agreements do not include this language. Since this section is unnecessary, the Parties propose to eliminate it.

c. The third revision to is to modify Section 2.4 of the Agreement to make Tampa Electric's depreciation rate the standard to be used by both Parties when facilities are sold by one to the other and to also clarify that reintegration costs are to be included to the extent that such costs are reasonably required by sound utility practices. Because Tampa Electric and SECO use different depreciation standards, an exchange of facilities of the same age and type could result in two different costs. Establishing a single standard is a fair and reasonable approach to ensure that one utility is not disadvantaged in an asset sale merely because the utilities use different depreciation standards.

d. The fourth change to the Agreement is a conforming change to make the Agreement consistent with the Order approving the Agreement. In the Order, the Commission declined to require the filing of annual reports that was set forth in Section 4.1. *See*, Order, at 2. This revision merely strikes the disapproved language from the Agreement.

10. Both Tampa Electric and SECO believe that Commission approval of the automatic 15-year extension of the Agreement would complement the objectives of assuring an adequate and reliable source of energy in Florida and avoiding uneconomic duplications of generation, transmission and distribution facilities. Further, the Parties believe that approval of the First Amendment to the Territorial Agreement will bring the Agreement into compliance with the Commission's Order,

add consistency of treatment between the Parties for asset transfers, and remove obsolete and unnecessary language, further aiding in the reading and understanding of the Agreement.

11. Neither Tampa Electric nor SECO is aware of any disputed issues of material fact regarding the matters alleged or the relief sought in this Joint Petition.

WHEREFORE, Tampa Electric and SECO urge the Commission to enter its order approving the automatic 15-year extension of the Agreement attached hereto as Exhibit 1 through November 16, 2034, and approve the First Amendment to the Territorial Agreement, attached as Exhibit 2.

DATED this 2nd day of April, 2020.

/s/ James D. Beasley

James D. Beasley, Esq.

jbeasley@ausley.com

J. Jeffrey Wahlen, Esq.

jwahlen@ausley.com

Malcolm N. Means, Esq.

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(850) 224-9115

*ATTORNEYS FOR TAMPA ELECTRIC
COMPANY*

/s/ Floyd R. Self

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and

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4850 N. Highway 19A

Mount Dora, FL 32757

(352) 357-0330

*ATTORNEYS FOR SUMTER
ELECTRIC COOPERATIVE, INC.*

EXHIBIT 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint petition for) DOCKET NO. 940947-EU
approval of territorial) ORDER NO. PSC-94-1397-FOF-EU
agreement between TAMPA ELECTRIC) ISSUED: November 16, 1994
COMPANY and SUMTER ELECTRIC)
COOPERATIVE, INC.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING TERRITORIAL AGREEMENT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On September 6, 1994, Tampa Electric Company (TECO) and Sumter Electric Cooperative, Inc. (Sumter) filed a Joint Petition for Approval of a Territorial Agreement. The parties are not presently bound by a territorial agreement and are attempting to delineate their respective service areas in portions of Lake, Polk and Sumter counties. The agreement creates a line of separation between the two utilities along the Sumter-Polk county line and the Lake-Polk county line. A copy of the TECO and Sumter Territorial Agreement is attached to this Order.

The parties have confirmed that neither TECO nor Sumter will have any electric facilities providing retail service to customers located in the other utility's territory as defined by the agreement. In addition, no existing customers or electrical facilities will be subject to transfer upon approval of the agreement.

DOCUMENT NUMBER-DATE

11561 NOV 16 1994

FPSC-RECORDS/REPORTING

Section 2.2 of the agreement states that neither utility will attempt to serve or knowingly serve any customer whose end-use facilities are located within the territorial area of the other utility, except in the case of exceptional circumstances, economic constraints, or good engineering practices and upon written request. While the agreement states that the parties will submit each request for interim service to the Commission for approval prior to providing either temporary end use or small discrete area service, we hold that TECO and Sumter must only request formal Commission approval of interim service that lasts or is expected to last for more than one year.

The parties have also agreed, in Section 4.1, that they will file annual reports on or before March 31 to the Commission indicating the status of this agreement and any proposed modifications. Again we hold that annual reports are not necessary in this case. Annual reports are generally only needed when territorial agreements contemplate transfers of customer accounts and electrical facilities. This agreement does not propose any type of transfer.

Section 2.3 of the agreement is framed to preserve Sumter's tax exempt status. Section 501 of the Internal Revenue Code states that a cooperative cannot generate more than 15% of its revenues from the provision of electric service to non-members and still maintain its tax exempt status. In the event a Sumter customer does not elect to join the cooperative, and Sumter determines that by providing service to the customer it would jeopardize its tax status, Sumter has reserved the right to refuse service and granted the right to provide service to TECO. While it is unlikely that this situation will occur, we want to ensure that there will be no permanent service variances without Commission supervision. Therefore, if Sumter and TECO find it necessary to exercise this provision, they shall jointly seek approval from the Commission when that service provided under Section 2.3 lasts or is expected to last for more than one year.

The Territorial Agreement will remain in effect for a period of 25 years from the date of Commission approval. The agreement will also be automatically renewed for additional 15 year periods unless either party gives notice two years prior to the expiration of any fifteen year period. However, each such renewal requires prerequisite approval by the Commission.

We believe that the territorial agreement is in the public interest and that its adoption will further our desire to avoid unnecessary and uneconomic duplication of electric facilities.

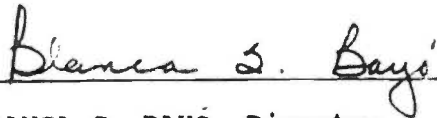
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It is, therefore,

ORDERED by the Florida Public Service Commission that the Joint Petition for Approval of Territorial Agreement between Tampa Electric Company and Sumter Electric Cooperative, Inc. is approved. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceedings is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 16th day of November, 1994.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative

hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 7, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT

TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOPERATIVE, INC.
AND
TAMPA ELECTRIC COMPANY

AGREEMENT

Section 0.1 THIS AGREEMENT, made and entered into this 16th day of June, 1994, by and between SUMTER ELECTRIC COOPERATIVE, INC., a Florida Electric Cooperative (herein called "SECO"), and TAMPA ELECTRIC COMPANY, a private corporation, organized and existing under the laws of the State of Florida (herein called "TEC"). Collectively, SECO and TEC will herein be called the "Parties". Upon approval by the Florida Public Service Commission, this Agreement specifically shall supersede any prior Agreements between the parties defining the boundaries of their respective retail service territories.

WITNESSETE:

Section 0.2 WHEREAS, TEC, by virtue of its Charter, is authorized, empowered and by Florida law is obligated to furnish electricity and power to persons, firms and corporations within its service area and presently furnishes retail electric service to Customers in all of Hillsborough County and in areas of Pinellas, Pasco, and Polk Counties, and elsewhere in the State of Florida; and

Section 0.3 WHEREAS, SECO, by virtue of its Charter, is authorized and empowered and by Florida law is obligated to furnish electricity and power to persons, firms and corporations within its service area and presently furnishes electricity and power in several counties of Florida, including areas of Sumter

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and Lake Counties; and

Section 0.4 WHEREAS, the respective areas in which the parties provide retail service are contiguous where Lake and Sumter Counties join the Polk County line which will result in substantial duplication in the future of generation, transmission and distribution facilities and cause higher costs to the general body of ratepayers; and

Section 0.5 WHEREAS, the Florida Public Service Commission has previously recognized that any such duplication of said facilities results in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest; and

Section 0.6 WHEREAS, the parties hereto, in an effort to minimize costs to the general body of their ratepayers, desire to avoid and eliminate the circumstances giving rise to potential duplications and possible hazards and toward that end have established the Territorial Boundary Line to delineate their respective retail Territorial Service Areas, and

Section 0.7 WHEREAS, the Florida Public Service Commission is empowered by the Legislature of the State of Florida, pursuant to Section 366.04(2)(d), Florida Statutes, to approve and enforce territorial agreements and the Commission

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has recognized on numerous occasions the wisdom of retail territorial agreements between electric utilities and has held that retail territorial agreements, when properly presented to and appropriately supervised by the Commission, in proper circumstances, are advisable and, indeed, in the public interest;

Section 0.8 NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the parties hereto, subject to and upon the terms and conditions herein set forth, do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Territorial Boundary Line. As used herein, the term "Territorial Boundary Line" shall mean the boundary line which circumscribes areas on the map and legal description attached hereto as Composite Exhibit "A" and which differentiates and divides the TEC Territorial Area from the SECO Territorial Area in which TEC and SECO provide retail electric service to their respective Customers. None of the territory assigned to TEC shall be served by SECO and none of the territory assigned to SECO shall be served by TEC except as specifically provided herein.

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Section 1.2 TEC Territorial Area. As used herein, the term "TEC" Territorial Area shall mean the geographic area shown on Composite Exhibit "A" and designated "TEC" Territorial Area.

Section 1.3 SECO Territorial Area. As used herein, the term "SECO" Territorial Area shall mean the geographic area shown on Composite Exhibit "A" and designated "SECO" Territorial Area.

Section 1.4 Transmission Lines. As used herein, the term "Transmission Lines" shall mean all transmission lines of either Party having a rating of 69 kV or greater.

Section 1.5 Distribution Lines. As used herein, the term "Distribution Lines" shall mean all distribution lines of either Party having a rating up to, but not including, 69 kV.

Section 1.6 New Customers. As used herein, the term "New Customers" shall mean all retail electric consumers applying for service to either TEC or SECO after the effective date of this Agreement.

Section 1.7 Existing Customers. As used herein, the term "Existing Customers" shall mean all retail electric consumers receiving service on or before the effective date of this Agreement from either Party.

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ARTICLE II
AREA ALLOCATIONS AND NEW CUSTOMERS
Territorial Questions

Section 2.1 Allocations. The TEC Territorial Area, as herein defined, will be allocated to TEC as its retail service area for the period of time hereinafter specified; and the SECO Territorial Area, as herein defined, will be allocated to SECO as its retail service area for the same period and, except as otherwise specifically provided herein, neither Party shall sell electricity to any retail Customer where such electricity serves the retail Customer's end use facility and such facility is located within the other Party's service area.

Section 2.2 Service to New Customers. TEC and SECO agree that neither supplier will attempt to serve or knowingly serve any applicant whose end use facilities are located within the service territory of the other.

TEC and SECO recognize that in exceptional circumstances, economic constraints on either utility or good engineering practices may on occasion indicate that a Customer's temporary end use and/or small discrete service areas and/or future retail Customers should not be immediately served by the utility in whose service territory they are located. In such instances, upon written request by the utility in whose territory the end use facility is located to the other utility,

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the other utility may agree in writing to provide service to such Customer's temporary end use, small discrete service areas and future retail Customers. Such agreements shall be submitted to the Florida Public Service Commission in accordance with ARTICLE IV, Section 4.1 hereof.

In the event that a prospective applicant requests or applies for service from either supplier to be provided to end use facilities located in the territory reserved to the other supplier, then the supplier receiving such a request or application shall refer the prospective applicant or applicants to the other supplier, with citation to the Commission approved Territorial Agreement, and shall notify the other supplier of the request or application.

If the prospective applicant delivers a written application for service after being referred to the other utility, or continues to demand service under an application made prior to a referral to the other utility, the utility receiving the request shall immediately notify the other utility and both utilities shall notify the applicant of their intent to file a Joint Petition for Declaratory Statement requesting the Commission to enforce the Territorial Agreement as it relates to the facts presented. The utility receiving the applicant's request shall not provide electric service or attempt to provide

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electric service to the applicant unless the Commission authorizes the service in an Order binding both suppliers.

Section 2.3 Preservation of Tax Status. Notwithstanding the provisions of Section 2.2 above, it is understood that SECO must furnish its service mainly to its members in order to preserve its tax status. Therefore, unless the proposed recipient of electric service will join SECO, SECO may decline to provide electric service, when in the judgment of SECO, the income produced thereby would exceed the percentage of gross income which SECO may accept from non-members and maintain its tax status. If SECO refuses to serve a Customer pursuant to this section, TEC shall have the right, but not the obligation to provide electric service to any such Customer, if requested by the Customer or by SECO.

Section 2.4 Purchase of Facilities. In the event of temporary end use Customers, small discrete Customer service areas, or future retail Customers are served by the utility outside the service territory in which such Customers are located in accordance with Section 2.2 hereof, each Party shall sell (at original cost less accumulated book depreciation at the time of the transfer) the distribution facilities used to serve Customers at the time they are transferred in accordance with this Agreement.

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Section 2.5 Bulk Power Supply for Resale. Nothing herein shall be construed to prevent either Party from providing bulk power to supply to other electric utilities for resale purposes wheresoever such other electric utilities may be located. Further, no other provision of this Agreement shall be construed as applying to bulk power supply for resale.

ARTICLE III
OPERATION AND MAINTENANCE

Section 3.1 Facilities to Remain. Except as provided herein, all generating plants, transmission lines, substations, distribution lines and related facilities now or hereafter constructed and/or used by either Party in conjunction with their respective electric utility systems, and which are directly or indirectly used and are useful in service to customers in their respective service areas or in fulfilling the requirements of law shall be allowed to remain where situated and shall not be subject to removal or transfer hereunder; provided, however, that each Party shall operate and maintain said lines and facilities in such a manner as to minimize any interference with the operations of the other Party. Nothing contained herein shall be construed to apply to the Parties' facilities or locations thereof except as such facilities relate to providing retail service to the Parties' Customers in their respective service territories.

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ARTICLE IV
PREREQUISITE APPROVAL

Section 4.1 Florida Public Service Commission. The provisions of this Agreement are subject to the regulatory authority of the Florida Public Service Commission, and appropriate approval by that body of the provisions of this Agreement shall be a prerequisite to the validity and applicability hereof and neither Party shall be bound hereunder until that approval has been obtained. Any proposed modifications to this Agreement shall be submitted to the Florida Public Service Commission for approval. The parties shall file an annual report to the Florida Public Service Commission on or before March 31st of each year beginning March 31, 1995, and shall file such other information and reports as required by the Commission from time to time. Such report shall provide the status of this Agreement and any modifications proposed in this Agreement. In addition, the parties agree to jointly petition the Florida Public Service Commission to resolve any disputes concerning the provisions of this Agreement which the parties are unable to resolve.

Section 4.2 Liability in the Event of Disapproval. In the event approval pursuant to Section 4.1 is not obtained, neither Party will have any cause of action against the other

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arising under this document or on account of such non-attainment
of approval.

ARTICLE V
DURATION

Section 5.1 This Agreement shall continue and remain in effect for a period of twenty-five (25) years from the date of the Florida Public Service Commission's initial Order approving this Agreement, and shall be automatically renewed for additional fifteen (15) year periods unless either Party gives written notice to the other of its intent not to renew at least two (2) years prior to the expiration of any fifteen (15) year period. Each such renewal of this Agreement shall require prerequisite approval of the Florida Public Service Commission as required by ARTICLE IV hereof.

ARTICLE VI
CONSTRUCTION OF AGREEMENT

Section 6.1 Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to eliminate and avoid the needless and wasteful expenditures and potentially hazardous situations, which would otherwise result. The purpose of this Agreement, among other things, is to further this state's policy of supervising the planning, development, and maintenance of a coordinated electric

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power grid throughout Florida; to avoid uneconomic duplication of generation transmission and distribution facilities; and to encourage the installation and maintenance of facilities necessary to fulfill the utilities' obligation to serve.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only ones agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the parties hereto unless the same shall be in writing and hereto attached and signed by both parties hereto and approved by the Florida Public Service Commission in accordance with ARTICLE IV, Section 4.1 hereof.

Section 7.2 Successors and Assigns. Nothing in this Agreement expressed or implied is intended, or shall be construed, to confer upon or give to any person or corporation, other than the parties hereto, any right, remedy or claim under or by reason of this Agreement or any provision or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of, and shall be binding only upon, the parties hereto and their respective representatives, successors and assigns.

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Section 7.3 Notices. Notices given hereunder shall be deemed to have been given to TEC if mailed by Certified Mail, postage prepaid, to: Vice President Customer Services/Marketing, Tampa Electric Company, P.O. Box 111, Tampa, FL 33601-0111; and to SECO if mailed by Certified Mail, postage prepaid, to: General Manager, Sumter Electric Cooperative, Inc., P.O. Box 301, Sumterville, Florida 33585-0301. Such address to which such notice shall be mailed may be, at any time, changed by designating such new address and giving notice thereof in writing in the manner as herein provided.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in quadruplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

ATTEST:

By: [Signature]
W. L. "Bud" Hodges
As Its Secretary-Treasurer

SUMTER ELECTRIC COOPERATIVE, INC.

By: [Signature]
Elmer E. Webb
As Its President

(CORPORATE SEAL)

ATTEST:

By: [Signature]
Name: R. H. Kessel
As Its Secretary

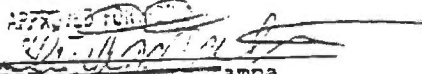
TAMPA ELECTRIC COMPANY

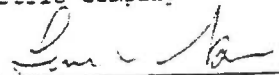
By: [Signature]
Name: W. T. Snyder, Jr.
As Its Vice President -
Customer Services and Marketing

(CORPORATE SEAL)

Sunter Electric Cooperative, Inc. / Tampa Electric Company
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APPROVED AS TO FORM AND
LEGAL ~~ISSUE~~ LEGAL

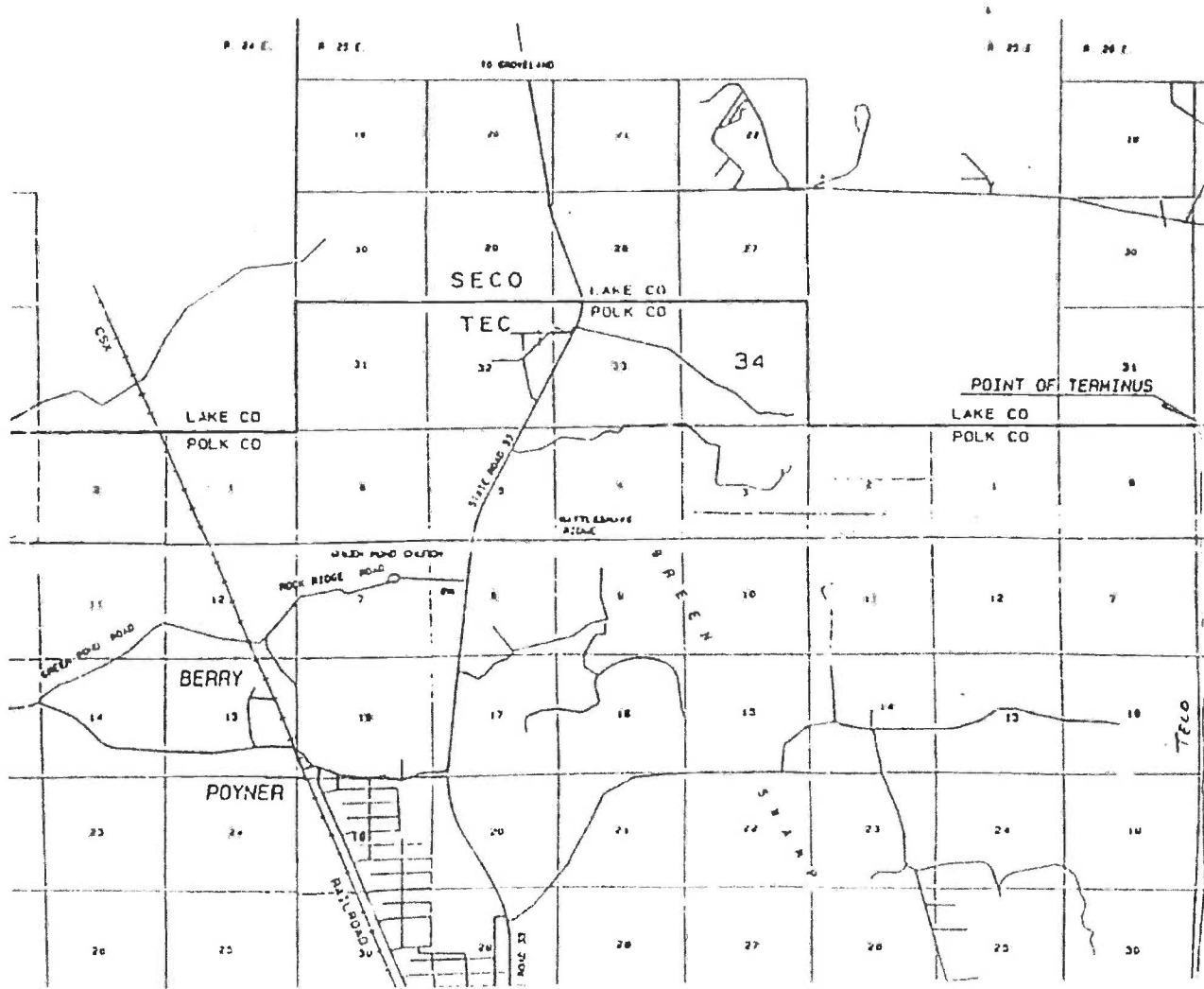
APPROVED FOR
By 
~~Legal Counsel to Tampa~~
Electric Company

By 
Legal Counsel to Sunter
Electric Cooperative, Inc.

APPROVED: Order No. _____ Date _____
Florida Public Service
Commission

LEGAL DESCRIPTION OF TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOPERATIVE, INC. AND TAMPA ELECTRIC COMPANY

Commence at the intersection of the West boundary of Section 18, Township 25 South, Range 23 East, and the centerline of the Withlacoochee River, said intersection being the common corner between Polk County, Florida, Sumter County, Florida, and Pasco County, Florida, for the POINT OF BEGINNING of the following described line; thence Easterly on the centerline of the Withlacoochee River to the East boundary of the aforementioned Township 25 South, Range 23 East, said line being the boundary between Polk County, Florida, and Sumter County, Florida; thence Northerly on said Easterly boundary of Township 25 South, Range 23 East, said Easterly boundary being a common boundary between Sumter County, Florida and Polk County, Florida, to the Northwest corner of Township 25 South, Range 24 East, said corner being the common corner between Sumter County, Florida, Polk County, Florida, and Lake County, Florida; thence proceed Easterly on the Northerly boundary of Township 25 South, Range 24 East, to the Northeast corner thereof, said Northeast corner, being also known as the Southwest corner of Section 31, Township 24 South, Range 25 East, Polk County, Florida; thence proceed on the Westerly boundary of said Section 31, Township 24 South, Range 25 East, to the Northwest corner of said Section 31; thence proceed on the Northerly boundary of said Section 31 and the Northerly boundary of Sections 32, 33, and 34, Township 24 South, Range 25 East, the same being the common boundary between Polk County, Florida, and Lake County, Florida, to the Northeast corner of said Section 34, Township 24 South, Range 25 East; thence proceed on the Easterly boundary of said Section 34 to the Southeast corner of said Section 34; thence Easterly on the Northerly boundary of Sections 2 and 1, Township 25 South, Range 25 East and the Northerly boundary of Section 6, Township 25 South, Range 25 East, the same being the common boundary between Polk County, Florida, and Lake County, Florida to the Northeast corner of said Section 6 and the POINT OF TERMINUS.



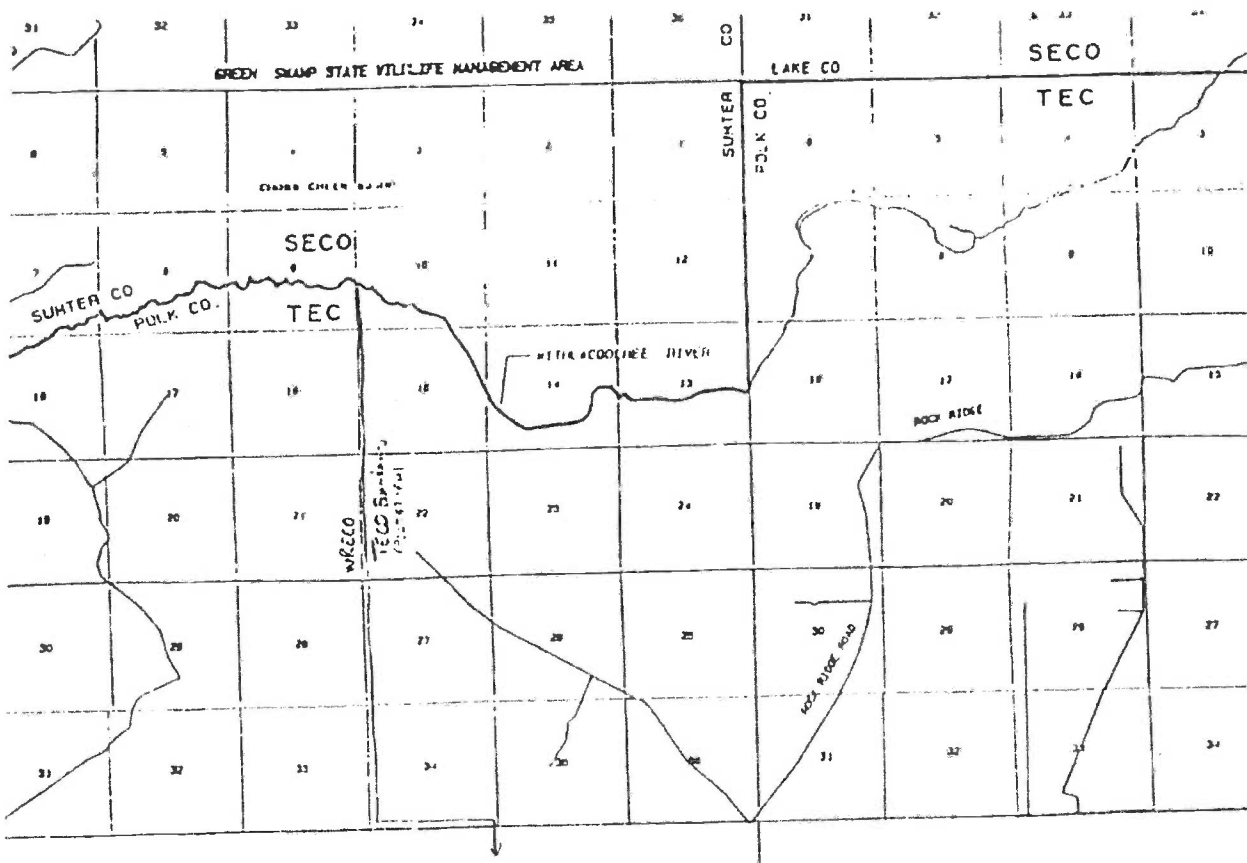


EXHIBIT 2

**FIRST AMENDMENT
TO
TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOPERATIVE, INC.
AND
TAMPA ELECTRIC COMPANY**

THIS FIRST AMENDMENT TO TERRITORIAL AGREEMENT (“First Amendment”) is entered into to be effective March, 30, 2020, subject to the approval of the Florida Public Service Commission (“Commission”), by and between **SUMTER ELECTRIC COOPERATIVE, INC.**, a Florida rural electric cooperative (“SECO”) and **TAMPA ELECTRIC COMPANY**, a Florida corporation (“TECO”) (collectively, “Parties”) or individually a “Party”).

WHEREAS, SECO and TECO are parties to a Territorial Agreement dated May 16, 1994 (the “Agreement”) which was approved by PSC Order No. PSC-94-1397-FOF-EU, issued November 16, 1994 (the “Order”), and effective December 8, 1994; and

WHEREAS, the Agreement provided for an initial twenty-five-year term with succeeding automatic fifteen-year renewal periods upon the approval of the Commission; and

WHEREAS, the Parties desire that the Agreement renew but wish to modify certain limited provisions which were not adopted by the Commission in its Order or which otherwise need to be updated and clarified,

NOW THEREFORE, the Parties agree as follows:

1. The recitals above are true and correct and are hereby incorporated by reference.
2. The following amendments to the Agreement are hereby adopted:
 - a. Section 2.2 shall be modified to replace the sentence which reads “Such agreements shall be submitted to the Florida Public Service Commission in accordance with ARTICLE VI, Section 4.1, hereof.” with the following revised sentence:

Such agreements shall be submitted to the Florida Public Service Commission as may be required from time to time by the Commission’s rules and orders.
 - b. Section 2.3 shall be deleted in its entirety and designated as “Reserved.”
 - c. Section 2.4 shall be amended to read as follows:

In the event of temporary end use Customers, small discrete Customer service areas, or future retail Customers are served by the utility outside the service territory in which such Customers are located in accordance with Section 2.2 hereof, each Party shall sell (at original cost less accumulated book depreciation utilizing TECO's applicable depreciation rate as the standard for each Party at the time of the transfer) the distribution facilities used to serve Customers at the time they are transferred in accordance with this Agreement together with and the cost to the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices.

d. Section 4.1 shall be amended to read as follows:

The provisions of this Agreement are subject to the regulatory authority of the Florida Public Service Commission, and appropriate approval by that body of the provisions of this Agreement shall be a prerequisite to the validity and applicability hereof and neither Party shall be bound hereunder until that approval has been obtained. Any proposed modifications to this Agreement shall be submitted to the Florida Public Service Commission for approval. The parties shall ~~file an annual report to the Florida Public Service Commission on or before March 31st of each year beginning March 31, 1995, and shall file such other information and reports as required by the Commission from time to time.~~ In addition, the parties agree to jointly petition the Florida Public Service Commission to resolve any disputes concerning the provisions of this Agreement which the parties are unable to resolve.

3. Upon the approval by Commission, the Agreement shall be renewed as amended herein and otherwise in full force and effect through December 8, 2034.

IN WITNESS WHEREOF, each Party hereto has executed this First Amendment by their duly authorized representative on the day and year first above written.

[SIGNATURES CONTINUED NEXT PAGES]

IN WITNESS WHEREOF, SUMTER ELECTRIC COOPERATIVE, INC. has executed this First Amendment by its duly authorized representative on the day and year first above written.

SUMTER ELECTRIC COOPERATIVE, INC.

ATTEST:

By James P. Luncum
Chief Executive Officer

Nora Brown

Secretary

(SEAL)

[TAMPA ELECTRIC COMPANY SIGNATURE FOLLOWS, NEXT PAGE]

IN WITNESS WHEREOF, TAMPA ELECTRIC COMPANY has executed this First Amendment by its duly authorized representative on the day and year first above written.

TAMPA ELECTRIC COMPANY

ATTEST:

/s/ Gerard R. Chasse
By gchasse@tecoenergy.com

Vice President Electric Delivery

/s/ David E. Schwartz

Vice President Governance, Associate General Counsel
and Corporate Secretary