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Commission Conference Agenda
June 3, 2025

Item 1

FILED 5/21/2025
DOCUMENT NO. 03816-2025
FPSC - COMMISSION CLERK

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Day, Fogleman) CH
Office of the General Counsel (Imig, Farooqi) AEH

RE: Application for Certificate of Authority to Provide Telecommunications Service

AGENDA: 6/3/2025 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following Application for Certificate of Authority to Provide Telecommunications Service on the consent agenda for approval.

DOCKET NO.	COMPANY NAME	CERT. NO.
20250061-TX	PB Florida Asset Entity, LLC	9003

The Commission is vested with jurisdiction in this matter pursuant to Section 364.335, Florida Statutes. Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee if the certificate is active during any portion of the calendar year. A Regulatory Assessment Fee Return Notice will be mailed each December to the entity listed above for payment by January 30.

Item 2

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Dose, Sandy, Sunshine, Crawford) *JSC*
Division of Accounting and Finance (Bardin, Buys, Byrne, Ferrer, Przygocki, Sewards, York) *ALM*
Division of Economics (Bethea, Bruce, Hudson) *EJD*
Division of Engineering (Smith II) *TB*

RE: Docket No. 20250038-WS – Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC.

Docket No. 20250043-WS – Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC.

Docket No. 20250047-WS – Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC.

Docket No. 20250052-WS – Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.

AGENDA: 06/03/25 – Regular Agenda – Motion to Dismiss – Oral Argument Requested – Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay (20250038-WS)
Fay (20250043-WS)
Fay (20250047-WS)
Clark (20250052-WS)

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Pursuant to Rule 25-30.0371, Florida Administrative Code (F.A.C.), a positive acquisition adjustment may occur when the purchase price of a utility is greater than the net book value of the acquired utility's assets. If approved, a positive acquisition adjustment increases rate base. Rule 25-30.0371, F.A.C., was amended on June 17, 2024. The previous version of the Rule required a showing of extraordinary circumstances to be entitled to a positive acquisition adjustment, and utilities requested the acquisition adjustment at the time of transfer. By contrast, the amended version of the rule provides a list of factors that the Commission shall consider in determining whether a positive acquisition adjustment is warranted. The amended version of the rule also allows utilities to seek approval of the acquisition adjustment at either the time of transfer or at anytime within 3 years of the Commission order approving the transfer of the certificate of authorization. While the prior version of Rule 25-30.0371, F.A.C., was still effective, Central States Water Resources-Florida Utility Operating Company, LLC (CSWR or Utility) requested and was denied positive acquisition adjustments for three utilities that CSWR acquired.

In Docket No. 20210133-SU, CSWR acquired the North Peninsula Utilities Corporation wastewater system (North Peninsula) and included a request for a positive acquisition adjustment at the time of its transfer to CSWR. The Commission approved the transfer but denied the positive acquisition adjustment by Order No. PSC-2022-0116-PAA-SU. The proposed agency action (PAA) Order provided all parties notice that the decision to deny the positive acquisition adjustment would become final and effective upon issuance of a Consummating Order unless a hearing was requested. After no petition for a formal proceeding was filed by any substantially affected person, Consummating Order PSC-2022-0137-CO-SU issued on April 11, 2022, making Order No. PSC-2022-0116-PAA-SU final and effective.

In Docket No. 20210093-WU, CSWR acquired the Aquarina Utilities, Inc. water and wastewater systems (Aquarina) and included a request for a positive acquisition adjustment at the time of its transfer to CSWR. The Commission approved the transfer but denied the positive acquisition adjustment by Order No. PSC-2022-0115-PAA-WS which provided all parties notice that the decision to deny the positive acquisition adjustment would become final and effective upon issuance of a Consummating Order unless a hearing was requested. After no petition for a formal proceeding was filed by any substantially affected person, Consummating Order PSC-2022-0133-CO-WS issued on April 8, 2022, making Order No. PSC-2022-0115-PAA-WS final and effective.

In Docket 20210095-WU, CSWR acquired the Sunshine Utilities of Central Florida, Inc. water systems (Sunshine) and included a request for a positive acquisition adjustment at the time of its transfer to CSWR. The Commission approved the transfer but denied the positive acquisition adjustment by Order No. PSC-2022-0120-PAA-WU. The PAA Order provided all parties notice that the decision to deny the positive acquisition adjustment would become final and effective upon issuance of a Consummating Order unless a hearing was requested. After no petition for a formal hearing was filed by any substantially affected person, Consummating Order PSC-2022-0136-CO-WU issued on April 11, 2022, making Order No. PSC-2022-0120-PAA-WU final and effective.

Between March 6, 2025 and March 18, 2025, CSWR filed three petitions requesting positive acquisition adjustments relating to its 2022 acquisitions of North Peninsula, Aquarina, and Sunshine under the amended version of Rule 25-30.0371, F.A.C. These requests were assigned Docket Nos. 20250038-WS, 20250043-WS, and 20250047-WS, respectively. None of the three petitions referenced the Commission's previous denial of CSWR's request for positive acquisition adjustments at the time of the 2022 transfers, but instead listed information required under the amended rule, such as planned infrastructure additions and maintenance needed to improve the utilities' quality of service or compliance with environmental regulations.

On March 20, 2025, CSWR filed a letter requesting approval of a test year for a rate increase and rate consolidation and Docket No. 20250052-WS was opened. Per the letter approving CSWR's test year, the Utility was expected to file its minimum filing requirements (MFRs) no later than May 23, 2025;[1] however, on May 19, 2025, CSWR filed a letter requesting a two-week extension to file its MFRs no later than June 6, 2025.[2]

On April 17, 2025, the Office of Public Counsel (OPC) filed a Motion to Dismiss with Prejudice or Alternative Motion for Summary Final Order and to Hold Docket No. 20250052-WS in Abeyance (Motion). In its Motion to Dismiss, OPC argues that the doctrine of administrative finality precludes CSWR from obtaining a positive acquisition adjustment on each of its utilities that were previously denied a positive acquisition adjustment by the Commission at the time of transfer. In its Alternative Motion for Summary Final Order, OPC contends that there is no issue as to any material fact and that the Commission should therefore enter a final judgment denying the acquisition adjustments. In its Motion for Abeyance, OPC requests that the Commission hold CSWR's pending rate case in abeyance until the issue of the requests for positive acquisition adjustments is resolved.

On April 24, 2025, CSWR filed its Response in Opposition to Citizens' Motion to Dismiss with Prejudice or Alternative Motion for Summary Final Order and to Hold Docket No. 20250052-WS in Abeyance (Response). In its Response, CSWR contends that administrative finality did not attach to the previous acquisition adjustment denials, that there are changed circumstances that warrant a positive acquisition adjustment in the instant cases, and that the requested positive acquisition adjustments are in the public interest. Concurrent with its Response, CSWR filed a Request for Oral Argument on OPC's Motion.

Staff's recommendation addresses CSWR's request for oral argument, and the appropriate disposition of OPC's Motion to dismiss CSWR's petitions for acquisition adjustment and request to hold CSWR's rate case in abeyance. The Commission has jurisdiction pursuant to Sections 367.071, 367.081, and 367.121, Florida Statutes (F.S.).

[1] Document No. 02687-2025.
[2] Document No. 03694-2025.

Discussion of Issues

Issue 1: Should CSWR's Request for Oral Argument on Citizens' Motion to Dismiss with Prejudice or Alternative Motion for Summary Final Order and to Hold Docket No. 20250052-WS in Abeyance be granted?

Recommendation: No. Staff believes that the pleadings are sufficient on their face for the Commission to evaluate and rule on the Motion. However, if the Commission wants to exercise its discretion to hear oral argument, staff recommends that 5 minutes per party is sufficient. (Dose)

Staff Analysis:

Law

Rule 25-22.0022(1), F.A.C., allows a party to request oral argument before the Commission for any dispositive motion by filing a separate written pleading filed concurrently with the motion on which argument is requested, and stating with particularity why oral argument would aid the Commission. Granting or denying oral argument is within the sole discretion of the Commission under Rule 25-22.0022(3), F.A.C.

CSWR's Position

CSWR argues that because of the unique legal issues involved, oral argument may aid the Commission in understanding and evaluating the issues to be decided and would allow the Commission to ask questions of the parties. CSWR requests ten minutes of oral argument per party.

OPC's Position

OPC has not responded to CSWR's Request for Oral Argument.

Conclusion

Granting or denying oral argument is within the sole discretion of the Commission. Staff believes that the pleadings are sufficient on their face for the Commission to evaluate and decide OPC's Motion. However, if the Commission wants to exercise its discretion to hear oral argument, staff recommends 5 minutes per party as sufficient.

Issue 2: Should OPC's Motion to Dismiss with Prejudice or Alternative Motion for Summary Final Order be granted?

Recommendation: Staff recommends that OPC's Motion to Dismiss should be granted in part and denied in part. Dismissal is appropriate and should be granted, however, the Motion to Dismiss should not be granted with prejudice. Administrative finality has attached to the prior denials of CSWR's requested acquisition adjustments and CSWR has not demonstrated a significant change in circumstances or that it is in the public interest to reverse the Commission's prior denials. Furthermore, CSWR is improperly seeking retroactive application of Rule 25-30.0371, F.A.C. However, CSWR should be allowed the opportunity to cure the defect in its petition to demonstrate either a change of circumstances or that reversing the prior denials is in the public interest. Therefore, the motion should not be granted with prejudice. If the Commission approves staff's recommendation to grant OPC's Motion to Dismiss, then OPC's Alternative Motion for Summary Final Order would become moot. If, however, the Commission denies OPC's Motion to Dismiss, staff recommends that the Commission deny OPC's Alternative Motion for Summary Final Order. (Dose)

Staff Analysis:

Law

In the seminal case of *Peoples Gas Systems, Inc. v. Mason*, the Florida Supreme Court held:

> [O]rders of administrative agencies must eventually pass out of the agency's control and become final and no longer subject to modification. This rule assures that there will be a terminal point in every proceeding at which the parties and the public may rely on a decision as being final and dispositive of the rights and issues involved therein.

187 So. 2d 335, 339 (Fla. 1966). While administrative finality generally applies to final orders, finality does not attach "when there has been a significant change of circumstances or there is a demonstrated public interest." *Delray Medical Center, Inc., v. State Agency for Health Care Administration*, 5 So. 3d 26, 29 (Fla. 4th DCA 2009).

When an administrative rule is revised, retroactive application of the new rule is generally prohibited. *Envtl. Trust v. Dept. of Envtl. Prot.*, 714 So. 2d 493, 500 (Fla. 1st DCA 1998). However, "retroactive application of a rule may be proper if the rule merely clarifies or explains a previous rule." *Id.* A revised rule "is presumed to operate prospectively in the absence of express language to the contrary." *Jordan v. Dept. of Prof. Reg.*, 522 So. 2d 450, 453 (Fla. 1st DCA 1988).

Res judicata and administrative finality both prevent relitigation, but they differ in scope. Res judicata, a common law doctrine, applies to court judgments and bars relitigation of the same claim between the same parties. Administrative finality, on the other hand, applies to administrative agency decisions. *See Delray* at 29. The Florida Supreme Court has recognized that the legal principles of res judicata do not neatly fit within the scope of administrative proceedings, because the actions of administrative agencies are usually concerned with deciding

issues according to a public interest that often changes with shifting circumstances and passage of time. *Id., citing Peoples Gas Sys., Inc. v. Mason*, 187 So. 2d 335, 339 (Fla. 1966).

Standard of Review

A motion to dismiss raises as a question of law the sufficiency of the facts alleged to state a cause of action.[3] In order to sustain a motion to dismiss, the moving party must show that, accepting all allegations as true, the petition still fails to state a cause of action for which relief may be granted.[4] The moving party must specify the grounds for the motion to dismiss, and all material allegations must be construed against the moving party in determining if the petitioner has stated the necessary allegations.[5] A sufficiency determination should be confined to the petition and documents incorporated therein, and the grounds asserted in the motion to dismiss.[6]

To evaluate a motion to dismiss, all allegations in the petition must be viewed as true and in the light most favorable to the petitioner in order to determine whether there is a cause of action upon which relief may be granted.[7] The "[d]ismissal of a petition shall, at least once, be without prejudice to petitioner's filing a timely amended petition curing the defect, unless it conclusively appears from the face of the petition that the defect cannot be cured."[8]

Section 120.57(1)(h), F.S., provides that a summary final order shall be granted if it is determined from the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, that (1) no genuine issue as to any material fact exists, and (2) the moving party is entitled as a matter of law to the entry of a final summary order. The purpose of a summary final order is to avoid the expense and delay of trial when no dispute exists concerning the material facts.

OPC's Motion to Dismiss or Alternative Motion for Summary Final Order

In its Motion to Dismiss, OPC argues that administrative finality has attached to the prior denials of CSWR's positive acquisition adjustments and that CSWR cannot reapply for the same. OPC contends that CSWR failed to demonstrate the applicability of the exceptions to administrative finality, of a significant change in circumstances or a demonstrated public interest. (OPC Motion 5) Specifically, OPC claims that the only change in circumstance from CSWR's previous petitions is the amendment to the acquisition adjustment rule, and that the amended rule does not have retroactive application. (OPC Motion 4-5) Consequently, OPC believes that administrative finality has attached to CSWR's requests for positive acquisition adjustments and that the new petitions should be dismissed. (OPC Motion 4-5)

[3] *Varnes v. Dawkins*, 624 So. 2d 349, 350 (Fla. 1st DCA 1993).
[4] *Id.* at 350.
[5] *Matthews v. Matthews*, 122 So. 2d 571 (Fla. 2nd DCA 1960).
[6] *Barbado v. Green and Murphy, P.A.*, 758 So. 2d 1173 (Fla. 4th DCA 2000).
[7] See, e.g. *Ralph v. City of Daytona Beach*, 471 So. 2d 1, 2 (Fla. 1983); *Orlando Sports Stadium, Inc. v. State of Florida ex rel. Powell*, 262 So. 2d 881, 883 (Fla. 1972); *Kest v. Nathanson*, 216 So. 2d 233, 235 (Fla. 4th DCA 1986); *Ocala Loan Co. v. Smith*, 155 So. 2d 711, 715 (Fla. 1st DCA 1963).
[8] Section 120.569(2)(c), F.S.

In its Alternative Motion for Summary Final Order, OPC asks the Commission to enter final judgment denying the acquisition adjustments. OPC contends that administrative finality attached because the acquisition adjustments were all previously denied and that Consummating Orders were issued on each denial. (OPC Motion 5) Further, OPC argues that there are no changes in circumstances beyond the change in the current rule and that the rule does not apply retroactively. (OPC Motion 5) OPC thus claims that there is no genuine issue as to any material fact, and that OPC is thus entitled as a matter of law to entry of a final order denying the acquisition adjustments. (OPC Motion 5)

CSWR's Response

In its Response, CSWR rejects OPC's contentions primarily based on the argument that administrative finality did not attach to the denials of the acquisition adjustments it requested in the three transfers at issue. CSWR argues that administrative finality does not attach because rather than asking the Commission to second-guess its earlier denial of the acquisition adjustments, CSWR is instead presenting the Commission with a new application involving different facts and applying a different law. CSWR cites to Commission precedent wherein the Commission allowed OPC's requests for negative acquisition adjustments where the same negative acquisition adjustments were previously denied.[9] (CSWR Response 4-6) CSWR contends that OPC is changing its position from those previous cases in which OPC argued that administrative finality did not attach to previously denied acquisition adjustments. (CSWR Response 6)

CSWR goes on to make numerous arguments in its response premised on the absence of administrative finality. Those arguments are addressed herein.

First, CSWR argues that it is not asking the Commission to reconsider its prior decisions under the prior version of the rule. Instead of seeking reconsideration in which the Commission would second-guess its prior denial of acquisition adjustments, CSWR contends that it has timely filed a new petition under the new version of the rule. (CSWR Response 9-10) CSWR claims that while OPC refers to administrative finality, OPC is really arguing res judicata to prohibit CSWR from requesting acquisition adjustments a second time. (CSWR Response 10)

Second, CSWR claims that the facts and circumstances have changed since the time of the transfers for all three systems for which a positive acquisition adjustment is requested. Specifically, CSWR claims that in the three years since the purchases, it has learned significant facts about all three systems that had not yet occurred or were not known at the time of the transfers in 2022, such as the extreme level of deterioration of wastewater treatment facilities, the work needed to come into environmental compliance, and the former owner's insolvency and how that impacted the operation of the system. (CSWR Response 11-12) CSWR asserts that

[9] Order No. PSC-93-1675-FOF-WS, issued November 18, 1993, in Docket No. 920148-WS, *In re: Application for a Rate Increase in Pasco County by Jasmine Lakes Utilities Corp.* (Commission relied on public interest to grant OPC's request for a negative acquisition adjustment despite having previously denied the same); Order No. PSC-01-1554-FOF-WU, issued July 27, 2001, in Docket No. 991437-WU, *In re: Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.* (Commission denied Motion for Summary Final Order and allowed OPC the opportunity to demonstrate a change of circumstances to overcome the prior denial of the requested negative acquisition adjustment).

these new facts and changed conditions demonstrate that administrative finality cannot apply to the denied acquisition adjustments for these systems. (CSWR Response 11-12)

Third, CSWR argues that revisions to the acquisition adjustment rule since the transfer of the systems constitute changed circumstances that preclude the application of administrative finality. In support, CSWR cites *Delray* which held that the repeal of an administrative rule constituted changed circumstances such that administrative finality did not apply to a hospital's second application for a certificate of need. (CSWR Response 12-13) CSWR argues that just as need was evaluated differently in the second application in *Delray*, so acquisition adjustments should now be evaluated differently under the amended rule. (CSWR Response 13)

Fourth, CSWR contends that no person has taken any action in reliance on the Commission's prior denials of the requested acquisition adjustments. CSWR states that a key element to administrative finality is that parties or the public have taken action in reliance on the prior decision and that no such action is present for any of its previously denied acquisition adjustments. (CSWR Response 13-14)

Fifth, CSWR states that an acquisition adjustment is a decision relating to ratemaking, which is continuous and never final. CSWR cites to Rule 25-30.371, F.A.C., which states that a petition for a positive acquisition adjustment is a request "to include some or all of a positive acquisition adjustment in the acquired utility's rate base." (CSWR Response 14) CSWR asserts that since acquisition adjustments are related to ratemaking, whether to grant or deny an acquisition adjustment is not an issue capable of finality and CSWR is not precluded from future petitions for acquisition adjustments. (CSWR Response 14-15)

Sixth, CSWR contends that the public interest favors considering the petitions on their merits as the purpose of the amended rule is to encourage consolidation and acquisition of failing water and wastewater systems. CSWR claims that under the prior version of the Rule, no positive acquisition adjustment was ever granted thereby limiting the acquisition and rehabilitation of failing systems and harming customers of those systems. (CSWR Response 15-16)

Lastly, CSWR asserts that it is not applying the new version of the Rule retroactively. Rather, CSWR claims it is making new petitions based on new facts and cost and revenue projections rather than a single event that occurred before the new rule became effective. (CSWR Response 16) CSWR contends that the amended rule allows for petitions for acquisition adjustments to be filed within three years of the transfer order and that this new Rule recognizes that facts relating to the condition of the transferred systems and the impact of the transfer on customers take time to become fully developed. (CSWR Response 16) Rather than applying the new Rule to completed events, CSWR claims that its application applies the current procedural standards to new petitions properly brought before the Commission. (CSWR Response 17-19)

Staff Analysis

I. Administrative Finality

Staff recommends that the Commission find that administrative finality has attached to CSWR's previously denied positive acquisition adjustments and that the instant petitions should therefore

be dismissed; however, CSWR should be allowed the opportunity to conduct discovery to demonstrate either a change of circumstances or that reversal of the prior denials is in the public interest and so prejudice should not attach. The Commission's decision to deny the positive acquisition adjustments at the time of transfer issued as proposed agency action. As no request for hearing was made, the Commission's decisions were consummated, becoming final and effective agency action. To overcome administrative finality, CSWR must show either a significant change of circumstances or that it is in the public interest to overrule the prior denials. *Delray*, 5 So. 3d at 29. CSWR has failed to demonstrate either a significant change of circumstance or that reversing the Commission's prior denial is in the public interest.

1. Significant Change of Circumstances

In the instant petitions, CSWR cites to a number of facts about each system that it contends were not known at the time of the transfer. However, staff does not believe that these constitute changed circumstances sufficient to disturb the administrative finality that has attached to the transfer orders. Each of the transfer orders recounts operational and regulatory non-compliance issues CSWR knew of at the time of acquisition. While CSWR identified several improvements it intended to implement in an effort to rectify these issues, the Commission found that CSWR did not demonstrate extraordinary circumstances in support of its requested positive acquisition adjustment at the time of transfer. While the Commission did not find the Utility's anticipated improvements to justify extraordinary circumstances sufficient to warrant the requested positive acquisition adjustment, it noted that improvements may be considered for prudency and cost recovery in a future rate proceeding. In the three years since CSWR has owned and operated the utilities, it may have identified further details regarding the operational issues for each utility, or better quantified the costs needed to bring each utility into operational and regulatory compliance. However, this does not constitute a sufficient "change in circumstances."

CSWR cites to the *Delray* decision for the proposition that a revision to a rule constitutes changed circumstances sufficient to overcome administrative finality. The decision in *Delray* dealt with the repeal of an administrative rule. In *Delray*, the administrative law judge also relied on additional significant changes in circumstances for the medical facility in question which were sufficient to overcome administrative finality.[10] No such changed circumstances exist for the instant petitions and so *Delray* is inapplicable to this case.

[10] *Delray Medical Center, Inc., v. State Agency for Health Care Administration*, 5 So. 3d 26, 30-31 (Fla. 4th DCA 2009) (finding changed circumstances included the operating and financial position of a medical center, population growth in southwestern Palm Beach county, the explosion of residential construction activity in the geographic area to be served by the proposed hospital, the growing and unpredictable traffic congestion in the area due to rapid population growth, the increase in patients whose conditions did not qualify for inpatient admission, but who were not in a condition to be discharged, the special needs of the elderly that were not adequately served because of emergency room overcrowding, the support of Palm Beach Fire Rescue and the Sheriff's Office for the proposed hospital, the hospital's proposal for a focused geriatric program that was not part of the original application, and the 2004 and 2005 hurricanes which exposed the vulnerability of the local health care system in responding to the medical needs of a large population at times of natural disaster).

2. Public Interest

CSWR claims that no person has taken any action in reliance on the Commission's prior denials of the acquisition adjustments and that the public interest favors consideration of the instant petitions on their merits. Staff disagrees with both of these assertions. Customers of North Peninsula, Aquarina, and Sunshine have been paying rates since the acquisitions that do not account for the requested acquisition adjustments and so these customers have relied on the prior denials since the time the transfers became effective. Rather than being in the *public* interest, undoing the prior denials and allowing an acquisition adjustment now would only be in the interest of the Utility because it would allow the Utility to recover costs from customers that were previously denied.

3. Finality of Ratemaking

CSWR contends that an acquisition adjustment is a decision relating to ratemaking, which is never truly capable of finality. In support it cites to *Sunshine Utilities v. Florida Public Service Commission*, 577 So. 2d 663 (Fla. 1st DCA 1991), noting that the court held the Commission could go back four years later to correct an order containing an erroneous assumption, and requiring the utility to make a refund to customers. However, CSWR is not alleging that the prior transfer orders were erroneous and require correction; rather, the Utility contends that the Commission should entertain new requests for acquisition adjustments under the amended rule. Therefore, *Sunshine* does not appear applicable because the Commission correctly applied the prior acquisition adjustment rule.

Additionally, CSWR's assertion that acquisition adjustments are related to ratemaking and therefore can never be final does not comport with the acquisition adjustment rule in its amended or prior form. Rather than being a subject of ratemaking, acquisition adjustments are a function of a purchase that goes to establishing net book value of a utility. Under the old rule, the Commission required a company to request an acquisition adjustment at the time of the transfer of the water or wastewater certificate. The acquisition adjustment was therefore a one-time request and not subject to subsequent requests in a rate case, limited proceeding, or other petition. While expanding the timeframe during which a utility may request an acquisition adjustment, the amended rule still limits utilities to requesting within three years of the order authorizing the transfer of the certificate. Under either, there is a temporal limit in which the utility may request an acquisition adjustment and CSWR is therefore incorrect in its assertion that acquisition adjustment decisions can never be final.

CSWR cites to two Commission cases for the proposition that acquisition adjustments can be requested multiple times. Both cases cited predate the implementation of Rule 25-30.0371, F.A.C.[11] However, in both, the Commission relied on a finding of extraordinary circumstances to determine whether an acquisition adjustment was warranted. In both instances, which involved OPC making a subsequent request for a negative acquisition adjustment, the cited cases still relied on changed circumstances or public interest for the Commission to reverse course.

[11] Rule 25-30.0371, F.A.C., took effect on August 4, 2002.

CSWR first cites to Order No. PSC-93-1675-FOF-WS,[12] by which the Commission granted OPC's request for a negative acquisition adjustment after previously denying it. By Order No. 23728, the Commission found no extraordinary circumstances to warrant a negative acquisition adjustment in the transfer of Jasmine Lakes Services, Inc. to Jasmine Lakes Utilities Corporation (JLUC).[13] In JLUC's subsequent rate case in Docket No. 920148-WS, the Commission granted OPC's request for a negative acquisition adjustment despite having previously denied the same. In its decision to allow the subsequent request for a negative acquisition adjustment, the Commission relied on public interest, finding it "patently unfair and unjust to the customers of this utility, for the investors to receive a return on that portion of the original purchase price that was less than rate base."[14] As discussed above, there is no such compelling public interest to allow CSWR's instant petitions for positive acquisition adjustments.

The second case CSWR cites to is Docket No. 991437-WS in which the Commission allowed OPC's request for a negative acquisition adjustment after previously denying OPC's request in the transfer docket. By Order No. PSC-98-1092-FOF-WS, the Commission granted a transfer and amendments of water and wastewater certificates to Wedgefield Utilities, Inc. (Wedgefield).[15] Although OPC requested a negative acquisition adjustment at the time of transfer, the Commission denied OPC's request finding no extraordinary circumstances to warrant the negative acquisition adjustment.[16] In Wedgefield's subsequent rate case, OPC again requested a negative acquisition adjustment. Wedgefield filed a Motion for Summary Final Order claiming that the negative acquisition adjustment was decided and that OPC could not relitigate the issue. By Order No. PSC-00-2388-AS-WU, the Commission denied Wedgefield's Motion for Summary Final Order and instead allowed OPC time "to establish through its discovery a change in circumstances sufficient to overcome [the Commission's] previous decision" denying the negative acquisition adjustment.[17] Wedgefield subsequently filed a renewed Motion for Summary Final Order and was again denied, and OPC was allowed to go forward at hearing to argue for a negative acquisition adjustment.[18] In denying Wedgefield's motions for summary final order, the Commission allowed OPC the opportunity to demonstrate a change of circumstances to overcome the prior denial of the requested negative acquisition adjustment. Furthermore, the Commission ultimately approved a settlement agreement in Docket

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[12] Order No. PSC-93-1675-FOF-WS, issued November 18, 1993, in Docket No. 920148-WS, *In re: Application for a Rate Increase in Pasco County by Jasmine Lakes Utilities Corp.*

[13] Order No. 23728, issued November 7, 1990, in Docket No. 900291-WS, *In re: Application for transfer of Certificates Nos. 110-W and 83-S from Jasmine Lakes Services, Inc. to Jasmine Lakes Utilities Corporation in Pasco Co.*

[14] Order No. PSC-93-1675-FOF-WS at 12.

[15] Order No. PSC-98-1092-FOF-WS, issued August 12, 1998, in Docket No. 960235-WS, *In re: Application for transfer of Certificate Nos. 404-W and 341-S in Orange County from Econ Utilities Corporation to Wedgefield Utilities, Inc.*; Docket No. 960283-WS, *In re: Application for amendment of Certificates Nos. 404-W and 3410S in Orange County by Wedgefield Utilities, Inc.* (Commissioner Deason dissenting as to the denial of the negative acquisition adjustment).

[16] *Id.* at 22.

[17] Order No. PSC-00-2388-AS-WU at 7, issued on December 13, 2000, in Docket No. 991437-WU, *In re: Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.*

[18] Order No. PSC-01-1554-FOF-WU, issued July 27, 2001, in Docket No. 991437-WU, *In re: Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.*

991437-WU between Wedgefield and OPC that made the interim rates permanent without addressing OPC's requested negative acquisition adjustment.[19]

Contrary to CSWR's position, these cases do not stand for the proposition that "an acquisition adjustment can be requested multiple times, and the Commission has agreed." Rather, these cases demonstrate that to disturb any decision of the Commission to which administrative finality has attached – including the denial of a positive acquisition adjustment – an appropriate change in circumstances or public interest reason must be demonstrated. As discussed above, CSWR has failed to demonstrate a significant change of circumstances sufficient to overcome the prior denials of the three requested positive acquisition adjustments.

4. Res Judicata

CSWR's assertion that OPC is essentially arguing res judicata rather than administrative finality is without merit. Res judicata is a judicial concept that bars relitigation of the same claim between the same parties. However, OPC's argument is focused on the factors relevant to administrative finality, namely, whether there are changed circumstances warranting reconsideration of the denied acquisition adjustments or if an acquisition adjustment is in the public interest. Therefore, CSWR's claim that OPC is arguing res judicata is without merit and irrelevant.

5. Dismissal Without Prejudice

While staff recommends granting OPC's Motion to Dismiss, staff further recommends not granting the Motion with prejudice. CSWR has failed to demonstrate either a significant change in circumstances or that reversing the prior denials of its acquisition adjustment requests is in the public interest. Therefore, dismissal is appropriate. However, pursuant to Section 120.569(2)(c), F.S., dismissal should be without prejudice at least once to allow a party time to cure the defect in its petition. CSWR should be afforded the opportunity to cure the defects in its petition, if possible, and so OPC's Motion to Dismiss should be granted without prejudice.

II. Retroactive Application of Rule 25-30.0371, F.A.C.

In addition to failing to overcome administrative finality, CSWR is seeking retroactive application of the new rule. While CSWR denies that it is seeking retroactive application of the amended rule, it is asking the Commission to apply the new rule to transfers of systems that took place over two years before the amended rule came into effect. Rather than merely clarify or restate the old rule, the new rule was a substantive rewrite of the Commission's acquisition adjustment policy, such that retroactive application is inappropriate.[20] Furthermore, the Commission should not apply new rules retroactively absent express language or intent in the rule for retroactive application.[21] In the instant rule, there is no such retroactive application and so CSWR's argument fails.

[19] Order No. PSC-02-0391-AS-WU, issued March 22, 2002, in Docket No. 991437-WU, *In re: Application for rate increase in water rates in Orange County by Wedgefield Utilities, Inc.*
[20] *Envtl. Trust v. Dept. of Envtl. Prot.*, 714 So. 2d 493, 500 (Fla. 1st DCA 1998).
[21] *Jordan v. Dept. of Prof. Reg.*, 522 So. 2d 450, 453 (Fla. 1st DCA 1988).

III. OPC's Alternative Motion for Summary Final Order

If the Commission approves staff's recommendation to grant OPC's Motion to Dismiss then OPC's Alternative Motion for Summary Final Order would become moot. If, however, the Commission denies OPC's Motion to Dismiss, staff recommends that the Commission deny OPC's Alternative Motion for Summary Final Order. A Summary Final Order is only appropriate where (1) no genuine issue as to any material fact exists, and (2) the moving party is entitled as a matter of law to the entry of a final summary order. Summary final judgment is therefore generally appropriate only after discovery on all factual issues has been completed. In the instant case, CSWR asserts that there are changed circumstances that warrant consideration of a positive acquisition adjustment. As such, an issue as to a material fact exists such that a Summary Final Order is inappropriate in this case. Further, no discovery has been conducted with respect to CSWR's three petitions for positive acquisition adjustment. Under these circumstances, the Commission should deny OPC's Alternative Motion for Summary Final Order.

Conclusion

Staff recommends that OPC's Motion to Dismiss should be granted in part and denied in part. Dismissal is appropriate and should be granted, however, the Motion to Dismiss should not be granted with prejudice. Administrative finality has attached to the prior denials of CSWR's requested acquisition adjustments and CSWR has not demonstrated a significant change in circumstances or that it is in the public interest to reverse the Commission's prior denials. Furthermore, CSWR is improperly seeking retroactive application of Rule 25-30.0371, F.A.C. However, CSWR should be allowed the opportunity to cure the defect in its petition to demonstrate either a change of circumstances or that reversing the prior denials is in the public interest. Therefore, the motion should not be granted with prejudice. If the Commission approves staff's recommendation to grant OPC's Motion to Dismiss, then OPC's Alternative Motion for Summary Final Order would become moot. If, however, the Commission denies OPC's Motion to Dismiss, staff recommends that the Commission deny OPC's Alternative Motion for Summary Final Order.

Issue 3: Should OPC's Motion to Hold Docket No. 20250052-WS in Abeyance be granted?

Recommendation: If the Commission approves staff's recommendation in Issue 2, OPC's request to hold Docket No. 20250052-WS in abeyance is moot. If staff's recommendation in Issue 2 is denied, OPC's Motion to Hold Docket No. 20250052-WS in Abeyance should be denied. (Sandy)

Staff Analysis:

Motion for Abeyance

OPC's Motion includes a request to hold CSWR's pending rate case in abeyance until the Commission has disposed of CSWR's requests for positive acquisition adjustments.[22] OPC states that under Rule 28-106.211, F.A.C. the presiding officer may issue any orders necessary to "effectuate discovery, to prevent delay, and to promote the just, speedy, and inexpensive determination of all aspects of the case." OPC contends that because acquisition adjustments are inextricably intertwined with rates, the parties would incur unnecessary rate case expense by litigating the issue in the acquisition adjustment and rate case dockets simultaneously. (OPC Motion 6) Furthermore, OPC notes that without an abeyance, the parties would be subject to multiple sets of MFRs in the rate case, leading to confusion and yet more unnecessary rate case expense. (OPC Motion 6)

CSWR's Response

On April 24, 2025, CSWR filed its Response to OPC's Motion. CSWR contends that OPC is seeking to deprive the Utility of its statutory and due process rights to fix rates which are just, reasonable, compensatory, and not unfairly discriminatory. (CSWR Response 19) CSWR contends that an abeyance would create the very delay in its rate case that Rule 28-106.211, F.A.C. is meant to avoid. (CSWR Response 20) Further, CSWR contends it is currently operating at a substantial loss, and any delay in its rate case would force the Utility to continue operating at a loss, therefore denying it just, reasonable, and compensatory rates. (CSWR Response 21-22)

Staff Analysis

OPC correctly states that under Rule 28-106.211, F.A.C., the presiding officer has the power to grant an abeyance if he deems it necessary. However, staff disagrees that an abeyance is necessary or appropriate in this instance. OPC's Motion to Dismiss CSWR's acquisition adjustment petitions, if granted, would be dispositive of those dockets. If the Commission grants staff's recommendation in Issue 2, the parties' arguments related to holding Docket No. 20250052-WS in Abeyance become moot, because there would be no concurrent litigation of both the acquisition adjustment and rate case dockets.

[22] Per the letter approving CSWR's test year, the Utility is expected to file its minimum filing requirements no later than May 23, 2025. (DN 02687-2025)

If the Commission denies staff's recommendation in Issue 2 and the acquisition adjustment petitions are allowed to proceed, staff recommends that the request for abeyance should still be denied. If CSWR's requests for acquisition adjustments were to proceed concurrently with the Utility's rate case, the effect on the rate case MFRs would be de minimis. In at least two recent rate proceedings, the Commission has allowed filings with multiple sets of MFRs without bifurcation or holding any part of the proceeding in abeyance.[23] Consequently, staff does not believe that any additional expense would rise to the level necessary to hold the pending rate case in abeyance. Ultimately, OPC has not stated sufficient grounds to disrupt a utility's statutory right to pursue timely rate relief under Section 367.081, F.S.

Conclusion

If the Commission approves staff's recommendation in Issue 2, OPC's request to hold Docket No. 20250052-WS in abeyance is moot. If staff's recommendation in Issue 2 is denied, OPC's Motion to Hold Docket No. 20250052-WS in Abeyance should be denied.

[23] *See* Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC;* Docket No. 20240026-EI, *In re: Petition for rate increase by Tampa Electric Company;* and Docket No. 20250011-EI, *In re: Petition for rate increase by Florida Power & Light Company.*

Issue 4: Should these dockets be closed?

Recommendation: After the final order is issued, Docket Nos. 20250038-WS, 20250043-WS, and 20250047-WS should be closed. Docket No. 20250052-WS should remain open to allow the Commission to address CSWR's requested rates. (Dose)

Staff Analysis: After the final order is issued, Docket Nos. 20250038-WS, 20250043-WS, and 20250047-WS should be closed. Docket No. 20250052-WS should remain open to allow the Commission to address CSWR's requested rates.

Item 3

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Quigley, D. Buys, Higgins) *ALM*
Office of the General Counsel (Bloom) *JSC*

RE: Docket No. 20250059-GU – Petition requesting approval of an updated AFUDC rate of 7.72%, effective January 1, 2025, by Florida City Gas.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Florida City Gas's (FCG or Company) currently approved Allowance for Funds Used During Construction (AFUDC) rate of 5.85 percent has been in effect since July 1, 2023.[1] On December 1, 2023, Chesapeake Utilities Corporation completed the acquisition of FCG from Florida Power & Light Company (FPL). The significance of this acquisition was that FCG's weighted average cost of capital increased by approximately 180 basis points as it transitioned from using the investor sources of capital and capital structure provided under FPL's ownership to the capital structure and cost rates under Chesapeake Utilities Corporation's ownership. On April 9, 2025, FCG filed a petition requesting approval of an updated AFUDC rate of 7.72 percent effective January 1, 2025. As required by Rule 25-7.0141(5), Florida Administrative Code (F.A.C.), FCG

[1]Order No. PSC-2023-0376-PAA-GU, issued December 19, 2023, in Docket No. 20230108-GU, *In re: Request for approval to establish allowance for funds used during construction (AFUDC) rate of 5.85 percent, effective July 1, 2023, by Florida City Gas.*

included Schedules A, B, and C which identify the capital structure, capital structure adjustments, and the methodology used to calculate the monthly AFUDC rate. Staff reviewed the schedules and determined that FCG did not provide all the information as required by Rule 25-7.01(5), F.A.C. On April 22, 2025, FCG filed revised Schedules A, B, and C including a revised long-term debt cost rate which lowered the Company's requested AFUDC rate to 7.65 percent.[2]

The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

[2] Document No. 03060-2025

Discussion of Issues

Issue 1: Should the Commission approve FCG's request to establish an AFUDC rate of 7.65 percent?

Recommendation: Yes. The appropriate AFUDC rate for FCG is 7.65 percent based on a 13-month average capital structure for the period ended December 31, 2024. (Quigley)

Staff Analysis: FCG filed a revised petition requesting approval of an AFUDC rate of 7.65 percent. Rule 25-7.0141(3), F.A.C., Allowance for Funds Used During Construction, provides the following guidance:

> (3) The applicable AFUDC rate will be determined as follows:
>
> (a) The most recent 13-month average embedded cost of capital, except as noted below, will be derived using all sources of capital and adjusted using adjustments consistent with those used by the Commission in the utility's last rate case.
>
> (b) The cost rates for the components in the capital structure will be the midpoint of the last allowed return on common equity, the most recent 13-month average cost of short-term debt and customer deposits, and a zero cost rate for deferred taxes and all investment tax credits. The cost of long-term debt and preferred stock will be based on end of period cost. The annual percentage rate must be calculated to two decimal places.

In support of its requested AFUDC rate of 7.65 percent, FCG provided its calculations and capital structure in revised Schedules A and B. Staff reviewed the schedules and determined that the proposed rate was calculated in accordance with Rule 25-7.0141(3), F.A.C. In Schedule A, the Company appropriately used the mid-point return on equity of 9.50 percent, which was approved by Order No. PSC-2023-0177-FOF-GU.[3] The increase in the AFUDC rate is due to an increase of 135 basis points in the weighted average cost rate of long-term debt, an increase of 31 basis points in the weighted average cost rate of short-term debt, and an increase of 16 basis points in the weighted average cost rate of common equity; offset by a decrease of 2 basis points in the weighted average cost rate of customer deposits. The AFUDC rate calculation and capital structure are presented in Attachment 1.

Based on its review, staff believes that the requested AFUDC rate of 7.65 percent is appropriate, consistent with Rule 25-7.041, F.A.C., and should be approved.

[3]Order No. PSC-2023-0177-FOF-GU, issued June 9, 2023, in Docket No. 20220069-GU, *In re: Petition for rate increase by Florida City Gas.*

Issue 2: What is the appropriate monthly compounding rate to achieve FCG's requested annual AFUDC of 7.65 percent?

Recommendation: The appropriate compounding rate to achieve an annual AFUDC rate of 7.65 percent is 0.006162. (Quigley)

Staff Analysis: FCG requested a revised monthly compounding rate of 0.006162 to achieve an annual AFUDC rate of 7.65 percent. In support of the requested monthly compounding rate of 0.006162, the Company provided its calculations in revised Schedule C attached to its request. Rule 25-6.0141(4)(a), F.A.C., provides the following formula for discounting the annual AFUDC rate to reflect monthly compounding:

M=[((1+A/100)1/12)-1] x 100

Where: M = Discounted monthly AFUDC rate.

A = Annual AFUDC rate.

The rule also requires that the monthly compounding rate be calculated to six decimal places.

Staff reviewed the Company's calculation and determined it was derived in accordance with Rule 25-6.0141(4), F.A.C., as presented in Attachment 2. Therefore, staff recommends that a monthly compounding AFUDC rate of 0.006162 be approved.

Issue 3: Should the Commission approve FCG's requested effective date of January 1, 2025, for implementing the AFUDC rate?

Recommendation: Yes. The AFUDC rate should be effective January 1, 2025, for all purposes. (Quigley)

Staff Analysis: FCG's requested AFUDC rate was calculated using the most recent 13-month average capital structure for the period ended December 31, 2024. Rule 25-7.0141(6), F.A.C., provides that:

> No utility may charge or change its AFUDC rate without prior Commission approval. The new AFUDC rate will be effective the month following the end of the 12-month period used to establish that rate and may not be retroactively applied to a previous fiscal year unless authorized by the Commission.

The Company's requested effective date of January 1, 2025, complies with the requirement that the effective date does not precede the period used to calculate the rate, and therefore, should be approved.

Issue 4: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Bloom)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

FLORIDA CITY GAS
CAPITAL STRUCTURE USED FOR THE REQUESTED AFUDC RATE
AS OF DECEMBER 31, 2024

COMPANY AS FILED

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	WEIGHTED COST OF CAPITAL
COMMON EQUITY	$235,328,845	46.76%	9.50%	4.44%
LONG-TERM DEBT	$215,852,423	42.89%	6.54%	2.80%
SHORT-TERM DEBT	$34,694,377	6.89%	5.87%*	0.40%
CUSTOMER DEPOSITS	$3,168,105	0.63%	2.31%*	0.01%
DEFERRED INCOME TAXES	$5,051,503	1.00%	0.00%	0.00%
REGULATORY TAX LIABILITY	$9,225,469	1.83%	0.00%	0.00%
TOTAL	**$503,320,722**	**100.00%**		**7.65%**

* 13-MONTH AVERAGE

FLORIDA CITY GAS
METHODOLOGY FOR MONTHLY COMPOUNDING AFUDC RATE
AS OF DECEMBER 31, 2024

STAFF RECOMMENDED

MONTHS	AFUDC BASE	MONTHLY AFUDC RATE	CUMULATIVE AFUDC RATE
1	1.000000	0.006162	0.006162
2	1.006162	0.006200	0.012362
3	1.012362	0.006238	0.018600
4	1.018600	0.006277	0.024877
5	1.024877	0.006315	0.031192
6	1.031192	0.006354	0.047546
7	1.037546	0.006393	0.043940
8	1.043940	0.006433	0.050372
9	1.050372	0.006472	0.056845
10	1.056845	0.006512	0.063357
11	1.063357	0.006552	0.069909
12	1.069909	0.006593	**0.076502**

Annual Rate (R) = 0.0765
Monthly Rate = ((1+R)^(1/12))-1 = 0.006162

Item 4

FILED 5/21/2025
DOCUMENT NO. 03818-2025
FPSC - COMMISSION CLERK

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (McGowan, D. Buys, Higgins) ALM
Office of the General Counsel (Bloom) JSC

RE: Docket No. 20250006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Section 367.081(4)(f), Florida Statutes (F.S.), authorizes the Commission to establish, not less than once each year, a leverage formula to calculate a reasonable range of return on equity (ROE) for water and wastewater (WAW) utilities. The original version of the current leverage formula methodology was established by Order No. PSC-2001-2514-FOF-WS.[1] On October 23, 2008, the Commission held a formal hearing in Docket No. 20080006-WS to allow interested parties to provide testimony regarding the validity of the leverage formula.[2] Based on the record

[1]Order No. PSC-2001-2514-FOF-WS, issued December 24, 2001, in Docket No. 20010006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

[2]At the May 20, 2008, Commission Conference, upon request of the Office of Public Counsel, the Commission voted to set the establishment of the appropriate leverage formula directly for hearing.

in that proceeding, the Commission approved the 2008 leverage formula by Order No. PSC-2008-0846-FOF-WS.[3] In that order, the Commission reaffirmed the methodology that was previously approved by Order No. PSC-2001-2514-FOF-WS.[4]

On November 8, 2017, Commission staff held a workshop to solicit input from interested persons regarding potential changes to the current leverage formula methodology. The only stakeholders that filed comments in the docket were the Office of Public Counsel (OPC) and Sunshine Water Services Company (formerly Utilities, Inc. of Florida). OPC also filed post-workshop comments on January 31, 2018. On June 26, 2018, the Commission approved the current leverage formula by Order No. PSC-2018-0327-PAA-WS.[5] The June 2018 Order approving the current leverage formula provided necessary and timely updates to the leverage formula methodology.

The Commission has jurisdiction pursuant to Section 367.081, F.S.

[3]Order No. PSC-2008-0846-FOF-WS, issued December 31, 2008, in Docket No. 20080006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

[4]Order No. PSC-2001-2514-FOF-WS, issued December 24, 2001, in Docket No. 20010006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

[5]Order No. PSC-2018-0327-PAA-WS, issued June 26, 2018, in Docket No. 20180006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

Discussion of Issues

Issue 1: What is the appropriate range of returns on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.?

Recommendation: The appropriate range of returns on common equity is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity. This range was determined using the leverage formula methodology approved by Order No. PSC-2018-0327-PAA-WS applied to a proxy group comprised of natural gas and WAW utilities using the most recent financial data. Accordingly, the following leverage formula should be used until this matter is addressed again in 2026:

ROE = 7.17% + (1.337 ÷ Equity Ratio)

Where the Equity Ratio = Common Equity ÷ (Common Equity + Preferred Equity + Long-Term Debt + Short-Term Debt)

Range: 8.51% at 100% equity to 10.51% at 40% equity

The Commission should cap returns on common equity at 10.51 percent for all WAW utilities with equity ratios less than 40 percent. Imposing a cap serves to discourage imprudent financial risk. This cap is consistent with the methodology approved by Order No. PSC-2018-0327-PAA-WS. (McGowan)

Staff Analysis: Section 367.081(4)(f), F.S., authorizes the Commission to establish a leverage formula to calculate a reasonable range of returns on common equity for WAW utilities. The Commission must establish this leverage formula not less than once a year. For administrative efficiency, the leverage formula is used to determine the appropriate ROE for an average Florida WAW utility. However, use of the leverage formula by the utilities is discretionary and a utility may file cost of equity testimony in lieu of using the leverage formula. If one or more parties in a rate case or limited proceeding file testimony in lieu of using the leverage formula, the Commission will determine the ROE based on the evidentiary record in that proceeding.

Methodology

In the instant docket, staff updated the current leverage formula using the most recent financial data applied to the methodology approved by Order No. PSC-2001-2514-FOF-WS, reaffirmed by Order No. PSC-2008-0846-FOF-WS, and modified by Order No. PSC-2018-0327-PAA-WS. The methodology uses ROEs derived from widely accepted financial models applied to an index of natural gas and WAW companies that have actively traded stock and forecasted financial data. To establish the proxy group, staff selected five natural gas companies and six WAW companies that derive at least 50 percent of their total revenue from regulated operations and have a Standard & Poor's (S&P) credit rating. These selected companies have market power and are influenced significantly by economic regulation and have an average S&P bond rating of 'A-'.

Consistent with the approved methodology, staff used a market capitalization weighted average for: (1) the Discounted Cash Flow (DCF) model results, (2) the Beta values in the Capital Asset Pricing Model (CAPM), and (3) the equity ratio of the proxy group.

Assumed Cost of Debt

Staff used a projected yield on Corporate Baa bonds to estimate the bond yield of an average Florida WAW utility in the calculation of the weighted average cost of capital of the proxy group. A projected yield is used because required returns are forward looking and based on projections.

Consistent with the methodology approved by Order No. PSC-2018-0327-PAA-WS, staff used the average of the projected Corporate Baa rated bond yield of 6.050 percent for the upcoming four quarters as published in the May 1, 2025 Blue Chip Financial Forecast (Blue Chip). Staff then added the 120-month historical average spread of 0.121 percent between the Baa and A Corporate Utility Bond yields to the projected Corporate Baa rated bond yield of 6.050 percent to estimate a projected Baa3 rated utility bond yield of 6.17 percent.[6]

Staff added a 50 basis point adjustment for small-company risk and a 50 basis point adjustment for a private placement premium to the projected Baa3 rated utility bond yield of 6.17 percent to reflect the risk for a typical Florida WAW utility, which resulted in a projected assumed debt cost rate of 7.17 percent.

$$6.050\% + 0.121\% + 0.50\% + 0.50\% = 7.17\%$$

Estimated Cost of Equity

The current leverage formula relies on two ROE models described below. Staff adjusted the results of these models to reflect differences in risk and debt cost between the proxy group and the average Florida WAW utility. Both of the ROE models include an adjustment of approximately four percent for flotation costs. The ROE models are as follows:

A multi-stage DCF model applied to an index of natural gas and WAW utilities that have publicly traded stock and are followed by Value Line. This DCF model is an annually compounded model and uses prospective dividend growth rates as published by Value Line.

A CAPM that relies on a market return for companies followed by Value Line, the average projected yield on the U.S. Treasury's 30-year bonds as of May 1, 2025, published by Blue Chip, and the weighted average beta for the index of natural gas and WAW utilities. The market return for the CAPM was calculated using a quarterly DCF model with stock prices as of May 9, 2025. Consistent with the Commission's approved methodology since 2001, the CAPM result was adjusted upward by 20 basis points to reflect flotation costs.

Consistent with Order No. PSC-2018-0327-PAA-WS, staff averaged the results of the DCF and CAPM models and adjusted the result of 8.60 percent as follows:

A bond yield differential of 36 basis points was added to reflect the difference in yields between an A-/A3 rated bond, which is the median bond rating for the combined utility index, and a

[6]Staff relied on the A and Baa/BBB rated Corporate Utility Bond yields published by Value Line's Selection & Opinion from April 2015 through March 2024 (108 months). On November 29, 2024, Value Line discontinued providing the Corporate Utility Bond yields in its Selection & Opinion publication. For April 2024 through March 2025 (12 months), staff relied on the Corporate Aaa and Baa bond yields published by Blue Chip Financial Forecasts in its calculations for the 120-month historical average spread.

BBB-/Baa3 rated bond. Florida WAW utilities are assumed to be comparable to companies with the lowest investment grade bond rating, which is Baa3. This adjustment compensates for the difference between the credit quality of 'A-' rated debt and the assumed lower credit quality of a typical Florida WAW utility.

A private placement premium of 50 basis points is added to reflect the difference in yields on publicly traded debt and privately placed debt, which is illiquid. Investors require a premium for the lack of liquidity of privately placed debt.

A small-utility risk premium of 50 basis points is added because the average Florida WAW utility is too small to qualify for privately placed debt and smaller companies are considered by investors to be more risky than larger companies.

After the above adjustments, the resulting cost of equity estimate of 9.96 percent is included in the weighted average capital structure of the proxy group to derive the leverage formula. The derivation resulted in an adjustment of 56 basis points to reflect an estimated required return of 10.51 percent at an equity ratio of 40 percent. Table 1-1 shows the components that comprise the upper range of the leverage formula.

Table 1-1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Using the most recent financial data in the leverage formula decreases the lower end of the current allowed ROE range by 15 basis points and decreases the upper end of the range by 73 basis points. Overall, the spread between the range of ROE based on the updated leverage formula is 200 basis points (8.51 percent to 10.51 percent). In comparison, the range of ROE for the 2024 leverage formula is 258 basis points (8.66 percent to 11.24 percent). The change in the range from 2024 is due to a decrease of 44 basis points in the average result of the ROE models

(9.04 percent to 8.60 percent), a decrease of 11 basis points in the bond differential (47 basis points to 36 basis points), and a decrease of 17 basis points in the adjustment to reflect the required return at a 40 percent equity ratio (73 basis points to 56 basis points).

The updated leverage formula depends on four basic assumptions:

1) Business risk is similar for all WAW utilities;

2) The cost of equity is an exponential function of the equity ratio but a linear function of the debt to equity ratio over the relevant range;

3) The marginal weighted average cost of investor capital is constant over the equity ratio range of 40 percent to 100 percent; and

4) The debt cost rate at an assumed Moody's Baa3 bond rating, plus a 50 basis point private placement premium and a 50 basis point small-utility risk premium, represents the average marginal cost of debt to an average Florida WAW utility over an equity ratio range of 40 percent to 100 percent.

For these reasons, the leverage formula is assumed to be appropriate for the average Florida WAW utility.

Based on the aforementioned, staff believes the revised leverage formula methodology applied to a proxy group of natural gas and WAW utilities with updated financial data based on market-capitalization weighted averages produces a reasonable range of ROEs for WAW utilities and reflects current financial conditions. As such, staff recommends the following leverage formula be used until a new leverage formula is determined in 2026:

ROE = 7.17% + (1.337 ÷ Equity Ratio)

Where the Equity Ratio = Common Equity ÷ (Common Equity + Preferred Equity + Long-Term Debt + Short-Term Debt).

The appropriate range of ROE is 8.51% at 100% equity to 10.51% at 40% equity.

Additionally, staff recommends that the Commission cap returns on common equity at 10.51 percent for all WAW utilities with equity ratios less than 40 percent. Staff recommends a cap to discourage imprudent financial risk. This cap is consistent with the methodology approved by Order No. PSC-2018-0327-PAA-WS.

Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant. (Bloom)

Staff Analysis: Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

SUMMARY OF RESULTS
2025 Water and Wastewater Leverage Formula

	Currently In Effect	Updated Results
(1) DCF ROE for Proxy Group	7.91%	7.25%
(2) CAPM ROE for Proxy Group	10.17%	9.94%
AVERAGE	9.04%	8.60%
Bond Yield Differential	0.47%	0.36%
Private Placement Premium	0.50%	0.50%
Small-Utility Risk Premium	0.50%	0.50%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.73%	0.56%
Cost of Equity for Average Florida WAW Utility at 40% Equity Ratio	11.24%	10.51%

2024 Leverage Formula (Currently in Effect)
Return on Common Equity = 6.94% + (1.719 ÷ Equity Ratio)
Range of Returns on Equity = 8.66% to 11.24%

2025 Leverage Formula (Updated Results)
Return on Common Equity = 7.17% + (1.337 ÷ Equity Ratio)
Range of Returns on Equity = 8.51% to 10.51%

Marginal Cost of Investor Capital
Average Water and Wastewater Utility

Capital Component	Ratio	Marginal Cost Rate	Weighted Marginal Cost Rate
Common Equity	47.97%	9.96%	4.78%
Total Debt	52.03%	7.17%*	3.73%
	100.00%		8.51%

A 40% equity ratio is the floor for calculating the required return on common equity.
The return on equity at a 40% equity ratio: 7.17% + (1.337 ÷ 0.40) = 10.51%

Marginal Cost of Investor Capital
Average Water and Wastewater Utility at 40% Equity Ratio

Capital Component	Ratio	Marginal Cost Rate	Weighted Marginal Cost Rate
Common Equity	40.00%	10.51%	4.21%
Total Debt	60.00%	7.17%*	4.30%
	100.00%		8.51%

Where the Equity Ratio = Common Equity ÷ (Common Equity + Preferred Equity + Long-Term Debt + Short-Term Debt)
*Assumed Baa3 rate for April 2025 plus a 50 basis point private placement premium and a 50 basis point small-utility risk premium.

Sources:
Blue Chip Financial Forecasts
Value Line Selection & Opinion
Company 10-K Filings

Discounted Cash Flow Model Results
April 1, 2025 – April 30, 2025

COMPANY	STOCK PRICE High	Low	Avg.	DCF Results	Weight	DCF Weighted Results
Atmos Energy Corporation	161.49	141.59	151.54	6.97%	23.47%	1.63%
NiSource Inc.	40.73	35.64	38.19	7.69%	18.48%	1.42%
Northwest Natural Holding	44.38	38.94	41.66	7.83%	1.66%	0.13%
ONE Gas, Inc.	79.24	69.75	74.50	6.95%	4.15%	0.29%
Spire Inc.	79.81	71.28	75.55	7.26%	4.36%	0.32%
American States Water	81.52	73.80	77.66	8.01%	3.01%	0.24%
American Water Works	155.50	137.41	146.46	6.77%	28.25%	1.91%
California Water Service	51.63	46.60	49.12	8.29%	2.80%	0.23%
Essential Utilities, Inc.	41.65	36.72	39.19	7.82%	10.90%	0.85%
Middlesex Water	67.09	59.37	63.23	8.92%	1.14%	0.10%
H2O America (f/k/a SJW Group)*	57.17	49.42	53.30	6.94%	1.77%	0.12%
				Average Weighted DCF Result:		**7.25%**

The ROE of 7.25% represents the expected cost of equity required to match the average stock price, less three percent for flotation costs, with the present value of expected cash flows.

*SJW Group changed its name to H2O America on May 6, 2025.

Sources:
Stock prices obtained from Yahoo Finance for the 30-day period April 1, 2025 through April 30, 2025.
Natural Gas company dividends, earnings, and ROE obtained from Value Line Ratings & Reports issued February 21, 2025.
Water and Wastewater company dividends, earnings, and ROE obtained from Value Line Ratings & Reports issued April 4, 2025.

Capital Asset Pricing Model Cost of Equity for
Water and Wastewater Industry

CAPM analysis formula

K = RF + Beta (MR - RF) + 0.20%

K = Investor's required rate of return

RF = Risk-free rate
(May 2025 Blue Chip forecast for 30-year U.S. Treasury Bond Yield)

3Q 2025	4Q 2025	1Q 2026	2Q 2026	3Q 2026
4.50%	4.50%	4.40%	4.40%	4.40%

Average = 4.44%

Beta = Measure of industry-specific risk (market cap weighted average for the proxy group of natural gas and WAW utilities)

MR = Market Return (Value Line Investment Analyzer Web Browser)

9.94% = 4.44% + 0.884 (10.43% - 4.44%) + 0.20%

Note:
Staff calculated the market return using a quarterly DCF model for a large number of dividend paying stocks followed by Value Line. As of May 9, 2025, the result was 10.43%. The market return is adjusted to reflect a flotation cost of three percent for the companies included in the DCF market return calculation. Staff added 20 basis points to the CAPM result to reflect flotation costs for the proxy group.

Bond Yield for Water and Wastewater Industry

Credit Rating	(A)	Spread	(A-)	Spread	(BBB+)	Spread	(BBB)	Spread	(BBB-)
		NA		0.121		0.121		0.121	

120-Month Avg. Spread: 0.121%

Total Equity Bond
Yield Differential: 0.121% × 3 = 0.363%

	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Forecast Corporate Baa Bond Yield	6.10%	6.10%	6.00%	6.00%

Average Forecasted Corporate
Baa Bond Rate: 6.050%

Assumed Bond Yield for Baa3 Utilities: 0.121% + 6.050% = 6.171%

	Currently In Effect	Updated Results
Private Placement Premium	0.50%	0.50%
Small-Utility Risk Premium	0.50%	0.50%
Assumed Bond Yield for Baa3 Utilities	5.94%	6.17%
Assumed Bond Yield for Florida WAW Utilities	6.94%	7.17%

Sources:
Value Line Selection & Opinion and Blue Chip Financial Forecasts (120-Month Avg. Spread)
Blue Chip Financial Forecast issued May 1, 2025 (Forecast Corporate Baa Bond Yield)

2025 Leverage Formula Proxy Group

Company	S&P Bond Rating	Regulated Revenue	V/L Market Capital (in millions)	Equity Ratio	Equity Ratio (Weighted)	Value Line Beta	Value Line Beta (Weighted)
Atmos Energy Corporation	A-	94.00%	$22,600	60.70%	14.25%	0.90	0.2112
NiSource Inc.	BBB+	96.84%	17,800	43.32%	8.01%	0.95	0.1756
Northwest Natural Holding	A-	89.84%	1,600	42.42%	0.70%	0.90	0.0150
ONE Gas, Inc.	A-	98.19%	4,000	48.26%	2.00%	0.85	0.0353
Spire Inc.	BBB+	94.02%	4,200	40.79%	1.78%	0.90	0.0393
American States Water	A	70.10%	2,900	49.74%	1.50%	0.75	0.0226
American Water Works	A	91.05%	27,200	42.40%	11.98%	0.85	0.2401
California Water Service	A+	98.01%	2,700	54.24%	1.52%	0.85	0.0238
Essential Utilities, Inc.	A-	87.67%	10,500	44.61%	4.86%	0.90	0.0981
Middlesex Water	A	92.94%	1,100	53.62%	0.61%	0.80	0.0091
H2O America (f/k/a SJW Group)	A-	97.88%	1,700	42.76%	0.75%	0.80	0.0141
Average	**A-**	**91.87%**	**$8,755**	**47.53%**	**47.97%**	**0.859**	**0.884**

Sources:
Company 10-K Filings
Standard & Poor's (S&P)
Value Line Ratings & Reports

Item 5

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis) LVK
Office of the General Counsel (Farooqi, Marquez) ACH

RE: Docket No. 20250053-EQ – Petition for approval of revisions to standard offer contract and rate schedule COG-2, by Tampa Electric Company.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 20250053-EQ, 20250054-EQ, 20250055-EQ, and 20250056-EQ.

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil-fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan (TYSP). On April 1, 2025, Tampa Electric Company (TECO) filed a petition for approval of its amended standard offer contract based on its 2025 TYSP. The Commission has jurisdiction over this amended standard offer contract, pursuant to Sections 366.04, 366.041, 366.05, 366.055, 366.06, and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the amended standard offer contract and associated rate schedule COG-2 filed by Tampa Electric Company?

Recommendation: Yes. The provisions of TECO's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. (Sanchez)

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs and QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP or, if no avoided unit is identified, its next avoidable planned purchase. TECO has identified a 247 megawatt (MW) natural gas-fueled combustion turbine with an in-service date of January 1, 2031, as the next avoidable planned generating unit based on its current planning process.

Under TECO's standard offer contract, the RF/QF operator commits to certain minimum performance requirements, based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit. In this way, the RF/QF thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator in a situation where one or both parties desire particular contract terms, other than those established in the standard offer.

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case January 1, 2031). Thereafter, they begin receiving capacity payments in addition to firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains TECO's estimates of the annual payments for the normal and levelized capacity payment options available under the revised standard offer contract to an operator with a 50 MW facility, operating at a capacity factor of 80 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (January 1, 2031), and

continue for 10 years, while early and early levelized capacity payments begin five (5) years prior to the in-service date, or January 2026 in this case.

Table 1-Estimated Annual Payments to a 50 MW Renewable Facility (80% Capacity Factor)

Year	Energy Payments	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	$(000)	$(000)	$(000)	$(000)	$(000)
2026	15,257	-	-	3,989	4,505
2027	12,924	-	-	4,055	4,505
2028	16,636	-	-	4,122	4,505
2029	16,404	-	-	4,190	4,505
2030	15,202	-	-	4,260	4,505
2031	13,679	6,804	7,487	4,330	4,505
2032	13,681	6,917	7,487	4,402	4,505
2033	14,373	7,032	7,487	4,475	4,505
2034	14,468	7,148	7,487	4,549	4,505
2035	15,786	7,267	7,487	4,625	4,505
2036	17,270	7,387	7,487	4,701	4,505
2037	18,791	7,510	7,487	4,780	4,505
2038	22,232	7,634	7,487	4,859	4,505
2039	23,376	7,761	7,487	4,940	4,505
2040	26,696	7,890	7,487	5,022	4,505
2041	26,521	8,021	7,487	5,105	4,505
2042	28,301	8,154	7,487	5,190	4,505
2043	28,028	8,289	7,487	5,276	4,505
2044	28,936	8,427	7,487	5,364	4,505
2045	29,496	8,567	7,487	5,453	4,505
Total	398,055	114,809	112,299	93,684	90,105
Total (NPV)	195,013	49,147	49,147	49,147	49,147

Source: TECO's Response to Staff's First Data Request.[1]

TECO's amended standard offer contract, in type-and-strike format, is included as Attachment A to this recommendation. The changes made to TECO's tariff sheets are consistent with the updated avoided unit. Revisions include the updates to calendar dates and payment information, which reflect the current economic and financial assumptions for the avoided unit.

[1] Document No. 02956-2025, filed April 17, 2025, in Docket No. 25250053-EQ, *In re: Petition for approval of revisions to standard offer contract and rate schedule COG-2, by Tampa Electric Company.*

Conclusion

The provisions of TECO's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. The Commission should approve the amended standard offer contract and rate schedule COG-2.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, TECO's standard offer contract may subsequently be revised. (Farooqi, Marquez)

Staff Analysis: This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, TECO's standard offer contract may subsequently be revised.

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~TWENTIETH~~ TWENTY-FIRST REVISED SHEET NO. 8.010
CANCELS ~~NINETEENTH~~ TWENTIETH REVISED SHEET NO. 8.010

COGENERATION and SMALL POWER PRODUCTION

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TAMPA ELECTRIC

FIFTH REVISED SHEET NO. 8.015
CANCELS FOURTH REVISED SHEET NO. 8.015

ISSUED BY: G.L. Gillette, President

DATE EFFECTIVE: July 21, 2015

TAMPA ELECTRIC

FOURTH REVISED SHEET NO. 8.020
CANCELS THIRD REVISED SHEET NO. 8.020

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES (QUALIFYING FACILITIES)

SCHEDULE

COG-1, As-Available Energy

AVAILABLE

Tampa Electric Company will purchase energy offered by any Qualifying Facility irrespective of its location, which is directly or indirectly interconnected with the Company, under the provisions of this schedule or at contract negotiated rates. Tampa Electric Company will negotiate and may contract with a Qualifying Facility, irrespective of its location, which is directly or indirectly interconnected with the Company where such negotiated contracts are in the best interest of the Company's ratepayers.

APPLICABLE

To any cogeneration, renewable energy, or small power production Qualifying Facility producing energy for sale to the Company on an As-Available basis. As-Available Energy is described by the Florida Public Service Commission (FPSC) Rule 25-17.0825, Florida Administrative Code (F.A.C.), and is energy produced and sold by a Qualifying Facility on an hour-by-hour basis for which contractual commitments as to the time, quantity, or reliability of delivery are not required. Because of the lack of assurance as to the quantity, time, or reliability of delivery of As-Available Energy, no Capacity Payment shall be made to a Qualifying Facility for delivery of As-Available Energy. Criteria for achieving Qualifying Facility status shall be those set out in FPSC Rule 25-17.080.

CHARACTER OF SERVICE

Purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three phase, 60 Hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering As-Available Energy from the Qualifying Facility.

Continued to Sheet No. 8.030

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC COMPANY

TWENTY-EIGHTH REVISED SHEET NO. 8.030
CANCELS TWENTY-SEVENTH REVISED SHEET NO. 8.030

Continued from Sheet No. 8.020

LIMITATIONS

All service pursuant to this schedule is subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C.

RATES FOR PURCHASES BY THE COMPANY

A. **Capacity Rates**

Capacity payments to Qualifying Facilities will not be paid under this schedule. Capacity payments to small Qualifying Facilities of less than 100 kWs or Solid Waste Facilities may be obtained under either a Standard Offer Contract as described in Schedule COG-2, Firm Capacity and Energy or a negotiated contract.

Capacity payments to Qualifying Facilities of 100 kWs or greater may only be obtained under a negotiated contract as described in FPSC Rule 25-17.0832.

B. **Energy Rates**

As-Available Energy is purchased at a unit cost, in cents per kilowatt-hour (¢/KWH), based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C.

Avoided energy costs include incremental fuel and identifiable variable operation and maintenance expenses. The calculation of payments to the Qualifying Facility shall be based on the energy deliveries from the Qualifying Facility to the Company and the applicable avoided energy rate, in accordance with FPSC Rule 25-17.082, F.A.C. All sales shall be adjusted for losses reflecting delivery voltage.

The methodology to be used in the calculation of the avoided energy cost is described in Appendix A.

C. **Negotiated Rates**

Upon agreement by both the Company and the Qualifying Facility, an alternate contract rate for the purchase of As-Available Energy may be separately negotiated.

Continued to Sheet No. 8.040

ISSUED BY: W. N. Cantrell, President

DATE EFFECTIVE: March 9, 2004

TAMPA ELECTRIC COMPANY **TWENTY-FIFTH REVISED SHEET NO. 8.040**
CANCELS TWENTY-FOURTH REVISED SHEET NO. 8.040

Continued from Sheet No. 8.030

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COST

Upon request by a qualifying facility or any interested person, the Company shall provide within 30 days its most current projections of its generation mix, fuel price by type of fuel, and at least a five year projection of fuel forecasts to estimate future as-available energy prices as well as any other information reasonably required by the qualifying facility to project future avoided cost prices including, but not limited to, a 24 hour advance forecast of hour-by-hour avoided energy costs. The Company may charge an appropriate fee, not to exceed the actual cost of production and copying, for providing such information.

Continued to Sheet No. 8.050

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TECO TAMPA ELECTRIC AN EMERA COMPANY

TWENTY-FOURTH REVISED SHEET NO. 8.050
CANCELS TWENTY-THIRD REVISED SHEET NO. 8.050

Continued from Sheet No. 8.040

DELIVERY VOLTAGE ADJUSTMENT

For purchases from Qualifying Facilities directly interconnected to the Company, the Company's actual hourly avoided energy costs shall be adjusted according to the delivery voltage by the following multipliers:

Voltage Level	Adjustment Factor
Secondary	1.0550
Primary	1.0256
Subtransmission	1.0132

For purchases from Qualifying Facilities not directly interconnected to the Company, any adjustments to the Company's actual hourly avoided energy costs for delivery voltage will be determined based on the Company's current annual system average transmission loss factor.

METERING REQUIREMENTS

The Qualifying Facility within the territory served by the Company shall be required to purchase from the Company the metering equipment necessary to measure its energy deliveries to the Company. Energy purchased from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering As-Available Energy to the Company. Unless special circumstances warrant, meters shall be read at monthly intervals on the approximate corresponding day of each meter reading period.

Hourly recording meters shall be required for Qualifying Facilities with an installed capacity of 100 kilowatts or more. Where the installed capacity is less than 100 kilowatts, the Qualifying Facility may select any one of the following options: **(a)** an hourly recording meter, **(b)** a dual kilowatt-hour register time-of-day meter, or **(c)** a standard kilowatt-hour meter.

For Qualifying Facilities with hourly recording meters, monthly payments for As-Available Energy shall be calculated based on the product of: **(1)** the Company's actual As-Available Energy Payment Rate for each hour during the month; and **(2)** the quantity of energy sold by the Qualifying Facility during that hour.

For Qualifying Facilities with dual kilowatt-hour register time-of-day meters, monthly payments for As-Available Energy shall be calculated based on the product of: **(1)** the average of the Company's actual hourly As-Available Energy Payment Rates for the on-peak and off-peak periods during the month; and **(2)** the quantity of energy sold by the Qualifying Facility during that period.

Continued to Sheet No. 8.060

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2025

TAMPA ELECTRIC COMPANY

SECOND REVISED SHEET NO. 8.060
CANCELS FIRST REVISED SHEET NO. 8.060

Continued from Sheet No. 8.050

For Qualifying Facilities with standard kilowatt-hour meters, monthly payments for As-Available Energy shall be calculated based on the product of: (1) the average of the Company's actual hourly As-Available Energy Payment Rate for the off-peak periods during that month; and (2) the quantity of energy sold by the Qualifying Facility during that month.

For a time-of-day metered Qualifying Facility, the on-peak hours occur Monday through Friday except holidays, April 1 - October 31 from 12 noon to 9:00 p.m. and November 1 - March 31 from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m.. All hours not mentioned above and all hours of the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day are off-peak hours.

BILLING OPTIONS

The Qualifying Facilities may elect to make either simultaneous purchases and sales or net sales. The billing option elected may only be changed in accordance with FPSC Rule 25-17.082:

1. when the Qualifying Facility selling As-Available Energy enters into a negotiated contract or standard offer contract for the sale of Firm Capacity and Energy; or
2. when a Firm Capacity and Energy contract expires or is lawfully terminated by either the Qualifying Facility or Tampa Electric Company; or
3. when the Qualifying Facility is selling As-Available Energy and has not changed billing methods within the last twelve months; and
4. when the election to change billing methods will not contravene the provisions of Rule 25-17.0832 or any contract between the Qualifying Facility and Tampa Electric Company.

If the Qualifying Facility elects to change billing methods in accordance with FPSC Rule 25-17.082, such a change shall be subject to the following provisions:

1. upon at least thirty (30) days advance written notice;

Continued to Sheet No. 8.061

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY **THIRD REVISED SHEET NO. 8.061**
CANCELS SECOND REVISED SHEET NO. 8.061

Continued from Sheet No. 8.060

2. upon the installation by Tampa Electric Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the Qualifying Facility for such metering equipment and its installation; and

3. upon completion and approval by Tampa Electric Company of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the Qualifying Facility for such alterations.

Should a Qualifying Facility elect to make simultaneous purchases and sales, purchases of electric service by the Qualifying Facility from the interconnecting utility shall be billed at the retail rate schedule under which the Qualifying Facility load would receive service as a customer of the utility; sales of electricity delivered by the Qualifying Facility to the purchasing utility shall be purchased at the utility's avoided capacity and energy rates, where applicable, in accordance with Rules 25-17.0825 and 25-17.0832.

Should a Qualifying Facility elect a net billing arrangement, the hourly net energy sales delivered to the purchasing utility shall be purchased at the utilities avoided capacity and energy rates, where applicable, in accordance with Rules 25-17.0825 and 25-17.0832, purchases from the interconnecting utility shall be billed at the retail rate schedule, under which the QF load would receive service as a customer of the utility.

Continued to Sheet No. 8.070

ISSUED BY: W. N. Cantrell, President **DATE EFFECTIVE:** March 9, 2004

TECO TAMPA ELECTRIC AN EMERA COMPANY

FOURTEENTH REVISED SHEET NO. 8.070
CANCELS THIRTEENTH REVISED SHEET NO. 8.070

Continued from Sheet No. 8.061

CHARGES/CREDITS TO QUALIFYING FACILITY

A. Basic Service Charges

A Basic Service Charge will be rendered for maintaining an account for a Qualifying Facility engaged in either an As-Available Energy or Firm Capacity and Energy transaction and for other applicable administrative costs. Actual charges will depend on how the QF is interconnected to the Company.

QFs not directly interconnected to the Company, will be billed $990 monthly as a Basic Service Charge.

Daily Basic Service charges, applicable to QFs directly interconnected to the Company, by Rate Schedule are:

Rate Schedule	Basic Service Charge ($)	Rate Schedule	Basic Service Charge ($)
RS	0.43	GST	0.63
GS	0.63	GSDT (secondary)	1.06
GSD (secondary)	1.06	GSDT (primary)	11.54
GSD (primary)	11.54	GSDT (subtrans.)	35.23
GSD (subtrans.)	35.23	SBDT (secondary)	1.06
SBD (secondary)	1.06	SBDT (primary)	11.54
SBD (primary)	11.54	SBDT (subtrans.)	35.23
SBD (subtrans.)	35.23	GSLDTPR	20.89
GSLDPR	20.89	GSLDTSU	126.72
GSLDSU	126.72	SBLDTPR	21.71
SBLDPR	21.71	SBLDTSU	127.55
SBLDSU	127.55		

When appropriate, the Basic Service Charge will be deducted from the Qualifying Facility's monthly payment. A statement of the charges or payments due the Qualifying Facility will be rendered monthly. Payment normally will be made by the twentieth business day following the end of the billing period.

Continued to Sheet No. 8.071

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2025

TAMPA ELECTRIC COMPANY

FIRST REVISED SHEET NO. 8.071
CANCELS ORIGINAL SHEET NO. 8.071

Continued from Sheet No. 8.070

B. **Interconnection Charge for Non-Variable Utility Expenses:**
The Qualifying Facility shall bear the cost required for interconnection including the metering. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate to be determined by the Company thirty (30) days prior to the date of each payment.

C. **Interconnection Charge for Variable Utility Expenses**
The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include: **(a)** the Company's inspections of the interconnection and **(b)** maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company are involved.

Continued to Sheet No. 8.080

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY **THIRD REVISED SHEET NO. 8.080**
CANCELS SECOND REVISED SHEET NO. 8.080

Continued from Sheet No. 8.071

D. Taxes and Assessments

The Qualifying Facility shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of As-Available Energy produced by the Qualifying Facility.

If the Company obtains any tax savings as a result of its purchases of As-Available Energy produced by the Qualifying Facility, which tax savings would not have otherwise been obtained, those tax savings shall be credited to the Qualifying Facility.

TERMS OF SERVICE

1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.

2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.

3) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:

   A) In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.

   B) For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the utility shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the utility in that month.

Continued to Sheet No. 8.090

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY

FOURTH REVISED SHEET NO. 8.090
CANCELS THIRD REVISED SHEET NO. 8.090

Continued from Sheet No. 8.080

4) The company shall specify the point of interconnection and voltage level.

5) The Company will, under the provisions of this schedule, require an interconnection agreement with the Qualifying Facility using either the Company's filed Interconnection Agreement or a negotiated Interconnection Agreement. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, and may require modifications to the Company's General Standards for Safety and Interconnection where applicable.

6) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

1) Negotiated contracts deviating from the above standard rate schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.

2) In accordance with the provision in Rule 25-17.0883, the Company is required to provide transmission and distribution service to enable a retail customer to transmit electrical power generated at one location to the customer's facilities at another location when provision of such service and its associated charge, terms, and other conditions are not reasonably projected to result in higher cost of electric service to the Company's general body of retail and wholesale customers or adversely affect the adequacy or reliability of electric service to all customers.

   A determination of whether or not transmission service for self-service wheeling is likely to result in higher cost electric service will be made by evaluating the results of an appropriately adjusted FPSC approved cost effectiveness methodology, in addition to other modeling analyses.

3) In accordance with FPSC Rule 25-17.0889, F.A.C., upon request by a Qualifying Facility, the Company shall provide transmission service in accordance with its Open Access Transmission Tariff to wheel As-Available Energy or Firm Capacity and Energy produced by a Qualifying Facility from the Qualifying Facility to another electric utility.

Continued to Sheet No. 8.100

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

SEVENTH REVISED SHEET NO. 8.100
CANCELS SIXTH REVISED SHEET NO. 8.100

Continued from Sheet No. 8.090

4) The rates, terms, and conditions for any transmission and ancillary services provide to a Qualifying Facility shall be those approved by the Federal Energy Regulatory Commission (FERC) and contained in the Company's Open Access Transmission Tariff.

5) A Qualifying Facility may apply for transmission and ancillary services from the Company in accordance with the Company's Open Access Transmission Tariff. Requests for service must be submitted on the Company's Open Access Same-Time Information System ("OASIS"). The Company's contact person, phone number and address is posted and updated on the OASIS and can be viewed by the public on the Internet at the address: http://www.enx.com/FOA_Contacts. html. A copy of the Company's Open Access Transmission Tariff is also posted at the address: http://www.enx.com/FOA/teco_home.html.

6) If the Qualifying Facility is located outside of the Company's transmission area, then the Qualifying Facility must arrange for long term firm third-party transmission, ancillary services and an interconnection agreement on all necessary external transmission paths for the term of the contract.

7) The Company may deny, curtail, or discontinue transmission service to a Qualifying Facility on a non-discriminatory basis if the provision of such service would adversely affect the safety, adequacy, reliability, or cost of providing electric service to the Company's general body of retail and wholesale customers.

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC

SIXTH REVISED SHEET NO. 8.101
CANCELS FIFTH REVISED SHEET NO. 8.101

METHODOLOGY TO BE USED
IN THE CALCULATION OF
AVOIDED ENERGY COST
SCHEDULE COG-1
APPENDIX A

The methodology Tampa Electric (TEC) has implemented in order to determine the appropriate avoided energy costs and any payments thereof to be rendered to qualifying facilities (QFs) is consistent with the provisions of Order No. 23625 in Docket No.891049-EU, issued on October 16, 1990, and with the Amendment of Rules 25-17.080 et seq, Florida Administrative Code.

The avoided energy costs methodology used to determine payments to Qualified Facilities (QFs) on an hourly basis is based on the incremental cost of fuel using the average price of replacement fuel purchased in excess of contract minimums. Generally, avoided energy costs are defined to include incremental fuel, identifiable variable operation and maintenance expenses, identifiable variable purchase power cost, and an adjustment for line losses reflecting delivery voltage.

Under normal conditions the Company will have additional generation resources available which can carry its native load and firm interchange sales without the QF's contribution. When this is the case and the QF is present, the incremental fuel portion of the avoided energy cost is equal to the difference between TEC's production cost at two load levels, with and without the QFs' contribution.

In those situations where the Company's available maximum generation resources not including its minimum operating reserves are insufficient to carry its native load and firm interchange sales, in the absence of the QF contribution, TEC's incremental fuel component of the avoided energy cost will be determined by:

1) system lambda - if "off-system purchases" are not being made and all available generation has been dispatched; or
2) the highest incremental cost of any "off-system purchases" that are being made for native load.

Examples of these situations are found in Exhibits 1-4.

Continued to Sheet No. 8.102

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

THIRD REVISED SHEET NO. 8.102
CANCELS SECOND REVISED SHEET NO. 8.102

Continued from Sheet No. 8.101

The as-available avoided energy cost, as determined by this methodology, is priced at a level not to exceed Tampa Electric's incremental fuel and identifiable variable operating and maintenance (O&M) expenses including the cost of any off-system purchases for native load.

PARAMETERS FOR DETERMINING AS-AVAILABLE AVOIDED ENERGY COSTS

Tampa Electric Company uses production costing methods for determining avoided energy cost payments to qualifying facilities (QFs). Computerized production costing is accomplished on an hourly basis. The parameters used are as follows:

1. The system load is the actual system load at the Hour Ending with the clock hour (HE).

2. The first allocation of load for production costing is to those units that are base loaded at a certain level for operating reasons. The remainder of the load is allocated to units available for economic dispatch through the use of incremental cost curves.

3. The fuel costs associated with each of Tampa Electric's units operating at their allocated level of generation are determined by using the individual units input/output equation, its heat rate performance factor, and the composite price of supplemental fuel.

4. The Company's own production cost for each hour of operation at a particular generation level equals the sum of the individual units' fuel cost for that hour. The production cost, thus determined, consists of the composite price of replacement fuel based on supplemental purchases and the incremental heat rate for the generating system.

5. The Company's total cost equals its own production cost (4. above), identified variable O&M, plus the cost of any off-system purchases to serve native load.

6. Native load includes all firm and non-firm retail load.

7. The cost of off-system firm and non-firm variable purchases is defined as the highest energy cost energy block purchased for native load during the hour.

8. Firm interchange sales are included in production cost calculations.

Continued to Sheet No. 8.103

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010

TAMPA ELECTRIC

FOURTH REVISED SHEET NO. 8.103
CANCELS THIRD REVISED SHEET NO. 8.103

Continued from Sheet No. 8.102

9. The Company's available maximum generation resources in this methodology is defined as the maximum capacity less operating reserve requirements.

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

SUPPLEMENTAL FUEL

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

Continued to Sheet No. 8.104

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013

TAMPA ELECTRIC

THIRD REVISED SHEET NO. 8.104
CANCELS SECOND REVISED SHEET NO. 8.104

Continued from Sheet No. 8.103

AVOIDED ENERGY COST CALCULATIONS

Example 1: No Off-System Purchases, TEC's Generation Is Capable Of Carrying Its Native Load and Firm Sales.

The procedure used to deterministically calculate the incremental avoided energy cost associated with as-available energy on an hour-by-hour basis when no off-system purchases are taking place is as follows:

In these instances, the price per megawatt hour ($/MWH) that Tampa Electric will pay the QFs is determined by calculating the production cost at two load levels.

This first calculation determines TEC's production cost "without" the benefit of cogeneration.

The second calculation determines TEC's production cost "with" the benefit of cogeneration.

After each of the two calculations are made, the avoided energy cost rate is calculated by dividing the difference in production cost between the two calculations described above by the "Standard Tariff Block." [The "Standard Tariff Block" is defined to be an x-megawatt (XMW) block equivalent to the combined actual hourly generation delivered to TEC from all QFs making as-available energy sales to Tampa Electric. In the absence of metered information on exports from a QF making as-available energy sales to Tampa Electric an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MWs and then added to the sum of the other as-available purchases for that hour. Prior to the in-service date of the appropriate designated avoided unit, firm energy sales will be equivalent to as-available sales. Beginning with the in-service date of the appropriate designated avoided unit, firm energy purchases from QFs shall be treated as "as-available" energy for the purposes of determining the XMW block size only during the periods that the appropriate designated avoided unit would not be operated.] The difference in production costs divided by the XMW block determines the As-Available Energy Payment Rate (AEPR) for the hour. The AEPR will be applied to the "Actual" QF megawatts purchased during the hour to determine payment to each QF supplying as-available energy, and each QF supplying firm energy in those instances where the avoided unit would not have been operated during the hour. See Exhibit 1.

Continued to Sheet No. 8.105

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

THIRD REVISED SHEET NO. 8.105
CANCELS SECOND REVISED SHEET NO. 8.105

Continued from Sheet No. 8.104

Example 2: Off-System Purchases Are Not Being Made. TEC's Generation Can Only Carry Its Native Load and Firm Sales With The QF Contribution.

The procedure used to deterministically calculate the incremental avoided energy cost associated with as-available energy on an hour by hour basis whenever Tampa Electric is not purchasing off-system interchange is as follows:

In this instance, the avoided energy cost that Tampa Electric will pay the QFs will be determined by calculating the production cost at the last MW load level. The avoided energy cost is the production cost at system lambda. See Exhibit 2.

In the situation where TEC's generation is not fully dispatched, and additional generation capability is available to price a portion of the QF block, then the QF block will be priced at a combination of the difference between TEC's production cost at two load levels as previously defined and at system lambda. See Exhibit 3.

Example 3: Off-System Purchases Are Being Made To Serve Native Load.

The procedure used to deterministically calculate the incremental avoided energy cost associated with as-available energy on an hour by hour basis whenever Tampa Electric is making off-system purchases for native load is as follows:

In this instance, the price per MWH that Tampa Electric will pay is determined by applying the highest incremental cost of the off-system purchases to the QF block. See Exhibit 4.

DELIVERY VOLTAGE ADJUSTMENT

A credit for avoided line losses reflecting the voltage at which generation by the QFs is received is included in Tampa Electric's procedure for the determination of incremental avoided energy cost associated with as-available energy. Tampa Electric uses the adjustment factors shown on Sheet No. 8.050 for calculating the compensation for avoided line losses at the transmission and distribution system voltage levels based on the appropriate classification of service.

Continued to Sheet No. 8.106

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC COMPANY

SECOND REVISED SHEET NO. 8.106
CANCELS FIRST SHEET NO. 8.106

Continued from Sheet No. 8.105

Example: (Firm Standby Time-of-Day)

Actual Incremental Hourly Avoided Energy Cost is:
$14.80/MWH
Adjustment Factor for Line Losses:
1.0561

The Actual Incremental hourly avoided Energy Cost adjusted for avoided line losses associated with as-available energy provided to Tampa Electric would then become, in this example, $15.63/MWH.

"IDENTIFIABLE" INCREMENTAL VARIABLE O&M

Tampa Electric's methodology for determining incremental avoided energy costs associated with as-available energy includes a procedure for calculating "identifiable" incremental variable O&M (VOM) expense.

A VOM rate ($/MWH) is calculated annually for each Tampa Electric generating group. A generating group comprises units of the same type with similar size and operating characteristics (e.g., Big Bend coal units, Bayside CCs, Polk IGCC, all 180 MW CTs, etc.). The VOM rate for a generating group is calculated by dividing the previous year's identifiable VOM expenses for the group by the previous year's generation in megawatt-hours for the group.

The incremental avoided energy cost associated with as-available energy is adjusted in each hour by the applicable VOM group rate(s) for the generation being avoided in that hour.

Continued to Sheet No. 8.107

ISSUED BY: W. N. Cantrell, President

DATE EFFECTIVE: March 9, 2004

TAMPA ELECTRIC

THIRD REVISED SHEET NO. 8.109
CANCELS SECOND REVISED SHEET NO. 8.109

Continued from Sheet No. 8.107

EXHIBIT 1

Example: No Off-System Purchases, TEC's Generation Is Capable Of Carrying Its Native Load and Firm Sales.

Given:
Actual QF Energy = 50 MWs
TEC's Maximum Available Generation = 1560 MWs
Native Load = 1550 MWs
Firm Sales = 10 MWs

First Calculation ("WITHOUT" QF):
Production Cost at 1560 MWs = $20,275/Hour

Second Calculation ("WITH" QF):
Production Cost at 1510 MWs = $19,500/Hour

Third Calculation (QF Rate $/MWH):
Actual Hourly Avoided Energy Cost =
($20,275/Hour - $19,500/Hour) / (50MW)
or
As-Available Energy Payment Rate (AEPR) = $15.50/MWH

Continued to Sheet No. 8.110

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

SEVENTH REVISED SHEET NO. 8.110
CANCELS SIXTH REVISED SHEET NO. 8.110

Continued from Sheet No. 8.109

EXHIBIT 2

Example: Off-System Purchases Are Not Being Made. TEC's Generation Can Carry Its Native Load and Firm Sales Only With The QF Contribution.

Given:
Actual QF Energy = 50 MWs
TEC's Maximum Available Generation = 1460 MWs
Native Load = 1500 MWs
Firm Sale = 10 MWs

First Calculation:
Production Cost at 1460 MWs = **$18,900/Hour**

Second Calculation:
Production Cost at 1459 MWs = **$18,882.50/Hour**

Third Calculation (QF Rate $/MWH):
Actual Hourly Avoided Energy Cost at 1 MW (System Lambda1) =
($18,900/Hour - $18,882.50/Hour) / (1 MW)

or

As-Available Energy Payment Rate (AEPR) = **$17.50/MWH**

NOTE:
1 In this example, System Lambda is the production cost for the last MW segment to meet the load after dispatching all available generation capacity.

Continued to Sheet No. 8.111

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

FOURTH REVISED SHEET NO. 8.111
CANCELS THIRD REVISED SHEET NO. 8.111

Continued from Sheet No. 8.110

EXHIBIT 3

Example: **Off-System Purchases Are Not Being Made to Serve Native Load and Firm Sales. Available Generation Capacity Is Not Fully Dispatched. Without the QF's Contribution, TEC's Native Load and Firm Sales Can Be Carried Only With Additional Power Purchases.**

Given:

Actual QF Energy = 50 MWs
TEC's Maximum Available Generation = 1530 MWs
TEC's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sale = 1 0 MWs

Step 1 (Calculations for First 30 MWs)

First Calculation ("WITHOUT" QF):
Production Cost at 1530 MWs = $20,590/Hour
Second Calculation ("With" QF):
Production Cost at 1500 MWs = $20,050/Hour
Third Calculation:
Actual Hourly Avoided Energy Cost at 30 MWs =
($20,590/Hour) - ($20,050/Hour) = $540/Hour

Step 2 (Calculations for Remaining 20 MWs)

First Calculation:
Production Cost at 1530 MWs = $20,590/Hour
Second Calculation:
Production Cost at 1529 MWs = $20,571.50/Hour
Third Calculation:
Actual Hourly Avoided Energy Cost at 1 MW (System Lambda [1]) for 20 MWs=
($20,590/Hour- S20,571.50/Hour) X (20 MWs) = $370/Hour

Step 3 (Calculation of Composite Rate for Total 50 MW Block)

Composite Actual Hourly Avoided Energy Cost of 50 MW Block =
($540 + $370)/ 50 MW

or

As-Available Energy Payment Rate (AEPR) = $18.20/MWH

Note: [1] In this example, System Lambda is the production cost for the last MW segment to meet the load after dispatching all available generation capacity.

Continued to Sheet No. 8.112

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

THIRD REVISED SHEET NO. 8.112
CANCELS SECOND REVISED SHEET NO. 8.112

Continued from Sheet No. 8.111

EXHIBIT 4

Example: Off-System Purchases Are Being Made, TEC's Native Load and Firm Sales Can Be Carried Only With Additional Purchase Power.

Given:

Actual QF Energy = 50 MWs
TEC's Maximum Available Generation = 1500 MWs
TEC's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sales = 20 MWs
Off-System Purchases1 = 10 MWs Costing $400/Hour

Actual Incremental Hourly Avoided Energy Cost = $400 / 10 MW

or

AEPR = $40/Hour

NOTE:

1 Off-System Purchase shall be the highest cost purchased energy block bought during the hour for native load.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.202

STANDARD OFFER CONTRACT FOR THE PURCHASE OF CONTRACTED CAPACITY AND ASSOCIATED ENERGY FROM A RENEWABLE GENERATING FACILITY OR A SMALL QUALIFYING FACILITY

This standard offer contract ("Contract") is made and entered into this ___ day of _____, _____ by and between _____, the owner and/or operator of a Facility, as defined below, hereinafter referred to as the "Capacity and Energy Provider" or "CEP" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida (hereinafter referred to as the "Company"). The following documents are attached to this Contract and incorporated herein by reference: Appendix I, Evaluation Procedure for Standard Offer Contracts; Appendix II, COG -2 Standard Offer Contract Rate for Purchase of Contracted Capacity and Associated Energy, including all attached appendices thereto; and Appendix III, Interconnection Agreement. The CEP and the Company are also identified hereinafter individually, as a "Party" and collectively, as the "Parties". This Contract may also be referred to herein as the "Standard Offer Contract."

WITNESSETH:

WHEREAS, the CEP is the owner and/or operator of a Facility; and

WHEREAS, the CEP desires to sell Contracted Capacity and Associated Energy, as those terms are defined below; and

WHEREAS, the Company desires to purchase Contracted Capacity and Associated Energy in accordance with Chapter 366.91 F.S. and Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.310, Florida Administrative Code (F.A.C.) and the Company's Rate Schedule COG-2; and

WHEREAS, the CEP has signed an Interconnection Agreement with the transmission service provider that serves the CEP's Facility, as defined below; and

WHEREAS, such Interconnection Agreement is attached and incorporated hereto as Appendix III; and

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.204
CANCELS ORIGINAL SHEET NO. 8.204

WHEREAS, the Florida Public Service Commission ("FPSC") has approved the form of this Contract for the purchase of Contracted Capacity and Associated Energy from the CEP;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein and other good and valuable considerations the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions:**

   a. **Actual Capacity:** "Actual Capacity" shall mean the amount of Anticipated Capacity, as defined below, that can be made available to the Company at the Delivery Point and which the CEP has confirmed: (1) through performance testing prior to the Commercial In-Service Date, as defined below: and (2) at any time thereafter upon the Company's request.

   b. **Anticipated Capacity:** "Anticipated Capacity" shall mean the amount of capacity that the CEP intends to make available to the Company at the Delivery Point in _____ kW or in _____ MW from the Facility beginning on or before _____, the in-service date of the Designated Avoided Unit, as defined below.

   c. **Associated Energy:** "Associated Energy" shall mean the energy generated at the Facility, as defined below, by the generating source designated to supply Contracted Capacity and which is delivered to the Company at the Delivery Point, as defined below.

   d. **Company Transmission Service:** "Company Transmission Service" shall mean the network transmission service required through the Company's transmission system to deliver Associated Energy from the Delivery Point to the Company's native load customers.

   e. **Construction Commencement Date:** "Construction Commencement Date" shall mean the date on which the CEP's: (1) on-site activity is coordinated and continuous; and (2) active construction efforts are undertaken and on-going relative to the actual construction of major project features other than site preparation work; provided, however, that such date shall occur no later than _____.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.206
CANCELS ORIGINAL SHEET NO. 8.206

f. **Contracted Capacity:** "Contracted Capacity" shall mean the amount of Actual Capacity in _____ kW or in _____ MW that the CEP commits to reserve, make available and supply to the Company from its Facility on a firm, first-call, subordinate-to-no-other-entity-or-party, on-call, as-needed basis, and for which the Company commits to pay the CEP.

g. **Delivery Point:** "Delivery Point" shall mean: (1) the Interconnection Point, as described below, if the Facility is directly interconnected to the Company's transmission system; or (2) a point on the Company's transmission system, mutually agreed to by the Parties, at which the CEP shall deliver Contracted Capacity and Associated Energy via a third-party transmission service provider, if the Facility is not directly interconnected to the Company's transmission system.

h. **Designated Avoided Unit:** "Designated Avoided Unit." shall mean the generating unit, from among those units identified in the Appendices C through F to the Company's COG-2 Tariff as the Company's avoided units, selected by the CEP as the unit the CEP wishes to help avoid, or defer, and upon which capacity and energy payments to the CEP will be based. The CEP selects the Designated Avoided Unit from Appendix _____ of Rate Schedule COG-2.

i. **Eastern Prevailing Time:** "Eastern Prevailing Time" or "EPT" shall mean the time in effect in the Eastern Time Zone of the United States of America, whether Eastern Standard Time or Eastern Daylight Time.

j. **Evaluation Procedure:** "Evaluation Procedure" shall mean the procedure used by the Company to evaluate each eligible standard offer contract received by the Company as to its technical reliability, viability and financial stability, as well as other relevant information, in accordance with FPSC Rule 25-17.0832, F.A.C., and the Company's Procedure for Processing Standard Offer Contracts as defined in Rate Schedule COG-2 The criteria used to evaluate standard offer contracts are attached hereto as Appendix I.

k. **Extended Facility In-Service Date:** "Extended Facility In-Service Date" shall mean an extension of the Facility In-Service Date, as defined below, for a period not to exceed five (5) months which may be granted in accordance with Section 7 below.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.208
CANCELS ORIGINAL SHEET NO. 8.208

l. **Facility:** "Facility" shall mean the CEP's proposed generating facility described in greater detail in Section 2, below.

m. **Facility In-Service Date:** "Facility In-Service Date" shall mean the date on which the Facility is available to supply Contracted Capacity and deliver Associated Energy to the Company (also referred to in the electric power industry as the commercial in-service date or commercial operation date).

n. **FERC:** "FERC" shall mean the Federal Energy Regulatory Commission or any similar or successor governmental body exercising the same or equivalent jurisdiction.

o. **Interconnection Point:** "Interconnection Point" shall mean the plant busbar connection to the high side of the Facility's step-up transformer(s) where Contract Capacity and Associated Energy shall be delivered to the transmission service provider that serves the Facility. The Interconnection Point shall be specified in detail in the Interconnection Agreement (see Appendix III).

p. **Non-Dispatched Capacity:** "Non-Dispatched Capacity" shall mean the amount of Contracted Capacity that the Company declines to schedule or request during any given hour, due to an emergency condition, or any other condition/reason. The Company shall adjust the Dispatch Schedule, as defined below, as soon as practical to reflect the amount of Non-Dispatched Capacity, or ignore scheduled capacity levels altogether (if conditions require immediate action to protect the integrity and/or reliability of the Company's generating system and/or transmission system); however, the Company shall make reasonable efforts to minimize departures from the Dispatch Schedule.

q. **Non-Dispatched Energy:** "Non-Dispatched Energy" shall mean the energy associated with Non-Dispatched Capacity and which the Company declines to accept during any given hour, due to an emergency condition, or any other condition/reason.

r. **Qualifying Facility:** "Qualifying Facility" shall mean a cogeneration facility, or small power production facility, that satisfies the definition of, and qualifies as, a Qualifying Facility in accordance with the provisions of Subpart B of Subchapter K, Part 292 of Chapter I, Title 18, Code of Federal Regulations (C.F.R.), promulgated by the FERC, as the same may be amended from time to time, and must be "new capacity" pursuant to the Public Utilities Regulatory Policies Act of 1978 (PURPA), construction of which began on or after November 9, 1978.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.212
CANCELS ORIGINAL SHEET NO. 8.212

s. **Renewable Generating Facility:** "Renewable Generating Facility" shall mean a generating facility that satisfies the definition of, and qualifies as, a renewable generating facility in accordance with the provisions of Section 366.91, Florida Statutes and Rule 25-17.210 (1), F.A.C.

t. **Small Qualifying Facility:** "Small Qualifying Facility" shall mean a Qualifying Facility with a design capacity of 100 kW or less, as defined by subsection 25-17.080(3), F.A. C.

u. **Third-Party Transmission Services:** "Third-Party Transmission Services" shall mean the firm transmission service(s) and ancillary services required to deliver Contracted Capacity and Associated Energy from the Facility to the Company's transmission system if the Facility is not directly interconnected to the Company's transmission system.

2. **CEP's Proposed Facility:** The CEP contemplates installing and operating a Facility designed to produce a maximum of _____ kilowatts (kW) to be located at _____, which shall be and remain the specific site of the Facility providing Contracted Capacity and Associated Energy under this Contract throughout the Term, as described below, of this Contract. The Facility is designed, operated and controlled to satisfy the interconnection requirements of the Company's transmission system or the third-party transmission service provider that serves the Facility, as applicable. The Facility shall: (a) satisfy the Company's Open Access Transmission Tariff ("OATT") requirements and/or all non-FERC jurisdictional interconnection and/or transmission service agreements required by the CEP to deliver Contracted Capacity and Associated Energy to the Company, as applicable, to be designated a Company network resource and receive network transmission service from the Company; (b) be fully dispatchable in the manner set forth in Appendix __ of Rate Schedule COG-2; and (c) be an existing Renewable Generating Facility or a Small Qualifying Facility or a Renewable Generating Facility or a Small Qualifying Facility that the CEP proposes to construct and operate.

3. **Term:** The "Term" of this Contract shall commence immediately upon its execution by the Parties and shall terminate at 12:01 A.M. on the later of: (a) the last day of the tenth year following the in-service date of the avoided unit, or (b)_____(a date selected by the CEP provided that such date is no later than the day after the last day of the life of the avoided unit identified in Section 1h above).

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.214
CANCELS ORIGINAL SHEET NO. 8.214

4. **Company's Capacity and Energy Purchase Commitment:** The Company agrees to purchase all Contracted Capacity and Associated Energy, excluding Non-Dispatched Energy, generated at the Facility and provided to the Company at the Delivery Point by the CEP pursuant to this Contract, excluding the amount of capacity and energy consumed by the Facility's station service equipment (such as generator auxiliaries, emissions control and monitoring equipment, fuel handling equipment, etc.) and all transmission system losses incurred by the CEP to effect delivery of Contracted Capacity and Associated Energy to the Delivery Point.

5. **Non-Dispatched Capacity and Non-Dispatched Energy Restriction:** To the extent that there is Non-Dispatched Capacity and Non-Dispatched Energy during a given hour, such Non-Dispatched Capacity and Non-Dispatched Energy shall not be made available or sold by the CEP, or otherwise used in any way or disposed of, without the Company's prior written consent.

6. **Responsibilities for Interconnection Service, Third-Party Transmission Service and Company Transmission Service:** It is the responsibility of the CEP to request and secure the required interconnection service from the transmission service provider that serves the CEP's Facility, whether a third-party transmission service provider or the Company transmission service provider. If the Facility is not located within the Company's transmission system, it is the responsibility of the CEP to request and secure the required third-party transmission service(s) required to deliver Contracted Capacity and Associated Energy to the Company's transmission system. It is the responsibility of the CEP to: (i) satisfy the third-party transmission provider's, or the Company's, OATT requirements and/or all non-FERC jurisdictional interconnection and/or transmission service agreements required by the CEP to deliver Contracted Capacity and Associated Energy to the Company, as applicable; (ii) arrange and pay to interconnect the Facility to the third-party transmission service provider; (iii) become and continue to be an eligible customer under the third-party transmission provider's OATT, or the Company's OATT, as applicable, during the Term; and (iv) request and purchase all required firm Third-Party Transmission Services and interconnection service, if applicable, in a timely manner to satisfy the provisions of this Contract.

   If the Facility is located within the Company's transmission system, it is the responsibility of the Company to request and secure the network transmission service required to deliver Contracted Capacity and Associated Energy from the Delivery Point to the Company's native load customers. It is the responsibility of the Company to request and secure network transmission service in a timely manner to satisfy the provisions of this Contract.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

SIXTEENTH REVISED SHEET NO. 8.215
CANCELS FIFTEENTH REVISED SHEET NO. 8.215

Continued from Sheet No. 8.214

7. **Extension of Facility In-Service Date:** The CEP may request and the Company may grant, at its sole discretion, an Extended Facility In-Service Date provided, however, that the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted, or the Extended Facility In-Service Date is not satisfied, the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract, which may be requested by the CEP and may be granted by the Company, at its sole discretion.

8. **Billing Methodology**: The billing methodology applicable to the Company's purchase, and the CEP's sale, of Contract Capacity and Associated Energy pursuant to this Contract shall be: (i) (_____) Net Billing Arrangement; or (ii) (_____) Simultaneous Purchase and Sale Arrangement, such purchases being arranged from the interconnecting utility and sales being made to the Company. Once made, the selection of a billing methodology may only be changed in accordance with FPSC Rule 25-17.082, F.A.C., and shall be in accordance with the following provisions:

   a. upon at least 30 days advance written notice to the Company; and

   b. upon installation by the Company of any additional metering equipment reasonably required to effect the change in billing methodology; and

   c. upon payment by the CEP for such metering equipment and its installation; and

   d. upon the Company's approval and completion of any alterations to the Interconnection Point that are reasonably required to effect the change in billing methodology and upon payment by the CEP for such alterations.

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

Continued to Sheet No. 8.216

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.216
CANCELS FIRST REVISED SHEET NO. 8.216

Continued from Sheet No. 8.215

9. **Payment:**

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

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

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

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

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

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

Continued to Sheet No. 8.218

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

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ORIGINAL SHEET NO. 8.218

of the avoided unit to the extent that the Designated Avoided Unit would have been operated.

The stream of Fixed Energy Payments to the CEP, calculated as stated above, will be provided by the Company within 30 days of the date of request by the CEP.

b. **Contracted Capacity Payment:**

i. **Dispatch Requirements:** In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.

ii. **Commencement of Contracted Capacity Payments:** The CEP elects to receive, and the Company agrees to commence calculating, Contracted Capacity payments in accordance with this Contract starting with the first Monthly Period following _____.

iii. **Contracted Capacity Payment Options:** The following five (5) options are available to the CEP for payment of Contracted Capacity delivered by the CEP:

1. Value of Deferral Capacity Payments;
2. Early Capacity Payments;
3. Levelized Capacity Payments;
4. Early Levelized Capacity Payments; or
5. Other Contracted Capacity Payment Option agreed upon by the Parties that best satisfies the financing requirements of the Facility. Such Other Contracted Capacity Payment Option is described as follows:

_____
_____
_____

The CEP elects to receive Contracted Capacity payments pursuant to option _____ above.

The CEP ____ does ___ does not elect to have Early Capacity Payments consisting of the capital component of the Company's Designated Avoided Unit commence on _____ (a date any time after the actual Facility In-Service date and before the anticipated in-service date of the Company's Designated Avoided Unit).

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.222
CANCELS ORIGINAL SHEET NO. 8.222

Regardless of the Contracted Capacity Payment Option elected by the CEP, the cumulative present value of payments for the Contracted Capacity made to the CEP over the Term shall not exceed the cumulative present value of payments for the Contracted Capacity which would have been made to the CEP had such payments been made pursuant to subparagraph 25-17.0832(4)(g)1., F.A.C. All fixed operation and maintenance expense shall be calculated in conformance with subsection 25-17.0832(6), F.A.C.

At the end of each Monthly Period, beginning with the Monthly Period specified in Section 9.b.ii, the Company will calculate the CEP's Monthly Availability and Capacity Factor. During the Term, if the CEP's Monthly Availability and Capacity Factor equals or exceeds the Minimum Performance Standards (MPS) as set forth for in Rate Schedule COG-2, Appendix __, then the Company agrees to pay the CEP a Monthly Capacity Payment as calculated in paragraph 5 of the section entitled Basis for Monthly Capacity Payment Calculation in Appendix ___ of Rate Schedule COG-2.

The Contracted Capacity payment for a given month during the Term will be added to the Associated Energy payment for such month and tendered by the Company to the CEP as a single payment as promptly as possible, normally by the 20th business day following the day the meter is read or the amount of Associated Energy delivered via the third-party transmission service provider is confirmed by the Company.

10. **Other Contracted Capacity Payment Security Guarantees**: If the CEP selects Option 5 under the Contracted Capacity Payment Options, the following security guarantees will be required: _____.

11. **Construction and Performance Security Guarantees**: The Company requires certain security guarantees to ensure the completion of construction and performance under this Contract in order to protect its ratepayers in the event the CEP fails to deliver Contracted Capacity and Associated Energy in the amount and times specified in this Contract, which shall be in form and substance as described herein. Such security may be refunded in the manner described in Sections 11.a. and 11.b. Pursuant to FPSC Rule 25-17.091, F.A.C., a utility may not require security guarantees from a Municipal Solid Waste Facility as required in FPSC Rule 25-17.0832(2)(d) and (3)(f)(1), F.A.C. However, at its option, a Municipal Solid Waste Facility may provide such risk-related guarantees.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.224
CANCELS FIRST REVISED SHEET NO. 8.224

Continued from Sheet No. 8.222

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

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

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

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

Continued to Sheet No. 8.226

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.226
CANCELS ORIGINAL SHEET NO. 8.226

b. **Performance Security:** Within 60 days after the later of the Facility In-Service Date or the in-service date of the Designated Avoided Unit, the CEP shall pay the Company a deposit in the amount of $30.00/kW of Contracted Capacity as security for the CEP's performance under this Contract. Such security deposit shall be provided in the same manner as the Completion Security deposit as described in Section 11.a. Such Performance Security shall be retained by the Company for 12 months from the later of the Facility In-Service Date or the in-service date of the Designated Avoided Unit.

If, at the end of the 12-month period so described, the Facility's 12-month average of each month's numerical value for both the monthly Availability Factor and the Monthly Capacity Factor meet the Minimum Performance Standards (MPS) for as set forth in Rate Schedule COG-2, Appendix __, then the CEP shall be entitled to a refund of such deposit. However, if at the end of the first 12-month period, the Facility's 12-month average of each month's numerical value for both the Monthly Availability Factor and the Monthly Capacity Factor fail to meet the MPS, then the Company shall be entitled to retain or draw down 50% of such deposit and retain the remainder of the security for an additional 12-month period.

If, at the end of the 24th month, the Facility's 12-month average of each month's numerical value for both the Monthly Availability Factor and the Monthly Capacity Factor again fail to achieve the MPS, for the most recent 12-month period, then the Company shall be entitled to retain the remainder of the security and to terminate this Contract. However, if at the end of the 24th month, the Facility's 12-month average of each month's numerical value for both the Monthly Availability Factor and the Monthly Capacity Factor meet the MPS, for the most recent 12-month period, then the CEP shall be entitled to a refund of the remaining deposit.

For the purpose of this calculation, the 12-month average of a parameter shall be defined to equal the sum of each month's average numerical value for that parameter, for the most recent 12-month period, divided by 12.

12. **Liquidated Damages:** The Parties hereto agree that the Company would be substantially damaged in amounts that would be difficult or impossible to ascertain in the event that the CEP fails to satisfy the Facility In-Service Date or to provide a Facility which meets the MPS. In the event that the Company terminates this Contract for the CEP's failure to achieve the Facility In-Service Date or achieve the MPS once in service, the Company may retain all of the Completion or Performance Security as liquidated damages, not as penalty, in lieu of actual damages and the CEP hereby waives any defenses as to the validity of any such liquidated damages. In the event the

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

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CEP defaults, it forfeits the aforesaid Completion or Performance Security. In addition thereto, the Company shall be entitled to pursue such equitable remedies against the CEP as may be available.

13. **Production and Maintenance Schedule:** During the Term, the CEP agrees to the following:

a. The CEP shall provide the Company in writing prior to April 1st of each calendar year an estimate of the amount of electricity to be generated by the CEP and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages of the Facility or reductions to the amount of Contracted Capacity that the CPE can make available at the Delivery Point.

b. By July 1st of each calendar year, the Company shall notify the CEP in writing whether the requested scheduled maintenance period(s) for the Facility are acceptable. If the Company cannot accept any of the requested period(s), the Company shall advise the CEP of the time period closest to the requested period(s) when the outage(s) can be scheduled. The CEP shall only schedule outages during periods approved by the Company and such approval shall not be unreasonably withheld. Once the schedule has been established and approved, either Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed.

c. During the Term, the CEP shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with the Company. The CEP shall ensure that operating personnel are on duty at all times, twenty-four (24) clock hours per calendar day and seven (7) calendar days per week. Additionally, during the Term, the CEP shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder.

d. The Company shall not be obligated to purchase and may require curtailed or reduced deliveries of Associated Energy, to the extent necessary to maintain the reliability and integrity of any part of the Company's system, or if the Company determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to the Company's Customers. The Company shall give the CEP prior notice, if practicable, of its intent to refuse, curtail or reduce the Company's acceptance of Associated Energy pursuant to this subsection and will act to minimize the frequency and duration of such occurrences.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.232
CANCELS ORIGINAL SHEET NO. 8.232

e. The Company shall not be required to accept or purchase Associated Energy during any period in which, due to operational circumstances, acceptance or purchase of such Associated Energy would result in the Company's incurring costs greater than those which it would incur by generating an equal additional amount of energy with its own resources. The Company shall give the CEP as much prior notice as practicable of its intent not to accept Associated Energy pursuant to this subsection.

f. The CEP shall promptly update the yearly generation schedule and maintenance schedule of the Facility as soon as any change to such schedules are determined to be necessary;

g. The CEP shall comply with reasonable requirements of the Company regarding day-to-day or hour-by-hour communications between the Parties relative to the performance of this Contract.

14. **Dispatch Procedure**: Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Available Schedule"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch Schedule for Fridays will include Saturday, Sunday, and Monday schedules. The CEP's Available Schedule and the Company's Dispatch Schedule during holiday periods will be similarly adjusted to include the holiday period. The CEP shall control and operate the Facility in accordance with the Company's Dispatch Schedule.

From time to time, the Company may be required to adjust the Dispatch Schedule, as described in the definition of Non-Dispatched Capacity, and/or the CEP may be required to adjust the Dispatch Schedule due to an unscheduled or forced outage of all, or a portion of, the Facility; however, each Party shall make reasonable efforts to minimize departures from the Dispatch Schedule.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.234
CANCELS ORIGINAL SHEET NO. 8.234

15. **Additional Criteria:** The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications. Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing during the Term:

    a. The CEP shall provide monthly generation estimates for the Facility by December 1 for the next calendar year; and

    b. The CEP shall promptly update its yearly generation schedule for the Facility when any changes are determined necessary; and

    c. The CEP shall agree to reduce generation from the Facility or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and

    d. The CEP shall coordinate scheduled outages of the Facility with the Company.

16. **Automatic Generation Control:** At the Company's discretion, the CEP will operate the Facility with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.

17. **CEP's Obligation if the CEP Receives Payments Pursuant to Contracted Capacity Payment Options 2, 3, 4, or 5:** The Parties recognize that Rule 25-17.0832, F. A. C., may require the repayment by the CEP of all, or a portion of any, Capacity Payments made to the CEP pursuant to Contracted Capacity Payment Options 2, 3, 4, or 5 of Section 9.b.iii if the CEP fails to perform pursuant to the terms and conditions of this Contract. To ensure that the CEP will satisfy its obligation to make any such repayments, the following provisions will apply:

    The Company shall establish a Repayment Account to accrue the sum of the capacity payments that may have to be repaid by the CEP to the Company. Amounts shall be added to the Repayment Account each month through_____, in the amount of the Company's payments to the CEP for capacity delivered prior to_____. Beginning on _____, the difference between the

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~ELEVENTH~~ TWELFTH REVISED SHEET NO. 8.236
CANCELS ~~TENTH~~ ELEVENTH REVISED SHEET NO. 8.236

Continued from Sheet No. 8.234

Contracted Capacity payment made to the CEP and the "normal" Contracted Capacity payment calculated pursuant to Contracted Capacity payment option 1 (Value of Deferral Payments) in COG-2 will also be added each month to the Repayment Account, so long as the payment made to the CEP is greater than the monthly payment the CEP would have received if it had selected Contracted Capacity Payment Option 1 in Section 6.b.iii. The annual balance in the Repayment Account shall accrue interest at an annual rate of 7.~~407~~569%

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

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

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

Continued to Sheet No. 8.238

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.238
CANCELS FIRST REVISED SHEET NO. 8.238

Prior to receipt of Contracted Capacity Payments pursuant to Contracted Capacity Payment Options 2, 3, 4, or 5, the CEP shall secure its obligation to repay any balance in the Repayment Account in the event the CEP defaults pursuant to this Contract. Such security shall be in the form of cash deposited in an interest bearing escrow account mutually acceptable to the Company and the CEP; an unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or a performance bond in form and substance satisfactory to the Company. The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event of default by the CEP. Florida Statute 377.709(4) requires the local government to refund Early Contracted Capacity Payments should a Municipal Solid Waste Facility owned, operated by or on the behalf of a local government be abandoned, closed down or rendered illegal. Therefore a utility may not require risk-related guarantees from a Municipal Solid Waste Facility as required in FPSC Rule 25-17.0832(2)(c) and (3)(e)(8), F.A.C. However, at its option, a Municipal Solid Waste Facility may provide such risk-related guarantees.

18. **Ownership and Offering For Sale of Renewable Energy Attributes**: A CEP that owns and/or operates a Renewable Generating Facility retains any and all rights to own and sell any and all environmental attributes associated with the electrical generation of such Renewable Generating Facility, including but not limited to any and all renewable energy certificates, "green tags", or other tradeable environmental interests (collectively "RECs"), of any description. In the event that the CEP decides to sell any such environmental attributes during the term of this Contract, the CEP shall provide notice to the Company of its intent to sell such environmental attributes and provide the Company a reasonable opportunity to offer to purchase such environmental attributes.

19. **Changes in Environmental and Governmental Regulations:** This Contract may be re-opened, at the election of either Party, as a result of new environmental and other regulatory requirements enacted during the Term that affect the Company's full avoided costs of the unit on which this Contract is based.

20. **Non-Performance Provisions:** The CEP shall not receive a Contracted Capacity payment during any month during the Term in which the CEP fails to meet the MPS for Monthly Availability and Monthly Capacity Factor of the Company's Designated Avoided Unit as defined in Rate Schedule COG-2, Appendix __. In addition, if for any month starting _____ _____, the CEP fails to achieve the MPS, and the Monthly Contracted Capacity Payment that would have been made to the CEP pursuant

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: August 7, 2009

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

21. **Default:**

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

i. is dissolved (other than pursuant to a consolidation, amalgamation or merger); or

ii. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; or

iii. makes a general assignment, arrangement or composition with or for the benefit of its creditors; or

iv. institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; or

v. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; or

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

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vi. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or

vii. fails to perform in accordance with Section 11.b.

viii. fails to maintain its status as a Renewable Energy Facility or small Qualifying Facility as required herein; or

ix. fails to achieve, on both accounts, a minimum Monthly Availability Factor of fifty percent (50%) and fails to achieve a minimum Monthly Capacity Factor of fifty percent, during the same month, for twelve (12) consecutive months starting .

b. **Optional Default:** The Company may declare the CEP to be in default if:
   i. at any time prior to _____, and after Monthly Contracted Capacity Payments have begun, the Company has sufficient reason to believe that the CEP is unable to deliver the entire amount of Contracted Capacity; or

   ii. after Monthly Capacity Payments have begun, the CEP fails each month, for twenty-four (24) consecutive months, to meet the MPS; or

   iii. the CEP refuses, is unable or anticipatorily breaches its obligation to deliver the entire amount of Contracted Capacity after _____.

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

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

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22. **General Provisions:**

a. **Permits:** The CEP hereby agrees to seek to obtain any and all governmental permits, certifications, or other authority the CEP is required to obtain as a prerequisite to engaging in the activities provided for in this Contract. The Company hereby agrees to seek to obtain, at the CEP's expense, any and all governmental permits, certifications or other authority the Company is required to obtain as a prerequisite to engaging in the activities described in this Contract

b. **Indemnification:** The Company and the CEP shall each be responsible for its own facilities in ensuring adequate safeguards for other Company customers, the Company and Energy Provider personnel and equipment, and for the protection of its own generating system. The Company and the CEP shall each indemnify and save the other harmless from any and all claims, demands, costs, or expense for loss, damage, or injury to persons or property of the other caused by, arising out of, or resulting from:

i. any act or omission by a Party or that Party's contractors, agents, servants and employees in connection with the installation or operation of that Party's generation system or the operation thereof in connection with the other Party's system; and

ii. any defect in, failure of, or fault related to a Party's generation system; and

iii. the negligence of a Party or negligence of that Party's contractors, agents servants and employees; and

iv. any other event or act that is the result of, or proximately caused by a Party.

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

ISSUED BY: C. R. Black, President

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

Tampa Electric Company
c/o Director of Risk Management
Tampa Electric Company
702 North Franklin Street (33602)
P. O. Box 111
Tampa, FL 33601

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

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

iv. The CEP shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company or the Term if the Facility is not interconnected to the Company's transmission system.

d. **Force Majeure:** If either Party shall be unable, by reason of Force Majeure, to carry out its obligations under this Contract, either wholly or in part, the Party so failing shall give written notice and full particulars of such cause or causes to the other Party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended during the continuance of such hindrance, which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this Contract shall be extended for such period as may be necessary for the purpose of making good any suspension so caused. The term "Force Majeure" shall be taken to mean all acts of God, strikes, lockouts or other industrial disturbances at the manufacturing site of the major equipment components or the construction site, wars, blockades, insurrections, riots, arrests and restraints of rules

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and people, explosions, fires, floods, lightning, wind, perils of the sea, accidents to equipment or machinery or similar occurrences; provided, however that no occurrence may be claimed to be a Force Majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the Party attempting to make such claim and specifically does not include interruption in fuel supply. The CEP agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with the Company's system if the same are rendered inoperable due to actions of the CEP, its agents, or Force Majeure events affecting the Facility or the interconnection with the Company.

If the Facility is interconnected to the Company's transmission system, the Company agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by the Company or its agents.

e. **Representations, Warranties, and Covenants of the CEP**
The CEP represents and warrants that as of the date this Contract is executed:

i. **Organization, Standing and Qualification:** The CEP is a (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of and has all necessary power and authority to carry on its business as presently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The CEP is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on the Company.

ii. **Due Authorization, No Approvals, No Defaults, etc.:** Each of the execution, delivery and performance by the CEP of this Contract has been duly authorized by all necessary action on the part of the CEP, does not require any approval, except as has been heretofore obtained, of the (shareholders, partners, or others, as applicable) of the CEP or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the CEP, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the (articles of incorporation, bylaws, or other as applicable) of the CEP, or any agreement,

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

iii. **Compliance with Laws:** The CEP has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The CEP is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the CEP or the Company. By entering into this Contract, the CEP represents and warrants that Facility is a renewable facility pursuant to Rule 25-17.210(1) and(2) F.A.C. or a QF with a design capacity of 100 kW, or less, pursuant to Rule 17.080 F.A.C. and confirms such representation and warranty with the signature of the CEP's authorized representative on this Contract.

iv. **Governmental Approvals:** Except as expressly contemplated herein, neither the execution and delivery by the CEP of this Contract, nor the consummation by the CEP of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the CEP has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).

v. **No Proceedings:** There are no actions, suits, proceedings or investigations pending or, to the knowledge of the CEP, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the CEP's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The CEP has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. CEP is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. **Conditions Precedent:** Notwithstanding any other provisions of this Contract including the provisions of Section 20.b, the Company shall have the right to terminate this Contract by notice to the CEP, without cause, liability or obligation, if

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one or more of the following conditions, after reasonable effort by the CEP, shall not have been or cannot be satisfied in the Company's good faith judgment, and in the time periods described below. The Company in its sole discretion may extend the CEP's time for satisfying these conditions if one or more of the events described below is pending as of such date and it is reasonable to expect that such event will be accomplished within sixty (60) days:

i. The CEP satisfies the Construction Commencement Date;

ii. If the Facility is a small Qualifying Facility, on or before the Facility In-Service Date: The CEP secures certification of the Facility as a Qualifying Facility as defined herein and as certified by the FERC.

iii. If the Facility is a small Qualifying Facility, on or before the Facility In-Service Date, and at all times throughout the remaining Term, such Facility shall maintain its status as a Qualifying Facility as defined herein and as certified by the FERC. By the end of the first quarter of each calendar year, the CEP shall furnish the Company a notarized certificate by an officer of the CEP certifying that the Facility has continuously maintained qualifying status on a calendar year basis since the commencement of the Term.

iv. Within 9 months after the effective date of this Contract: The CEP secures any and all land use and zoning approvals reasonably necessary to obtain construction financing and authorizes the commencement of construction of the Facility on a basis not substantially adverse to the Company;

v. Within 9 months after the effective date of this Contract: The CEP has secured all other environmental and construction permits and other governmental approvals reasonably necessary to obtain construction financing and to begin construction of the Facility on a basis not substantially adverse to the Company;

vi. Within 9 months after the effective date of this Contract: The CEP achieves closing of financing for construction of the Facility;

vii. On or before _____, the CEP provides to the Company written evidence of the rights to adequate fuel supply for the Facility in a form satisfactory to the Company;

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viii. Within 9 months after the effective date of this Contract: The CEP provides evidence in writing in a form satisfactory to the Company indicating and substantiating the ownership of or the right to use the real property at the specific site upon which the Facility will be located; and

ix. Within 9 months after the effective date of this Contract: The CEP provides sufficient information satisfactory to the Company describing the technical capability and experience of the Facility's technology, including the environmental performance of the Facility.

g. **Assignment:** The Company and the CEP shall have the right to assign its benefits under this Contract, but the CEP shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.

h. **Disclaimer:** In executing this Contract, the Company does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the CEP or any assignee of this Contract.

i. **Notification:** For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Contract, the Parties designate the following to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions changing such designate.

For: the CEP

_____
_____
_____
_____
_____
_____

For: the Company

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

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

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

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

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ISSUED BY: C. R. Black, President

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

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

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

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

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

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ISSUED BY: C. R. Black, President

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

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

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

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

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ISSUED BY: C. R. Black, President

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IN WITNESS WHEREOF, CEP and the Company have executed this Contract the day and year first above written.

WITNESSES:

_____
Name of Capacity and Energy Provider

_____ **By:** _____

_____ **Its:** _____

WITNESSES: **Tampa Electric Company**

_____ **By:** _____

_____ **Its:** _____

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

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EVALUATION PROCEDURE
FOR STANDARD OFFER CONTRACTS

Standard Offer Contracts shall be evaluated and then accepted based on meeting specific criteria. This Evaluation Procedure will insure the acceptance of Standard Offer Contracts that meet the Company's needs and are in the best interest of customers.

Each eligible Standard Offer Contract received by the Company will be evaluated as to its technical reliability, viability and financial stability, as well as other relevant information, in accordance with FPSC Rule 25-17.0832, F.A.C., and the Company's Procedure for Processing Standard Offer Contracts as defined in Rate Schedule COG-2.

Energy Providers submitting Standard Offer Contracts to the Company should, at the same time, submit specific information for each of the following evaluation criteria. Failure to provide this information may result in a determination of non-viability by the Company. Each eligible Standard Offer Contract received will be evaluated based upon the information provided in response to the following list of parameters:

EVALUATION PARAMETERS:

1. **Technical Viability:**
   a. What is the technology being proposed?
   b. Has the technology been demonstrated or commercially applied? Please explain.
   c. Has the CEP previously utilized this technology elsewhere?
      Construction: Please provide performance record and experience with project technology.
      Operations: Please provide operator's experience and performance record in comparable facilities.
   d. Has a project feasibility study been conducted by an Independent Engineer to assess the project technology and its potential effect on the project's financial results? Please explain.
   e. What thermal efficiency must be maintained by the unit(s) in order to retain status as a qualifying facility ("QF")?

2. **Fuel Supply:**
   a. What is the primary fuel type?
   b. What are the annual fuel requirements? (primary/alternate)
   c. Has primary fuel supply been secured? Is the fuel supply domestic, cross-border or foreign? What the term of the fuel supply agreement?
   d. Is an alternate fuel required?

ISSUED BY: C. R. Black, President

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e. Has an alternate fuel supply been secured? Is the alternate fuel supply domestic, cross-border or foreign? What is the term of the alternate fuel supply agreement?
f. Have transportation arrangements for both primary and alternate fuels been secured (firm/interruptible, provide detail)?
g. Are the pricing terms of the fuel supply agreement(s) directly tied to the corresponding energy payments?
h. If the fuel is considered to be renewable, please describe the renewable nature of the fuel and the environmental impact of its production and use to generate power.

3. **Reliability:**
   a. Dispatchability: Will the Facility be dispatched on request or will it be base-loaded? Please explain.
   b. QF Status: Has the project obtained FERC certification as a QF? Has application been made for FERC certification? Please explain.
   c. Operations and Maintenance: Who will provide O&M for the Facility: (a) developer; or (b) third party? If third party, please provide the name and address of the third party that will be used and any information that would describe their capability to perform this role.
   d. Thermal Energy Host: If project is QF, provide the following information regarding any thermal energy (e.g. steam) host associated with the project:
      i. Please explain the importance of the energy, taken by the thermal energy host, to the overall operations of the thermal energy host.
      ii. Are there adequate alternative candidates in close proximity to the Facility that could serve as a potential thermal energy host replacement?
      iii. What is the minimum thermal energy "take" necessary for the project to maintain QF status?
      iv. Has a thermal energy host been secured?
      v. Is the thermal energy host already in existence?
      vi. Is it a new thermal energy host? (Is it identifiable?)
      vii. What are the thermal energy host's operating hours?
      viii. Are the thermal energy host's business cycle or thermal requirements seasonal? If so explain.
   e. Permits: What permits or licenses will be required for the project? Have the necessary permits or licenses been secured? What specific environmental considerations must the project meet?
   f. Construction Schedule: Has a construction schedule including milestones been formulated? Please provide detail.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

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g. Site Control: Has the project's location been identified? Has the site been secured? Does the site require specific environmental considerations, i.e. wetlands, etc.? Please explain.

4 **Developer's Qualifications:**

a. Project's Financial Stability: The Company will assess the creditworthiness of the project developer and/or its guarantor, if any, and determine in the Company's reasonable sole discretion if the project developer's level of unsecured credit is sufficient to provide the required Security to the Company. Please provide detail for the project developer or its guarantor, if any: (a) audited year-end financial statements (including balance sheet, income statement, and statement of cash flows) for the past three fiscal years, and (b) senior unsecured bond ratings from Moody's Investors Service and Standard and Poor's, if applicable.

b. Developer's Experience: Has developer any projects in operation? Has developer any other projects under construction? Please provide details for each previous Independent Power Production or QF projects undertaken by the developer, including but not limited to:

i. Financial arrangements and Institutions,
ii. Fuel contracts,
iii. Scheduling/project control information,
iv. Regulatory treatment,
v. Ownership structure, i.e. partnership, limited partnership, contract buy-outs, etc., and
vi. Total operating experience and performance.

c. Project Financing: Has project financing been secured? Will ownership equity in project be 15% or greater? Will the project be structured as a non-recourse financing project? Please provide detail.

d. Working Capital: Has long-term working capital been secured? Are sufficient reserves available to fund 6 months of debt service? Are sufficient funds available to cover 6 months of O&M expenses? Does project have warranties for key operating equipment during the first year of operations? Please provide detail.

5. **Additional Information:** Please provide the following additional general information to assist the Company in evaluating your Standard Offer Contract

a. Standard Offer Committed Capacity (MW):

b. Size and type of generation:

c. Any existing or planned capacity commitments or energy sales to other utilities, if so provide detail:

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ISSUED BY: C. R. Black, President

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d. Will the project directly interconnect into the Company's transmission grid? Please explain:

e. If the project is located external to the Company's retail service area, how will the power be delivered to the Company? Please explain:

f. Will steam host use a portion of electric generation, if so provide detail:

g. Please provide developer's ownership structure for this project:

h. Developer's insurance carrier:

- Property damage insurance:
- Business interruption insurance:
- Rating of insurance carrier:

i. Please provide estimates of the following:

- Expected annual metered electric output,
- Expected annual metered useful thermal output, in Btu/hr X operating hours/year,
- Expected annual metered fuel input, in Btu/hr X operating hours/year

j. Other:

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

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.284

STANDARD OFFER CONTRACT RATE FOR
PURCHASE OF CONTRACTED CAPACITY AND ASSOCIATED ENERGY

SCHEDULE: COG-2, firm capacity and energy

AVAILABLE: Tampa Electric Company, herein after referred to as the "Company," will purchase firm capacity and energy offered by renewable generating facilities or qualifying facilities with a design capacity of 100 kW or less ("small qualifying facility") to which a Standard Offer Contract is available under Chapter 366.91 Florida Statutes (F.S) and Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.300, Florida Administrative Code (F.A.C.). Unless specifically referred to, a renewable generation facility or a small qualifying facility may be referred to as the "Capacity and Energy Provider" or "CEP". The Company has designated the generating units identified in Appendices C through F, as its Designated Avoided Units. Pursuant to FPSC Rule 25-17.250(2), the Company will accept firm capacity and energy offered by any CEP under the provisions of this schedule for a specific Designated Avoided Unit until:

1. A request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued for the specific planned generating unit; or
2. The utility files a petition for a need determination or commences construction for the specific generating unit not subject to Rule 25-22.082, F.A.C., or
3. The generating unit upon which the standard offer contract was based is no longer part of the utility's generation plan, as evidenced by FPSC approval of a petition to that effect filed with the FPSC or by its removal from the utility's most recent Ten Year Site Plan.

The Company will negotiate and may contract with any CEP as defined to in Chapter 366.91 F. S. and FPSC Rule 25-17.080, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company, for the purchase of firm capacity and energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers and subject to FPSC approval of such a contract.

APPLICABLE: To any CEP to which Standard Offer Contracts are available under Chapter 366.91 F. S. and FPSC Rule 25-17.0832(4)(a), F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's Standard Offer Contract or a separately negotiated contract.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.286

Firm capacity and energy are described in FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by the CEP pursuant to a negotiated or Standard Offer Contract and subject to certain contractual provisions as to quantity, time and reliability of delivery. Criteria for achieving CEP status shall be those set out in Chapter 366.91 F.S. and FPSC Rules 25-17.080, 25-17.082(4)(a), and 25-17.091, F.A.C., as applicable.

CHARACTER OF SERVICE: Purchases within the territory served by the Company shall be, at the option of the Company, single or 3-phase, 60 Hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three-phase, 60 Hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering firm capacity and energy from the CEP.

LIMITATIONS: Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System (if applicable)," Federal Energy Regulatory Commission (FERC) Electric Open Access Transmission Tariff (OATT) and associated transmission interconnection tariffs (if applicable), North American Electric Reliability Council (NERC) and Florida Reliability Coordinating Council (FRCC) Reliability Standards, that are applicable to generation and transmission facilities which are connected to, or being planned to be connected to the Company's transmission system (document provided upon request) and to FPSC Rules 25-17.080 through 25-17.091, F.A.C. and are limited to those CEPs which are defined by FPSC Rule 25-17.082(4)(a), F.A.C. and which:

1. execute a Company Standard Offer Contract for the Company's purchase of firm capacity and energy; and

2. commit to commence deliveries of firm capacity and energy no later than the in-service date of the Designated Avoided Unit, and to continue such deliveries through the later of the last day of the tenth year following the in-service date of the avoided unit or the date selected by the CEP that is no later than the day after the last day of the life of the avoided unit.

RATES FOR PURCHASES BY THE COMPANY: firm capacity and energy are purchased at unit costs, in dollars per kilowatt per month ($/kW/month) and cents per kilowatt-hour (¢/kWh), respectively, based on the value of deferring additional Company generating capacity.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.288

Firm capacity and energy are described in FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by the CEP pursuant to a negotiated or Standard Offer Contract and subject to certain contractual provisions as to quantity, time and reliability of delivery. Criteria for achieving small qualifying facility or renewable facility status shall be those set out in Chapter 366.91 F.S. and FPSC Rules 25-17.080, 25-17.082(4)(a), and 25-17.091, F.A.C., as applicable.

1. **Firm Capacity Rates:** Five options (i.e. Options 1, 2, 3, 4, and 5, as set forth below) are available for payment of firm capacity which is produced by the CEP and delivered to the Company. Once selected, the selected option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules for Options 1 through 4, shown for each Designated Avoided Unit are identified in Appendices C through F, contain the monthly rate per kilowatt (kW) of firm capacity the CEP could contractually commit to deliver to the Company. These examples are based on a contract term which extends at least ten years beyond the in-service date of the Designated Avoided Unit. Payment schedules for longer contract terms will be made available to the CEP upon request and may be calculated based on the methodologies described in Appendix A. A payment schedule for Option 5, if selected by the CEP, will be calculated based on Appendix A and the Option 5 description contained in Section 6.b.iii.(5) of the Standard Offer Contract and will be made available by the Company within 30 days of a request by the CEP. At a maximum, firm capacity and energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the in-service date of the Designated Avoided Unit.

   Option 1 - Value of Deferral Capacity Payments:
   Value of Deferral Capacity Payments shall commence the in-service date of the Designated Avoided Unit, provided the CEP is delivering firm capacity and energy to the Company in accordance with the Minimum Performance Standards (MPS) as described for each Designated Avoided Unit contained in Appendices C through F. Capacity payments under this option shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with FPSC Rule 25-17.0832, F.A.C., as described in Appendix A.

   Option 2 - Early Capacity Payments:
   Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit. The earliest date that Early Capacity Payments can be received by the CEP shall be the Commercial In-service Date of the CEP's generating facility. The CEP shall select the

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.292

month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Early Capacity Payments shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit. Avoided Capacity Payments shall be calculated in conformance with FPSC Rules 25-17.0832 and 25-17.250(4), F.A.C., as described in Appendix A. At the option of the CEP, Early Capacity Payments may commence at any time after the specified earliest capacity payment date and before the in-service date of the Designated Avoided Unit provided the CEP is delivering firm capacity and energy to the Company in accordance with MPS as described for each Designated Avoided Unit contained in Appendices C through F. Where Early Capacity Payments are elected, the cumulative present value of the capacity paid to the CEP over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the CEP had such payments been made pursuant to Option 1.

Option 3 - Levelized Capacity Payments:
Levelized capacity payments shall commence on the in-service date of the Designated Avoided Unit, provided the CEP is delivering firm capacity and energy to the Company in accordance with the MPS as described for each Designated Avoided Unit contained in Appendices C through F. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with FPSC Rule 25-17.0832, F.A.C., as described in Appendix A. The fixed operation and maintenance expense portion of the capacity payment shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expenses associated with the Designated Avoided Unit calculated in conformance with Appendix A. Where Levelized Capacity Payments are elected, the cumulative present value of the capacity paid to the CEP over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the CEP had such payments been made pursuant to Option 1.

Option 4 - Early Levelized Capacity Payments:
Early Levelized Capacity Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit. The earliest date that Early Levelized Capacity Payments can be received by the CEP shall be the Commercial In-service Date of the CEP's generating facility. The capital portion of the capacity payment under this Option shall consist of equal monthly payments over the term of the contract, calculated in accordance with FPSC Rule 25-17.0832, F.A.C., as described in Appendix A. The fixed operation and maintenance expense portion of the capacity payments shall be equal to

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DATE EFFECTIVE: May 22, 2007

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the value of the year-by-year deferral of fixed operation and maintenance expenses associated with the Designated Avoided Unit calculated in conformance with Appendix A. At the option of the CEP, Early Levelized Capacity Payments shall commence at any time beginning on or after the Commercial In-service Date of the CEP's generating facility and before the in-service date of the Designated Avoided Unit provided the CEP is delivering firm capacity and energy to the Company in accordance with the MPS as described for each Designated Avoided Unit contained in Appendices C through F. The CEP shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Where Early Levelized Capacity Payments are elected, the cumulative present value of the capacity payments paid to the CEP over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the CEP had such payments been made pursuant to Option 1.

Option 5 - Other
In accordance with FPSC Rule 25-17.250(4) F.A.C., the CEP may elect a payment stream for the capital component of the Company's avoided unit, including front-end loaded payments, that best meets the financing requirements of the CEP. Where front-end loaded capacity payments are elected, the cumulative present value of the capacity payments paid to the CEP over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the CEP had such payments been made pursuant to Option 1. A payment schedule for Option 5 will be developed reflecting the interests of the CEP for front-end loading and will be made available for review by the CEP within 30 days of the date of the request for Option 5, and interests of the CEP have been made known to the Company. Any such Option 5 selection may require additional associated security considerations that will be developed by the Company and presented to the CEP at the same time as the payment schedule. The payment schedule and security considerations will be subject to mutual agreement and approval by the FPSC.

The Company will provide the CEP with a schedule of capacity payment rates based on the month and year in which the delivery of firm capacity and energy are to commence and the term of the contract. The currently approved parameters used to calculate the schedule of payments for each Designated Avoided Unit are found in Appendices D through G of this Schedule.

Regardless of the payment stream elected by the CEP, the cumulative present value of capital cost payments made to the CEP over the term of this Agreement shall not exceed the cumulative present value of the capital cost payments which would have

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DATE EFFECTIVE: May 22, 2007

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been made to the CEP had such payments been made pursuant to FPSC Rule 25-17.0832(4)(g)1., F.A.C. All fixed operation and maintenance expense shall be calculated in conformance with FPSC Rule 25-17.0832(6), F.A.C.

2. **Standard Energy Payment Rates:**

The calculation of energy payments to the CEP shall be based on the sum, over all hours of the Monthly Period, of the product of each hour's Energy Payment Rate times the energy purchased from the CEP by the Company for that hour. All purchases shall be adjusted for losses reflecting delivery voltage.

a. **As-available Energy Payment Rate:** "As-Available Energy" is energy generated by the CEP's facility for purchase by the Company during time periods when the Designated Avoided Unit would not have been operated had it been installed by the Company. The payment rate in ¢/kWh for As-Available Energy is based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel and identifiable variable operation and maintenance expenses.

The methodology to be used in the calculation of the avoided energy costs is described in Appendix B.

The As-available Energy Payment rate will apply to energy delivered by the CEP in the period prior to the in-service date of the Designated Avoided Unit and the periods after the in-service date of the Designated Avoided Unit to the extent that the Designated Avoided Unit would have been dispatched and operated by the Company.

b. **Unit Energy Payment Rate**: To the extent that the Designated Avoided Unit would have been dispatched and operated by the Company, the Unit Energy Payment Rate in ¢/kWh will apply and shall be based on the cost of fuel used by and variable operating and maintenance expense associated with the Designated Avoided Unit The calculation used to determine the Unit Energy Payment Rate is shown under part 2 of the section titled "Basis for Monthly Energy Payment Calculation" of the Designated Avoided Unit Appendices, "C" through "F".

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

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3. **Fixed Energy Payment Options:**
   a. **Fixed As-Available Energy Payments:** In accordance with FPSC Rule 25-17.250(6)(a) F.A.C., the CEP may elect Fixed As-Available Energy Payments for the period prior to the in-service date of the avoided unit. The Fixed As-Available Energy Payments shall be based on the Company's year-by-year projection of system incremental fuel costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions plus a fuel market volatility risk premium mutually agreed upon by the Company and the CEP and approved by the FPSC.

   b. **Fixed Base Energy Payments**: At the election of the CEP, a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the Company and the CEP, may be fixed and amortized on a present value basis over the term of the contract starting as early as the in-service date of the CEP's generating facility pursuant to FPSC Rule 25-17.250(6)(b) F.A.C. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have been operated. The Company shall develop a schedule of such Fixed Base Energy Payments for the consideration of the CEP based on the expressed interests of the CEP. Should the CEP select Fixed Base Energy Payments, the Company may require additional associated security considerations which will also be mutually agreed upon by the Company and the CEP and approved by the FPSC.

PERFORMANCE CRITERIA: In addition to the following provisions, payments for firm capacity are conditioned on the CEP's ability to meet or exceed the Minimum Performance Standards (MPS) for each of the Company's Designated Avoided Unit as described for each in Appendices C through F:

1. **CEP's Commercial In-Service Date:** Capacity Payments shall not commence until the CEP has attained and demonstrated commercial in-service status. The Commercial In-Service Date of the CEP shall be defined as the first day of the month following the successful completion by the CEP of maintaining an hourly kW output for a 24 hour period, as metered at the point of interconnection with the Company, equal to or greater than the CEP's "Contracted Capacity" as designated in the Standard Offer Contract. A CEP shall coordinate the operation of its facility during this test period with the Company to insure that the performance of its facility during this 24 hour period is reflective of the anticipated day to day operation of the CEP.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.302

2. **Monthly Availability and Monthly Capacity Factor:** Upon achieving commercial in-service status, payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the CEP and subject to the provision that the CEP equals or exceeds the MPS for Monthly Availability and Monthly Capacity Factor of the Company's Designated Avoided Unit, as defined in Appendices C through F of this schedule, on which the Standard Offer Contract is based.

3. **CEP's Obligation if CEP Receives Capacity Payments Under Capacity Payments Options 2, 3, 4, or 5:** The CEP's payment option choice pursuant to Paragraph 6.b.iii of the Company's Standard Offer Contract may result in payments made by the Company for capacity delivered prior to the in-service date of the avoided unit. Similarly, Levelized and Early-Levelized, and front-end loaded Other Capacity Payments for capacity delivered on or after the in-service date of the avoided unit, may also exceed the year-by-year value of deferring the Designated Avoided Unit as specified in this Agreement. The Parties recognize that capacity payments that exceed the year-by-year value of deferring the avoided unit may have to be repaid by the CEP in the event the CEP fails to perform pursuant to the terms and conditions of the Company's Standard Offer Contract.

   To ensure that the CEP will satisfy its obligation to make any repayment to the Company, the following provisions will apply:

   The Company shall establish a Repayment Account to accrue the sum of the capacity payments that may have to be repaid by the CEP to the Company. Amounts shall be added to the Repayment Account each month through the month prior to the in-service month of the avoided unit, in the amount of the Company's Early Capacity Payments made to the CEP pursuant to the CEP's chosen payment option.

   Beginning on the in-service date of the avoided unit, the difference between the capacity payment made to the CEP and the "normal" capacity payment calculated pursuant to Option 1 will also be added each month to the Repayment Account, so long as the payment to the CEP is greater than the monthly payment the CEP would have received if it had selected Option 1 in Paragraph 6.b.iii, of the Company's Standard Offer Contract.

   Also beginning on the in-service date of the avoided unit, at such time that the Monthly Capacity Payment made to the EP, pursuant to the Capacity Payment Option selected, is less than the "normal" Monthly Capacity Payment in Option 1, there shall be debited from the Repayment Account an Early Payment Offset Amount to reduce the balance in

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~FOURTH~~ FIFTH REVISED SHEET NO. 8.304
CANCELS ~~THIRD~~ FOURTH REVISED SHEET NO. 8.304

the Repayment Account. Such Early Payment Offset Amount shall be equal to the amount which the Company would have paid for capacity in that month if capacity payments had been calculated pursuant to Option 1 and the CEP had elected to begin receiving capacity payments on the in-service date of the avoided unit minus the Monthly Capacity Payment the Company makes to the CEP (assuming the MPS are met or exceeded), pursuant to the Capacity Payment Option chosen by the CEP.

Monthly Capacity Payments will not be made to the CEP for any month the CEP fails to meet the MPS and if applicable, a payment will be required by the CEP to the Company in an amount equal to the Early Payment Offset for that month. In the event a payment is required from the CEP to the Company, the CEP's Repayment Account will be reduced by the amount of such payment provided that any such payment will not exceed the current balance in the Repayment Account.

The CEP shall owe the Company and be liable for the current balance in the Repayment Account. The annual balance in the Repayment Account shall accrue interest at an annual rate of 7.~~407~~569%. The Company agrees to notify the CEP monthly as to the current Repayment Account balance.

In the event of default by the EP, the total Repayment Account balance shall become due and payable within 20 business days of receipt of written notice, as reimbursement for the Capacity Payments made to the CEP by the Company in excess of "normal capacity payments.

The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of the CEP's Standard Offer Contract with the Company. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

Prior to receipt of Early, Levelized, Early-Levelized, or front-end loaded Other Capacity Payments the CEP shall secure its obligation to repay any balance in the Repayment Account in the event the CEP defaults under the terms of its Standard Offer Contract with the Company.

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

SIXTEENTH REVISED SHEET NO. 8.306
CANCELS FIFTEENTH REVISED SHEET NO. 8.306

Continued from Sheet No. 8.304

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

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

4. **Additional Criteria:**

   a. The CEP shall provide monthly generation estimates by December 1 for the next calendar year; and

   b. The CEP shall promptly update its yearly generation schedule when any changes are determined necessary; and

   c. The CEP shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and

   d. The CEP shall coordinate scheduled outages with the Company;

   e. The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications.

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

Voltage Level	**Adjustment Factor**
Secondary	1.0550
Primary	1.0256
Subtransmission	1.0132

Continued to Sheet No. 8.308

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2025

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.308

METERING REQUIREMENTS: CEPs within the territory served by the Company shall be required to purchase from the Company the necessary hourly recording meters to measure their energy production. Unless special circumstances warrant, meters shall be read at monthly intervals on the approximate corresponding day of each meter reading period. Energy purchases from CEPs outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering firm capacity and energy to the Company.

BILLING OPTIONS: The CEP, upon entering into a contract for the sale of Contracted Capacity and Associated Energy or prior to delivery of As-Available Energy to the Company, shall elect to make either simultaneous purchases from the interconnecting utility and sales to the Company or net sales to the Company. The billing option elected may only be changed:

1. when the CEP selling As-Available Energy enters into a negotiated contract or Standard Offer Contract for the sale of firm capacity and energy; or
2. when a firm capacity and energy contract expires or is lawfully terminated by either the EP, or the Company; or
3. when the CEP is selling As-Available Energy and has not changed billing methods within the last 12 months; and
4. when the election to change billing methods will not contravene the provisions of FPSC Rule 25-17.0832, F.A.C., or any contract between the CEP and the Company.

If the CEP elects to change billing methods in accordance with FPSC Rule 25-17.082, F.A.C., such a change shall be subject to the following provisions

1. upon at least 30 days advance written notice to the Company; and
2. upon the installation by the Company of any additional metering equipment reasonably required to effect the change in billing methodology and upon payment by the CEP for such metering equipment and its installation; and
3. upon completion and approval by the Company of any alterations to the interconnection reasonably required to effect the change in billing methodology and upon payment by the CEP for such alterations

Should the CEP elect the Simultaneous Purchases and Sales billing option, purchases of electric service by the CEP from the interconnecting utility shall be billed at the retail rate schedule under which the CEP load would receive service as a customer of the utility; sales of electricity delivered by the CEP to the purchasing utility shall be purchased at the utilities avoided capacity and energy rates, where applicable, in accordance with FPSC Rules 25-17.0825 and 25-17.0832, F.A.C.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TECO TAMPA ELECTRIC AN EMERA COMPANY

SEVENTH REVISED SHEET NO. 8.312
CANCELS SIXTH REVISED SHEET NO. 8.312

Continued from Sheet No. 8.308

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

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

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

CHARGES/CREDITS TO THE CEP:

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

   CEPs not directly interconnected to the Company, will be billed $990 monthly as a Basic Service Charge.

   Daily Basic Service charges, applicable to CEPs directly interconnected to the Company, by Rate Schedule are:

Rate Schedule	Basic Service Charge ($)	Rate Schedule	Basic Service Charge ($)
RS	0.43	GST	0.63
GS	0.63	GSDT (secondary)	1.06
GSD (secondary)	1.06	GSDT (primary)	11.54
GSD (primary)	11.54	GSDT (subtrans.)	35.23
GSD (subtrans.)	35.23	SBDT (secondary)	1.06
SBD (secondary)	1.06	SBDT (primary)	11.54
SBD (primary)	11.54	SBDT (subtrans.)	35.23
SBD (subtrans.)	35.23	GSLDTPR	20.89
GSLDPR	20.89	GSLDTSU	126.72
GSLDSU	126.72	SBLDTPR	21.71
SBLDPR	21.71	SBLDTSU	127.55
SBLDSU	127.55		

Continued to Sheet No. 8.314

ISSUED BY: A. D Collins, President

DATE EFFECTIVE: January 1, 2025

TECO TAMPA ELECTRIC AN EMERA COMPANY

SECOND REVISED SHEET NO. 8.314
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If CEP takes service under Rate Rider GSLM-2 or GSLM-3, an additional Basic Service Charge of $6.57 a day will apply.

When appropriate, the Basic Service Charge will be deducted from the CEP's monthly payment. A statement of the charges or payments due the CEP will be rendered monthly. Payment normally will be made by the 20th business day following the end of the billing period.

2. **Interconnection Charge for Non-Variable Utility Expenses:** The CEP shall bear the cost required for interconnection including the metering. The CEP shall have the option of payment in full for interconnection or make equal monthly installment payments over a 36 month period together with interest at the rate then prevailing for 30 days highest grade commercial paper; such rate to be determined by the Company 30 days prior to the date of each payment.

3. **Interconnection Charge for Variable Utility Expenses:** The CEP shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These costs include a) the Company's inspections of the interconnection and b) maintenance of any equipment beyond that which would be required to provide normal electric service to the CEP with respect to other Customers with similar load characteristics.

4. **Taxes and Assessments:** The CEP shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of firm capacity and energy produced by the CEP.

   If the Company obtains any tax savings as a result of its purchases of firm capacity and energy produced by the CEP, which tax savings would not have otherwise been obtained, those tax savings shall be credited to the CEP.

5. **Emission Allowance Clause:** Subject to approval by the FPSC, the CEP shall receive a monthly credit, to the extent the Company can identify the same, equal to the value, if any, of any reduction in the number of air emission allowances used by the Company as a result of its purchase of firm capacity and energy produced by the EP; provided that no such credit shall be given if the cost of compliance associated with air emission standards is included in the determination of full avoided cost.

TERMS OF SERVICE:

1. It shall be the CEP's responsibility to inform the Company of any change in its electric generation capability.

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2022

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2. Any electric service delivered by the Company to the CEP shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.

3. A billing security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:

   a. In the first year of operation, the security deposit should be based upon the singular month in which the CEP's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the CEP. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit should be required upon interconnection.

   b. For each year thereafter, a review of the actual sales and purchases between the CEP and the utility shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the CEP exceed the actual sales to the utility in that month.

4. The Company will, under the provisions of this Schedule, require an agreement with the CEP upon the Company's filed Standard Offer Contract.

5. Service under this rate schedule is subject to the rules and regulations of the Company and the FPSC.

SPECIAL PROVISIONS:

1. Negotiated contracts deviating from the above standard rate schedule are allowable provided they are agreed to by the Company and approved by the FPSC

2. In accordance with the provision in FPSC Rule 25-17.0883, F.A.C., the Company is required to provide transmission and distribution service to enable a retail customer, at that customer's request, to transmit electrical power generated at one location to the customer's facilities at another location when provision of such service and its associated charges, terms, and other conditions are not reasonably projected to result in higher cost of electric service to the Company's general body of retail and wholesale Customers or adversely affect the adequacy or reliability of electric service to all Customers.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

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A determination of whether or not such service is likely to result in higher cost electric service will be made by the Company by evaluating the results of an appropriately adjusted FPSC approved cost effectiveness methodology, in addition to other modeling analyses.

3. In accordance with FPSC Rule 25-17.089, F.A.C., upon request by a CEP, the Company shall provide transmission service in accordance with its OATT to wheel As-Available Energy or firm capacity and energy produced by the CEP from the CEP to another electric utility.

4. The rates, terms, and conditions for any transmission and ancillary services provide to the CEP shall be those approved by the FERC and contained in the Company's OATT.

5. A CEP may apply for transmission and ancillary services from the Company in accordance with the Company's OATT. Requests for service must be submitted on the Company's Open Access Same-Time Information System ("OASIS"). The Company's contact person, phone number and address is posted and updated on the OASIS and can be viewed by the public on the Internet at the address: http://www.oasis.oati.com/TEC/index.html

6. If the CEP is located outside of the Company's transmission area, then the CEP must arrange for long term firm 3rd-party transmission, ancillary services and an Interconnection Agreement on all necessary external transmission paths for the term of the contract.

PROCEDURE FOR PROCESSING STANDARD OFFER CONTRACTS: Within 60 days of the receipt of a signed, completed Standard Offer Contract, the Company shall either accept and sign the Standard Offer Contract and return it within 5 days to the CEP or petition the Commission not to accept the Standard Offer Contract and provide justification for the refusal.

All Standard Offer Contracts received will be given equal consideration and each will be reviewed in accordance with the Company's Evaluation Procedure for Standard Offer Contracts. The criteria and procedure used to evaluate Standard Offer Contracts are attached to the Standard Offer Contract as Appendix I.

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2025

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.322

Each delivered Standard Offer Contract should be clearly labeled "Standard Offer Contract" and shall only be received at the Company's main business address:

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

Certified mail will be the preferred means of Standard Offer Contract delivery.

Each eligible Standard Offer Contract will be evaluated as to its technical reliability, viability and financial stability, as well as other relevant information, in accordance with FPSC Rule 25-17.0832, F.A.C.

The Company will select and accept Standard Offer Contracts, after the evaluation process, which have convincingly demonstrated that their project is financially and technically viable and that the Contracted Capacity and Associated Energy would be available by the date specified in the Standard Offer Contract.

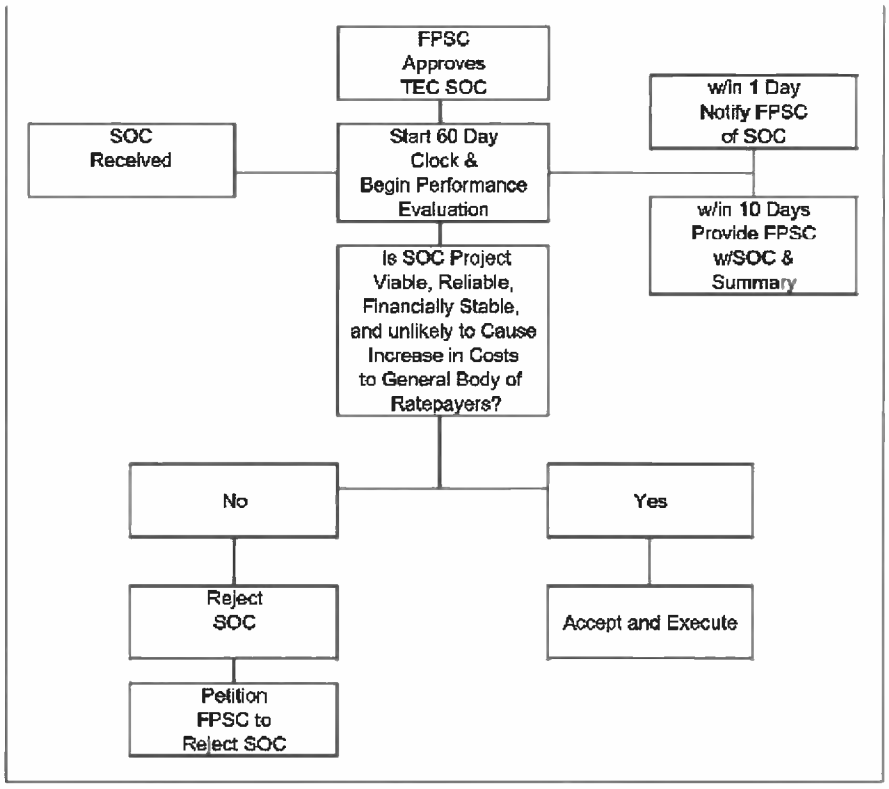
ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.324

PROCEDURE FOR PROCESSING STANDARD OFFER CONTRACTS



ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~FOURTEENTH~~ FIFTEENTH REVISED SHEET NO. 8.326
CANCELS ~~THIRTEENTH~~ FOURTEENTH REVISED SHEET NO. 8.326

RATE SCHEDULE COG-2
TABLE OF APPENDICES

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.328

RATE SCHEDULE COG-2
APPENDIX A
VALUE OF DEFERRAL METHODOLOGY

Appendix A provides a detailed description of the methodology used by the Company to calculate the monthly value of deferring the Designated Avoided Unit referred to in Rate Schedule COG-2. When used in conjunction with the current FPSC-approved cost parameters associated with each Designated Avoided Unit contained in Appendices C through E, the CEP may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the CEP enter into a Standard Offer Contract with the Company.

Also contained in Appendix A is a discussion of the types and forms of surety bond requirements or equivalent assurance of repayment of early, Levelized, Early Levelized, or front-end loaded Other Capacity Payments acceptable to the Company in the event of contractual default by the CEP.

CALCULATION OF VALUE OF DEFERRAL: FPSC Rule 25-17.0832(6), F.A.C., specifies that avoided capacity costs, in dollars per kilowatt per month, associated with firm capacity sold to a utility by the CEP pursuant to the utility's Standard Offer shall be defined as the value of a year-by-year deferral of the Designated Avoided Unit and shall be calculated as follows:

$$VAC_m = 1/12\,[Kl_n\,(1\text{-}R_p) / (1\text{-}R_p{}^{L}) + O_n]$$

FPSC Rule 25-17.0832(6)(a), F.A.C., specifies that, beginning with the in-service date of the Company's Designated Avoided Unit, for a one year deferral:

VAC_m = Company's monthly value of avoided capacity, $/kW/month, for each month of year n;

K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year;

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DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.332

I_n = total direct and indirect cost, in mid-year $/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed;

O_n = total fixed operation and maintenance expense for the year n, in mid-year $/kW/year, of the Designated Avoided Unit(s);

i_p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s);

i_o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);

r = annual discount rate, defined as the Company's incremental after tax cost of capital;

L = expected life of the Designated Avoided Unit(s); and

R_P = $(1 + i_p) / (1 + r)$

n = year for which the Designated Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy.

CALCULATION OF EARLY CAPACITY PAYMENTS: FPSC Rule 25-17.0832(6)(b), F.A.C., specifies that, normally, payment for firm capacity shall not commence until the in-service date of the Designated Avoided Unit(s). At the option of the CEP, however, the Company may begin making Early Capacity Payments consisting of the fixed operation and maintenance expense and the capital cost component of the value of a year-by-year deferral of the Designated Avoided Unit(s). When such Early Capacity Payments are elected, capacity payments shall be paid monthly commencing no earlier than the Commercial In-Service date of the CEP, and shall be calculated as follows:

$$A_m = [A_c(1 + i_p)^{(m-1)} + A_o(1 + i_o)^{(m-1)}]/12 \quad \textit{for } m = 1 \textit{ to } t$$

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DATE EFFECTIVE: May 22, 2007

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ORIGINAL SHEET NO. 8.334

Beginning with the earliest avoidance date of the Company's Designated Avoided Unit(s), for a one year deferral:

A_m = monthly early capacity payments to be made to the CEP for each month of the contract year n, in $/kW/month, starting no earlier than the in-service date of the CEP's generating facility;

m = year for which early capacity payments to the CEP are made;

t = the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;

$$A_o = F\,[(1 - R_p) / (1 - R_p^{\,t})]$$

Where:

F = the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);

$$A_o = G\,[(1 - R_o) / (1 - R_o^{\,t})]$$

Where:

G = the cumulative present value in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s).

R_o = $(1 + i_o) / (1 + r)$

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.336
CANCELS ORIGINAL SHEET NO. 8.336

Continued from Sheet No. 8.334

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

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

Where:

P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Designated Avoided Unit(s);

O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with FPSC Rule 25-17.0832, paragraph 6(a) for Levelized Capacity Payments or with paragraph 6(b) for Early Levelized Capacity Payments, F.A.C.

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

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

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

Continued to Sheet No. 8.338

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.338

1. cash deposited in an interest bearing escrow account mutually acceptable to the Company and the EP; or
2. an unconditional and irrevocable direct pay letter of credit in form and substance satisfactory to the Company; or
3. a performance bond in form and substance satisfactory to the Company.

The form of security required will be in the sole discretion of the Company and will be in such form as to allow the Company immediate access to the funds in the event that the CEP fails to meet the terms and conditions of its contract

The Company will cooperate with each CEP applying for Capacity Payments under Capacity Payment Options 2, 3, 4, or 5 to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the CEP. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the CEP and the Company's ratepayers.

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.344
CANCELS FIRST REVISED SHEET NO. 8.344

RATE SCHEDULE COG-2
APPENDIX B
METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST

The methodology the Company has implemented in order to determine the appropriate avoided energy costs and any payments thereof to be rendered to CEPs is consistent with the provisions of Order No. 23625 in Docket No. 891049-EU, issued on October 16, 1990; the Amendment of FPSC Rules 25-17.080 et seq, F.A.C.

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The avoided energy costs methodology used to determine payments to CEPs on an hourly basis is based on the incremental cost of fuel using the average price of replacement fuel purchased in excess of contract minimums. Generally, avoided energy costs are defined to include incremental fuel, identifiable variable operation and maintenance expenses, identifiable variable purchased power costs and an adjustment for line losses reflecting delivery voltage.

Under normal conditions the Company will have additional generation resources available which can carry its native load and firm interchange sales without the CEP's contribution. When this is the case and the CEP is present, the incremental fuel portion of the avoided energy cost is equal to the difference between the Company's production cost at 2 load levels, with and without the CEP's contribution.

In those situations where the Company's maximum available generation (not including its minimum operating reserves) is insufficient to carry its native load and firm interchange sales, in the absence of the CEP contribution, the Company's incremental fuel component of the avoided energy cost will be determined by:

1. system lambda - if "off-system purchases" are not being made and all available generation has been dispatched; or

2. the highest incremental cost of any "off-system purchases" that are being made for native load.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

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FIRST REVISED SHEET NO. 8.352
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Examples of these situations are found in Exhibits 1- 4.

The As-Available Avoided Energy Cost, as determined by this methodology, is priced at a level not to exceed the Company's incremental fuel and identifiable variable operating and maintenance (O&M) expenses including the cost of any off-system purchases for native load.

PARAMETERS FOR DETERMINING AS-AVAILABLE AVOIDED ENERGY COSTS: The Company uses production costing methods for determining avoided energy cost payments to CEPs. Computerized production costing is accomplished on an hourly basis. The parameters used are as follows:

1. The system load is the actual system load at the Hour Ending with the clock hour (HE).

2. The first allocation of load for production costing is to those units that are base loaded at a certain level for operating reasons. The remainder of the load is allocated to units available for economic dispatch through the use of incremental cost curves.

3. The fuel costs associated with each of the Company's units operating at its allocated level of generation is determined by using the individual units input/output equation, its heat rate performance factor and the composite price of supplemental fuel.

4. The Company's own production cost for each hour of operation at a particular generation level equals the sum of the individual units' fuel cost for that hour. The production cost, thus determined, consists of the composite price of replacement fuel based on supplemental purchases and the incremental heat rate for the generating system.

5. The Company's total cost equals its own production cost (paragraph 4 above), identified variable O&M, plus the cost of any off-system purchases to serve native load.

6. Native load includes all firm and non-firm retail load.

7. The cost of off-system firm and non-firm variable purchases is defined as the highest energy cost energy block purchased for native load during the hour.

8. Firm interchange sales are included in production cost calculations.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.356
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Continued from Sheet No. 8.352

9. The Company's Maximum Available Generation in this methodology is defined as the maximum capacity less operating reserve requirements.

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

Continued to Sheet No. 8.376

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.376
CANCELS FIRST REVISED SHEET NO. 8.376

Continued from Sheet no. 8.356

SUPPLEMENTAL FUEL:

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

AVOIDED ENERGY COST CALCULATIONS:

Example: 1 Off-system purchases are not being made. The Company's generation is capable of carrying its native load and firm sales.

The procedure used to deterministically calculate the incremental avoided energy cost associated with As-Available Energy on an hour by hour basis when no off-system purchases are taking place is as follows:

The 1st calculation determines the Company's production cost without the benefit of cogeneration.

Continue to Sheet No. 8.378

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.378
CANCELS ORIGINAL SHEET NO. 8.378

In these instances, the $/MWH price that the Company will pay the CEPs is determined by calculating the production cost at 2 load levels.

The 2nd calculation determines the Company's production cost with the benefit of cogeneration.

After each of the 2 calculations are made, the avoided energy cost rate is calculated by dividing the difference in production cost between the 2 calculations described above by the "Standard Tariff Block." [The "Standard Tariff Block" is defined to be an XMW block equivalent to the combined actual hourly generation delivered to the Company from all CEPs making As-Available Energy sales to the Company. In the absence of metered information on exports from the CEP making As-Available Energy sales to the Company, an estimate of the hourly exports from that Facility will be used, rounded to the nearest 5 MWs and then added to the sum of the other as-available purchases for that hour. Prior to the in-service date of the appropriate Designated Avoided Unit, firm energy sales will be equivalent to as-available sales. Beginning with the in-service date of the appropriate Designated Avoided Unit(s), firm energy purchases from CEPs shall be treated as as-available energy for the purposes of determining the XMW block size only during the periods that the appropriate Designated Avoided Unit would not be operated.] The difference in production costs divided by the XMW block determines the As-Available Energy Payment Rate (AEPR) for the hour. The AEPR will be applied to the "Actual" CEP MWs purchased during the hour to determine payment to each CEP supplying As-Available Energy, and each CEP supplying firm energy in those instances where the avoided unit would not have been operated during the hour. See Exhibit 1.

Example 2 Off-system purchases are not being made. The Company's generation can only carry its native load and firm sales with the CEP contribution.

The procedure used to deterministically calculate the incremental avoided energy cost associated with As-Available Energy on an hour by hour basis whenever the Company is not purchasing off-system interchange is as follows:

In this instance, the avoided energy cost that the Company will pay the CEPs will be determined by calculating the production cost at the last MW load level. The avoided energy cost is the production cost at system lambda. See Exhibit 2.

In the situation where the Company's generation is not fully dispatched, and additional generation capability is available to price a portion of the CEP block, then the CEP block will be priced at a combination of the difference between the Company's production cost at 2 load levels as previously defined and at system lambda. See Exhibit 3.

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DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.382
CANCELS ORIGINAL SHEET NO. 8.382

Example 3 Off-system purchases are being made to serve native load.

The procedure used to deterministically calculate the incremental avoided energy cost associated with As-Available Energy on an hour by hour basis whenever the Company is making off-system purchases for native load is as follows:

In this instance, the $/MWH price that the Company will pay is determined by applying the highest incremental cost of the off-system purchases to the CEP block. See Exhibit 4.

DELIVERY VOLTAGE ADJUSTMENT: A credit for avoided line losses reflecting the voltage at which generation by the CEPs is received is included in the Company's procedure for the determination of incremental avoided energy cost associated with As-Available Energy. Tampa Electric uses the adjustment factors shown on Sheet No. 8.306 for calculating the compensation for avoided line losses at the transmission and distribution system voltage levels based on the appropriate classification of service.

Example: (Firm Standby Time-of-Day)

Actual Incremental Hourly Avoided Energy Cost is:
$14.80/MWH

Adjustment Factor for Line Losses:
1.0561

The Actual Incremental Hourly Avoided Energy Cost adjusted for avoided line losses associated with As-Available Energy provided to the Company would then become, in this example, $15.63/MWH.

"IDENTIFIABLE" INCREMENTAL VARIABLE O&M: Tampa Electric's methodology for determining incremental avoided energy costs associated with As-Available Energy includes a procedure for calculating "identifiable" incremental variable O&M (VOM) expense.

A VOM rate ($/MWH) is calculated annually for each Tampa Electric generating group. A generating group comprises units of the same type with similar size and operating characteristics (e.g., Big Bend coal units, Bayside CCs, Polk IGCC, all 180 MW CTs, etc.). The VOM rate for a generating group is calculated by dividing the previous year's identifiable VOM expenses for the group by the previous year's generation in megawatt-hours for the group.

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DATE EFFECTIVE: June 19, 2012

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ORIGINAL SHEET NO. 8.392

The incremental avoided energy cost associated with As-Available Energy is adjusted in each hour by the applicable VOM group rate(s) for the generation being avoided in that hour.

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TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.396
CANCELS FIRST REVISED SHEET NO. 8.396

EXHIBIT 1

Example: **Off-system purchases are not being made. The Company's generation is capable of carrying its native load and firm sales.**

Given:
Actual CEP Energy = 50 MWs
The Company's Maximum Available Generation = 1560 MWs
Native Load = 1550 MWs
Firm Sales = 10 MWs

First Calculation (WITHOUT CEP):
Production Cost at 1560 MWs = $20,275/hour

Second Calculation (WITH CEP):
Production Cost at 1510 MWs = $19,500/hour

Third Calculation (CEP Rate $/MWH):
Actual Hourly Avoided Energy Cost = ($20,275/hour - $19,500/hour) / (50 MW)

or

As-Available Energy Payment Rate (AEPR) = $15.50/MWH

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.398
CANCELS FIRST REVISED SHEET NO. 8.398

EXHIBIT 2

Example: **Off-system purchases are not being made. The Company's generation can carry its native load and firm sales only with the CEP contribution.**

Given:

Actual CEP Energy = 50 MWs
The Company's Maximum Available Generation = 1460 MWs
Native Load = 1500 MWs
Firm Sale = 10 MWs

First Calculation:

Production Cost at 1460 MWs = **$18,900/hour**

Second Calculation:

Production Cost at 1459 MWs = **$18,882.50/hour**

Third Calculation (CEP Rate $/MWH):

Actual Hourly Avoided Energy Cost at **1 MW** (system lambda [1]) =
($18,900/hour - $18,882.50/hour) / **(1 MW)**

or

As-Available Energy Payment Rate (AEPR) = **$17.50/MWH**

[1] In this example, system lambda is the production cost for the last MW segment to meet the load after dispatching all available generation capacity.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

SECOND REVISED SHEET NO. 8.402
CANCELS FIRST REVISED SHEET NO. 8.402

EXHIBIT 3

Example: **Off-system purchases are not being made to serve native load and firm sales. Available generation capacity is not fully dispatched. Without the CEP's contribution, the Company's native load and firm sales can be carried only with additional power purchases.**

Given:
Actual CEP Energy = 50 MWs
The Company's Maximum Available Generation = 1530 MWs
The Company's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sale = 10 MWs

Step 1 (Calculations for First 30 MWs)
First Calculation (Without CEP):
Production Cost at 1530 MWs = $20,590/hour
Second Calculation (With CEP):
Production Cost at 1500 MWs = $20,050/hour
Third Calculation:
Actual Hourly Avoided Energy Cost at 30 MWs =
($20,590/hour) - ($20,050/hour) = $540/hour

Step 2 (Calculations for Remaining 20 MWs)
First Calculation:
Production Cost at 1530 MWs = $20,590/hour
Second Calculation:
Production Cost at 1529 MWs = $20,571.50/hour
Third Calculation:
Actual Hourly Avoided Energy Cost at 1 MW (system lambda[1]) for 20 MWs =
($20,590/hour - $20,571.50/hour) X (20 MWs) = $370/hour

Step 3 (Calculation of Composite Rate for Total 50 MW Block)

Composite Actual Hourly Avoided Energy Cost of 50 MW Block = ($540 + $370) / 50 MW
or
As-Available Energy Payment Rate (AEPR) = $18.20/MWH

[1] In this example, system lambda is the production cost for the last MW segment to meet the load after dispatching all available generation capacity.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.404
CANCELS ORIGINAL SHEET NO. 8.404

EXHIBIT 4

Example: **Off-system purchases are being made. The Company's native load and firm sales can be carried only with additional purchase power.**

Given:

Actual CEP Energy = 50 MWs
The Company's Maximum Available Generation = 1500 MWs
The Company's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sales = 20 MWs
Off-System Purchase[1] = 10 MWs Costing $400/hour

Actual Incremental Hourly Avoided Energy Cost = $400 / 10 MW

Or

As-Available Energy Payment Rate (AEPR) = $40/hour

[1] Off-System Purchase shall be the highest cost purchased energy block bought during the hour for native load.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~FOURTEENTH~~ FIFTEENTH REVISED SHEET NO. 8.406
CANCELS ~~THIRTEENTH~~ FOURTEENTH REVISED SHEET NO. 8.406

RATE SCHEDULE COG-2
APPENDIX C

~~2030~~ 2031 Combustion Turbine

This Designated Avoided Unit is a 247 MW (winter rating) natural gas-fired Combustion Turbine with a JANUARY 1, ~~2030~~2031, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs shall meet or exceed the following MPS on a monthly basis. The MPS are based on the anticipated peak and off-peak dispatchability, unit availability, and operating factor of the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of a Combustion Turbine, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.

2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch

Continued to Sheet No. 8.408

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.408
CANCELS ORIGINAL SHEET NO. 8.408

Schedule for Fridays will include Saturday, Sunday, and Monday schedules. The CEP's Available Schedule and the Company's Dispatch Schedule during holiday periods will be similarly adjusted. The CEP shall control and operate the Facility in accordance with the Company's Dispatch Schedule. From time to time (i.e. during emergency conditions), the Company may be required to adjust the Dispatch Schedule or ignore scheduled levels altogether, however, each Party shall make reasonable efforts to minimize departures from the Dispatch Schedule.

3. **Automatic Generation Control:** At the Company's discretion, the CEP will operate the Facility with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.

4. **Start-up Time:** Upon notification by the Company, the CEP's Facility shall provide its capacity within 15 minutes from a cold-start condition to maximum capacity.

5. **Minimum Run Time:** Minimum run time for the CEP's unit shall be 1 hour.

BASIS FOR MONTHLY CAPACITY PAYMENT CALCULATION:

1. **Monthly Availability Factor:** The Monthly Availability Factor of the CEP's generating facility will be calculated by averaging the Hourly Availability Factors for each hour of the Monthly Period. The Hourly Availability Factor may not exceed 100% and shall be defined as the hourly Committed Capacity expressed as a percentage of Contracted Capacity to the nearest whole percentile. The CEP is required to achieve a minimum Monthly Availability Factor of 90% in order to meet the MPS and be eligible to receive a Monthly Capacity Payment. Periods of Annual Planned Maintenance will be excluded from the calculation of the Monthly Availability Factor. For purposes of calculating the Monthly Availability Factor, the CEP's Committed Capacity may not exceed its Contracted Capacity.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.414
CANCELS ORIGINAL SHEET NO. 8.414

2. **Monthly Capacity Factor:** In addition to the MPS for Monthly Availability, the CEP shall provide capacity into the Company's electric grid in order to meet or exceed a Monthly Capacity Factor of 80%. The Monthly Capacity Factor for the period April 1st through October 31st shall be defined as the sum of 80% of the Monthly Average On-peak Operating Factor plus 20% of the Monthly Average Off-peak Operating Factor. The Monthly Capacity Factor for the period November 1st through March 31st shall be defined as the sum of 90% of the Monthly Average On-peak Operating Factor plus 10% of the Monthly Average Off-peak Operating Factor.

   a. **Operating Factor:** The CEP shall endeavor to provide capacity in the amount dispatched by the Company. The Company may at times request capacity in an amount that exceeds the Committed Capacity as declared by CEP the previous day.

      However, the Operating Factor may not exceed 100% and shall be defined as the actual energy received during each hour that the CEP unit is dispatched by the Company divided by the lesser of the CEP's Committed Capacity or the capacity requested by the Company for that hour, expressed to the nearest whole percentile.

   b. **Monthly Average On-peak Operating Factor:** The monthly average of the Operating Factor for all hours the CEP unit has been dispatched during On-peak Hours will be termed the Monthly Average On-peak Operating Factor.

   c. **Monthly Average Off-peak Operating Factor:** The monthly average of the Operating Factor for all hours the CEP unit has been dispatched during Off-peak Hours will be termed the Monthly Average Off-peak Operating Factor.

3. **Off-Peak and On-Peak Hours:** Those weekday hours occurring April 1 through October 31, from 12:00 noon to 9:00 p.m. and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and from 6:00 p.m. to 10:00 p.m. All other weekday hours and weekends shall be deemed Off-peak Hours including the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company shall have the right to change such On-peak Hours by providing written notice to CEP a minimum of 90 calendar days prior to such change.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008

TAMPA ELECTRIC

FOURTH REVISED SHEET NO. 8.416
CANCELS THIRD REVISED SHEET NO. 8.416

Continued from Sheet No. 8.414

4. **Annual Scheduled Maintenance:** Each year the CEP shall prepare, coordinate, and provide by April 1st all planned maintenance with the Company. The Company will review and approve annual/major scheduled maintenance by July 1st for the balance of the current year and following calendar year. A maximum of 10 days (240 hours) each year for annual maintenance and a maximum of 4 weeks (672 hours) every fifteenth year for major maintenance will be allowed. Scheduled maintenance shall not be planned during January, July, August, or December. At the option of the CEP and with written consent from the Company, scheduled outage time may be utilized during any other months to improve the CEP's Availability and Capacity Factors and such scheduled outage hours will be disregarded from the Monthly Availability Factor and Capacity Factor calculations. However, once allowable maintenance hours have been utilized, all other hours during the year will be considered in Availability and Capacity Factor calculations.

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

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

   $$MCP = \$0$$

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

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

Continued on Sheet No. 8.418

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 21, 2015

TAMPA ELECTRIC

ORIGINAL SHEET NO. 8.418

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

MCP= (BCC) x CC

Where:

MCP = Monthly Capacity Payment in dollars.
BCC = Base Capacity Credit in $/KW-Month *(as exemplified by the Payment Schedules included in this Appendix for the minimum contract term under Capacity Payment Options 1, 2, 3 and 4.)*
CC = Contracted Capacity in KW
CF = Monthly Capacity Factor; or

During April 1 - October 31:

= 80% x Monthly Average On-peak Operating Factor +
20% x Monthly Average Off-peak Operating Factor

During November 1 - March 31:

= 90% x Monthly Average On-peak Operating Factor +
10% x Monthly Average Off-peak Operating Factor

6. **Non-Dispatch Condition:** The CEP may be entitled to a Monthly Capacity Payment (BCC x CC) even if the CEP's unit was not dispatched by the Company during a Monthly Period. In this instance however, in order to cover the Company's operating reserve criteria, the CEP unit must have achieved a minimum Monthly Availability Factor of 90% for the Monthly Period to be eligible to receive a Monthly Capacity Payment.

In the event the CEP unit is dispatched during one but not the other (On-peak vs. Off- peak) period during the month, the CEP's Monthly Average Operating Factor for the "non-dispatched" period will be set equal to the Monthly Average Operating Factor achieved during the "dispatched" period, for the purpose of calculating the Monthly Capacity Factor, as defined in Paragraph 2 above.

The CEP may be entitled to a Monthly Capacity Payment when the CEP's unit is out of service during the month for allowable scheduled maintenance in accordance with the Paragraph 4 above.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 8.422
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.422

Continued from Sheet No. 8.418

PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (01/1/~~20302031~~) of the Company's Designated Avoided Unit, a 247MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

			VALUE
VAC_m	=	Company's monthly value of avoided capacity, $/kW/month, for each month of year n	~~8.02~~11.34
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year	~~1.34~~1.33
I_n	=	total direct and indirect cost, in mid-year $/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	~~953.59~~1495.03
O_n	=	total fixed operation and maintenance expense for the year n, in mid-year $/kW/year, of the Designated Avoided Unit(s);	~~12.97~~12.95
i_p	=	annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	~~1.8~~1.6%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	~~2.1~~2.2%
r	=	discount rate, defined as the Company's incremental after tax cost of capital;	~~7.407~~7.569%

Continued to Sheet No. 4.424

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO. TAMPA ELECTRIC AN EMERA COMPANY

~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 8.424
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.424

Continued from Sheet No. 8.422

L	=	expected life of the Designated Avoided Unit(s); and	~~30~~40
n	=	year for which the Designated Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy.	~~2030~~2031
A_m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in $/kW/month, if payments start in ~~2024~~2025	~~4.576~~6.44
m	=	Earliest year in which early capacity payments to the CEP may begin;	~~2024~~2025*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	~~684.02~~975.06*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	26*

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

Continued to Sheet No. 8.426

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 8.426
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.426

Continued from Sheet No. 8.424

2030 2031 COMBUSTION TURBINE – AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE ($/KW-MONTH)
NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1	OPTION 2					
		NORMAL PAYMENT	EARLY PAYMENT					
CONTRACT YEAR		Starting 01/1/310	Starting 01/1/3029	Starting 01/1/298	Starting 01/1/287	Starting 01/01/276	Starting 01/01/265	Starting 01/01/254
From	To	$/kW-mo.	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo
1/1/254	12/31/254	- -	- -	- -	- -	- -	- -	8.44 4.57
1/1/264/1/25	12/31/2612/31/25	- -	- -	- -	- -	- -	7.05 4.99	8.54 4.65
1/1/274/1/26	12/31/2712/31/26	- -	- -	- -	- -	7.72 5.47	7.16 5.09	8.65 4.73
1/1/281/1/27	12/31/2812/31/27	- -	- -	- -	8.48 6.00	7.85 5.57	7.28 5.18	8.76 4.82
1/1/294/1/28	12/31/2912/31/28	- -	- -	9.33 6.60	8.62 6.11	7.98 5.68	7.40 5.28	8.87 4.91
1/1/304/1/29	12/31/3012/31/29	- -	10.27 7.27	9.48 6.72	8.76 6.23	8.11 5.78	7.53 5.37	8.99 5.00
1/1/314/1/30	12/31/3112/31/30	11.34 8.02	10.44 7.40	9.64 6.84	8.91 6.34	8.25 5.89	7.65 5.47	7.10 5.09
1/1/324/1/31	12/31/3212/31/31	11.53 8.17	10.62 7.54	9.80 6.97	9.06 6.46	8.39 5.99	7.78 5.57	7.22 5.19
1/1/331/1/32	12/31/3312/31/32	11.72 8.32	10.79 7.68	9.96 7.10	9.21 6.58	8.53 6.10	7.91 5.67	7.34 5.26
1/1/341/1/33	12/31/3412/31/33	11.91 8.47	10.97 7.82	10.12 7.23	9.36 6.70	8.67 6.22	8.04 5.78	7.46 5.38
1/1/351/1/34	12/31/3512/31/34	12.11 8.62	11.15 7.96	10.29 7.36	9.51 6.82	8.81 6.33	8.17 5.89	7.59 5.48
1/1/364/1/35	12/31/3612/31/35	12.31 8.78	11.34 8.11	10.46 7.50	9.67 6.95	8.96 6.45	8.31 5.99	7.71 5.58
1/1/371/1/36	12/31/3712/31/36	12.52 8.95	11.53 8.26	10.64 7.64	9.83 7.08	9.11 6.57	8.44 6.10	7.84 5.68
1/1/384/1/37	12/31/3812/31/37	12.72 9.11	11.72 8.41	10.81 7.78	10.00 7.21	9.26 6.66	8.58 6.22	7.97 5.78
1/1/391/1/38	12/31/3912/31/38	12.84 9.28	11.91 8.56	10.99 7.92	10.16 7.34	9.41 6.81	8.73 6.33	8.10 5.89
1/1/404/1/39	12/31/4012/31/39	13.15 9.45	12.11 8.72	11.17 8.07	10.33 7.47	9.57 6.91	8.87 6.45	8.24 5.99
1/1/411/1/40	12/31/4112/31/40	13.37 9.62	12.31 8.86	11.36 8.21	10.50 7.61	9.73 7.06	9.02 6.57	8.38 6.11
1/1/424/1/41	12/31/4212/31/41	13.59 9.80	12.52 9.01	11.55 8.37	10.66 7.75	9.88 7.19	9.17 6.59	8.51 6.22
1/1/431/1/42	12/31/4312/31/42	13.82 9.98	12.72 9.21	11.74 8.52	10.85 7.89	10.05 7.33	9.32 6.81	8.66 6.34
1/1/441/1/43	12/31/4412/31/43	14.05 10.16	12.93 9.38	11.94 8.68	11.03 8.04	10.22 7.46	9.48 6.94	8.80 6.48
1/1/451/1/44	12/31/4512/31/44	14.26 10.35	13.15 9.55	12.13 8.84	11.22 8.19	10.39 7.60	9.63 7.06	8.95 6.59
1/1/461/1/45	12/31/4612/31/45	14.52 10.54	13.37 9.73	12.34 9.00	11.40 8.34	10.56 7.74	9.79 7.19	9.10 6.70
1/1/474/1/46	12/31/4712/31/46	14.76 10.74	13.59 9.91	12.54 9.16	11.59 8.49	10.74 7.88	9.96 7.32	9.25 6.82
1/1/481/1/47	12/31/4812/31/47	15.00 10.93	13.82 10.09	12.75 9.33	11.79 8.65	10.91 8.03	10.12 7.46	9.40 6.95
1/1/494/1/48	12/31/4912/31/48	15.25 11.13	14.05 10.28	12.96 9.51	11.98 8.81	11.10 8.17	10.29 7.60	9.56 7.07

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 8.426
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.426

~~1/1/50~~ ~~1/1/49~~	~~12/31/50~~ ~~12/31/49~~	15.51 11.34	14.26 10.47	13.18 9.68	12.18 8.97	11.28 ~~8.33~~	10.46 ~~7.74~~	9.72 ~~7.20~~

Continued to Sheet No. 8.427

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~TWELFTH~~ THIRTEENTH REVISED SHEET NO. 8.427
CANCELS ~~ELEVENTH~~ TWELFTH REVISED SHEET NO. 8.427

Continued from Sheet No. 8.426

~~2030~~ 2031 COMBUSTION TURBINE - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE ($/KW-MONTH)
LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4					
		LEVELIZED NORMAL PAYMENT	EARLY LEVELIZED PAYMENT					
CONTRACT YEAR		Starting 01/1/~~31~~0	Starting 01/1/~~30~~2~~9~~	Starting 01/1/~~29~~9	Starting 01/1/~~28~~7	Starting 01/01/~~27~~6	Starting 01/01/~~26~~5	Starting 01/01/~~25~~4
From	To	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo	$/kW-mo
1/1/~~25~~4	12/31/~~25~~4	- -	- -	- -	- -	- -	- -	7.47 ~~6.47~~
1/1/~~26~~4/1/~~25~~	12/31/~~26~~12/31/~~25~~	- -	- -	- -	- -	- -	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~27~~4/1/~~26~~	12/31/~~27~~12/31/~~26~~	- -	- -	- -	- -	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~28~~1/1/27	12/31/~~28~~12/31/27	- -	- -	- -	9.71 8.23	8.89 7.59	8.14 7.00	7.47 ~~6.47~~
1/1/~~29~~4/1/~~28~~	12/31/~~29~~12/31/~~28~~	- -	- -	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~30~~4/1/~~29~~	12/31/~~30~~12/31/~~29~~	- -	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~31~~4/1/~~30~~	12/31/~~31~~12/31/~~30~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~32~~4/1/~~31~~	12/31/~~32~~12/31/~~31~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~33~~4/1/~~32~~	12/31/~~33~~12/31/~~32~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~34~~4/1/~~33~~	12/31/~~34~~12/31/~~33~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~35~~4/1/~~34~~	12/31/~~35~~12/31/~~34~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~36~~1/1/35	12/31/~~36~~12/31/35	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 8.23	8.89 7.59	8.14 7.00	7.47 ~~6.47~~
1/1/~~37~~4/1/~~36~~	12/31/~~37~~12/31/~~36~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~38~~4/1/~~37~~	12/31/~~38~~12/31/~~37~~	12.81 10.23	11.66 9.35	10.63 8.56	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 6.47
1/1/~~39~~4/1/~~38~~	12/31/~~39~~12/31/~~38~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~40~~1/1/39	12/31/~~40~~12/31/39	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 8.23	8.89 7.59	8.14 7.00	7.47 ~~6.47~~
1/1/~~41~~4/1/~~40~~	12/31/~~41~~12/31/~~40~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~42~~4/1/~~41~~	12/31/~~42~~12/31/~~41~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~43~~4/1/~~42~~	12/31/~~43~~12/31/~~42~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~
1/1/~~44~~1/1/43	12/31/~~44~~12/31/43	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 8.23	8.89 7.59	8.14 7.00	7.47 ~~6.47~~
1/1/~~45~~4/1/~~44~~	12/31/~~45~~12/31/~~44~~	12.81 ~~10.23~~	11.66 ~~9.35~~	10.63 ~~8.56~~	9.71 ~~8.23~~	8.89 ~~7.59~~	8.14 ~~7.00~~	7.47 ~~6.47~~

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~TWELFTH~~ THIRTEENTH REVISED SHEET NO. 8.427
CANCELS ~~ELEVENTH~~ TWELFTH REVISED SHEET NO. 8.427

~~1/1/46~~1/1/45	~~12/31/46~~12/31/45	~~12.81~~ 10.23	~~11.66~~ 9.35	~~10.63~~ 8.56	~~9.71~~ 8.23	~~8.89~~ 7.59	~~8.14~~ 7.00	~~7.47~~ 6.47
~~1/1/47~~1/1/46	~~12/31/47~~12/31/46	~~12.81~~ 10.23	~~11.66~~ 9.35	~~10.63~~ 8.56	~~9.71~~ 8.23	~~8.89~~ 7.59	~~8.14~~ 7.00	~~7.47~~ 6.47
~~1/1/48~~1/1/47	~~12/31/48~~12/31/47	~~12.81~~ 10.23	~~11.66~~ 9.35	~~10.63~~ 8.56	~~9.71~~ 8.23	~~8.89~~ 7.59	~~8.14~~ 7.00	~~7.47~~ 6.47
~~1/1/49~~1/1/48	~~12/31/49~~12/31/48	~~12.81~~ 10.23	~~11.66~~ 9.35	~~10.63~~ 8.56	~~9.71~~ 8.23	~~8.89~~ 7.59	~~8.14~~ 7.00	~~7.47~~ 6.47
~~1/1/50~~1/1/49	~~12/31/50~~12/31/49	~~12.81~~ 10.23	~~11.66~~ 9.35	~~10.63~~ 8.56	~~9.71~~ 8.23	~~8.89~~ 7.59	~~8.14~~ 7.00	~~7.47~~ 6.47

Continued to Sheet No. 8.428

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~FIFTEENTH~~ SIXTEENTH REVISED SHEET NO. 8.428
CANCELS ~~FOURTEENTH~~ FIFTEENTH REVISED SHEET NO. 8.428

Continued from Sheet No. 8.427

BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:

   a. The Company has dispatched the CEP's unit on AGC; or

   b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or

   c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or

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

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

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

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR for energy provided in Paragraph 1.a, Paragraph 1.b and that portion of the energy provided up to the dispatched level in Paragraph 1.c as defined above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of ~~10,867~~11,127 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

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

Continued to Sheet No. 8.434

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~FIFTEENTH~~ SIXTEENTH REVISED SHEET NO. 8.434
CANCELS ~~FOURTEENTH~~ FIFTEENTH REVISED SHEET NO. 8.434

Continued from Sheet No. 8.428

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

FC = $\frac{\text{~~10,867~~11,127 Btu/kWh x FP}}{1,000}$

where;

FP = Fuel Price in $/MMBTU determined by:

FP = GC/(1-FRP) + TC

where;

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

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

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

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

Continued to Sheet No. 8.436

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TECO TAMPA ELECTRIC AN EMERA COMPANY

~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 8.436
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.436

Continued from Sheet No. 8.428

PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on JANUARY 1, ~~2030~~2031, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

			VALUE
O_v	=	total variable operating and maintenance expense, in $/MWH, of the Designated Avoided Unit(s), in year n	1.~~32~~33
H	=	The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	~~10,867~~11,127

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 18, 2024~~

TAMPA ELECTRIC COMPANY **FOURTH REVISED SHEET NO. 8.600**
CANCELS THIRD REVISED SHEET NO. 8.600

INTERCONNECTION AGREEMENT

This agreement is made and entered into this _____ day of _____, _____ by and between _____, a Qualifying Facility, or as appropriate, a Qualifying Facility that is a Distributed Resource as referenced in the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, hereinafter referred to as "QF" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties."

1. **Facility:** The QF's generating facility, hereinafter referred to as "Facility," is located at _____, within the Company's service territory. QF intends to have its Facility installed and operational on or about _____, _____. QF shall provide the Company reasonable prior notice of the Facility's initial operation, and it shall cooperate with the Company to arrange initial deliveries of power to the Company's system.

The Facility has been or will be certified as a Qualifying Facility pursuant to the rules and regulations of the Florida Public Service Commission (FPSC) or the Federal Energy Regulatory Commission (FERC). The QF shall maintain the qualifying status of the Facility throughout the terms of the Interconnection Agreement. By the end of the first quarter of each year, QF shall furnish the Company a notarized certificate by an officer of QF certifying that the Facility has continuously maintained qualifying status on a calendar year basis since the commencement of the contract term.

2. **Construction Activities:** QF shall provide the Company with written instructions to proceed with construction of the interconnection facilities as described in this Agreement at least 24 months prior to the date on which the facilities shall be completed.

The Company agrees to complete the interconnection facilities as described in this Agreement within 24 months of receipt of written instructions to proceed.

Upon the parties' agreement as to the appropriate interconnection design requirements and receipt of written instructions to proceed delivered by QF, the Company shall design and perform or cause to be performed all of the work necessary to interconnect the Facility with the Company's system.

Continued to Sheet No. 8.605

ISSUED BY: C. R. Black, President **DATE EFFECTIVE:** December 20, 2006

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.605**

Continued from Sheet No. 8.600

Prior to any work being done by the Company, the Company shall supply QF with a written cost estimate of all required materials and labor and an estimate of the date by which construction of the interconnection will be completed. This estimate shall be provided to QF within 60 days after QF provides the Company with its final electrical one-line diagrams. The Company shall also provide project timing and feasibility information to the QF.

QF agrees to pay the Company all expenses incurred by the Company necessary for integration of the Facility into the Company's electrical system, including but not limited to the design, construction, operation, maintenance and repair of the interconnection facilities described in Exhibit A. Exhibit A shall contain a complete description of the interconnection facilities including the final electrical on-line diagram. Such interconnection costs shall not include any interconnection costs which the Company would otherwise incur if it were not engaged in interconnected operations with QF but instead provided through its own generation facilities the electric power required by the Facility.

QF agrees to pay the costs for complete interconnection work ($__ dollars): ( ) within 30 days after the Company notifies QF that such interconnection work has been completed; or ( ) payable in (up to 36) _____ monthly installments, plus interest on the outstanding balance calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date each payment is due, such rate to be determined by the Company, with the first such installment payment being due 30 days after the Company notifies QF that such interconnection work has been completed.

In the event QF notifies the Company in writing to cease interconnection work before its completion, QF shall be obligated to reimburse the Company for the interconnection costs incurred up to the date such notification is received. The payment terms shall be in accordance with the payment option selected by the QF in the proceeding paragraph.

3. **Cost Estimates:** Attached hereto as Exhibit B and incorporated herein by this reference is a document entitled, "QF Interconnection Cost Estimates." The parties agree that the cost of the interconnection work contained in Exhibit B is a good faith estimate of the actual cost to be incurred.

Continued to Sheet No. 8.610

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY

FOURTH REVISED SHEET NO. 8.610
CANCELS THIRD REVISED SHEET NO. 8.610

Continued from Sheet No. 8.605

4. **Technical Requirements and Operations:** The parties agree that QF's interconnection with, and delivery of electricity into, the Company's system must be accomplished in accordance with the provisions of the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System," "NERC Planning Standards," September 1997, [Copyright @ 1997 by the North American Electric Reliability Council] attached hereto as Exhibit C, that are applicable to generation and transmission facilities which are connected to, or are being planned to be connected to the Company's transmission system (document provided upon request). Additionally, the Parties agree that for QFs that are Distributed Resources, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction.

In the event that changes in the engineering or operating standards or practices in the utility industry, and the Company's corresponding standards or practices or changes in regulatory requirements, affect the design or operation of the Company's electrical system, and this in turn necessitates additions to or modifications of the equipment or facilities utilized in order to ensure the continued safe and reliable operations contemplated by this Agreement, as well as the continued compatibility of the Facility with the Company's system, QF agrees to bear the cost of such additions or modifications which are directly attributable to the Facility. The costs of such additions or modifications shall not include any costs which the Company would otherwise incur if it were not engaged in interconnected operations with the Facility, but instead provided through its own generation facilities the electrical power required by the Facility.

In addition, QF agrees to require that the Facility operator immediately notify the Company's System Dispatcher by telephone in the event hazardous or unsafe conditions associated with the parties' parallel operations are discovered. If such conditions are detected by the Company, then the Company will likewise immediately contact the operator of the Facility by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

To the extent the Company reasonably determines the same to be necessary to ensure the safe operation of the Facility or to protect the integrity of the Company's system, QF agrees to reduce power generation or take other appropriate actions.

Continued to Sheet No. 8.615

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: December 20, 2006

TAMPA ELECTRIC COMPANY

FIRST REVISED SHEET NO. 8.615
CANCELS ORIGINAL SHEET NO. 8.615

Continued from Sheet No. 8.610

5. **Interconnection Facilities:** The interconnection facilities shall include the items listed in Exhibit A. Interconnection facilities on the Company's side of the ownership line with QF shall be owned, operated, maintained and repaired by the Company. QF shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on QF's side of the ownership line as indicated in Exhibit A. The QF shall be responsible for establishing and maintaining controlled access by third parties to the interconnection facilities owned by the QF.

6. **Maintenance and Repair Payments:** The Company will separately invoice QF monthly for all costs associated with the operation, maintenance and repair of the interconnection facilities. QF agrees to pay the Company within 20 business days of receipt of each such invoice.

7. **Site Access:** In order to help ensure the continuous, safe, reliable and compatible operation of the Facility with the Company's system, QF hereby grants to the Company for the period of interconnection the reasonable right of ingress and egress, consistent with the safe operation of the Facility, over property owned or controlled by QF to the extent the Company deems such ingress and egress necessary in order to examine, test, calibrate, coordinate, operate, maintain or repair any interconnection equipment involved in the parallel operation of the Facility and the Company's system, including the Company's metering equipment.

8. **Construction Responsibility:** In no event shall any the Company statement, representation, or lack thereof, either express or implied, relieve QF of its exclusive responsibility for the Facility. Specifically, any the Company inspection of the Facility shall not be construed as confirming or endorsing the Facility's design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Facility's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any Facility equipment or procedure.

Continued to Sheet No. 8.620

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

SECOND REVISED SHEET NO. 8.620
CANCELS FIRST REVISED SHEET NO. 8.620

Continued from Sheet No. 8.615

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

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

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

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

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

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

Continued to Sheet No. 8.625

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.625**

Continued from Sheet No. 8.620

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

10. **Electric Service to QF:** The Company will provide the class or classes of electric service requested by QF, to the extent that they are consistent with applicable tariffs; provided, however, that interruptible service will not be available under circumstances where interruptions would impair QF's ability to generate and deliver Firm Capacity and Energy to the Company under the terms of the Company's Standard Offer Contract.

11. **Assignment:** The QF shall have the right to assign its benefits under this Agreement, but the QF shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.

12. **Disclaimer:** In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with QF or any assignee of this Agreement.

13. **Applicable Law:** This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed or amended from time to time.

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

Continued to Sheet No. 8.630

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **SECOND REVISED SHEET NO. 8.630**
CANCELS FIRST REVISED SHEET NO. 8.630

Continued from Sheet No. 8.625

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

16. **Incorporation of Rate Schedule:** The parties agree that this Agreement shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-1 or COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.

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

18. **Notification:** For purpose of making emergency or any communications relating to the operation of the Facility, under the provisions of this Agreement, the parties designate the following persons for notification:

For QF:

_____ _____

_____ Phone: _____

For Tampa Electric:

Dispatcher

Palm River Phone: (813) 621-2929

Continued to Sheet No. 8.635

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.635**

Continued from Sheet No. 8.630

For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Agreement, the parties designate the following to be notified or to whom payment shall be sent until such time as either party furnishes the other written instructions changing such designate.

For QF:

For Tampa Electric:
Manager-Industrial/Governmental Marketing & Sales
Tampa Electric Company
702 North Franklin Street (33602)
P.O. Box 111
Tampa, Florida 33601

IN WITNESS WHEREOF, QF and the Company have executed this Agreement the day and year first above written.

WITNESSES: **Qualifying Facility**

_____ **By:** _____

_____ **Its:** _____

WITNESSES: **Tampa Electric Company**

_____ **By:** _____

_____ **Its:** _____

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.700**

GENERAL STANDARDS FOR SAFETY AND INTERCONNECTION OF COGENERATION AND SMALL POWER PRODUCTION FACILITIES TO THE ELECTRIC UTILITY SYSTEM

The following section is based on Florida Public Service Commission (FPSC) Rule 25-17.087, Florida Administrative Code, (F.A.C.), Interconnection and Standards and is applicable throughout Tampa Electric Company's (the Company's) service area:

1. The Company shall interconnect with any qualifying facility (qf) which:

   a. is in its service area;

   b. requests interconnection;

   c. agrees to meet system standards specified in this Rule;

   d. agrees to pay the cost of interconnection; and

   e. signs an interconnection agreement.

2. Nothing in this rule shall be construed to preclude the Company from evaluating each request for interconnection on its own merits and modifying the general standards specified in this Rule to reflect the result of such an evaluation.

3. Where the Company refuses to interconnect with a qf or attempts to impose unreasonable standards pursuant to subsection (2) of this rule, the qf may petition the FPSC for relief. The Company shall have the burden of demonstrating to the FPSC why interconnection with the qfs should not be required or that the standards the Company seeks to impose on the qfs pursuant to subsection (2) are reasonable.

4. Upon a showing of credit worthiness, the qfs shall have the option of making monthly installment payments over a period no longer than 36 months toward the full cost of interconnection. However, where the qfs exercises that option, the Company shall charge interest on the amount owing. The Company shall charge such interest at the 30 day highest grade commercial paper rate. In any event, no the Company may not bear the cost of interconnection.

Continued to Sheet No. 8.705

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.705**

Continued from Sheet No. 8.700

5. **Application for Interconnection:** A qf shall not operate electric generating equipment in parallel with the Company's electric system without the prior written consent of the Company. Formal application for interconnection shall be made by the qf prior to the installation of any generation related equipment. This application shall be accompanied by the following:

a. Physical layout drawings, including dimensions;

b. All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;

c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the proposed system and to be able to make a coordinated system;

d. Power characteristics in watts and vars;

e. Expected radio-noise, harmonic generation and telephone interference factor;

f. Synchronizing methods; and

g. Operating/instruction manuals.

Any subsequent change in the system must also be submitted for review and written approval prior to actual modification. The above mentioned review, recommendations and approval by the Company do not relieve the qf from complete responsibility for the adequate engineering design, construction and operation of the qf equipment and for any liability for injuries to property or persons associated with any failure to perform in a proper and safe manner for any reason.

Continued to Sheet No. 8.710

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.710**

Continued from Sheet No. 8.705

6. **Personnel Safety:** Adequate protection and safe operational procedures must be developed and followed by the joint system. These operating procedures must be approved by both the Company and the qf. The qf shall be required to furnish, install, operate and maintain in good order and repair, and be solely responsible for, without cost to the Company, all facilities required for the safe operation of the generation system in parallel with the Company's system.

The qf shall permit the Company's employees to enter upon its property at any reasonable time for the purpose of inspection and/or testing the qf's equipment, facilities, or apparatus. Such inspections shall not relieve the qf from its obligation to maintain its equipment in safe and satisfactory operating condition.

The Company's approval of isolating devices used by the qf will be required to ensure that these will comply with the Company's switching and tagging procedure for safe working clearances.

a. **Disconnect switch:** A manual disconnect switch, of the visible load break type, to provide a separation point between the qf's generation system and the Company's system, shall be required. The Company will specify the location of the disconnect switch. The switch shall be mounted separate from the meter socket and shall be readily accessible to the Company and be capable of being locked in the open position with a Company padlock. The Company may reserve the right to open the switch (i.e., isolating the qf's generation system) without prior notice to the qf. To the extent practicable, however, prior notice shall be given.

Continued to Sheet No. 8.715

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.715**

Continued from Sheet No. 8.710

Any of the following conditions shall be cause for disconnection:

i. The Company's system emergencies and/or maintenance requirements; Hazardous conditions existing on the qf's generating or protective equipment as determined by the Company;

ii. Adverse effects of the qf's generation to the Company's other electric consumers and/or system as determined by the Company;

iii. Failure of the qf to maintain any required insurance; or

iv. Failure of the qf to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the qf's electric generating equipment or the operation of such equipment.

b. **Responsibility and Liability:** The Company and the qf shall each be responsible for its own facilities. The Company and the qf shall each be responsible for ensuring adequate safeguards for other Company customers, the Company and qf personnel and equipment, and for the protection of its own generating system. The Company and the qf shall each indemnify and save the other harmless from any and all claims, demands, costs, or expense for loss, damage, or injury to persons or property of the other caused by, arising out of, or resulting from:

i. Any act or omission by a party, or that party's contractors, agents, servants and employees in connection with the installation or operation of that party's generation system or the operation thereof in connection with the other party's system;

ii. Any defect in, failure of, or fault related to a party's generation system;

iii. The negligence of a party or negligence of that party's contractors, agents, servants or employees; or

Continued to Sheet No. 8.720

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.720
CANCELS ORIGINAL SHEET NO. 8.720

Continued from Sheet No. 8.715

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

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

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

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

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

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

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

Continued to Sheet No. 8.725

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013

TAMPA ELECTRIC

FIRST REVISED SHEET NO. 8.725
CANCELS ORIGINAL SHEET NO. 8.725

Continued from Sheet No. 8.720

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

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

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

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

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

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

Continued to Sheet No. 8.730

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.730**

Continued from Sheet No. 8.725

a. **Loss of source:** The qf shall provide, or the Company will provide at the qf's expense, approved protective equipment necessary to immediately, completely, and automatically disconnect the qf's generation from the Company's system in the event of a fault on the qf's system, a fault on the Company's system, or loss of source on the Company's system. Disconnection must be completed within the time specified by the Company in its standard operating procedure for its electric system for loss of a source on the Company's system.

This automatic disconnecting device may be of the manual or automatic reclose type and shall not be capable of reclosing until after service is restored by the Company. The type and size of the device shall be approved by the Company depending upon the installation. Adequate test data or technical proof that the device meets the above criteria must be supplied by the qf to the Company. The Company shall approve a device that will perform the above functions at minimal capital and operating costs to the qf.

b. **Coordination and Synchronization:** The qf shall be responsible for coordination and synchronization of the qf's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the Company's system.

c. **Electrical characteristics:** Single phase generator interconnections with the Company are permitted at power levels up to 20 KW. For power levels exceeding 20 KW, a three phase balanced interconnection will normally be required. For the purpose of calculating connected generation, 1 horsepower equals 1 kilowatt. The qf shall interconnect with the Company at the voltage of the available distribution or transmission line of the Company for the locality of the interconnection, and shall utilize one of the standard connections (single phase, three phase, wye, delta) as approved by the Company.

Continued to Sheet No. 8.735

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.735**

Continued from Sheet No. 8.730

The Company may reserve the right to require a separate transformation and/or service for a qf's generation system, at the qf's expense. The qf shall bond all neutrals of the qf's system to the Company's neutral, and shall install a separate driven ground with a resistance value which shall be determined by the Company and bond this ground to the qf's system neutral.

d. **Exceptions** A qf's generator having a capacity rating that can:

i. Produce power in excess of one half of the minimum Company customer requirements of the interconnected distribution or transmission circuit; or

ii. produce power flows approaching or exceeding the thermal capacity of the connected Company distribution or transmission lines or transformers; or

iii. adversely affect the operation of the Company or other Company customer's voltage, frequency or overcurrent control and protection devices; or

iv. adversely affect the quality of service to other Company customers; or

v. interconnect at voltage levels greater than distribution voltages, will require more complex interconnection facilities as deemed necessary by the Company.

8. **Quality of Service:** The qf's generated electricity shall meet the following minimum guidelines:

a. **Frequency:** The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.

b. **Voltage:** The regulator control shall be capable of maintaining the generator output voltage within limits for loads from no-load up to rated output. The limits for voltage shall be the nominal operating voltage level, plus or minus 5%.

Continued to Sheet No. 8.740

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.740**

Continued from Sheet No. 8.735

c. **Harmonics:** The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean square) of harmonics than the Company's normal harmonic content at the interconnection point.

d. **Power Factor:** The qf's generation system shall be designed, operated and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. (Capacitors shall not be so large as to permit self-excitation of the qf's generator field).

e. **DC Generators:** Direct current generators may be operated in parallel with the Company's system through a synchronous invertor. The invertor must meet all criteria in these rules.

9. **Metering:** The actual metering equipment required, its voltage rating, number of phases, size, current transformers, potential transformers, number of inputs and associated memory is dependent on the type, size and location of the electric service provided. In situations where power may flow both in and out of the qf's system, power flowing into the qf's system will be measured separately from power flowing out of the qf's system.

The Company will provide, at no additional cost to the qf, the metering equipment necessary to measure capacity and energy deliveries to the qf. The Company will provide, at the qf's expense, the necessary additional metering equipment to measure capacity and energy deliveries by the qf to the Company.

10. **Cost Responsibility:** The qf is required to bear all costs associated with the change-out, upgrading or addition of protective devices, transformers,

Continued to Sheet No. 8.745

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

TAMPA ELECTRIC COMPANY **ORIGINAL SHEET NO. 8.745**

Continued from Sheet No. 8.740

lines, services, meters, switches, and associated equipment and devices beyond that which would be required to provide normal service to the qf if the qf were a non-generating customer. These costs shall be paid by the qf to the Company for all material and labor that is required. Prior to any work being done by the Company, the Company shall supply the qf with a written cost estimate of all its required materials and labor and an estimate of the date by which construction of the interconnection will be completed. This estimate shall be provided to the qf within 60 days after the qf provides the Company with its final electrical plans. The Company shall also provide project timing and feasibility information to the qf.

11. The Company shall submit, to the FPSC, a standard agreement for the interconnection by qfs as part of their Standard Offer contract or contracts required by FPSC Rule 25-17.0832(3), F.A.C.

ISSUED BY: J. B. Ramil, President **DATE EFFECTIVE:** March 30, 1999

Item 6

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis) LVK
Office of the General Counsel (Augspurger, Marquez) ACH

RE: Docket No. 20250054-EQ – Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 20250053-EQ, 20250054-EQ, 20250055-EQ, and 20250056-EQ.

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil-fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan (TYSP). On April 1, 2025, Duke Energy Florida, LLC (DEF) filed a petition for approval of its amended standard offer contract based on its 2025 TYSP. The Commission has jurisdiction over this amended standard offer contract, pursuant to Sections 366.04, 366.041, 366.05, 366.055, 366.06, and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the amended standard offer contract and associated rate schedule COG-2 filed by Duke Energy Florida, LLC?

Recommendation: Yes. The provisions of DEF's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. (Sanchez)

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs and QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP or, if no avoided unit is identified, its next avoidable planned purchase. In its 2025 Ten-Year Site Plan, DEF has identified a 245 megawatt (MW) natural gas-fueled combustion turbine as the next avoidable planned generating unit. This unit has a projected in-service date of June 1, 2033, with planned construction beginning in January 2029.

Under DEF's amended standard offer contract, the RF/QF operator commits to certain minimum performance requirements, based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit. In this way, the RF/QF thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2033). Thereafter, they begin receiving capacity payments in addition to firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains DEF's estimates of the annual payments for the normal and levelized capacity payment options available under the amended standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 95 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (June 1, 2033), and

continue for 10 years, while early and early levelized capacity payments begin two (2) years prior to the in-service date, or January 2031 in this case.

Table 1
Estimated Annual Payments to a 50 MW Renewable Facility
(95% Capacity Factor)

Year	Energy Payments	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	$(000)	$(000)	$(000)	$(000)	$(000)
2026	13,585	-	-	-	-
2027	13,799	-	-	-	-
2028	13,538	-	-	-	-
2029	12,569	-	-	-	-
2030	12,141	-	-	-	-
2031	12,905	-	-	7,679	8,441
2032	14,327	-	-	7,807	8,444
2033	15,628	5,952	6,493	7,938	8,447
2034	16,721	10,374	11,135	8,071	8,450
2035	18,488	10,547	11,140	8,206	8,454
2036	19,381	10,724	11,144	8,344	8,457
2037	20,071	10,904	11,149	8,484	8,461
2038	19,203	11,087	11,153	8,626	8,464
2039	19,829	11,272	11,158	8,770	8,468
2040	21,259	11,461	11,163	8,917	8,472
2041	21,474	11,653	11,168	9,067	8,476
2042	20,957	11,849	11,173	9,219	8,480
2043	21,180	12,047	11,178	9,374	8,484
2044	20,761	12,249	11,184	9,531	8,488
2045	21,124	12,455	11,189	9,691	8,492
Total	348,940	142,575	140,427	129,723	126,975
Total (NPV)	172,068	54,425	54,425	54,425	54,425

Source: DEF's Response to Staff's First Data Request.[1]

DEF's amended standard offer contract, in type-and-strike format, is included as Attachment A to this recommendation. The changes made to DEF's tariff sheets are consistent with the updated avoided unit. Revisions include updates to calendar dates and payment information, which reflect the current economic and financial assumptions for the avoided unit.

[1] Document No. 02948-2025, filed Apr. 17, 2025, in Docket No. 20250054-EQ, *In re: Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC.*

Conclusion

The provisions of DEF's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. The Commission should approve the amended standard offer contract.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, DEF's standard offer contract may subsequently be revised. (Augspurger, Marquez)

Staff Analysis: This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, DEF's standard offer contract may subsequently be revised.

DUKE ENERGY

SECTION No. IX
SECOND REVISED SHEET NO. 9.400
CANCELS FIRST REVISED SHEET NO. 9.400

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A RENEWABLE ENERGY PRODUCER OR QUALIFYING FACILITY LESS THAN 100 KW

TABLE OF CONTENTS

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy - FL**
EFFECTIVE: April 29, 2013

DUKE ENERGY

SECTION NO. IX
SECOND REVISED SHEET NO. 9.401
CANCELS FIRST SHEET NO. 9.401

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY
AND ENERGY FROM A RENEWABLE ENERGY PRODUCER
OR QUALIFYING FACILITY LESS THAN 100 KW

between

_____

and

DUKE ENERGY FLORIDA, LLC

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 5, 2018

DUKE ENERGY

SECTION NO. IX
THIRD REVISED SHEET NO.9.402
CANCELS SECOND REVISED SHEET NO. 9.402

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ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: July 9, 2019

DUKE ENERGY

SECTION NO. IX
FIFTH REVISED SHEET NO.9.403
CANCELS FOURTH REVISED SHEET NO. 9.403

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ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: July 9, 2019

DUKE ENERGY

SECTION NO. IX
~~SIXTH~~ SEVENTH REVISED SHEET NO. 9.404
CANCELS ~~FIFTH~~ SIXTH REVISED SHEET NO. 9.404

STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A RENEWABLE ENERGY PRODUCER OR QUALIFYING FACILITY LESS THAN 100 KW

THIS STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY (hereinafter referred to as the "Contract") is made and entered this ___ day of _____, _____ (hereinafter referred to as the "Execution Date"), by and between (hereinafter the Renewable Energy Provider/Qualifying Facility ("RF/QF"). and Duke Energy Florida, LLC d/b/a Duke Energy (hereinafter "DEF"), a private utility corporation organized and existing under the laws of the State of Florida. The RF/QF and DEF shall be individually identified herein as the "Party" and collectively as the "Parties". This Contract contains six Appendices which are incorporated into and made part of this Contract: Appendix A: Monthly Capacity Payment Calculation; Appendix B: Termination Fee; Appendix C: Detailed Project Information; Appendix D: Rate Schedule COG-2; Appendix E: Agreed Upon Payment Schedules and Other Mutual Agreements; and Appendix F: Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17.310, F.A.C.

WITNESSETH:

WHEREAS, the RF/QF desires to sell, and DEF desires to purchase electricity to be generated by the RF/QF consistent with Florida Statutes 366.91 (2006) and FPSC Rules 25-17.080 through 25-17.310 F.A.C.; and

WHEREAS, the RF/QF will acquire an interconnection and transmission service agreements with the utility in whose service territory the Facility is to be located, pursuant to which the RF/QF assumes contractual responsibility to make any and all transmission-related arrangements (including ancillary services) between the RF/QF and the Transmission Provider for delivery of the Facility's firm capacity and energy to DEF. The Parties recognize that the Transmission Provider may be DEF and that the transmission service will be provided under a separate agreement; and

WHEREAS, the FPSC has approved this Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer; and

WHEREAS, the RF/QF guarantees that the Facility is capable of delivering firm capacity and energy to DEF for the term of this Contract in a manner consistent with the provision of this Contract;

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 19, 2021

DUKE ENERGY

SECTION NO. IX
THIRD REVISED SHEET NO. 9.405
CANCELS SECOND REVISED SHEET NO. 9.405

1. Definitions

"AFR" means the Facility's annual fuel requirement.

"AFTR" means the Facility's annual fuel transportation requirement

"Annual Capacity Billing Factor" or "ACBF" means 12 month rolling average of the Monthly Availability Factor as further defined and explained in Appendix A.

"Appendices" shall mean the schedules, exhibits, and attachments which are appended hereto and are hereby incorporated by reference and made a part of this Contract. Such Appendices include:

"Appendix A" sets forth the Monthly Capacity Payment Calculation.
"Appendix B" sets forth the Termination Fee.
"Appendix C" sets forth the Detailed Project Information.
"Appendix D" sets forth Rate Schedule COG-2.
"Appendix E" sets forth the Agreed Upon Payment Schedules and Other Mutual Agreements
"Appendix F" sets forth Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17.310, F.A.C.

"As-Available Energy Rate" means the rate calculated by DEF in accordance with FPSC Rule 25-17.0825, F.A.C., and DEF's Rate Schedule COG-1, as they may each be amended from time to time

"Auditor's Standard Report" means a written opinion of an auditor regarding an entity's financial statements. The report is written in a standard format, as mandated by generally accepted auditing standards (GAAS).

"Authorization to Construct" means authorization issued by any appropriate Government Agency to construct or reconstruct the Facility granted to RF/QF in accordance with the laws of the State of Florida and any relevant federal law.

"Avoided Unit" means the electrical generating unit described in Section 4 upon which this Contract is based.

"Avoided Unit Energy Cost" has the meaning assigned to it in Appendix D.

"Avoided Unit Fuel Cost" has the meaning assigned to it in Appendix D.

"Avoided Unit Heat Rate" means the average annual heat rate of the Avoided Unit as defined in Section 4.

"Avoided Unit In-Service Date" means the date upon which the Avoided Unit would have started commercial operation as specified in Section 4.

"Avoided Unit Life" means the economic life of the Avoided Unit.

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 9, 2019

"Avoided Unit Variable O&M" means the Avoided Unit variable operation and maintenance expenses as defined in Section 4. The annual escalation will begin in the payment for January deliveries.

"Base Capacity Payment" or "BCP" means capacity payment rates defined in Appendix D and further defined by the selection of Option A,B,C or D in Section 9.2 or in Appendix E if applicable.

"Base Year" means the year that this Contract was approved by the FPSC.

"Business Day" means any day except a day upon which banks licensed to operate in the State of Florida are authorized, directed or permitted to close, Saturday, Sunday or a weekday that is observed as a public holiday in the State of Florida.

"CAMD" means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any local, state, regional, or federal entity given jurisdiction over a program involving transferability of Environmental Attributes).

"Capacity" means the minimum average hourly net capacity (generator output minus auxiliary load) measured over the Committed Capacity Test Period.

"Capacity Delivery Date" means the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test subject to the requirements of Section 5(d) and Section 7.6.

"Capacity Payment" means the payment defined in Section 9.2 and Appendix A.

"Certified Public Accountant" or "CPA" means someone who has passed the American Institute of Certified Public Accountants (AICPA) Uniform CPA examination, met educational, and licensure requirements in the state of license and have been issued a license to practice public accounting by a state Accountancy board.

"Committed Capacity" or "CC" means the capacity in kW that the RF/QF commits to sell to DEF; the amount of which shall be determined in accordance with Section 7 and shall be greater than zero.

"Committed Capacity Test" means the testing of the capacity of the Facility performed in accordance with the procedures set forth in Section 8.

"Committed Capacity Test Period" means a test period of twenty-four (24) consecutive hours.

"Completion/Performance Security" means the security described in Section 11.

"Conditions Precedent" shall have the meaning assigned to it in Section 5.

"Contract" means this standard offer contract for the purchase of Firm Capacity and Energy from a Renewable Energy Producer or Qualifying Facility with a nameplate capacity of less than 100 kW.

"Credit Support Provider" means any Person that has provided an RF/QF Guarantee in connection with this Agreement.

"Creditworthy" with respect to a Party or its Credit Support Provider, as applicable, means a party is rated at least BBB by Standard & Poor's (S&P), or at least Baa3 by Moody's Investor Services (Moody's). Rating shall be the unsecured, senior long-term debt rating (not supported by third party credit enhancement) or the issuer rating will be used if not available. If a Party or its Credit Support Provider, as applicable, is rated by both S&P and Moody's, then the lower of the two ratings will apply.

"DEF" has the meaning assigned to it in the opening paragraph of this Contract.

"DEF Entities" has the meaning assigned to it in Section 16.

"Demonstration Period" means a sixty-hour period in which the Committed Capacity Test must be completed.

"Distribution System" means the distribution system consisting of electric lines, electric plant, transformers and switchgear used for conveying electricity to ultimate consumers, but not including any part of the Transmission System.

"Drop Dead Date" means the date which is twelve (12) months following the Execution Date except for the condition defined in Section 5(a)(i). The Parties recognize that firm transmission service agreements can take up to 24 months to obtain so for Section 5(a)(i) only the Drop Dead Date means the date which is twenty four (24) months following the Execution Date.

"Eastern Prevailing Time" or "EPT" means the time in effect in the Eastern Time Zone of the Unites States of America, whether Eastern Standard Time or Eastern Daylight Savings Time.

"Effective Date" has the meaning assigned to it in Section 5.

"Electrical Interconnection Point" means the physical point at which the Facility is connected with the Transmission System or, if RF/QF interconnects with a Transmission System other than DEF's, DEF's interconnection with the Transmission Provider's Transmission System, or such other physical point on which RF/QF and DEF may agree.

"Eligible Collateral" means (i) a Letter of Credit from a Qualified Institution or (ii) cash deposit provided to DEF by RF/QF or a combination of (i), and/or (ii) as outlined in Section 11.

"Energy" means megawatt-hours generated by the Facility of the character commonly known as three-phase, sixty hertz electric energy that is delivered at a nominal voltage at the Electrical Interconnection Point.

"Environmental Attributes" or "EA" means all attributes of an environmental or other nature that are created or otherwise arise from the Facility's generation of electricity from a renewable energy source in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources. Forms of such attributes include, without limitation, any and all environmental air quality credits, green credits, renewable energy credits ("RECs"), carbon credits, emissions reduction credits, certificates, tags, offsets, allowances, or similar products or rights, howsoever entitled, (i) resulting from the avoidance of the emission of any gas, chemical, or other substance, including but not limited to, mercury, nitrogen oxide, sulfur dioxide, carbon dioxide, carbon monoxide, particulate matter or similar pollutants or contaminants of air, water or soil gas, chemical, or other substance, and (ii) attributable to the generation, purchase, sale or use of Energy from or by the Facility, or otherwise attributable to the Facility during the Term. Environmental Attributes include, without limitation, those currently existing or arising during the Term under local, state, regional, federal, or international legislation or regulation relevant to the avoidance of any emission described in this Contract under any governmental, regulatory or voluntary program, including, but not limited to, the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other programs, laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency ("CAMD") or successor administrator (collectively with any local, state, regional, or federal entity given jurisdiction over a program involving transferability of Environmental Attributes).

"Event of Default" has the meaning assigned to it in Section 14.

"Execution Date" has the meaning assigned to it in the opening paragraph of this Contract.

"Exemplary Early Capacity Payment Date" means the exemplary date used to calculate Capacity Payments for Option B and D. This date is specified in Section 4. The actual Capacity Payments for Option B and D will be calculated based upon the Required Capacity Delivery Date.

"Expected Nameplate Capacity Rating" means the total generating capacity of the Facility that is the sum of (a) the Committed Capacity, and (b) the capacity required for any station service use of generating unit equipment or auxiliaries, including, without limitation, cooling towers, heat exchanges, duct burners and other equipment that could be used for energy production or as required by law, and shall be in service during the Committed Capacity Test Period and (c) any other capacity reserved for on-site use or energy production.

"Expiration Date" means the final date upon which this Contract can be executed. This date is specified in Section 4.

"Facility" means all equipment, as described in this Contract, used to produce electric energy and, all equipment that is owned or controlled by the RF/QF required for parallel operation with the Transmission System. In the case of a cogenerator the Facility includes all equipment that is owned or controlled by the RF/QF to produce useful thermal energy through the sequential use of energy.

"Financial Closing" means the fulfillment of each of the following conditions:

(a) the execution and delivery of the Financing Documents; and

(b) all Conditions Precedent to the initial availability for disbursement of funds under the Financing Documents (other than relating to the effectiveness of this Contract) are satisfied or waived.

"Financing Documents" shall mean documentation with respect to any private equity investment in RF/QF, any loan agreements (including agreements for any subordinated debt), notes, bonds, indentures, guarantees, security agreements and hedging agreements relating to the financing or refinancing of the design, development, construction, testing, commissioning, operation and maintenance of the entire Facility or any guarantee by any Financing Party of the repayment of all or any portion of such financing or refinancing.

"Financing Party" means the Persons (including any trustee or agent on behalf of such Persons) providing financing or refinancing to or on behalf of RF/QF for the design, development, construction, testing, commissioning, operation and maintenance of the Facility (whether limited recourse, or with or without recourse).

"Firm Capacity and Energy" has the meaning assigned to it in Appendix D.

"Firm Capacity Rate" has the meaning assigned to it in Appendix D.

"Firm Energy Rate" has the meaning assigned to it in Appendix D.

"Force Majeure" has the meaning given to it in Section 18.

"FPSC" means the Florida Public Service Commission or its successor.

"Government Agency" means the United States of America, or any state or any other political subdivision thereof, including without limitation, any municipality, township or county, and any domestic entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, without limitation, any corporation or other entity owned or controlled by any of the foregoing.

"IEEE" means the Institute of Electrical and Electronics Engineers, Inc.

"Indemnified Party" has the meaning assigned to it in Section 16.

"Indemnifying Party" has the meaning assigned to it in Section 16.

"Initial Reduction Value" has the meaning assigned to it in Appendix B.

"Insurance Services Office" has the meaning assigned to it in Section 17.

"KVA" means one or more kilovolts-amperes of electricity, as the context requires.

"kW" means one or more kilowatts of electricity, as the context requires.

"kWh" means one or more kilowatt-hours of electricity, as the context requires.

"Letter of Credit" means a stand-by letter of credit from a Qualified Institution that is acceptable to DEF whose approval may not be unreasonably withheld. The Letter of Credit must provide that DEF has the right to draw on the Letter of Credit in the event that less than twenty (20) Business Days remain until its expiration and RF/QF has failed to renew the Letter of Credit or provide replacement Eligible Collateral as required under this Agreement.

"Licensed Professional Engineer" means a person who is licensed to engage in the practice of engineering under Chapter 471 of the Florida Statues.

"LOI" means a letter of intent for fuel supply.

"MCPC" means the Monthly Capacity Payment for Option A.

"Monthly Billing Period" means the period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

"Monthly Availability Factor" or "MAF" means the total energy received during the Monthly Billing Period for which the calculation is made, divided by the product of Committed Capacity and the total hours during the Monthly Billing Period.

"Monthly Capacity Payment" or "MCP" means the payment for Capacity calculated in accordance with Appendix A.

"MW" means one or more megawatts of electricity. as the context requires.

"MWh" means one or more megawatt-hours of electricity, as the context requires.

"Option A" means normal Capacity Payments as described in Appendix D.

"Option B" means early Capacity Payments as described in Appendix D.

"Option C" means levelized Capacity Payments as described in Appendix D.

"Option D" means early levelized Capacity Payments as described in Appendix D.

"Party" or "Parties" has the meaning assigned to it in the opening paragraph of this Contract.

"Person" means any individual, partnership, corporation, association, joint stock company trust, joint venture, unincorporated organization, or Governmental Agency (or any department, agency, or political subdivision thereof).

"Project Consents" mean the following Consents, each of which is necessary to RF/QF for the fulfillment of RF/QF's obligations hereunder:

(a) the Authorization to Construct;

(b) planning permission and consents in respect of the Facility, and any electricity substation located at the Facility site, including but not limited to, a prevention of significant deterioration permit, a noise, proximity and visual impact permit, and any required zoning permit; and

(c) any integrated pollution control license.

"Project Contracts" means this Contract, and any other contract required to construct, operate and maintain the Facility. The Project Contracts may include, but are not limited to, the turnkey engineering, procurement and construction contract, the electrical interconnection and operating agreement, the fuel supply agreement, the facility site lease, and the operation and maintenance agreement.

"Prudent Regulated Utility Practices" means any of the practices, methods, standards and acts (including, but not limited to, the practices, methods and acts engaged in or approved by a significant portion of owners and operators of power plants regulated by the state authority or state's jurisdiction over an electric utility as defined in Florida Statute, 366.02(2) of technology, complexity and size similar to the Facility in the United States) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, could have been expected to accomplish the desired result and goals (including such goals as efficiency, reliability, economy and profitability) in a manner consistent with applicable facility design limits and equipment specifications and applicable laws and regulations. Prudent Regulated Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts in each case.

"Qualifying Facility" or "QF" means a cogenerator, small power producer, or non-utility generator that has been certified or self-certified by the FERC as meeting certain ownership, operating and efficiency criteria established by the Federal Energy Regulatory Commission pursuant to the Public Utility Regulatory Policies Act of 1978 ("PURPA"), the criteria for which are currently set forth in 18 C.F.R. § 292, *et seq.* (2006), Section 210 of PURPA, 16 U.S.C. § 824a-3 (2005), 16 U.S.C. 796 *et seq.* (2006), and Section 1253 of EPAct 2005, Pub. L. No. 109-58, § 1253, 119 Stat. 594 (2005) or, alternatively, analogous provisions under the laws of the State of Florida.

"Qualified Institution" means the domestic office of a United States commercial bank or trust company or the United States branch of a foreign bank having total assets of at least ten billion dollars ($10,000,000,000) (which is not an affiliate of either party) and a general long-term senior unsecured debt rating of A- or higher (as rated by Standard & Poor's Ratings Group), or A3 or higher (as rated by Moody's Investor Services).

"Rate Schedule COG-1" means DEF's Agreement for Purchase of As-Available Energy and/or Parallel Operation with a Qualifying Facility as approved by the FPSC and as may be amended from time to time.

"REC" means renewable energy credits, green tags, green tickets, renewable certificates, tradable renewable energy credits ("T-REC") or any tradable certificate that is produced by a renewable generator in addition to and in proportion to the production of electrical energy.

"Reduction Value" has the meaning assigned to it in Appendix B.

"Remedial Action Plan" has the meaning assigned to it in Section 20.3.

"Renewable Facility" or "RF/QF" means an electrical generating unit or group of units at a single site, interconnected for synchronous operation and delivery of electricity to an electric utility, where the primary energy in British Thermal Units used for the production of electricity is from one or more of the following sources: hydrogen produced from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power or waste heat from a commercial or industrial manufacturing process.

"Required Capacity Delivery Date" means the date specified in Appendix E. In the event that no Required Capacity Delivery Date is specified in Appendix E then the RF/QF shall achieve the Capacity Delivery Date on or before the Avoided Unit In-Service Date.

"RF/QF Entities" has the meaning assigned to it in Section 16.

"RF/QF Insurance" has the meaning assigned to it in Section 17.

"RF/QF Performance Security" has the meaning assigned in Section 11.

"Security Documentation" has the meaning assigned to it in Section 12.

"Term" has the meaning assigned to it in Section 3.

"Termination Date" means the date upon which this Contract terminates unless terminated earlier in accordance with the provisions hereof. This date is specified in Section 4.

"Termination Fee" means the fee described in Appendix B as it applies to any Capacity Payments made under Option B, C or D.

"Termination Security" has the meaning assigned to it in Section 12.

"Transmission Provider" means the operator(s) of the Transmission System(s) or any successor thereof or any other entity or entities authorized to transmit Energy on behalf of RF/QF from the Electrical Interconnection Point.

"Transmission System" means the system of electric lines comprised wholly or substantially of high voltage lines, associated system protection, system stabilization, voltage transformation, and capacitance, reactance and other electric plant used for conveying electricity from a generating station to a substation, from one generating station to another, from one substation to another, or to or from any Electrical Interconnection Point or to ultimate consumers and shall include any interconnection owned by the Transmission Provider or DEF, but shall in no event include any lines which the Transmission Provider has specified to be part of the Distribution System except for any distribution facilities required to accept capacity and energy from the Facility.

2. Facility; Renewable Facility or Qualifying Facility Status

The Facility's location and generation capabilities are as described in Table 1 below.

TABLE 1

TECHNOLOGY AND GENERATOR CAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: County:
Generator Type (Induction or Synchronous)	
Technology	
Fuel Type and Source	
Generator Rating (KVA)	
Maximum Capability (kW)	
Net Output (kW)	
Power Factor (%)	
Operating Voltage (kV)	
Peak Internal Load kW	

The RF/QF's failure to complete Table 1 in its entirety shall render this Contract null and void and of no further effect.

The RF/QF shall use the same fuel or energy source and maintain the status as a Renewable Facility or a Qualifying Facility throughout the term of this Contract. RF/QF shall at all times keep DEF informed of any material changes in its business which affects its Renewable Facility or Qualifying Facility status. DEF and RF/QF shall have the right, upon reasonable notice of not less than seven (7) Business Days, to inspect the Facility and to examine any books, records, or other documents reasonably deemed necessary to verify compliance with this Contract. In the event of an emergency at or in proximity to the RF/QF site that impacts DEF's system, DEF shall make reasonable efforts to contact the Facility and make arrangements for an emergency inspection. On or before March 31 of each year during the term of this Contract, the RF/QF shall provide to DEF a certificate signed by an officer of the RF/QF certifying that the RF/QF continuously maintained its status as a Renewable Facility or a Qualifying Facility during the prior calendar year.

DUKE ENERGY

SECTION No. IX
~~EIGHTEENTH~~ NINETEENTH REVISED SHEET NO. 9.415
CANCELS ~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 9.415

3. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall end at 12:01 a.m. on the Termination Date, (the "Term") unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date of the Facility is not accomplished by the RF/QF before the Required Capacity Delivery Date (or such later date as may be permitted by DEF pursuant to Section 7), this Contract shall be rendered null and void and DEF shall have no obligations under this Contract.

4. Minimum Specifications and Milestones

As required by FPSC Rule 25-17.0832(4)(e), the minimum specifications pertaining to this Contract and milestone dates are as follows:

Avoided Unit	Undesignated Combustion Turbine
Avoided Unit Capacity	2~~45~~15 MW
Avoided Unit In-Service Date	June 1, ~~2032~~2033
Avoided Unit Heat Rate	10,~~506~~311 BTU/kWh
Avoided Unit Variable O&M	0.~~949~~919¢ per kWh in mid-~~2024~~ 2025 dollars escalating annually at 2.50%
Avoided Unit Life Capacity Payments begin	35 years Avoided Unit In-Service Date unless Option B, or D is selected or amended in Appendix E
Termination Date Minimum Performance Standards – On Peak Availability Factor*	May 31, ~~2042~~ 2043 (10 years) unless amended in Appendix E 95%
Minimum Performance Standards – Off Peak Availability Factor	95%
Minimum Availability Factor Required to qualify for a Capacity payment	75%
Expiration Date Exemplary Early Capacity Payment Date	April 1, 202~~6~~5 January 1, ~~2030~~2031

* RF/QF performance shall be as measured and/or described in Appendix A.

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 30, 2024

5. Conditions Precedent

(a) Unless otherwise waived in writing by DEF, on or before the Drop Dead Date, RF/QF shall satisfy the following Conditions Precedent:

(i) RF/QF shall have obtained and maintain firm transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point. For the avoidance of doubt, firm transmission service includes the execution of an interconnection agreement including the written authorization by the RF/QF to begin construction of the interconnection facilities, and approved firm transmission service by the host utility either under a Transmission Service Request, or equivalent process, in a form and substance satisfactory to RF/QF in its sole discretion;

(ii) RF/QF shall have obtained and maintain the Project Consents and any other Consents for which it is responsible under the terms hereof in a form and substance satisfactory to RF/QF in its sole discretion;

(iii) RF/QF shall have entered into Financing Documents relative to the construction of the entire Facility and have achieved and maintain Financial Closing in a form and substance satisfactory to RF/QF in its sole discretion; RF/QF shall have obtained an Auditor's Standard Report for the most recent financial year from a Certified Public Accountant (reasonably acceptable to DEF in all respects). If the RF/QF has a nameplate capacity of 5 MW or less, or the RF/QF is owned by a Government Agency or the RF/QF is a publicly traded company that is Creditworthy then an Auditor's Standard Report is not required. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts a copy of the Auditor's Standard Report and a copy of the signing partner's Certified Public Accountant license;

(iv) RF/QF shall have entered into and maintain the Project Contracts in a form and substance satisfactory to RF/QF in its sole discretion;

(v) RF/QF shall have obtained and maintain insurance policies or coverage in compliance with Section 17;

(vi) Each Party shall have delivered to the other Party (i) a copy of its constitutional documents (certified by its corporate secretary as true, complete and up-to-date) and (ii) a copy of a corporate resolution approving the terms of this Contract and the transactions contemplated hereby and authorizing one or more individuals to execute this Contract on its behalf (such copy to have been certified by its corporate representative as true, complete and up-to-date);

(vii) RF/QF shall have obtained and maintain Qualifying Facility status from either the FPSC or FERC. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts a copy of the certification of QF status filing and any re-filings required to reflect subsequent changes to the previously certified Facility.

(viii) RF/QF shall obtain a certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating the project is technically viable. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts this certificate and a copy of the Professional Engineer's license.

(b) Promptly upon satisfaction of the Conditions Precedent to be satisfied, the Party having satisfied the same shall deliver to the other Party a certificate evidencing such satisfaction. DEF may waive the satisfaction of a Condition Precedent at its sole discretion. Such waiver must be made in writing. Subject to there being no Event of Default which has occurred and/or is continuing as of the date upon which the last of such certificates is delivered, the date of such last certificate shall constitute the effective date of this Contract (the "Effective Date").

(c) Unless all Conditions Precedent are satisfied on or before the Drop Dead Date or such Conditions Precedent are waived in writing, this Contract shall terminate on such date and neither Party shall have any further liability to the other Party hereunder.

(d) RF/QF shall ensure that before the initial Committed Capacity Test:

(a) the Facility shall have been constructed so that the Committed Capacity Test may be duly and properly undertaken in accordance with Section 7; and

(b) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the electrical interconnection and operating agreement required by the Transmission Provider, provided, however, that such physical connection shall be made consistent with the terms hereof.

6. Sale of Electricity by the RF/QF

6.1 Consistent with the terms hereof, the RF/QF shall sell to DEF and DEF shall purchase from the RF/QF electric power generated by the Facility. The purchase and sale of electricity pursuant to this Contract shall be a ( ) net billing arrangement or ( ) simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. The billing methodology may be changed at the option of the RF/QF, subject to the provisions of Appendix D.

6.2 Ownership and Offering For Sale Of Renewable Energy Attributes

Subject to Section 6.3, the RF/QF shall retain any and all rights to own and to sell any and all Environmental Attributes associated with the electric generation of the Facility.

6.3 In the event that the RF/QF decides to sell any or all EAs that result from the electric generation of the RF/QF during the term of this Contract, the RF/QF shall provide notice to the Company of its intent to sell such EAs and provide the Company a reasonable opportunity to offer to purchase such EAs.

6.4 The RF/QF shall not rely on interruptible or curtailable standby service for the start up requirements (initial or otherwise) of the Facility.

6.5 The RF/QF shall be responsible for the scheduling of required transmission and for all costs, expenses, taxes, fees and charges associated with the delivery of energy to DEF. The RF/QF shall enter into a transmission service agreement with the Transmission Provider in whose service territory the Facility is to be located and the RF/QF shall make any and all transmission-related arrangements (including interconnection and ancillary services) between the RF/QF and the Transmission Provider for delivery of the Facility's firm Capacity and energy to DEF. The Capacity and Energy amounts paid to the RF/QF hereunder do not include transmission losses. The RF/QF shall be responsible for transmission losses that occur prior to the point at which the RF/QF's Energy is delivered to DEF. The Parties recognize that the Transmission Provider may be DEF and that if DEF is the Transmission Provider, the transmission service will be provided under a separate agreement.

7. Committed Capacity/Capacity Delivery Date

7.1 If the RF/QF commits to sell capacity to DEF, the amount of which shall be determined in accordance with this Section 7. Subject to Section 7.3, the Committed Capacity is set at _____ kW, with an expected Capacity Delivery Date on or before the Required Capacity Delivery Date.

7.2 Capacity testing of the Facility (each such test a Committed Capacity Test) shall be performed in accordance with the procedures set forth in Section 8. The Demonstration Period for the first Committed Capacity Test shall commence no earlier than ninety (90) days before the Required Capacity Delivery Date and testing must be completed before the Avoided Unit In-Service Date or an earlier date in Appendix E. The first Committed Capacity Test shall not be successfully completed unless the Facility demonstrates a Capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 7.1. Subject to Section 8.1, the RF/QF may schedule and perform up to three (3) Committed Capacity Tests to satisfy the requirements of the Contract with respect to the first Committed Capacity Test.

7.3 In addition to the first Committed Capacity Test, DEF shall have the right to require the RF/QF, after notice of no less than ten (10) Business Days prior to such proposed event, to validate the Committed Capacity by means of a Committed Capacity Test at any time, up to two (2) times per year, the results of which shall be provided to DEF within seven (7) calendar days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be set at the lower of the Capacity tested or the Committed Capacity as set forth in Section 7.1. Provided however, any such second test requested within a twelve (12) month period must be for cause.

7.4 Notwithstanding anything contrary to the terms hereof, the Committed Capacity may not exceed the amount set forth in Section 7.1 without the consent of DEF, which consent shall be granted in DEF's sole discretion.

7.5 Unless Option B or D as contained in Appendix D or Appendix E is chosen by RF/QF, DEF shall make no Capacity Payments to the RF/QF prior to the Avoided Unit In-Service Date.

7.6 The RF/QF shall be entitled to receive Capacity Payments beginning on the Capacity Delivery Date, provided the Capacity Delivery Date occurs before the Required Capacity Delivery Date (or such later date permitted by DEF) and the following Delivery Date Conditions (defined below) have been satisfied. If the Capacity Delivery Date does not occur before the Required Capacity Delivery Date, DEF shall immediately be entitled to draw down the Completion/Performance Security in full in its sole discretion.

7.6.1 A certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating: (a) the nameplate capacity rating or capability of the Facility at the anticipated time of commercial operation and through the term of this Contract assuming the use of Prudent Regulated Utility Practices, must be between 95% and 105% of the "Expected Nameplate Capacity Rating;" (b) that the Facility is able to generate electric Energy reliably in amounts expected by this Contract and in accordance with all other terms and conditions hereof; (c) that start-up testing of the Facility has been completed; and (d) that, pursuant to Section 10.5, all system protection and control and Automatic Generation Control devices are installed and operational.

7.6.2 A certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating, in conformance with the requirements of the interconnection agreement, that: (a) all required interconnection facilities have been constructed; (b) all required interconnection tests have been completed; and (c) the Facility is physically interconnected with the Transmission System in conformance with the interconnection agreement and able to deliver energy consistent with the terms of this Contract.

7.6.3 A certificate addressed from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating that the RF/QF has obtained or entered into all permits and agreements including, but not limited to Project Contracts with respect to the Facility necessary for land control, construction, ownership, operation, and maintenance of the Facility (the "Project Contracts"). RF/QF must provide copies of any or all Project Contracts requested by DEF.

7.6.4 An opinion from a law firm or attorney, registered or licensed in the State of Florida (reasonably acceptable to DEF in all respects), stating, after all appropriate and reasonable inquiry, that: (a) the RF/QF has obtained or entered into all Project Contracts; (b) neither RF/QF nor the Facility is in violation of, or subject to any liability under any applicable law; and (c) RF/QF has duly filed and had recorded all of the agreements, documents, instruments, mortgages, deeds of trust, and other writings.

For each Licensed Professional Engineer utilized in 7.6.1 through 7.6.4, RF/QF should provide DEF with a copy of the Professional Engineer's license.

DEF shall have ten, (10) Business Days after receipt either to confirm to the RF/QF that all of the Delivery Date Conditions have been satisfied or have occurred, or to state with specificity what DEF reasonably believes has not been satisfied.

8. Testing Procedures

8.1 The Committed Capacity Test must be completed successfully within the Demonstration Period, which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the RF/QF by means of a written notice to DEF delivered at least thirty (30) calendar days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test ordered by DEF under any of the provisions of this Contract. DEF shall have the right to be present onsite to monitor firsthand any Committed Capacity Test required or permitted under this Contract.

8.2 The Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net kW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. The Committed Capacity Test Period shall commence at the time designated by the RF/QF pursuant to Section 8.1 or at such time requested by DEF pursuant to Section 7.3; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that DEF is notified of, and consents to, such earlier time.

8.3 Normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period.

8.4 The Capacity of the Facility shall be the minimum hourly net output in kW (generator output minus auxiliary) measured over the Committed Capacity Test Period.

8.5 The Committed Capacity Test shall be performed according to standard industry testing procedures for the appropriate technology of the RF/QF.

8.6 The results of any Committed Capacity Test, including all data related to Facility operation and performance during testing, shall be submitted to DEF by the RF/QF within seven (7) calendar days of the conclusion of the Committed Capacity Test. The RF/QF shall certify that all such data is accurate and complete.

9. Payment for Electricity Produced by the Facility

9.1 Energy

9.1.1 DEF agrees to pay the RF/QF for Energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in Appendix D, as it may be amended from time to time. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule COG-1 or Appendix D whichever applies as approved and on file with the FPSC.

9.1.2 DEF may, at its option, limit deliveries under this Contract to 110% of the Committed Capacity as set forth in Section 7. In the event that DEF chooses to limit deliveries, any Energy in excess of 110% of the Committed Capacity will be paid for at the rates defined in Rate Schedule COG-1 and shall not be included in the calculations in Appendix A hereto.

9.2 Capacity

DEF agrees to pay the RF/QF for the Capacity described in Section 7 in accordance with the rates and procedures contained in Appendix D, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option _____ of Appendix D or an alternative rate schedule in Appendix E. The RF/QF understands and agrees that Capacity Payments will only be made if the Capacity Delivery Date occurs before the Required Capacity Delivery Date and the Facility is delivering firm Capacity and Energy to DEF. Once so selected, this Option, the Firm Capacity Rate and/or the Firm Energy Rate cannot be changed for the term of this Contract.

9.3 Payments for Energy and Capacity

9.3.1 Payments due the RF/QF will be made monthly, and normally by the twentieth Business Day following the end of the billing period. The kilowatt-hours sold by the RF/QF and the applicable avoided energy rate at which payments are being made shall accompany the payment to the RF/QF.

9.3.2 Payments to be made under this Contract shall, for a period of not longer than two (2) years, remain subject to adjustment based on billing adjustments due to error or omission by either Party, provided that such adjustments have been agreed to between the Parties.

10. Electricity Production and Plant Maintenance Schedule

10.1 No later than sixty (60) calendar days prior to the Required Capacity Delivery Date, and prior to October 1 of each calendar year thereafter during the term of this Contract, the RF/QF shall submit to DEF in writing a good-faith estimate of the amount of electricity to be generated by the Facility and delivered to DEF for each month of the following calendar year, including the time, duration and magnitude of any scheduled maintenance period(s) or reductions in Capacity. The RF/QF agrees to provide updates to its planned maintenance periods as they become known. The Parties agree to discuss coordinating scheduled maintenance schedules.

10.2 By October 31 of each calendar year, DEF shall notify the RF/QF in writing whether the requested scheduled maintenance periods in the detailed plan are acceptable. If DEF does not accept any of the requested scheduled maintenance periods, DEF shall advise the RF/QF of the time period closest to the requested period(s) when the outage(s) can be scheduled. The RF/QF shall only schedule outages during periods approved by DEF, and such approval shall not be unreasonably withheld. Once the schedule for the detailed plan has been established and approved, either Party requesting a subsequent change in such schedule, except when such change is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed. Scheduled maintenance outage days shall be limited to eleven days per calendar year. In no event shall maintenance periods be scheduled during the following periods: June 1 through September 15 and December 1 through and including the last day of February.

10.3 The RF/QF shall comply with reasonable requests by DEF regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.

10.4 The Parties recognize that the intent of the availability factor in Section 4 of this Contract includes an allowance for scheduled outages, forced outages and forced reductions in the output of the Facility. Therefore, the RF/QF shall provide DEF with notification of any forced outage or reduction in output which shall include the time and date at which the forced outage or reduction occurred, a brief description of the cause of the outage or reduction and the time and date when the forced outage or reduction ceased and the Facility was able to return to normal operation. This notice shall be provided to DEF within seventy-two (72) hours of the end of the forced outage or reduction.

The RF/QF is required to provide the total electrical output to DEF except (i) during a period that was scheduled in Section 10.2, (ii) during a period in which notification of a forced outage or reduction was provided, (iii) during an event of Force Majeure or (iv) during a curtailment period as described in Section 10.5.5. In no event shall the RF/QF deliver any portion of their electrical output to a third party.

10.5 Dispatch and Control

10.5.1 Power supplied by the RF/QF hereunder shall be in the form of three-phase 60 hertz alternating current, at a nominal operating voltage of volts (kV) and power factor dispatchable and controllable in the range of 90% lagging to 90% leading as measured at the interconnection point to maintain system operating parameters, including power factor, as specified from time to time by DEF.

10.5.2 The RF/QF shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, DEF's system, except for normal testing and repair in accordance with good engineering and operating practices as agreed by the Parties. The RF/QF shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal testing and repair. All RF/QF facilities shall meet IEEE and utility standards. The RF/QF shall have independent, third party qualified personnel test, calibrate and certify in writing all protective equipment at least once every twelve (12) months in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and results provided to DEF in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Regulated Utility Practices.

10.5.3 If the Facility is separated from the DEF system for any reason, under no circumstances shall the RF/QF reconnect the Facility to DEF's system without first obtaining DEF'S specific approval.

10.5.4 During the term of this Contract, the RF/QF shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with DEF. The RF/QF shall ensure that operating personnel are on duty at all times, twenty-four (24) hours a calendar day and seven (7) calendar days a week. Additionally, during the term of this Contract, the RF/QF shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder and in accordance with applicable law and Prudent Regulated Utility Practices.

10.5.5 DEF shall not be obligated to purchase, and may require curtailed or reduced deliveries of Energy to the extent allowed under FPSC Rule 25-17.086 and under any curtailment plan which DEF may have on file with the FPSC from time to time.

10.5.6 During the term of this Contract, the RF/QF shall maintain sufficient fuel on the site of the Facility to deliver the Capacity and Energy associated with the Committed Capacity for an uninterrupted seventy-two-(72) hour period. At DEF's request, the RF/QF shall demonstrate this capability to DEF's reasonable satisfaction. During the term of this Contract, the RF/QF's output shall remain within a band of plus or minus ten percent (10%) of the daily output level or levels specified by the plant operator, in ninety percent (90%) of all operating hours under normal operating conditions. This calculation will be adjusted to exclude forced outage periods and periods during which the RF/QF's output is affected by a Force Majeure event.

DUKE ENERGY

SECTION No. IX
NINTH REVISED SHEET NO. 9.425
CANCELS EIGHTH REVISED SHEET NO. 9.425

11. Completion/Performance Security

11.1 Simultaneous with the execution of this Contract RF/QF shall deliver to DEF Eligible Collateral in an amount equal to $30.00/kw of Committed Capacity as Completion/Performance Security.

11.2 The choice of the type of Eligible Collateral by the RF/QF may be selected from time to time by the RF/QF and upon receipt of substitute Eligible Collateral, DEF shall promptly release the Eligible Collateral that has been replaced by the substitute Eligible Collateral. Following any termination of this Contract, the Parties shall mutually agree to a final settlement of all obligations under this Contract which such period shall not exceed 90 days from such termination date unless extended by mutual agreement between the Parties. After such settlement, any remaining Eligible Collateral posted by the RF/QF that has not been drawn upon by DEF pursuant to its rights under this Contract shall be returned to the RF/QF. Any dispute between the Parties regarding such final settlement shall be resolved according to applicable procedures set forth in Section 20.9.

11.3 Draws, Replenishment - DEF may draw upon Eligible Collateral provided by the RF/QF following the occurrence of an Event of Default or pursuant to the other provisions of this Contract to which DEF is entitled to under this Contract. In the event of such a draw then, except in the circumstance when this Contract otherwise terminates, the RF/QF shall within five (5) Business Days replenish the Eligible Collateral to the full amounts required.

11.4 In the event that the (a) Capacity Delivery Date occurs before the Required Capacity Delivery Date and (b) the ACBF is equal to or greater than 95% for the first twelve (12) months following the Capacity Delivery Date then DEF will return the Completion/Performance Security to the RF/QF within ninety (90) days of the first anniversary of the Capacity Delivery Date. In the event that the Capacity Delivery Date does not occur before the Required Capacity Delivery Date, consistent with Section 7.6 herein, DEF shall immediately be entitled to retain the Completion/Performance Security in full. In the event the Capacity Delivery Date occurs before the Required Capacity Delivery Date, and, the ACBF is less than 95% for any of the first twelve (12) months following the Capacity Delivery Date then DEF shall be entitled to retain the Completion/Performance Security until the ACBF is equal to or greater than 95% for 12 consecutive months. Upon the completion of twelve (12) consecutive months, and the ACBF is greater than or equal to 95%, then DEF will return the Completion/Performance Security within ninety (90) days. In the event that DEF requires the RF/QF to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 7.3 and, in connection with any such Committed Capacity Test(s), the RF/QF fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 7.1, DEF shall be entitled immediately to receive,

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 19, 2021

draw upon, or retain, in its sole discretion as the case may be, one-hundred percent (100%) of the Completion/Performance Security as its sole remedy from the RF/QF's failure to perform, free from any claim or right of any nature whatsoever of the RF/QF, including any equity or right of redemption by the RF/QF. Following any draws on the Completion/Performance Security, the RF/QF shall make payment to DEF to replenish the Completion/Performance Security to the amounts required pursuant to Section 11.1 within five (5) business days.

11.5 Reporting - RF/QF shall promptly notify DEF of any circumstance that results in RF/QF's failure to be in compliance with the RF/QF Performance Security Requirements of this Section 11. From time to time, at DEF's written request, RF/QF shall provide DEF with such evidence as DEF may reasonably request, that RF/QF Letter of Credit or Security Account is in full compliance with this Contract.

12. Termination Fee and Security

12.1 In the event that the RF/QF receives Capacity Payments pursuant to Option B, Option C, or Option D of Appendix D or any Capacity Payment schedule in Appendix E that differs from a Normal Capacity Payment Rate as calculated in FPSC Rule 25-17.0832(6)(a), then upon the termination of this Contract, the RF/QF shall owe and be liable to DEF for the Termination Fee. The RF/QF's obligation to pay the Termination Fee shall survive the termination of this Contract. DEF shall provide the RF/QF, on a monthly basis, a calculation of the Termination Fee.

12.1.1 The Termination Fee shall be secured by the RF/QF by: (i) an unconditional, irrevocable, standby letter(s) of credit issued by a Qualified Institution in form and substance acceptable to DEF (including provisions (a) permitting partial and full draws and (b) permitting DEF to draw upon such Letter of Credit, in full, if such Letter of Credit is not renewed or replaced at least twenty (20) Business Days prior to its expiration date); (ii) a bond issued to DEF by a financially sound company in form and substance acceptable to DEF in its sole discretion; or (iii) a cash deposit with DEF (any of (i), (ii), or (iii), the "Termination Security").

12.1.2 DEF shall have the right and the RF/QF shall be required to monitor the financial condition of (i) the issuer(s) in the case of any Letter of Credit and (ii) the insurer(s), in the case of any bond. In the event the senior debt rating of any issuer(s) or insurer(s) has deteriorated to the extent that they fail to meet the requirements of a Qualified Institution, DEF may require the RF/QF to replace the letter(s) of credit or the bond, as applicable. In the event that DEF notifies the RF/QF that it requires such a replacement, the replacement letter(s) of credit or bond, as applicable, must be issued by a Qualified Institution, and meet the requirements of Section 12.1.1 within thirty (30) calendar days following such notification. Failure by the RF/QF to comply with the requirements of this Section 12.1.2 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond and to exercise any other remedies it may have hereunder.

12.1.3 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, upon DEF's issuance of the Termination Fee calculation as described in Section 12.1, the RF/QF must provide DEF, within ten calendar (10) days, written assurance and documentation (the "Security Documentation"), in form and substance acceptable to DEF, that the amount of the Termination Security is sufficient to cover the balance of the Termination Fee through the end of the following quarter. In addition to the foregoing, at any time during the term of this Contract, DEF shall have the right to request and the RF/QF shall be obligated to deliver within five (5) calendar days of such request, such Security Documentation. Failure by the RF/QF to comply with the requirements of this Section 12.1.3 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond or to retain any cash deposit, and to exercise any other remedies it may have hereunder.

12.1.4 Upon any termination of this Contract following the Required Capacity Delivery Date, DEF shall be entitled to receive (and in the case of the Letter(s) of Credit or bond, draw upon such Letter(s) of Credit or bond) and retain one hundred percent (100%) of the Termination Security.

13. Performance Factor

DEF desires to provide an incentive to the RF/QF to operate the Facility during on-peak and off-peak periods in a manner that approximates the projected performance of the Avoided Unit. A formula to achieve this objective is attached as Appendix A.

14. Default

Notwithstanding the occurrence of any Force Majeure as described in Section 18, each of the following shall constitute an Event of Default:

(a) the RF/QF changes or modifies the Facility from that provided in Section 2 with respect to its type, location, technology or fuel source, without the prior written approval of DEF;

(b) after the Capacity Delivery Date, the Facility fails for twelve (12) consecutive months to maintain an Annual Capacity Billing Factor, as described in Appendix A, of at least seventy five percent (75%);

(c) the RF/QF fails to satisfy its obligations to maintain sufficient fuel on the site of the Facility to deliver the Capacity and Energy associated with the Committed Capacity for an uninterrupted seventy-two-(72) hour period under Section 10.5.6 hereof;

(d) the failure to make when due, any payment required pursuant to this Contract if such failure is not remedied within three (3) Business Days after written notice;

(e) either Party, or the entity which owns or controls either Party, ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against either Party or the entity which owns or controls either Party; or if a receiver shall be appointed for either Party or any of its assets or properties, or for the entity which owns or controls either Party; or if any part of either Party's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within thirty (30) calendar days thereof; or if either Party shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due;

(f) the RF/QF fails to give proper assurance of adequate performance as specified under this Contract within thirty (30) calendar days after DEF, with reasonable grounds for insecurity, has requested in writing such assurance;

(g) the RF/QF fails to maintain licensing, certification, and all federal, state and local governmental, environmental, and licensing approvals required to operate the Facility;

(h) the RF/QF fails to comply with the provisions of Section 11 hereof;

(i) any of the representations or warranties, including the certification of the completion and maintaining of the Conditions Precedent, made by either Party in this Contract is false or misleading in any material respect as of the time made;

(j) if, at any time after the Capacity Delivery Date, the RF/QF reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 7.1 (as such level may be reduced by Section 7.3) within twelve (12) months following the occurrence of such event of Force Majeure; or

(k) either Party breaches any material provision of this Contract not specifically mentioned in this Section 14;

(l) the RF/QF fails to maintain its status as a Qualifying Facility;

(m) the RF/QF sells any Energy or Capacity to an entity other than DEF;

(n) the RF/QF suspends its Interconnection Agreement or the construction of its interconnection facilities;

15. Rights in the Event of Default

15.1 Upon the occurrence of any of the Events of Default in Section 14, the DEF may, at its option:

15.1.1 immediately terminate this Contract, without penalty or further obligation, except as set forth in Section 15.2, by written notice to the RF/QF, and offset against any payment(s) due from DEF to the RF/QF, any monies otherwise due from the RF/QF to DEF;

15.1.2 enforce the provisions of the Completion/Performance Security pursuant to Section 11 and/or the Termination Security requirement pursuant to Section 12 hereof, as applicable; and

15.1.3 exercise any other remedy(ies) which may be available to DEF at law or in equity.

15.2 Termination shall not affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

16. Indemnification

16.1 DEF and the RF/QF shall each be responsible for its own facilities. DEF and the RF/QF shall each be responsible for ensuring adequate safeguards for other DEF customers, DEF's and the RF/QF's personnel and equipment, and for the protection of its own generating system. Each Party (the "Indemnifying Party") agrees, to the extent permitted by applicable law, to indemnify, pay, defend, and hold harmless the other Party (the "Indemnified Party") and its officers, directors, employees, agents and contractors (hereinafter called respectively, "DEF Entities" and "RF/QF Entities") from and against any and all claims, demands, costs or expenses for loss, damage, or injury to persons or property of the Indemnified Party (or to third parties) directly caused by, arising out of, or resulting from:

(a) a breach by the Indemnifying Party of its covenants, representations, and warranties or obligations hereunder;

(b) any act or omission by the Indemnifying Party or its contractors, agents, servants or employees in connection with the installation or operation of its generation system or the operation thereof in connection with the other Party's system;

(c) any defect in, failure of, or fault related to, the Indemnifying Party's generation system;

(d) the negligence or willful misconduct of the Indemnifying Party or its contractors, agents, servants or employees; or

(e) any other event or act that is the result of, or proximately caused by, the Indemnifying Party or its contractors, agents, servants or employees related to the Contract or the Parties' performance thereunder.

16.2 Payment by an Indemnified Party to a third party shall not be a condition precedent to the obligations of the Indemnifying Party under Section 16. No Indemnified Party under Section 16 shall settle any claim for which it claims indemnification hereunder without first allowing the Indemnifying Party the right to defend such a claim. The Indemnifying Party shall have no obligations under Section 16 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 16 shall survive termination of this Contract.

17. Insurance

17.1 The RF/QF shall procure or cause to be procured and shall maintain throughout the entire Term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable in the state of Florida on a standard "Insurance Services Office" commercial general liability and/or excess liability form or equivalent and Workers' Compensation in accordance with the statutory requirements of the state of Florida (such policy or policies, collectively, the "RF/QF Insurance"). A certificate of insurance shall be delivered to DEF at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the RF/QF Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) premises and operations liability. (c) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract or (ii) caused by operation of the Facility or any of the RF/QF's equipment. Without limiting the foregoing, the RF/QF Insurance must be reasonably acceptable to DEF. Any premium assessment or deductible shall be for the account of the RF/QF and not DEF.

17.2 The RF/QF Insurance for liability shall have a minimum limit of five million dollars ($5,000,000.00) per occurrence for bodily injury (including death) or property damage. This liability limit can be met by any combination of commercial general and excess liability insurance policies.

17.3 To the extent that the RF/QF Insurance is on a " claims made " basis, the retroactive date of the policy(ies) shall be the Effective Date of this Contract or an earlier date. Furthermore, to the extent the RF/QF Insurance is on a "claims made" basis, the RF/QF's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the RF/QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the RF/QF during the term of this Contract.

17.4 The RF/QF shall provide DEF with a copy of any material communication or notice related to the RF/QF Insurance within ten (10) Business Days of the RF/QF's receipt or issuance thereof.

17.5 DEF shall be designated as an additional named insured under the RF/QF Insurance (except Workers' Compensation). The RF/QF Insurance shall be primary to any coverage maintained by DEF and provide, where permitted by law, waiver of any rights of subrogation against DEF. Any deductibles or retentions shall be the sole responsibility of RF/QF. RF/QF's compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of RF/QF's liability or otherwise affect RF/QF's indemnification obligations pursuant to this Contract. Any failure to comply with all of these provisions shall not be deemed a waiver of any rights of DEF under this Contract with respect to any insurance coverage required hereunder. DEF may request the RF/QF to provide a copy of any or all of its required insurance policies, including endorsements in which DEF is included as an additional insured for any claims filed relative to this Contract.

18. Force Majeure

18.1 "Force Majeure" is defined as an event or circumstance that is not reasonably foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the Party claiming Force Majeure or its contractors or suppliers and adversely affects the performance by that Party of its obligations under or pursuant to this Contract. Such events or circumstances may include, but are not limited to, acts of God, war (including actions or inactions of military authority), riot or insurrection, blockades, embargoes, sabotage, epidemics (that are recognized by a health agency authority, and authorities have required a mandated quarantine impacting the Facility, and the RF/QF has shown a direct correlation and impact to the Facility), explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties (not caused by the failure of the affected Party to comply with the terms of a collective bargaining agreement). Force Majeure shall not include or be based on (i) RF/QF's ability to sell the Capacity or Energy to another market at an economic advantage or a price greater than the price herein; (ii) equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility;

(iii) the RF/QF's failure to obtain on a timely basis and maintain a necessary permit or other regulatory approval; (iv) a failure of performance of any other entity, including any entity providing electric transmission service to the RF/QF, except to the extent that such failure was caused by an event that would otherwise qualify as a Force Majeure event; or (v) an interruption of fuel supply.

18.2 Except as otherwise provided in this Contract, each Party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.

18.3 In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party claiming Force Majeure shall notify the other Party in writing within five (5) Business Days of the occurrence of the event of Force Majeure, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A Party claiming Force Majeure shall not be entitled to any relief therefore unless and until conforming notice is provided. The Party claiming Force Majeure shall notify the other Party of the cessation of the event of Force Majeure or of the conclusion of the affected Party's cure for the event of Force Majeure in either case within two (2) Business Days thereof.

18.4 The Party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party and such Party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such Party deems to be unfavorable.

18.5 If the RF/QF suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the RF/QF may, upon notice to DEF temporarily adjust the Committed Capacity as provided in Sections 18.6 and 18.7. Such adjustment shall be effective the first calendar day immediately following DEF's receipt of the notice or such later date as may be specified by the RF/QF. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.

18.6 If the Facility is rendered completely inoperative as a result of Force Majeure, the RF/QF shall temporarily set the Committed Capacity equal to 0 kW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 kW, DEF shall have no obligation to make Capacity Payments hereunder.

18.7 If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the RF/QF shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.

18.8 Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provisions of this Contract, upon such cessation or cure, DEF shall have right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this Section 18.8. Any such Committed Capacity Test required by DEF shall be additional to any Committed Capacity Test under Section 7.3.

18.9 During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 18.5 all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix A.

18.10 The RF/QF agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with DEF's system if the same is (are) rendered inoperable due to actions of the RF/QF, its agents, or Force Majeure events affecting the RF/QF, the Facility or the interconnection with DEF. DEF agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by DEF or its agents.

19. Representations, Warranties, and Covenants of RF/QF

Each Party hereto represents and warrants that as of the Effective Date:

19.1 Organization, Standing and Qualification
DEF is a corporation duly organized and validly existing in good standing under the laws of Florida and has all necessary power and authority to carry on its business as presently conducted to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The RF/QF is a _____ (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of _____ and has all necessary power and authority to carry on its business as presently conducted to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. Each Party is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on the other Party.

19.2 Due Authorization, No Approvals, No Defaults

Each of the execution, delivery and performance by each Party of this Contract has been duly authorized by all necessary action on the part of such Party, does not require any approval, except as has been heretofore obtained, of the shareholders DEF or of the _____ (shareholders, partners, or others, as applicable) of the RF/QF or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of such Party, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the articles of incorporation of DEF or the (articles of incorporation, bylaws, or other as applicable) of such Party, or any agreement, judgment, injunction, order, decree or other instrument binding upon such Party, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.

19.3 Compliance with Laws

Each party has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. Each party also is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the other Party.

19.4 Governmental Approvals

Except as expressly contemplated herein, neither the execution and delivery by each Party of this Contract, nor the consummation by each Party of any of the transaction contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action with respect to governmental authority, except with respect to permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the RF/QF has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).

19.5 No Suits, Proceedings

There are no actions, suits, proceedings or investigations pending or, to the knowledge of each Party, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on each Party's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. Each Party has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment.

19.6 Environmental Matters

To the best of its knowledge after diligent inquiry, each Party knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.

20. General Provisions

20.1 Project Viability

To assist DEF in assessing the RF/QF's financial and technical viability, the RF/QF shall provide the information and documents requested in Appendix C or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract and to the extent the documents are available. All documents to be considered by DEF must be submitted at the time this Contract is presented to DEF. Failure to provide the following such documents may result in a determination of non-viability by DEF.

20.2 Permits

The RF/QF hereby agrees to obtain and maintain any and all permits, certifications, licenses, consents or approvals of any governmental authority which the RF/QF is required to obtain as a prerequisite to engaging in the activities specified in this Contract.

20.3 Project Management

If requested by DEF, the RF/QF shall submit to DEF its integrated project schedule for DEF's review within sixty (60) calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty (60) calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. The RF/QF shall submit monthly progress reports in a form satisfactory to DEF within fifteen (15) calendar days after the close of each month from the first month following the Effective Date until the Capacity Delivery Date. The RF/QF shall notify DEF of any changes in such schedules within ten (10) calendar days after such changes are determined. If for any reason, DEF has reason to believe that RF/QF may fail to achieve the Capacity Delivery Date, then, upon DEF's request, RF/QF shall submit to DEF, within ten (10) business days of such request, a remedial action plan ("Remedial Action Plan") that sets forth a detailed description of RF/QF's proposed course of action to promptly achieve the Capacity Delivery Date. Delivery of a Remedial Action Plan does not

relieve RF/QF of its obligation to the Capacity Delivery Date. DEF shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. DEF's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

The RF/QF shall provide DEF with the final designer's/manufacturer's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct elementary diagrams for review and inspection at DEF no later than one hundred eighty (180) calendar days prior to the initial synchronization date.

20.4 Assignment

Either Party may not assign this Contract, without the other Party's prior written approval, which approval may not be unreasonably withheld or delayed.

The RF/QF shall be responsible for DEF's reasonable costs and expenses associated with the review, negotiation, execution and delivery of any such documents or information pursuant to such collateral assignment, including reasonable attorney's fees.

20.5 Disclaimer

In executing this Contract, DEF does not, nor should it be construed, to extend its credit or financial support for benefit of any third parties lending money to or having other transactions with the RF/QF or any assigns of this Contract.

20.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, trackable private delivery service, or sent by fax if followed immediately with a copy sent by registered or certified mail or trackable private delivery service, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the RF/QF:

_____
_____
_____

For DEF:

Duke Energy Florida, LLC
Director of QF Contracts, FRH-155
299 First Avenue North
St. Petersburg, FL 33701

Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Duke Energy Florida, LLC
d/b/a Duke Energy
299 First Avenue North
St. Petersburg, FL 33701

Attention: Director of QF Contracts, FRH-155

20.7 Applicable Law

This Contract shall be construed in accordance with and governed by the laws of the State of Florida, and the rights of the parties shall be construed in accordance with the laws of the State of Florida.

20.8 Taxation

The RF/QF shall hold DEF and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy and capacity from the RF/QF in lieu of other energy and capacity. Any savings in regard to taxes or assessments shall be included in the avoided cost payments made to the RF/QF to the extent permitted by law. In the event DEF becomes liable for additional taxes, assessments or impositions arising out of its transactions with the RF/QF under this tariff schedule or any related interconnection agreement or due to changes in laws affecting DEF's purchases of energy and capacity from the RF/QF occurring after the execution of an agreement under this tariff schedule and for which DEF would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under such agreement itself, DEF may bill the RF/QF monthly for such additional expenses or may offset them against amounts due to the RF/QF from DEF. Any savings in taxes, assessments or impositions that accrue to DEF as a result of its purchase of Energy and Capacity under this tariff schedule that are not already reflected in the avoided Energy or avoided Capacity payments made to the RF/QF hereunder, shall be passed on to the RF/QF to the extent permitted by law without consequential penalty or loss of such benefit to DEF.

20.9 Dispute, Venue and Waiver of Jury Trial

With respect to any dispute, suit, action or proceedings relating to this Contract, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in Hillsborough County in Tampa, Florida, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any dispute, action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such dispute, action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 20.6 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

Each Party acknowledges and agrees that any controversy which may arise under this Contract is likely to involve complicated and difficult issues, and therefore each Party hereby irrevocably and unconditionally waives any right a Party may have to a trial by jury in respect of any litigation resulting from, arising out of or relating to this Contract or the transactions contemplated hereby. Each Party certifies and acknowledges that (a) no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver, (b) each Party understands and has considered the implications of this waiver, (c) each Party makes this waiver voluntarily and (d) each Party has been induced to enter into this Contract by, among other things, the mutual waivers and certifications in this Section 20.9.

20.10 Limitation of Liability

IN NO EVENT SHALL DEF, ITS PARENT CORPORATION, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR MULTIPLE DAMAGES RESULTING FROM ANY CLAIM OR CAUSE OF ACTION, WHETHER BROUGHT IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER LEGAL THEORY.

20.11 Severability

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

20.12 Complete Agreement and Amendments

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

20.13 Survival of Contract

Subject to the requirements of Section 20.4, this Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and legal representatives.

20.14 Record Retention

Each Party shall maintain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder.

20.15 No Waiver

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

20.16 Set-Off

DEF may at any time, but shall be under no obligation to, set off or recoup any and all sums due from the RF/QF against sums due to the RF/QF hereunder without undergoing any legal process.

DUKE ENERGY.

SECTION No. IX
FIFTH REVISED SHEET NO. 9.440
CANCELS FOURTH REVISED SHEET NO. 9.440

20.17 Change in Environmental Law or Other Regulatory Requirements

(a) As used herein, "Change(s) in Environmental Law or Other Regulatory Requirements" means the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental or regulatory issues and that takes effect after the Effective Date.

(b) The Parties acknowledge that Change(s) in Environmental Law or Other Regulatory Requirements could significantly affect the cost of the Avoided Unit ("Avoided Unit Cost Changes") and agree that, if any such change(s) should affect the cost of the Avoided Unit more than the Threshold defined in Section 20.17(c) below, the Party affected by such change(s) may avail itself of the remedy set forth in Section 20.17(d) below as its sole and exclusive remedy.

(c) The Parties recognize and agree that certain Change(s) in Environmental Law or Other Regulatory Requirements may occur that do not rise to a level that the Parties desire to impact this Contract. Accordingly, the Parties agree that for the purposes of this Contract, such change(s) will not be deemed to have occurred unless the change in Avoided Cost resulting from such change(s) exceed a mutually agreed upon amount. This mutually agreed upon amount is attached to this Contract in Appendix F.

(d) If an Avoided Unit Cost Change meets the threshold set forth in Section 20.17(c) above, the affected Party may request the avoided cost payments under this Contract be recalculated and that the avoided cost payments for the remaining term of the Contract be adjusted based on the recalculation, subject to the approval of the FPSC. Any dispute regarding the application of this Section 20.17 shall be resolved in accordance with Section 20.9.

20.18 Provision of Information.

Within a reasonable period of time after receiving a written request therefore from the requesting Party, the other Party hereto shall provide the requesting Party with information that is reasonable and related to the non-requesting Party and/or the facilities or operations of the non-requesting Party that the requesting Party reasonably requires in order to comply with a Requirement of Law or any requirement of Generally Accepted Accounting Principles promulgated by the Financial Accounting Standards Board (or any successor thereto), (including, but not limited to, FIN 46-R) applicable to the requesting Party. In the event that a party requires information or reports that are not within its possession to meet financial reporting requirements, the parties will work in good faith to enable the requesting party to meet its financial reporting requirements.

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 13, 2017

IN WITNESS WHEREOF, the RF/QF has executed this Contract on the date set forth below.

RF/QF

_____
Signature

_____
Print Name

_____
Title

_____
Date

IN WITNESS WHEREOF, DEF has acknowledged receipt of this executed Contract.

DUKE ENERGY FLORIDA, LLC.

_____
Signature

_____
Print Name

_____
Title

_____
Date

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 13, 2017

DUKE ENERGY

SECTION No. IX
NINTH REVISED SHEET NO. 9.442
CANCELS EIGHTH REVISED SHEET NO. 9.442

APPENDIX A

TO

DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT

MONTHLY CAPACITY PAYMENT CALCULATION

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW. On-peak hours are available upon request and may change upon twelve months-notice to the RE/QF.

A. In the event that the ACBF is less than or equal to 75%, then no Monthly Capacity Payment shall be due. That is:

$$MCP = 0$$

B. In the event that the ACBF is greater than 75% but less than 95%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times [1 - [5 \times (.95 - ACBF)] \times CC$$

C. In the event that the ACBF is equal to or greater than 95%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times CC$$

Where:

MCP = Monthly Capacity Payment in dollars.

BCP = Base Capacity Payment in $/kW/Month as specified in Appendix D or E.

CC = Committed Capacity in kW.

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 19, 2021

DUKE ENERGY.

SECTION No. IX
THIRD REVISED SHEET NO. 9.443
CANCELS SECOND REVISED SHEET NO. 9.443

ACBF – Annual Capacity Billing Factor. The ACBF shall be the electric Energy actually received by DEF for the 12 consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the 12 consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the 12 consecutive months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro-rated accordingly. During the first 12 consecutive Monthly Billing Periods commencing with the first Monthly Billing Period in which Capacity Payments are to be made, the calculation of 12-month rolling average ACBF shall be performed as follows (a) during the first Monthly Billing Period, the ACBF shall be equal to the Monthly Availability Factor; (b) thereafter, the calculation of the ACBF shall be computed by summing the electric Energy actually received by DEF for the number of full consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the number of full consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro-rated accordingly. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average ACBF.

MAF – Monthly Availability Factor. The total Energy received during the Monthly Billing Period for which the calculation is made, divided by the product of Committed Capacity times the total hours during the Monthly Billing Period.

Monthly Billing Period – The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 19, 2021

DUKE ENERGY

SECTION No. IX
FOURTH REVISED SHEET 9.444
CANCELS THIRD REVISED SHEET NO. 9.444

APPENDIX B
TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT

TERMINATION FEE

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

The "Termination Fee" shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of the Termination Date (or month of calculation, as the case may be) computed according to the following formula:

$$\sum_{i=1}^{n} (MCP_i - MCPC_i) \cdot (1+r)^{(n-i)}$$

with: MCPC = 0 for all periods prior to the in-service date of the Avoided Unit:

where

i – number of Monthly Billing Periods commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following this month in which Capacity Delivery Date occurs = 2 etc.)

n – the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)

r – DEF's incremental after-tax avoided cost of capital (defined as r in Appendix D).

MCP_i – Monthly Capacity Payment paid to RF/QFQF corresponding to the Monthly Billing Period i, calculated in accordance with Appendix A.

$MCPC_i$ – Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i, calculated in accordance with this Contract.

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 5, 2018

DUKE ENERGY.

SECTION No. IX
SEVENTH REVISED SHEET NO. 9.445
CANCELS SIXTH REVISED SHEET NO. 9.445

In the event that for any Monthly Billing Period, the computation of the value of the Termination Fee for such Monthly Billing Period (as set forth above) yields a value less than zero, the amount of the Termination Fee shall be decreased by the amount of such value expressed as a positive number (the "Initial Reduction Value"); provided, however, that such Initial Reduction Value shall be subject to the following adjustments (the Initial Reduction Value, as adjusted, the "Reduction Value"):

a. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A is less than or equal to 75%, then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Termination Fee shall not be reduced for the applicable Monthly Billing Period.

b. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is greater than 75% but less than 95%, than the Reduction Value shall be determined as follows:

Reduction Value – Initial Reduction Value x |5 x (ACBF - .95)|

For the applicable Monthly Billing period, the Termination Fee shall be reduced by the amount of such Reduction Value.

c. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is equal to or greater than 95%, then the Initial Reduction Value shall not be adjusted (Reduction Value = Initial Reduction Value), and the Termination Fee shall be reduced for the applicable Monthly Billing period by the amount of the Initial Reduction Value.

In no event shall DEF be liable to the RF/QF at any time for any amount by which the Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 19, 2021

DUKE ENERGY

SECTION No. IX
SECOND REVISED SHEET NO. 9.446
CANCELS FIRST SHEET NO. 9.446

APPENDIX C
TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT

DETAILED PROJECT INFORMATION

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

Each eligible Contract received by DEF will be evaluated to determine if the underlying RF/QF project is financially and technically viable. The RF/QF shall, to the extent available, provide DEF with a detailed project proposal which addresses the information requested below:

I. FACILITY DESCRIPTION

- Project Name
- Project Location

* Street Address
* Size Plot Plan
* Legal Description of Site

- Generating Technology
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date

- Contact Person

* Individual's Name and Title
* Company Name
* Address
* Telephone Number
* Fax Number

II. PROJECT PARTICIPANTS

- Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 5, 2018

* Project Development
* Siting and Licensing the Facility
* Designing the Facility
* Constructing the Facility
* Securing the Fuel Supply
* Operating the Facility
* Decommissioning the Facility

- Provide details on all electrical facilities which are currently under construction or operational which were developed by the RF/QF.
- Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders and the percentage of equity invested at Financial Closing.

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g. Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.

- Provide AFR necessary to support planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel supply arrangements in place to meet the AFR, in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR.

Category	Description of Fuel Supply Arrangement
owned =	fuel is from a fully developed source owned by one or more of the project participants
contract –	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI –	a letter of intent for fuel supply exists between developer(s) and fuel supplier(s)
SPP –	small power production facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none –	no firm fuel supply arrangement currently in place
other –	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.

- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.

- Provide AFTR necessary to support planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFTR.

owned –	fuel transport via a fully developed system owned by one or more of the project participants
contract –	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI =	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
spot –	fuel transportation will be purchased on the spot market
none –	no firm fuel transportation arrangement currently in place
other –	fuel transportation arrangement which does not fit any of the above categories (please describe)

- Provide the maximum, minimum and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.

- Provide information regarding RF/QF's plans to maintain sufficient on site fuel to deliver Capacity and Energy for an uninterrupted seventy-two (72) hour period.

IV. PLANT DISPATCHABILITY/CONTROLLABILITY

- Provide the following operating characteristics and a detailed explanation supporting the performance capabilities indicated:

  * Ramp Rate (MW/minute)
  * Peak Capability (% above Committed Capacity)
  * Minimum power level (% of Committed Capacity)
  * Facility Turnaround Time, Hot to Hot (hours)
  * Start-up Time from Cold Shutdown (hours)
  * Unit Cycling (# cycles/yr.)
  * MW and MVAR Control (ACC, Manual, Other (please explain))

DUKE ENERGY

SECTION No. IX
FIRST REVISED SHEET NO. 9.449
CANCELS ORIGINAL SHEET NO. 9.449

V. SITING AND LICENSING

- Provide a licensing/permitting milestone schedule, which lists all permits, licenses and variances, required to site the Facility. The milestone schedule shall also identify key milestone dates for baseline monitoring, application preparation, agency review, certification and licensing/siting board approval, and agency permit issuance.

- Provide a licensing/permitting plan that addresses the issues of air emission, water use, wastewater discharge, wetlands, endangered species, protected properties, surrounding land use, zoning for the Facility, associated linear facilities and support of and opposition to the Facility.

- List the emission/effluent discharge limits the Facility will meet and describe in detail the pollution control equipment to be used to meet these limits.

VI. FACILITY DEVELOPMENT AND PERFORMANCE

- Submit a detailed engineering, procurement, construction, startup and commercial operation schedule. The schedule shall include milestones for site acquisition, engineering phases, selection of the major equipment vendors, architect engineer, and Facility operator, steam host integration and delivery of major equipment. A discussion of the current status of each milestone should also be included where applicable.

- Attach a diagram of the power block arrangement. Provide a list of the major equipment vendors and the name and model number of the major equipment to be installed.

- Provide a detailed description of the proposed environmental control technology for the Facility and describe the capabilities of the proposed technology.

- Attach preliminary flow diagrams for the steam system, water system, and fuel system, and a main electrical one line diagram for the Facility.

- State the expected heat rate (HHV) at 75 degrees Fahrenheit for loads of 100%, 75% and 50%. In addition, attach a preliminary heat balance for the Facility.

VII. FINANCIAL

- Provide DEF with assurances that the proposed RF/QF project is financially viable in accordance with FPSC Rule 25-17.0832(4)(c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

DUKE ENERGY.

SECTION No. IX
FIRST REVISED SHEET NO. 9.450
CANCELS ORIGINAL SHEET NO. 9.450

- Annual Project Revenues
  - Capacity Payments ($ and $/kW/Mo.)
  - Variable O&M ($ and $/MWh)
  - Energy ($ and $/MWh)
  - Tipping Fees ($ and $/ton)
  - Interest Income
  - Other Revenues
  - Variable O&M Escalation (%/yr.)
  - Energy Escalation (%/yr.)
  - Tipping Fee Escalation (%/yr.)
- Annual Project Expense
  - Fixed O&M ($ and $/kW/Mo.)
  - Variable O&M ($ and $/MWh)
  - Energy ($ and $/MWh)
  - Property Taxes ($)
  - Insurance ($)
  - Emission Compliance ($ and $/MWh)
  - Depreciation ($ and %/yr.)
  - Other Expenses ($)
  - Fixed O&M Escalation (%/yr.)
  - Variable O&M Escalation (%/yr.)
  - Energy Escalation (%/yr.)
- Other Project Information
  - Installed Cost of the Facility ($ and $/kW)
  - Committed Capacity (kW)
  - Average Heat Rate - HHV (MBTU/kWh)
  - Federal Income Tax Rate (%)
  - Facility Capacity Factor (%)
  - Energy Sold to DEF (MWh)
- Permanent Financing
  - Permanent Financing Term (yr.)
  - Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt and equity)
  - Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt and equity)
  - Annual Interest Expense
  - Annual Debt Service ($)
  - Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.

- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

DUKE ENERGY

SECTION No. IX
THIRD REVISED SHEET NO. 9.452
CANCELS SECOND REVISED SHEET NO. 9.452

APPENDIX D

TO

DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT

RATE SCHEDULE COG-2

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

SCHEDULE

COG-2, Firm Capacity and Energy from a Renewable Facility ("RF/QF") or a Qualifying Facility less than 100 kW ("QF")

AVAILABLE

DEF will, under the provisions of this schedule and the Contract to which this Appendix is attached and incorporated into by reference, purchase firm capacity and energy offered by a RF/QF as defined in the Contract. DEF's obligation to contract to purchase firm capacity from such RF/QF by means of this schedule and the Contract will continue no later than the Expiration Date.

APPLICABLE

To RF/QFs as defined in the Contract producing capacity and energy for sale to DEF on a firm basis pursuant to the terms and conditions of this schedule and the Contract. "Firm Capacity and Energy" are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a RF/QF pursuant to the Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

Purchases within the territory served by DEF shall be, at the option of DEF, single or three phase, 60-hertz alternating current at any available standard DEF voltage. Purchases from outside the territory served by DEF shall be three phase, 60-hertz alternating current at the voltage level available at the interchange point between DEF and the entity delivering the Firm Capacity and Energy from the RF/QF.

ISSUED BY: **Javier Portuondo, Vice President, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 9, 2020

LIMITATION

Purchases under this schedule are subject to FPSC Rules 25-17.080 through 25-17.310, F.A.C., and are limited to those RF/QFs which:

A. Are defined in the Contract;

B. Execute a Contract;

RATES FOR PURCHASES BY DEF

Firm Capacity and Energy are purchased at unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by DEF. For the purpose of this schedule, an Avoided Unit has been designated by DEF. DEF's next Avoided Unit has been identified in Section 4 of the Contract. Schedule 1 to this Appendix describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Contract filed and approved pursuant to FPSC Rules 25-17.080 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Four options, A through D, as set forth below, are available for payments of firm capacity that is produced by a RF/QF and delivered to DEF. Once selected, an option shall remain in effect for the term of the Contract. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of firm Capacity which the RF/QF has contractually committed to deliver to DEF and are based on a contract term which extends through the Termination Date in Section 4 of the Contract. Payment schedules for other contract terms will be made available to any RF/QF upon request and may be calculated based on the methodologies described in Schedule 1. The currently approved parameters used to calculate the following schedule of payments are found in Schedule 2 to this Appendix.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of DEF's Avoided Unit with an in-service date as of the Avoided Unit In-Service Date in Section 4 of the Contract, calculated in accordance with FPSC Rule 25-17.0832, F.A.C., as described in Schedule 1. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Contract. The payment schedule for this option follows in Table 3.

Option B - Fixed Value of Deferral Payments - Early Capacity

Payment schedules under this option are based upon the early capital cost component of the value of a year-by-year deferral of the Avoided Unit. The term "early" with respect to Option B means that these payments can start prior to the anticipated in-service date of the Avoided Unit; provided, however, that under no circumstances may payments begin before this RF/QF is delivering Firm Capacity and Energy to DEF pursuant to the terms of the Contract. When this option is selected, the Capacity Payments shall be made monthly commencing no earlier than the Capacity Delivery Date of the RF/QF and calculated as shown on Schedule 1. Capacity Payments under Option B do not result in a prepayment or create a future benefit.

The RF/QF shall select the month and year in which the deliveries of firm capacity and energy to DEF are to commence and Capacity Payments are to start. DEF will provide the RF/QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Contract. The exemplary payment schedule in Table 3 is based on a contract term that begins on the Exemplary Early Capacity Payment Date in Section 4 of the Contract.

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Avoided Unit. The capital portion of Capacity Payments under this option shall consist of equal monthly payments over the term of the Contract, calculated as shown on Schedule 1. The fixed operation and maintenance portion of Capacity Payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Avoided Unit. These calculations are shown in Schedule 1. The payment schedule for this option is contained in Table 3. Capacity Payments under Option C do not result in a prepayment or create a future benefit.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Avoided Unit. The capital portion of Capacity Payments under this option shall consist of equal monthly payments over the term of the Contract, calculated as shown on Schedule 1. The fixed operation and maintenance expense shall be calculated as shown in Schedule 1.

The RF/QF shall select the month and year in which the deliveries of firm capacity and energy to DEF are to commence and Capacity Payments are to start. DEF will provide the RF/QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Contract. The exemplary payment schedule in Table 3 is based on a contract term that begins on the Exemplary Early Capacity Payment Date in Section 4 of the Contract.

DUKE ENERGY.

SECTION No. IX
~~EIGHTEENTH~~ NINETEENTH REVISED SHEET NO. 9.455
CANCELS ~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 9.455

TABLE 3
EXAMPLE MONTHLY CAPACITY PAYMENT IN $/kW/MONTH
DEF'S June 1, ~~2032~~ 2033 Undesignated CT
Renewable or Qualifying Facility Standard Offer Contract Avoided Capacity Payments

($/kW/MONTH)

Contract Year	Option A Normal Capacity Payment Starting on the Avoided Unit In-Service Date	Option B Early Capacity Payment Starting on the Exemplary Capacity Payment Date	Option C Levelized Capacity Payment Starting on the Avoided Unit In-Service Date	Option D Early Levelized Capacity Payment Starting on the Exemplary Capacity Payment Date
2031~~0~~		~~9.17~~13.09		~~9.18~~14.23
2032~~1~~		~~9.18~~13.31		~~9.18~~14.23
2033~~2~~	~~11.77~~17.00	~~9.18~~13.53	~~11.78~~18.25	~~9.19~~14.24
2034~~3~~	~~11.78~~17.29	~~9.19~~13.76	~~11.79~~18.26	~~9.19~~14.24
2035~~4~~	~~11.79~~17.58	~~9.20~~13.99	~~11.79~~18.27	~~9.20~~14.25
2036~~5~~	~~11.80~~17.87	~~9.21~~14.23	~~11.80~~18.27	~~9.21~~14.25
2037~~6~~	~~11.81~~18.17	~~9.21~~14.46	~~11.81~~18.28	~~9.21~~14.26
2038~~7~~	~~11.82~~18.48	~~9.22~~14.71	~~11.82~~18.29	~~9.22~~14.27
2039~~8~~	~~11.83~~18.79	~~9.23~~14.95	~~11.83~~18.30	~~9.23~~14.27
2040~~39~~	~~11.84~~19.10	~~9.24~~15.20	~~11.83~~18.31	~~9.23~~14.28
2041~~40~~	~~11.85~~19.42	~~9.25~~15.46	~~11.84~~18.31	~~9.24~~14.29
2042~~41~~	~~11.86~~19.75	~~9.26~~15.72	~~11.85~~18.32	~~9.25~~14.29
2043~~42~~	~~11.87~~20.08	~~9.26~~15.98	~~11.86~~18.33	~~9.25~~14.30

1. The Capacity Payment schedules contained in this Contract assume a term of ten years from the Avoided Unit In-Service Date. In the event the RF/QF requests a term greater than ten years but less than the Avoided Unit Life then DEF shall prepare a schedule of Capacity Payments for the requested term. Such Capacity Payment rates shall be calculated utilizing the value-of-deferral methodology described in FPSC Rule 25-17.0832(6).

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 30, 2024

2. The RF/QF may also request an alternative Capacity Payment rate stream from DEF as authorized by Rule 25-17.250(4). Regardless of the Capacity Payment rate stream requested by the RF/QF, the cumulative present value of the capital cost payments made to the RF/QF over the term of the Contract shall not exceed the cumulative present value of the capital cost payments had such payments been made pursuant to FPSC Rule 25-17.0832(4)(g)(i). Fixed operation and maintenance expense shall be calculated to conform with FPSC Rule 25-17.0832(6)(b). Such an alternative Capacity Payment rate shall be subject to the Termination Fee in Appendix B.

   In the event that alternative Capacity Payment rates are agreed upon, such Capacity Payment rate schedule shall be attached to the Contract in Appendix E.

B. Energy Rates

Payments Prior to the Avoided Unit In-Service Date

1. The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on DEF's actual hourly avoided energy costs which are calculated by DEF in accordance with FPSC Rule 25-17.0825, F.A.C.

   The calculation of payments to the RF/QF shall be based on the sum over all hours of the billing period, of the product of each hour's avoided energy cost times the amount of energy (kWh) delivered to DEF from the Facility for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

2. Upon request of the RF/QF, DEF shall provide the RF/QF the option of receiving energy payments based on DEF's year-by-year projection of system incremental costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel conditions plus a mutually agreed upon market volatility risk premium.

Payments Starting on Avoided Unit In-Service Date

The calculation of payments to the RF/QF for energy delivered to DEF on and after the Avoided Unit In-Service Date shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's Firm Energy Rate (¢/kWh); and (b) the amount of energy (kWh) delivered to DEF from the Facility during that hour.

For any period during which energy is delivered by the RF/QF to DEF, the Firm Energy Rate in cents per kilowatt hour (¢/kWh) shall be the following on an hour-by-hour basis: the lesser of (a) the As-Available Energy Rate and (b) the Avoided Unit Energy Cost. The Avoided Unit Energy Cost, in cents per kilowatt - hour (¢/kWh) shall be defined as the product of (a) the Avoided Unit Fuel Cost and (b) the Avoided Unit Heat Rate; plus (c) the Avoided Unit Variable O&M.

For the purposes of this agreement, the Avoided Unit Fuel Cost shall be determined from gas price published in Platts Inside FERC, Gas Market Report, first of the month posting for Florida Gas Transmission ("FGT") Zone 3, plus other charges, surcharges and percentages that are in effect from time to time.

The Parties may mutually agree to fix a minority portion of the base firm energy payments associated with the Avoided Unit and amortize that fixed portion, on a present value basis, over the term of the Contract. Such fixed firm energy payments may, at the option of the RF/QF, start as early as the Avoided Unit In-Service Date. For purposes of this paragraph, "base firm energy payments associated with the Avoided Unit" means the energy costs of the Avoided Unit to the extent that the Avoided Unit would have been operated. If this option is mutually agreed upon, it will be attached to this Contract in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

As required in Section 25-17.0825, F.A.C., information relating to as-available energy cost projections will be provided within 30 days of a written request for such projections by any interested person.

DUKE ENERGY

SECTION No. IX
FOURTEENTH REVISED SHEET NO. 9.458
CANCELS THIRTEENTH REVISED SHEET NO. 9.458

ESTIMATED UNIT FUEL COST

As required in Section 25-17.0832, F.A.C., the estimated fuel costs associated with DEF's Avoided Unit are based on current estimates of the price of natural gas and will be provided within 30 days of a written request for such projections by any interested person.

DELIVERY VOLTAGE ADJUSTMENT

DEF's average system line losses are analyzed annually for the prior calendar year, and delivery efficiencies are developed for the transmission, distribution primary, and distribution secondary voltage levels. This analysis is provided in the DEF's Procedures For Changing The Real Power Loss Factor (currently Attachment Q) in its Open Access Transmission Tariff and DEF's fuel cost recovery filing with the FPSC. An adjustment factor, calculated as the reciprocal of the appropriate delivery efficiency factor, is applicable to the above determined energy costs if the RF/QF is within DEF's service territory to reflect the delivery voltage level at which RF/QF energy is received by the DEF.

The Delivery Voltage Adjustment will be calculated based on the current delivery efficiencies in conjunction with DEF's Open Access Transmission Tariff as approved by the FERC. The current Delivery Voltage Adjustment will be provided within 30 days of a written request by any interested person.

PERFORMANCE CRITERIA

Payments for firm Capacity are conditioned on the RF/QF's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the Required Capacity Delivery Date.

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm Capacity Payments through a performance based calculation as detailed in Appendix A to the Contract.

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: July 9, 2019

METERING REQUIREMENTS

The RF/QFs within the territory served by DEF shall be required to purchase from DEF hourly recording meters to measure their energy deliveries to DEF. Energy purchases from the RF/QFs outside the territory of DEF shall be measured as the quantities scheduled for interchange to DEF by the entity delivering Firm Capacity and Energy to DEF.

BILLING OPTIONS

A RF/QF, upon entering into this Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to DEF, or net sales to DEF; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a RF/QF selling as-available energy enters into this Contract for the sale of firm capacity and energy; 2) when a Contact expires or is lawfully terminated by either the RF/QF or DEF; 3) when the RF/QF is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene the provisions of FPSC Rule 25-17.0832 or a contract between the RF/QF and DEF.

If a RF/QF elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written note to DEF; 2) the installation by DEF of any additional metering equipment reasonably required to effect the change in billing and upon payment by the RF/QF for such metering equipment and its installation; and 3) upon completion and approval by DEF of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the RF/QF for such alteration(s).

Payments due a RF/QF will be made monthly and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the RF/QF and the applicable avoided energy rates at which payment are being made shall accompany the payment to the RF/QF.

DUKE ENERGY.

SECTION No. IX
FOURTH REVISED SHEET NO. 9.460
CANCELS THIRD REVISED SHEET NO. 9.460

CHARGES TO RENEWABLE ENERGY PROVIDER

The RF/QF shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Retail Service Charges

The RF/QF shall be responsible for all FPSC approved charges for any retail service that may be provided by DEF. The RF/QF shall be billed at the customer charge rate stated in DEF's applicable standby tariff monthly for the costs of meter reading, billing, and other administrative costs.

B. Interconnection Charges

Applicable Interconnection Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Interconnection Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

C. Transmission Charges

Applicable Transmission Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Transmission Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

DUKE ENERGY.

SECTION No. IX
SECOND REVISED SHEET NO. 9.461
CANCELS FIRST REVISED SHEET NO. 9.461

TERMS OF SERVICE

A. It shall be the RF/QF's responsibility to inform DEF of any change in its electric generation capability.

B. Any electric service delivered by DEF to a RF/QF located in DEF's service area shall be subject to the following terms and conditions:

(1) A RF/QF shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.

(2) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:

(i) In the first year of operation, the security deposit should be based upon the singular month in which the RF/QF's projected purchases from DEF exceed, by the greatest amount, DEF's estimated purchases from the RF/QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.

(ii) For each year thereafter, a review of the actual sales and purchases between the RF/QF and DEF will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the RF/QF exceed the actual sales in DEF in that month.

(3) DEF shall specify the point of interconnection and voltage level.

(4) The RF/QF must enter into an agreement for interconnection to DEF's system. Specific features of the RF/QF and its interconnection to DEF's facilities will be considered by DEF in preparing the interconnection agreement. In order to assure timely completion of the interconnection facilities, the RF/QF cannot suspend the interconnection agreement or the construction of the interconnection facilities. Notwithstanding the above, interconnection with, and delivery into, the Company's system must be accomplished in accordance with the provisions of FPSC Rule 25-17.087.

C. Service under this rate schedule is subject to the rules and regulations of the FPSC.

ISSUED BY: **Javier Portuondo, Vice President, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 9, 2020

DUKE ENERGY.

SECTION No. IX
FIRST REVISED SHEET NO. 9.462
CANCELS ORIGINAL SHEET NO. 9.462

SCHEDULE 1
TO RATE SCHEDULE COG-2

CALCULATION OF VALUE OF DEFERRAL PAYMENTS

APPLICABILITY

This Schedule 1 provides a detailed description of the methodology used by DEF to calculate the monthly values of deferring or avoiding the Avoided Unit identified in the Contract. When used in conjunction with the current FPSC-approved cost parameters associated with the Avoided Unit contained in Schedule 2, a RF/QF may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the RF/QF enter into a Contract with DEF.

Also contained in this Schedule 1 is the discussion of the types and forms of surety bond requirements or equivalent assurance for payment of the Termination Fee acceptable to DEF in the event of contractual default by a RF/QF.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a RF/QF pursuant to Contract shall be defined as the year-by-year value of deferral of the Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Avoided Unit one year, and shall be calculated as follows:

$$VAC_m = 1/12\ [KI_n\ (1 - R) / (1 - R^L)\quad O_n]$$

Where, for a one year deferral:

VAC_m – utility's monthly value of avoided capacity, in dollars per kilowatt per month, for each month of year n;

K – present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;

R – $(1 + i_p)/ (1 + r)$;

I_n – total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction for the Avoided Unit which would have been paid had the Avoided Unit been constructed;

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

O_n – total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Avoided Unit;

i_p – annual escalation rate associated with the plant cost of the Avoided Unit;

i_o – annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;

r – annual discount rate, defined as the utility's incremental after-tax cost of capital;

L – expected life of the Avoided Unit; and

n = year for which the Avoided Unit is deferred starting with the Avoided Unit In-Service Date and ending with the Termination Date.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY-OPTION B

Under the fixed value of deferral Option A, payments for firm capacity shall not commence until the in-service date of the Avoided unit(s). At the option of the RF/QF, however, DEF may begin making payments for capacity consisting of the capital cost component of the value of a year-by-year deferral of the Avoided Unit prior to the anticipated in-service date of the Avoided Unit. When such payments for capacity are elected, the avoided capital cost component of Capacity Payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the RF/QF, and shall be calculated as follows:

$$A_M = [A_c (1 \quad i_p)^{(m-1)} \quad A_o (1 + i_o)^{(m-1)}] / 12 \qquad \text{for m} = 1 \text{ to t}$$

Where:

A_M – monthly payments to be made to the RF/QF for each month of the contract year n, in dollars per kilowatt per month in which RF/QF delivers capacity pursuant to the early capacity option;

i_p – annual escalation rate associated with the plant cost of the Avoided Unit;

i_o = annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;

m – year for which the fixed value of deferral payments under the early capacity option are made to a RF/QF, starting in year one and ending in the year t;

t – the Term, in years, of the Contract:

A_c – $F\,[\,(1-R)/(1-R^t)\,]$

Where:

F – the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date;

R – $(1+i_p)/(1+r)$

r – annual discount rate, defined as DEF's incremental after-tax cost of capital; and

A_o = $G\,[\,(1-R)/(1-R^t)\,]$

Where:

G – The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date.

R = $(1+i_o)/(1+r)$

The currently approved parameters applicable to the formulas above are found in Schedule 2.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - LEVELIZED AND EARLY LEVELIZED CAPACITY - OPTION C & OPTION D, RESPECTIVELY

Monthly fixed value of deferral payments for levelized and early levelized capacity shall be calculated as follows:

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SECTION No. IX
FIRST REVISED SHEET NO. 9.465
CANCELS ORIGINAL SHEET NO. 9.465

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

Where:

P_L – the monthly levelized capacity payment, starting on or prior to the in-service date of DEF's Avoided Unit(s):

F – the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the Capacity Payments which would have been made had the Capacity Payments not been levelized;

r – the annual discount rate, defined as DEF's incremental after-tax cost of capital;

t = the Term, in years of the Contract

O = the monthly fixed operation and maintenance component of the Capacity Payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.

RISK-RELATED GUARANTEES

With the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091, FPSC Rule 25-17.0832 (4)(e)10 requires that, when fixed value of deferral payments - early capacity, levelized capacity, or early levelized capacity are elected, the RF/QF must provide a surety bond or equivalent assurance of securing the payment of a Termination Fee in the event the RF/QF is unable to meet the terms and conditions of its Contract. Depending on the nature of the RF/QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Contract, one of the following may constitute an equivalent assurance of payment:

(1) Bond;
(2) Cash deposit(s) with DEF;
(3) Unconditional, irrevocable, direct pay Letter of Credit;
(4) Unsecured promise by a municipal, county or state government to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that payments for early or levelized capacity are repaid;
(5) Unsecured promise by a privately-owned RF/QF to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from the owner(s) of the RF/QF, parent company, and/or subsidiary companies located in Florida to assure that payments for early, levelized or early levelized capacity are repaid; or
(6) Other guarantees acceptable to DEF.

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

DUKE ENERGY.

SECTION No. IX
FIRST REVISED SHEET NO. 9.466
CANCELS ORIGINAL SHEET NO. 6.466

DEF will cooperate with each RF/QF applying for fixed value of deferral payments under the early. levelized or early levelized capacity options to determine the exact form of an "equivalent assurance" for payment of the Termination Fee to be required based on the particular aspects of the RF/QF. DEF will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the RF/QF and DEF's ratepayers.

ISSUED BY: **Javier Portuondo, Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: April 29, 2013

DUKE ENERGY.

SECTION No. IX
~~EIGHTEENTH~~ NINETEENTH REVISED SHEET NO. 9.467
CANCELS ~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 9.467

SCHEDULE 2
TO RATE SCHEDULE COG-2 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS -
NORMAL CAPACITY OPTION PARAMETERS

Where, for one year deferral:

			Value
VAC_m	=	DEF's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	~~11.77~~17.00
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	~~1.287~~1.275
I_n	=	total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Avoided Unit with an in-service date of year n;	~~1,421.8~~2,503.5
O_n	=	total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Avoided Unit;	~~3.49~~3.34
i_p	=	annual escalation rate associated with the plant cost of the Avoided Unit;	~~.02~~1.66%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;	2.50%
r	=	annual discount rate, defined as DEF's incremental after-tax cost of capital;	7.44~~5~~%
L	=	expected life of the Avoided Unit;	35
n	=	year for which the Avoided Unit is deferred starting with the Avoided Unit In-Service Date and ending with the Termination Date.	~~2032~~2033

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 30, 2024

DUKE ENERGY

SECTION No. IX
~~EIGHTEENTH~~ NINETEENTH REVISED SHEET NO. 9.468
CANCELS ~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 9.468

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A_m	=	monthly avoided capital cost component of Capacity Payments to be made to the RF/QF starting as early as two years prior to the Avoided Unit In-Service Date, in dollars per kilowatt per month;	~~8.95~~12.88
i_p	=	annual escalation rate associated with the plant cost of the Avoided Unit;	1.66~~, 02~~%
n	=	year for which early Capacity Payments to a RF/QF are to begin;	~~2030~~2031
I'	=	the cumulative present value of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued for a period of 10 years;	~~611.37~~957.66
r	=	annual discount rate, defined as DEF's incremental after-tax cost of capital;	7.~~45~~44%
t	=	the Term, in years, of the Contract for the purchase of firm capacity commencing prior to the in-service date of the Avoided Unit;	13
G'	=	the cumulative present value of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued until the Termination Date.	~~17.26~~16.53

ISSUED BY: **Geoff Foster, Vice President, Rates & Regulatory Strategy - FL**
EFFECTIVE: July 30, 2024

DUKE ENERGY

SECTION No. IX
SECOND REVISED SHEET NO. 9.470
CANCELS FIRST SHEET NO. 9.470

APPENDIX E

TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT

AGREED UPON PAYMENT SCHEDULES
AND OTHER MUTUAL AGREEMENTS

ISSUED BY: **Javier Portuondo, Managing Director, Rates & Regulatory Strategy** - FL
EFFECTIVE: June 5, 2018

Item 7

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Davis, Ellis, King, Ramos) TB
Office of the General Counsel (Sparks, Imig) ACH

RE: Docket No. 20250055-EQ – Petition for approval of standard offer contract and request for temporary waiver of rule on annual filing, by Florida Public Utilities Company.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/30/2025 (The Commission must vote to grant or deny the rule waiver by this date)

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 20250053-EQ, 20250054-EQ, 20250055-EQ, and 20250056-EQ.

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities and small qualifying facilities. Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan (TYSP), or planned power purchase if no such generating unit is planned. On April 1, 2025, Florida Public Utilities Company (FPUC or Company) filed a petition for approval of its standard offer contract

and request for temporary waiver of Rule 25-17.250(1), F.A.C., regarding the annual filing requirement. If granted, the rule waiver would allow FPUC to forgo filing a standard offer contract until such a time as the Company enters into a new contract or contracts for power supply to its electric divisions.

FPUC's standard offer contract reflects changes and revisions from the previous tariff approved by Order No. PSC-2021-0234-PAA-EQ,[1] arising from the May 2024 All Requirements Power and Energy agreement with Florida Power and Light (FPL). The Commission has jurisdiction over this standard offer contract and rule waiver request pursuant to Sections 120.542, 366.04, 366.041, 366.05, 366.055, 366.06, and 366.91, F.S.

[1] Order No. PSC-2021-0234-PAA-EQ, issued June 29, 2021, in Docket No. 20210068-EQ, *In re: Petition for approval of standard offer contract and request for temporary waiver of rule on annual filing, by Florida Public Utilities Company.*

Discussion of Issues

Issue 1: Should the Commission grant FPUC's petition for a temporary waiver of Rule 25-17.250(1), F.A.C.?

Recommendation: Yes. Staff recommends that FPUC's petition for a temporary waiver of Rule 25-17.250(1) should be granted. (Imig, Davis)

Staff Analysis: Rule 25-17.250(1), F.A.C., requires each electric investor-owned utility (IOU) to file with the Commission by April 1 of each year a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. The standard offer contracts reflect each IOU's next avoided unit shown in its most recent TYSP. The rule further requires that "[e]ach investor-owned utility with no planned generating unit identified in its TYSP shall submit a standard offer based on avoiding or deferring a planned purchase." As FPUC is a non-generating electric IOU, it does not file a TYSP and has no avoidable generating units.

Rule 25-17.250(2)(a), F.A.C., provides that in order to ensure that each IOU continuously offers a contract to producers of renewable energy, each standard offer contract shall remain open until: 1) a request for proposal is issued for the utility's planned generating unit, or 2) the IOU files a petition for a need determination or commences construction for generating units, or 3) the generating unit upon which the standard offer contract was based is no longer part of the IOU's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent TYSP.

In its petition, FPUC asks that it be granted a temporary waiver from the requirement to file its standard offer contract annually on April 1 of each year until such time as the Company has entered into a new contract or contracts for power supply to its electric divisions. FPUC is a party to a long-term purchase power contract with Florida Power & Light that extends to 2032. FPUC states that granting a waiver from the filing requirement would enable the Company to avoid for up to five years the cost and use of resources necessary to accomplish the yearly filing, since the Company's standard offer contract will not change until its purchased power agreements change. FPUC provides that in the event that the Company's purchased power agreements change sooner and in a manner that it becomes necessary to amend the Company's standard offer contract, that the Company would make a revised standard offer filing as soon as necessary to reflect such changes to its purchased power agreement.

Pursuant to 120.542(6), F.S., FPUC's request for a rule waiver was submitted to Florida Administrative Weekly for publication. Interested parties had until April 28, 2025, to submit written comments. No public comment was received.

Section 120.542, F.S., authorizes the Commission to grant variances or waivers to the requirements of its rules where the person subject to the rules demonstrates that the purpose of the underlying statute has been or will be achieved by other means, and when application of a rule would create substantial hardship or would violate principles of fairness. "Substantial hardship" as defined in this Section means "a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver."

The underlying statutory provision pertaining to Rule 25-17.250(1), F.A.C., is Section 366.91, F.S. Section 366.91(1), F.S., states:

> The Legislature finds that it is in the public interest to promote the development of renewable energy resources in this State. Renewable energy resources have the potential to help diversify fuel types to meet Florida's growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the State, improve environmental conditions, and make Florida a leader in new and innovative technologies.

Section 366.91(3), F.S., enumerates requirements to promote the development of renewable energy resources. In summary:

a) By January 1, 2006, each investor-owned electric utility (IOU) and municipal utility subject to the Florida Energy Efficiency and Conservation Act (FEECA) of 1980 must continuously offer to purchase capacity and energy from specific types of renewable resources;
b) The contract shall be based on the utility's full avoided costs, as defined in Section 366.051, Florida Statutes; and,
c) Each contract must provide a term of at least ten years.

Staff recommends that FPUC has demonstrated it will suffer a substantial hardship if the provisions of Rule 25-17.250(1), F.A.C., are strictly applied, and therefore, FPUC has provided a basis for a waiver of the rule. Granting FPUC a waiver of Rule 25-17.250(1), F.A.C., would help the Company avoid unnecessary costs and allocation of resources to produce a filing that is otherwise redundant of the prior year's filing and is already in compliance with the pertinent rules and statutes. A waiver of Rule 25-17.250(1), F.A.C., allows the Commission to continue promoting the development of renewable energy resources in Florida because it allows FPUC to offer an economically feasible standard offer contract for renewable energy

Issue 2: Should the Commission approve the proposed standard offer contract filed by FPUC?

Recommendation: Yes. The provisions of FPUC's standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The proposed standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. (Davis)

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that FPUC, as an IOU, continuously make available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP, or if no avoided unit is identified, its next avoidable planned purchase.

FPUC proposes two changes to its tariff. First, it updates the tariff to reflect FPL as the entity serving its Northwest Florida (Marianna) division. Second, it increases the reconnection fees for QFs from $52 to $70. This increase will update the fees to an amount approved in a recent Commission rate case.[2] Staff recommends these modifications appear reasonable and reflect current system conditions. Attachment A of this recommendation reflects revisions and changes to the previously approved standard offer contract.

Conclusion

The provisions of FPUC's standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The proposed standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs.

[2] Order No. PSC-2025-0114-PAA-EI, issued April 7, 2025, in Docket No. 20240099-EI, *In re: Petition for rate increase by Florida Public Utilities Company.*

Issue 3: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Sparks, Imig)

Staff Analysis: At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.

EXHIBIT A

FLORIDA PUBLIC UTILITIES COMPANY

STANDARD OFFER RATE SCHEDULES

FOR PURCHASES FROM COGENERATORS & RENEWABLE GENERATING FACILITIES

(Third Revised Sheet No. 3; First Revised Sheet No. 15; Third Revised Sheet No. 18; Third Revised Sheet No. 24; First Revised Sheet No. 32.1)

(Clean and Legislative Versions)

5 Page

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Third Revised Sheet No. 3
Cancels Second Revised Sheet No. 3

TERRITORY SERVED

FPUC serves the following divisions:

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties. Currently, Florida Power and Light is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northwest Florida Division.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County. Florida Power and Light is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northeast Florida Division.

Issued by: Jeffry Householder, President

Effective

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

First Revised Sheet No. 15
Cancels Original Sheet No. 15

RULES AND REGULATIONS (Continued)

12. Reconnection of Service
When service shall have been disconnected for any of the reasons set forth in these Rules and Regulations, Company shall not be required to restore service until the following conditions have been met by Qualifying Facility.

A. Where service was discontinued without notice,

(1) The dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of seventy dollars ($70.00) shall be paid.

(2) All bills for service due Company by reason of fraudulent use or tampering shall be paid, a deposit to guarantee the payment of future bills shall be made, and a reconnection fee of seventy dollars ($70.00) shall be paid.

(3) If reconnection is requested on the same premises after discontinuance, a reconnection fee of seventy dollars ($70.00) shall be paid.

B. Where service was discontinued with notice,

(1) Satisfactory arrangements for payment of all bills forservice then due shall be made and a reconnection fee of seventy dollars ($70.00) shall be paid.

(2) A satisfactory guarantee of payment for all future bills shall be furnished and a reconnection fee of seventy dollars ($70.00) shall be paid.

(3) The violation of these Rules and Regulations shall be corrected and a reconnection fee of seventy dollars ($70.00) shall be paid.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Third Revised Sheet No. 18
Cancels Second Revised Sheet No. 18

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

A. As-Available energy is purchased at a unit cost based on the Avoided Cost, as defined in this Tariff, as applicable to the relevant Company Division. Payments for As-Available Energy to the QF shall only be made for energy that the Company can utilize to meet total system load for the division to which the deliveries are made.

B. Details on Florida Power and Light's avoided costs, the current Full Requirements Wholesale Power Supplier for Northwest Division, can be reviewed in their Renewable Energy Standard Offer Contract within their tariff. Details on Florida Power and Light's avoided costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.

C. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.

D. Energy payments to a QF will be reduced by: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QF; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QF.

3. Negotiated Rates

Upon agreement by both the Company and the Qualifying Facility, an alternate contract rate for the purchase of As-Available Energy may be separately negotiated.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Third Revised Sheet No. 24
Cancels Second Revised Sheet No. 24

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

   A. Firm Capacity and Energy are purchased at a unit cost, based on the Avoided Cost, as defined in this Tariff, for the relevant Company Division. Payments to the QS shall only be made for capacity and energy that the Company can utilize to meet its total system load for the division to which the deliveries are made.

   B. Details on Florida Power and Light's avoided capacity and energy costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff. Details on Florida Power and Light's avoided capacity and energy costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.

   C. Payments will be made to the Qualifying Seller at the Avoided Cost for the applicable delivery division for each KW of billing capacity and kwh of energy provided - less: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QS; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QS.

   D. In the event that a delivery of energy and capacity by a QS does not allow the Company to avoid a capacity payment to its Full Requirements Wholesale Power Supplier, the QS will only be eligible for an Energy payment and will not receive payments for delivery of Billing Capacity.

   E. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and applicable voltage level.

2. Determination of Billing Capacity:

   A. The billing capacity in any month shall be based upon the KW capacity supplied by the QS during that month or a previous month valued at a rate equal to the Company's respective Full Requirements Wholesale Power Supplier's avoided cost of the same amount of capacity during the relevant period as calculated in accordance with FPSC Rule 25-17.0832, F.A.C. and reflected in the Full Requirements Wholesale Power Supplier's tariff on file with the FPSC.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

First Revised Sheet No. 32.1
Cancels Original Sheet No. 32.1

Continued from Sheet No. 31

11. The Company reserves the right, but assumes no liability for failure so to do, to discontinue service from the Qualifying Facility for cause as follows:

    A. Without notice if a dangerous condition exists as a result of energy delivered by the Qualifying Facility to Company.

    B. After five (5) working days' notice in writing, for a violation of the Company's Tariff Rules and Regulations which Qualifying Facility refuses or neglects to correct.

    When service has been disconnected for any of the reasons set forth in this Section 11, Company shall not be required to restore service until the following conditions have been met by the Qualifying Facility:

    A. Where service was discontinued without notice, the dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of seventy dollars ($70.00) shall be paid.

    B. Where service was discontinued with notice, the violation of Section 12 of this Agreement shall be corrected and a reconnection fee of seventy dollars ($70.00) shall be paid.

12. Notwithstanding any other provisions of this Agreement, Company shall have the right to terminate this Agreement, by written notice to Seller giving the reasons therefore, without cause, liability or obligation, if any approval from any Governmental Body having jurisdiction thereof necessary for Company to enter into this Agreement or to allow full recovery by Company from its customers of all payments required to be made by this Agreement shall no longer be in full force and effect, and some portion or all of such payments shall have become disqualified for such recovery in contravention of FPSC Order No. 25668, issued February 23, 1992.

13. Liability insurance in the amount of two million seven hundred fifty thousand dollars ($2,750,000.00) per occurrence for bodily injury, death, or property damage Facility's generator and interconnectionsshall be furnished by Qualifying Facility and certified by his agent annually and upon any change of policy.

14. With the exception of Workers' Compensation, Company shall be named as an additional insured under the Qualifying Facility's Insurance. The Qualifying Facility's Insurance shall be deemed primary to any coverage maintained by Company and shall provide, to extent allowed by law, for the waiver of any rights of subrogation against the Company. Any

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule No. 3
Original Volume No. I

~~Second~~ Third Revised Sheet

Cancels ~~First~~ Second Revised Sheet No. 3

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Issued by: Jeffry Householder, President

Effective: ~~JUN 05 2018~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
No. 15
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First Revised ~~Original~~ Sheet
Cancels Original Sheet No. 15

RULES AND REGULATIONS (Continued)

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Issued by: Jeffry Householder, President

Effective: ~~NOV 11 2016~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule 18
Original Volume No. I

~~Second~~ Third Revised Sheet No.
Cancels ~~First~~ Second Revised Sheet No. 18

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

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Issued by: Jeffry Householder, President

Effective: JUN 05 2018

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule 24
Original Volume No. I

~~Second~~ Third Revised Sheet No.

Cancels First ~~Second~~ Revised Sheet No. 24

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

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Issued by: Jeffry Householder, President

Effective: ~~JUN 05 2018~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule 24 — Second ~~First~~ Third Revised Sheet No.
Original Volume No. I — Cancels ~~First~~ Second Revised Sheet No. 24

reflected in the Full Requirements Wholesale Power Supplier's tariff on file with the FPSC.

Issued by: Jeffry Householder, President — Effective: ~~JUN 05 2018~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule 32.1
Original Volume No. I

~~Original~~ First Revised Sheet No.
Cancels Original Sheet No. 32.1

Continued from Sheet No. 31

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Issued by: Jeffry Householder, President

Effective: NOV ~~11, 2016~~

Item 8

FILED 5/21/2025
DOCUMENT NO. 03824-2025
FPSC - COMMISSION CLERK

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Wooten, Ellis, King) LVK
Office of the General Counsel (Imig, Marquez) ACH

RE: Docket No. 20250056-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 20250053-EQ, 20250054-EQ, 20250055-EQ, and 20250056-EQ.

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil-fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan (TYSP). On April 1, 2025, Florida Power & Light Company (FPL) filed a petition for approval of its renewable energy tariff and amended standard offer contract based on its 2025 TYSP. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.041, 366.05, 366.055, 366.06, and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the renewable energy tariff and amended standard offer contract filed by Florida Power & Light Company?

Recommendation: Yes. The provisions of FPL's renewable energy tariff and amended standard offer contract conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. (Wooten)

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs qualifying facilities QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP, or if no avoided unit is identified, its next avoidable planned purchase.

FPL has identified a 469 megawatt (MW) natural gas-fueled combustion turbine (CT) as the next avoidable planned generating unit in its 2025 TYSP. [1] The projected in-service date of the avoided CT is June 1, 2032, with planned construction beginning in 2028. Pursuant to Rule 25-17.250, F.A.C., when this unit is no longer available to be used for the standard offer contract, such as when the utility commences construction, FPL must file a revised standard offer contract based on the next unit of the same generating type, if any. Based on FPL's 2025 TYSP, there are currently no further avoidable fossil-fueled generating units identified.

Under FPL's amended standard offer contract, the RF/QF operator commits to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator, in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2032), and thereafter, begin receiving capacity payments in addition to firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit.

[1] Staff notes that the use of FPL's 2025 TYSP in identifying its next avoidable unit is required by Rule 25-17.250, F.A.C. Approval of FPL's Standard Offer Contract is not a finding that the 2025 TYSP, or the methodology used to create the plan, is either "suitable" or "unsuitable." FPL's 2025 TYSP is scheduled to be before the Commission at its November 18, 2025, Internal Affairs Meeting.

However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains FPL's estimates of the annual payments for each payment option available under the revised standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 94 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (June 1, 2032) and continue for 10 years, while early and early levelized capacity payments begin 4 years prior to the in-service date, or 2028, for this example.

Table 1-1
Estimated Annual Payments to a 50 MW Renewable Facility
(94% Capacity Factor)

Year	Energy Payment	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	$(000)	$(000)	$(000)	$(000)	$(000)
2026	10,835	-	-	-	-
2027	12,603	-	-	-	-
2028	11,936	-	-	1,975	2,204
2029	17,376	-	-	3,427	3,778
2030	13,022	-	-	3,497	3,778
2031	17,324	-	-	3,568	3,778
2032	18,319	3,414	3,698	3,641	3,778
2033	15,670	5,922	6,339	3,716	3,778
2034	8,401	6,043	6,339	3,792	3,778
2035	19,460	6,167	6,339	3,870	3,778
2036	12,195	6,293	6,339	3,949	3,778
2037	14,736	6,422	6,339	4,030	3,778
2038	9,271	6,553	6,339	4,112	3,778
2039	20,305	6,687	6,339	4,196	3,778
2040	18,798	6,824	6,339	4,282	3,778
2041	18,079	6,964	6,339	4,370	3,778
2042	11,247	7,107	6,339	4,459	3,778
2043	25,975	7,252	6,339	4,495	3,778
2044	27,946	7,401	6,339	4,494	3,778
2045	20,354	3,173	2,703	1,371	1,715
Total	323,852	86,223	84,323	67,438	69,963
Total (NPV)	146,420	30,779	30,779	30,779	30,779

Source: FPL's Response to Staff's First Data Request.[2]

[2] Document No. 03208-2025, filed April 28, 2025, in Docket No. 20250056-EQ.

FPL's amended standard offer contract, in type-and-strike format, is included as Attachment A to this recommendation. The changes made to FPL's tariff sheets are consistent with the updated avoided unit. Revisions include updates to calendar dates and payment information which reflect the current economic and financial assumptions for the avoided unit.

Conclusion

The provisions of FPL's renewable energy tariff and amended standard offer contract conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, FPL's standard offer contract may subsequently be revised. (Imig, Marquez)

Staff Analysis: This docket should be closed upon the issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, FPL's standard offer contract may subsequently be revised.

STANDARD OFFER CONTRACT FOR THE PURCHASE OF CAPACITY AND ENERGY FROM A RENEWABLE ENERGY FACILITY OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (~~2034~~2032 AVOIDED UNIT)

THIS STANDARD OFFER CONTRACT (the "Contract") is made and entered this day of , , by and between (herein after "Qualified Seller" or "QS") a corporation/limited liability company organized and existing under the laws of the State of and owner of a Renewable Energy Facility as defined in section 25-17.210 (1) F.A.C. or a Qualifying Facility with a design capacity of 100 KW or less as defined in section 25-17.250, and Florida Power & Light Company (hereinafter "FPL") a corporation organized and existing under the laws of the State of Florida. The QS and FPL shall be jointly identified herein as the "Parties". This Contract contains five Appendices: Appendix A, QS-2 Standard Rate for Purchase of Capacity and Energy; Appendix B, Pay for Performance Provisions; Appendix C, Termination Fee; Appendix D, Detailed Project Information and Appendix E, contract options to be selected by QS.

WITNESSETH:

WHEREAS, the QS desires to sell and deliver, and FPL desires to purchase and receive, firm capacity and energy to be generated by the QS consistent with the terms of this Contract, Section 366.91, Florida Statutes, and/or Florida Public Service Commission ("FPSC") Rules 25-17.082 through 25-17.091, F.A.C. and FPSC Rules25-17.200 through 25.17.310.F.A.C.

WHEREAS, the QS has signed an interconnection agreement with FPL (the "Interconnection Agreement"), or it has entered into valid and enforceable interconnection/transmission service agreement(s) with the utility (or those utilities) whose transmission facilities are necessary for delivering the firm capacity and energy to FPL (the "Wheeling Agreement(s)");

WHEREAS, the FPSC has approved the form of this Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less; and

WHEREAS, the Facility is capable of delivering firm capacity and energy to FPL for the term of this Contract in a manner consistent with the provisions of this Contract; and

WHEREAS, Section 366.91(3), Florida Statutes, provides that the "prudent and reasonable costs associated with a QS energy contract shall be recovered from the ratepayers of the contracting utility, without differentiating among customer classes, through the appropriate cost-recovery clause mechanism" administered by the FPSC.

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

(Continued on Sheet No. 9.031)

FLORIDA POWER & LIGHTCOMPANY

Second Revised Sheet No. 9.031
Cancels First Revised Sheet No. 9.031

(Continued from Sheet No.9.030)

1. **QS Facility**

The QS contemplates, installing operating and maintaining a _____ KVA_____generating facility located at (hereinafter called the "Facility"). The Facility is designed to produce a maximum of kilowatts ("KW") of electric power at an 85% lagging to 85% leading power factor. The Facility's location and generation capabilities are as described in the table below.

TECHNOLOGY AND GENERATORCAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	**City:** **County:**
Generator Type (Induction or Synchronous)	
Type of Facility (Hydrogen produced from sources other than fossil fuels, biomass as defined in Section 25-17.210 (2) F.A.C., solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power, waste heat from sulfuric acid manufacturing operations: or <100KW cogenerator)	
Technology	
Fuel Type and Source	
Generator Rating (KVA)	
Maximum Capability (KW)	
Minimum Load	
Peaking Capability	
Net Output (KW)	
Power Factor(%)	
Operating Voltage (kV)	
Peak Internal Load KW	

The following sections (a) through (e) are applicable to Renewable Energy Facilities ("REFs") and section (e) is only applicable to Qualifying Facilities with a design capacity of 100 KW or less:

(a) If the QS is a REF, the QS represents and warrants that (i) the sole source(s) of fuel or power used by the Facility to produce energy for sale to FPL during the term of this Contract shall be such sources as are defined in and provided for pursuant to Sections 366.91(2) (a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C.; (ii) Fossil fuels shall be limited to the minimum quantities necessary for start-up, shut-down and for operating stability at minimum load; and (iii) the REF is capable of generating the amount of capacity pursuant to Section 5 of this Agreement without the use of fossil fuels.

(b) The Parties agree and acknowledge that if the QS is a REF, the QS will not charge for, and FPL shall have no obligation to pay for, any electrical energy produced by the Facility from a source of fuel or power except as specifically provided for in paragraph 1(a) above.

(Continued on Sheet No. 9.032)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: July 13,2017

FLORIDA POWER & LIGHT COMPANY

~~Nineteenth~~ Twentieth Revised Sheet No. 9.032
Cancels ~~Nineteenth~~ Eighteenth Revised Sheet No. 9.032

(Continued from Sheet No. 9.031)

(a) If the QS is a REF, the QS shall, on an annual basis and within thirty (30) days after the anniversary date of this Contract and on an annual basis thereafter for the term of this Contract, deliver to FPL a report certified by an officer of the QS: (i) stating the type and amount of each source of fuel or power used by the QS to produce energy during the twelve-month period prior to the anniversary date (the "Contract Year"); and (ii) verifying that one hundred percent (100%) of all energy sold by the QS to FPL during the Contract Year complies with Sections 1(a) and (b) of this Contract.

(b) If the QS is a REF, the QS represents and warrants that the Facility meets the renewable energy requirements of Section 366.91(2)(a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C., and that the QS shall continue to meet such requirements throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books, records, or other documents of the QS that FPL deems necessary to verify that the Facility meets such requirements.

(c) The Facility (i) has been certified or has self-certified as a "qualifying facility" pursuant to the Regulations of the Federal Energy Regulatory Commission ("FERC"), or (ii) has been certified by the FPSC as a "qualifying facility" pursuant to Rule 25-17.080(1). A QS that is a qualifying facility with a design capacity of less than 100 KW shall maintain the "qualifying status" of the Facility throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books and records or other documents of the Facility that FPL deems necessary to verify the Facility's qualifying status. On or before March 31 of each year during the term of this Contract, the QS shall provide to FPL a certificate signed by an officer of the QS certifying that the Facility has continuously maintained qualifying status.

2. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties (the "Effective Date") and shall have the termination date stated in Appendix E, unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date (as defined in Section 5.5) of the Facility is not accomplished by the in-service date of the avoided unit, or such later date as may be permitted by FPL pursuant to Section 5 of this Contract, FPL will be permitted to terminate this Contract consistent with the terms herein without further obligations, duties or liability to the QS.

3. Minimum Specifications

Following are the minimum specifications pertaining to this Contract:

1. The avoided unit ("Avoided Unit") options on which this Contract is based are detailed in Appendix A.

2. This offer shall expire on April 1, 20252026.

3. The date by which firm capacity and energy deliveries from the QS to FPL shall commence is the in-service date of the Avoided Unit (or such later date as may be permitted by FPL pursuant to Section 5 of this contract) unless the QS chooses a capacity payment option that provides for early capacity payments pursuant to the terms of this Contract.

4. The period of time over which firm capacity and energy shall be delivered from the QS to FPL is as specified in Appendix E; provided, such period shall be no less than a minimum of ten (10) years after the in-service date of the Avoided Unit.

5. The following are the minimum performance standards for the delivery of firm capacity and energy by the QS to qualify for full capacity payments under this Contract:

	On Peak *	All Hours
Availability	94.0%	94.0%

* QS Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule QS-2 attached hereto as Appendix A

(Continued on Sheet No. 9.032.1)

Issued by: Tiffany Cohen, VP Financial Planning and Rate Strategy
Effective: ~~June 18, 2024~~

(Continued from Sheet No. 9.032)

3.2 QS, at no cost to FPL, shall be responsible to:

3.2.1 Design, construct, and maintain the Facility in accordance with this Contract, applicable law, regulatory, and governmental approvals, any requirements of warranty agreements or similar agreements, prudent industrypractice, insurance policies, and the Interconnection Agreement or Wheeling Agreement.

3.2.2 Perform all studies, pay all fees, obtain all necessary approvals and execute all necessary agreements (including the Interconnection Agreement or the Wheeling Agreement(s)) in order to schedule and deliver the firm capacity and energy to FPL.

3.2.3 Obtain and maintain all permits, certifications, licenses, consents or approvals of any governmental or regulatory authority necessary for the construction, operation, and maintenance of the Facility (the "Permits"). QS shall keep FPL reasonably informed as to the status of its permitting efforts and shall promptly inform FPL of any Permits it is unable to obtain, that are delayed, limited, suspended, terminated, or otherwise constrained in a way that could limit, reduce, interfere with, or preclude QS's ability to perform its obligations under this Contract (including a statement of whether and to what extent this circumstance may limit or preclude QS's ability to perform under this Contract.)

3.2.4 Demonstrate to FPL's reasonable satisfaction that QS has established Site Control, an agreement for the ownership or lease of the Facility's site, for the Term of the Contract.

3.2.5 Complete all environmental impact studies and comply with applicable environmental laws necessary forthe construction, operation, and maintenance of the Facility.

3.2.6 At FPL's request, provide to FPL electrical specifications and design drawings pertaining to the Facility for FPL's review prior to finalizing design of the Facility and before beginning construction work based on such specifications and drawings, provided FPL's review of such specifications and design shall not be construed as endorsing the specification, and design thereof, or as any express or implied warranties including performance, safety, durability or reliability of the Facility. QS shall provide to FPL reasonable advance notice of any changes in the Facility and provide to FPL specifications and design drawings of any such changes.

3.2.7 Within fifteen (15) days after the close of each month from the first month following the Effective Date until the Capacity Delivery Date, provide to FPL a monthly progress report (in a form reasonably satisfactory to FPL) and agree to regularly scheduled meetings between representatives of QS and FPL to review such monthly reports and discuss QS's construction progress. The Monthly Progress Report shall indicate whether QS is on target to meet the Capacity Delivery Date. If, for any reason, FPL has reason to believe that QS may fail to achieve the Capacity Delivery Date, then, upon FPL's request, QS shall submit to FPL, within ten (10) business days of such request, a remedial action plan ("Remedial Action Plan") that sets forth a detailed description of QS's proposed course of action to promptly achieve the Capacity Delivery Date. Delivery of a Remedial Action Plan does not relieve QS of its obligation to meet the Capacity Delivery Date.

3.3 FPL shall have the right, but not the obligation, to:

3.3.1 Inspect during business hours upon reasonable notice, or obtain copies of all Permits held by QS.

3.3.2 Consistent with Section 3.2.6, notify QS in writing of the results of the review within thirty (30) days of FPL's receipt of all specifications for the Facility, including a description of any flaws perceived by FPL in thedesign.

3.3.3 Inspect the Facility's construction site or on-site QS data and information pertaining to the Facilityduring business hours upon reasonable notice.

(Continued on Sheet No. 9.033)

(Continued from Sheet No. 9.032.1)

4. Sale of Energy and Capacity by the QS

4.1 Consistent with the terms hereof, the QS shall sell and deliver to FPL, and FPL shall purchase and receive from the QS at the Delivery Point (defined below) all of the energy and firm capacity generated by the Facility. FPL shall have the sole and exclusive right to purchase all energy and capacity produced by the Facility. The purchase and sale of energy and firm capacity pursuant to this Contract shall be a ( ) net billing arrangement or ( ) simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QS to sell more energy and firm capacity than the Facility's net output. The billing methodology may be changed at the option of the QS, subject to the provisions of FPL Rate Schedule QS-2. For purposes of this Contract, Delivery Point shall be defined as either: (a) the point of interconnection between FPL's system and the transmission system of the final utility transmitting energy and firm capacity from the Facility to the FPL system, as specifically described in the applicable Wheeling Agreement, or (b) the point of interconnection between the Facility and FPL's transmission system, as specifically described in the Interconnection Agreement.

4.2 The QS shall not rely on interruptible standby service for the startup requirements (initial or otherwise) of the Facility.

4.3 The QS shall be responsible for all costs, charges and penalties associated with development and operation of the Facility.

4.4 The QS shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver, on a firm basis, the firm capacity and energy from the Facility to the Delivery Point.

5. Committed Capacity/Capacity Delivery Date

5.1 The QS commits to sell and deliver firm capacity to FPL at the Delivery Point, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity shall be KW, delivery date no later than the in-service date of the Avoided Unit or as otherwise specified in Appendix E (the "Guaranteed Capacity Delivery Date").

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period (defined herein) for the first Committed Capacity Test shall commence no earlier than six (6) months prior to the Capacity Delivery Date and testing must be completed by 11:59 p.m. EST on the date prior to the Guaranteed Delivery Date. The first Committed Capacity Test shall be deemed successfully completed when the QS demonstrates to FPL's satisfaction that the Facility can make available capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1, the QS may schedule and perform up to three (3) Committed Capacity Tests to satisfy the capacity requirements of the Contract.

5.3 FPL shall have the right to require the QS, by notice no less than ten (10) business days prior to such proposed test, to validate the Committed Capacity of the Facility by means of subsequent Committed Capacity Tests as follows: (a) once per each Summer period and once per each Winter period at FPL's sole discretion,(b) at any time the QS is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure, and (c) at any time the QS fails in three consecutive months to achieve an Annual Capacity Billing Factor, as defined in Appendix B (the "ACBF"), equal to or greater than 70%. The results of any such test shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be deemed as the lower of the tested capacity or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity shall not exceed the amount set forth in Section 5.1 without the prior written consent of FPL, such consent not unreasonably withheld.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately after the date following the last to occur of (a) the Facility's successful completion of the first Committed Capacity Test but no earlier than the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E) and (b) the satisfaction by QS of the following Delivery Date Conditions (defined below).

(Continued on Sheet No. 9.033.1)

(Continue from Sheet No. 9.033)

5.5.1 A certificate addressed to FPL from a Licensed Professional Engineer (reasonably acceptable to FPL in all respects) stating: (a) the nameplate capacity rating of the Facility at the anticipated time of commercial operation, which must be at least 94% of the Expected Nameplate Capacity Rating; (b) that the Facility is able to generate electric energy reliably in amounts expected by this Agreement and in accordance with all other terms and conditions hereof; (c) that Start-Up Testing of the Facility has been completed; and (d) that, pursuant to Section 8.4, all system protection and control and Automatic Generation Control devices are installed and operational.

5.5.2 A certificate addressed to FPL from a Licensed Professional Engineer (reasonably acceptable to FPL in all respects) stating, in conformance with the requirements of the Interconnection Agreement, that: (a) all required interconnection facilities have been constructed; (b) all required interconnection tests have been completed; and (c) the Facility is physically interconnected with the System in conformance with the Interconnection Agreement and able to deliver energy consistent with the terms of this Agreement.

5.5.3 A certificate addressed from a Licensed Professional Engineer (reasonably acceptable to FPL, in all respects) stating that QS has obtained or entered into all permits and agreements with respect to the Facility necessary for construction, ownership, operation, and maintenance of the Facility (the "Required Agreements"). QS must provide copies of any or all Required Agreements requested by FPL.

5.5.4 An opinion from a law firm or attorney, registered or licensed in the State of Florida (reasonably acceptable to FPL in all respects), stating, after all appropriate and reasonable inquiry, that: (a) QS has obtained or entered into all Required Agreements; (b) neither QS nor the Facility is in violation of or subject to any liability under any applicable law; and (c) QS has duly filed and had recorded all of the agreements, documents, instruments, mortgages, deeds of trust, and other writings described in Section 9.7.

5.5.5 FPL has received the Completion/Performance Security ((a) through (e), the "Commercial Operation Conditions").

FPL shall have ten (10) Business Days after receipt either to confirm to QS that all of the Delivery Date Conditions have been satisfied or have occurred, or to state with specificity what FPL reasonably believes has not been satisfied.

5.6 The QS shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided, the Capacity Delivery Date occurs on or before the in-service date of the Avoided Unit (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before the Guaranteed Capacity Delivery Date, FPL shall be entitled to the Completion/Performance Security (as set forth in Section 9) in full, and in addition, has the right but not the obligation to allow the QS up to an additional five (5) months to achieve the Capacity Delivery Date. If the QS fails to achieve the Capacity Delivery Date either by (a) the Guaranteed Delivery Date or b) such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and FPL will be permitted to terminate this Contract, consistent with the terms herein, without further obligations, duties or liability to the QS.

(Continue on Sheet No. 9.034)

(Continued from Sheet No. 9.033)

6. Testing Procedures

6.1 The Committed Capacity Test must be completed successfully within a sixty-hour period (the "Demonstration Period"), which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the QS by means of a written notice to FPL, delivered at least thirty (30) days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test required by FPL under any of the provisions of this Contract. FPL shall have the right to be present onsite to monitor any Committed Capacity Test required or permitted under this Contract.

6.2 Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net KW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. If the QS is a REF the Committed Capacity Test shall be conducted utilizing as the sole fuel source fuels or energy sources included in the definition in Section 366.91, Florida Statutes. The Committed Capacity Test Period shall commence at the time designated by the QS pursuant to Section 6.1 or at such other time requested by FPL pursuant to Section 5.3; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that FPL is notified of, and consents to, such earlier time.

6.3 For the avoidance of doubt, normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period. Further, the QS shall affect deliveries of any quantity and quality of contracted cogenerated steam to the steam host during the Committed Capacity Test Period.

6.4 The capacity of the Facility shall be the average net capacity (generator output minus auxiliary) measured over the Committed Capacity Test Period.

6.5 The Committed Capacity Test shall be performed according to prudent industry testing procedures satisfactory to FPL for the appropriate technology of the QS.

6.6 Except as otherwise provided herein, results of any Committed Capacity Test shall be submitted to FPL by the QS within seven (7) days of the conclusion of the Committed Capacity Test.

7. Payment for Electricity Produced by the Facility

7.1 Energy

FPL agrees to pay the QS for energy produced by the Facility and delivered to the Delivery Point in accordance with the rates and procedures contained in FPL's approved Rate Schedule QS-2, attached hereto as Appendix A, as it may be amended from time to time and pursuant to the election of energy payment options as specified in Appendix E. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule QS-2 as approved and on file with the FPSC.

7.2 Firm Capacity

FPL agrees to pay the QS for the firm capacity described in Section 5 in accordance with the rates and procedures contained in Rate Schedule QS-2, attached hereto as Appendix A, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of a capacity payment option as specified in Appendix E. The QS understands and agrees that capacity payments will be made under the early capacity payment options only if the QS has achieved the Capacity Delivery Date and is delivering firm capacity and energy to FPL. Once elected by the QS, the capacity payment option cannot be changed during the term of this Contract.

7.3 Payments

Payments due the QS will be made monthly and normally by the twentieth business day following the end of the billing period. A statement of the kilowatt-hours sold by the QS and the applicable avoided energy rate at which payments are being made shall accompany the payment to the QS.

(Continued on Sheet No. 9.035)

(Continued from Sheet No. 9.034)

8. Electricity Production and Plant Maintenance Schedule

8.1 During the term of this Contract, no later than sixty (60) days prior to the Capacity Delivery Date and prior to April 1 of each calendar year thereafter, the QS shall submit to **FPL** in writing a detailed plan of: (a) the amount of firm capacity and energy to be generated by the Facility and delivered to the Delivery Point for each month of the following calendar year, and (b) the time, duration and magnitude of any scheduled maintenance period(s) and any anticipated reductions in capacity.

8.2 By October 31 of each calendar year, FPL shall notify the QS in writing whether the requested scheduled maintenance periods in the detailed plan are acceptable. If **FPL** objects to any of the requested scheduled maintenance periods, **FPL** shall advise the QS of the time period closest to the requested period(s) when the outage(s) can be scheduled. The QS shall schedule maintenance outages only during periods approved by FPL, such approval not unreasonably withheld. Once the schedule for maintenance has been established and approved by FPL, either Party may request a subsequent change in such schedule and, except when such event is due to Force Majeure, request approval for such change from the other Party, such approval not to be unreasonably withheld or delayed. Scheduled maintenance outage days shall be limited to seven (7) days per calendar year unless the manufacturer's recommendation of maintenance outage days for the technology and equipment used by the Facility exceeds such 7day period, provided, such number of days is considered reasonable by prudent industry standards and does not exceed two (2) fourteen (14) day intervals, one in the Spring and one in the Fall, in any calendar year. The scheduled maintenance outage days applicable for the QS are_____days in the Spring and_____days in the Fall of each calendar year, provided the conditions specified in the previous sentence are satisfied. In no event shall maintenance periods be scheduled during the following periods: June 1 through and including October 31st and December 1 through and including February 28 (or 29th as the case may be).

8.3 The QS shall comply with reasonable requests by **FPL** regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.

8.4 Dispatch and Control

8.4.1 The power supplied by the QS hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal operating voltage of_____,000 volts (_____kV) and power factor dispatchable and controllable in the range of 85% lagging to 85% leading as measured at the Delivery Point to maintain system operating parameters, as specified by FPL.

8.4.2 At all times during the term of this Contract, the QS shall operate and maintain the Facility: (a) in such a manner as to ensure compliance with its obligations hereunder, in accordance with prudent engineering and operating practices and applicable law, and (b) with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, **FPL**'s system. The QS shall install at the Facility those system protection and control devices necessary to ensure safe and protected operation of all energized equipment during normal testing and repair. The QS shall have qualified personnel test and calibrate all protective equipment at regular intervals in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and the results shall be provided to FPL prior to returning the Facility to service. The specifics of the unit functional trip test will be consistent with good engineering and operating practices.

8.4.3 If the Facility is separated from the FPL system for any reason, under no circumstances shall the QS reconnect the Facility into FPL's system without first obtaining **FPL's** prior written approval.

8.4.4 During the term of this Contract, the QS shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. If the Facility has a Committed Capacity greater than 10 MW then, the QS shall ensure that operating personnel are on duty at all times, twenty-four (24) hours a calendar day and seven (7) calendar days a week. If the Facility has a Committed Capacity equal to or less than 10 MW then the QS shall ensure that operating personnel are on duty at least eight (8) hours per day from 8 AM EST to 5 PM EST from Monday to Friday, with an operator on call at all other hours.

8.4.5 FPL shall at all times be excused from its obligation to purchase and receive energy and capacity hereunder, and FPL shall have the ability to require the QS to curtail or reduce deliveries of energy, to the extent necessary (a) to maintain the reliability and integrity of any part of **FPL's** system, (b) in the event that FPL determines that a failure to do so is likely to endanger life or property, or (c) is likely to result in significant disruption of electric service to FPL's customers. **FPL** shall give the QS prior notice, if practicable, of its intent to refuse, curtail or reduce **FPL's** acceptance of energy and firm capacity pursuant to this Section and will act to minimize the frequency and duration of such occurrences.

(Continued on Sheet No. 9.036)

(Continued from Sheet No. 9.035)

8.4.6 After providing notice to the QS, FPL shall not be required to purchase or receive energy from the QS during any period in which, due to operational circumstances, the purchase or receipt of such energy would result in FPL's incurring costs greater than those which it would incur if it did not make such purchases. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional energy would require taking a base load unit off the line and replacing the remaining load served by that unit with peaking-type generation. FPL shall give the QS as much prior notice as practicable of its intent not to purchase or receive energy and firm capacity pursuant to this Section.

8.4.7 If the Facility has a Committed Capacity less than 75 MW, control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS. If the Facility has a Committed Capacity greater than or equal to 75 MW, then control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS, except during a "Dispatch Hour", i.e., any clock hour for which FPL requests the delivery of such capacity and energy. During any Dispatch Hour: (a) control of the Facility will either be by Seller's manual control under the direction of FPL (whether orally or in writing) or by Automatic Generation Control by FPL's system control center as determined by FPL, and (b) FPL may request that the real power output be at any level up to the Committed Capacity of the Facility, provided, in no event shall FPL require the real power output of the Facility to be below the Facility's Minimum Load without decommitting the Facility. The Facility shall deliver the capacity and energy requested by **FPL** within_____minutes, taking into account the operating limitations of the generating equipment as specified by the manufacturer, provided such time period specified herein is considered reasonable by prudent industry standards for the technology and equipment being utilized and assuming the Facility is operating at or above its Minimum Load. Start-up time from Cold Shutdown and Facility Turnaround time from Hot to Hot will be taken into consideration provided such are reasonable and consistent with prudent industry practices for the technology and equipment being utilized. The Facility's Operating Characteristics have been provided by the QS and are set forth in Appendix D, Section IV of Rate Schedule QS-2.

8.4.8 If the Facility has a Committed Capacity of less than 75 MW, FPL may require during certain periods, by oral, written, or electronic notification that the QS cause the Facility to reduce output to a level below the Committed Capacity but not lower than the Facility's Minimum Load. FPL shall provide as much notice as practicable, normally such notice will be of at least four (4) hours. The frequency of such request shall not exceed eighteen (18) times per calendar year and the duration of each request shall not exceed four (4) hours.

8.4.9 FPL's exercise of its rights under this Section 8 shall not give rise to any liability or payment obligation on the part of FPL, including any claim for breach of contract or for breach of any covenant of good faith and fair dealing.

9. Completion/Performance Security

The security contemplated by this Section 9 constitutes security for, but is not a limitation of, QS's obligations hereunder and shall not be FPL's exclusive remedy for QS's failure to perform in accordance with this Agreement.

9.1 As security for the achievement of the Guaranteed Capacity Delivery Date and satisfactory performance of its obligations hereunder, the QS shall provide FPL either: (a) an unconditional, irrevocable, standby letter of credit(s) with an expiration date no earlier than the end of the first (1st) anniversary of the Capacity Delivery Date (or the next business day thereafter), issued by a U.S. commercial bank or the U.S. branch of a foreign bank having a Credit Rating of A- or higher by S&P or A3 or higher by Moody's (a "Qualified Issuer"), in form and substance acceptable to FPL (including provisions (i) permitting partial and full draws and (ii) permitting FPL to draw in full if such letter of credit is not renewed or replaced as required by the terms hereof at least thirty (30) business days prior to its expiration date) ("Letter of Credit"); (b) a bond, issued by a financially sound Company acceptable to FPL and in a form and substance acceptable to FPL, ("Bond"); or (c) a cash collateral deposited with FPL ("Cash Collateral") (any of (a), (b), or (c), the "Completion/Performance Security"). Completion/Performance Security shall be provided in the amount and by the date listed below:

(a) $50.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL within five (5) business days of the Effective Date; and

(b) $100.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL two years before the Guaranteed Capacity Delivery Date.

"Credit Rating" means with respect to any entity, on any date of determination, the respective ratings then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Moody's or other specified rating agency or agencies or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its "corporate credit rating" by S&P.

(Continued on Sheet No. 9.037)

(Continued from Sheet No. 9.036)

"Moody's" means Moody's Investors Service, Inc. or its successor.

"S&P" means Standard & Poor's Ratings Group (a division of The McGraw-Hill Companies, Inc.) or its successor.

9.2 The specific security instrument provided for purposes of this Contract is:

( ) Letter of Credit.
( ) Bond.
( ) Cash Collateral.

9.3 FPL shall have the right to monitor (a) the financial condition of the issuer of a Letter of Credit in the event any Letter of Credit is provided by the QS, and (b) the insurer, in the case of any Bond. In the event the issuer of a Letter of Credit no longer qualifies as Qualified Issuer or the issuer of a Bond is no longer financially sound, FPL may require the QS to replace the Letter of Credit or the Bond, as applicable. Such replacement Letter of Credit or bond must be issued by a Qualified Issuer or a financially sound issuer, as applicable, within ten (10) business days following written notification to the QS of the requirement to replace. Failure by the QS to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing Letter of Credit or bond and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QS qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured written commitment or promise to pay in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 FPL shall be entitled to draw the Completion/Performance Security to satisfy any obligation or liability of QS arising pursuant to this Contract.

9.5.1 If the QS fails to achieve the Capacity Delivery Date on or before the in-service date of the Avoided Unit or such later date as permitted by FPL pursuant to Section 5.6, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/ Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages and resort to any other remedies which may be available to it under law or in equity.

9.5.2 In the event that FPL requires the QS to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QS fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS.

9.5.3 QS shall promptly, but in no event more than five (5) business days following any draws on the Completion/Performance Security, replenish the Completion/Performance Security to the amounts required herein.

9.6 The QS, as the Pledgor of the Completion/Performance Security, hereby pledges to FPL, as the secured Party, as security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Completion/Performance Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Completion/Performance Security, the security interest and lien granted hereunder on that Completion/Performance Security will be released immediately and, to the extent possible, without any further action by either party.

(Continued on Sheet No. 9.038)

(Continued from Sheet No. 9.037)

9.7 In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Cash Collateral held by FPL (all of which may be retained by FPL), FPL will transfer to the QS on a monthly basis the Interest Amount, as calculated by FPL.

"Interest Amount" means, with respect to each monthly period, the aggregate sum of the amounts of interest calculated for each day in that monthly period on the principal amount of Cash Collateral held by FPL on that day, determined by FPL for each such day as follows:

(x)) the amount of that Cash Collateral on that day; multiplied by

(y)) the Interest Rate in effect for that day; divided

by (z) 360.

"Interest Rate" means: the Federal Funds Overnight rate as from time to time in effect.

"Federal Funds Overnight Rate" means, for the relevant determination date, the rate opposite the caption "Federal Funds (Effective)" as set forth for that day in the weekly statistical release designated as H.15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System. If on the determination date such rate is not yet published in H.15 (519), the rate for that date will be the rate set in Composite 3:30 P.M. Quotations for U.S. Government Securities for that day under the caption "Federal Funds/Effective Rate." If on the determination date such rate is not yet published in either H.15 (519) or Composite 3:30 P.M. Quotations for U.S. Government Securities, the rate for that date will be determined as if the Parties had specified "USD-Federal Funds-Reference Dealers" as the applicable rate.

10. Termination Fee

10.1 In the event that the QS receives capacity payments pursuant to Option B, Option C, Option D or Option E (as such options are defined in Appendix A and elected by the QS in Appendix E) or receives energy payments pursuant to the Fixed Firm Energy Payment Option (as such option is defined in Appendix A and elected by the QS in Appendix E) then, upon the termination of this Contract, the QS shall owe and be liable to FPL for a termination fee calculated in accordance with Appendix C (the "Termination Fee"). The QS's obligation to pay the Termination Fee shall survive the termination of this Contract. FPL shall provide the QS, on a monthly basis, a calculation of the Termination Fee.

10.1.1 The Termination Fee shall be secured (with the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091 in which case the QS may use an unsecured written commitment or promise to pay, in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to pay the Termination Fee) by the QS by: (a) an unconditional, irrevocable, standby letter(s) of credit issued by Qualified Issuer in form and substance acceptable to FPL (including provisions (a) permitting partial and full draws and (b) permitting FPL to draw upon such letter of credit, in full, if such letter of credit is not renewed or replaced at least thirty (30) business days prior to its expiration date, ("Termination Fee Letter of Credit"); (b) a bond, issued by a financially sound Company and in a form and substance acceptable to FPL, ("Termination Fee Bond"); or (c) a cash collateral deposit with FPL ("Termination Fee Cash Collateral") (any of (a), (b), or (c), the "Termination Security").

10.1.2 The specific security instrument selected by the QS for purposes of this Contract is:

( ) Termination Fee Letter of Credit
( ) Termination Fee Bond
( ) Termination Fee Cash Collateral

10.1.3 FPL shall have the right to monitor the financial condition of (i) the issuer of a Termination Fee Letter of Credit in the case of any Termination Fee Letter of Credit and (ii) the insurer(s), in the case of any Termination Fee Bond. In the event the issuer of a Termination Fee Letter of Credit is no longer a Qualified Issuer or the issuer of a Termination Fee Bond is no longer financially sound, FPL may require the QS to replace the Termination Fee Letter of Credit or the Termination Fee Bond, as applicable. In the event that FPL notifies the QS that it requires such a replacement, the replacement Termination Fee Letter of Credit or Termination Fee Bond, as applicable, must be issued by a Qualified Issuer or financially sound company within ten (10) business days following such notification. Failure by the QS to comply with the requirements of this Section 10.1.2 shall be grounds for FPL to draw in full on any existing Termination Fee Letter of Credit or Termination Fee Bond and to exercise any other remedies it may have hereunder.

(Continued on Sheet No. 9.039)

(Continued from Sheet No. 9.038)

10.1.4 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, the QS shall provide to FPL, within ten (10) business days of the close of such calendar quarter with written assurance and documentation (the "Security Documentation"), in form and substance acceptable to FPL, that the amount of the most recently provided Termination Security is sufficient to cover the balance of the Termination Fee. In addition to the foregoing, at any time during the term of this Contract, FPL shall have the right to request, and the QS shall be obligated to deliver within five (5) business days of such request, such Security Documentation. Failure by the QS to comply with the requirements of this Section 10.1.3 shall be grounds for FPL to draw in full on any existing Termination Fee Letter of Credit or Termination Fee Bond or to retain any Termination Fee Cash Collateral, and to exercise any other remedies it may have hereunder to be applied against any Termination Fee that may be due and owing to FPL or that may in the future be due and owing to FPL.

10.1.5 Upon any termination of this Contract following the Capacity Delivery Date, FPL shall be entitled to receive (and in the case of the Termination Fee Letter of Credit or Termination Fee Bond, draw upon such Termination Fee Letter of Credit or Termination Fee Bond) and retain one- hundred percent (100%) of the Termination Security to be applied against any Termination Fee that may be due and owing to FPL or that may in the future be due and owing to FPL. FPL will transfer to the QS any proceeds and Termination Security remaining after liquidation, set-off and/or application under this Article after satisfaction in full of all amounts payable by the QS with respect to any Termination Fee or other obligations due to FPL; the QS in all events will remain liable for any amounts remaining unpaid after any liquidation, set-off and/or application under this Article.

10.2 The QS, as the Pledgor of the Termination Security, hereby pledges to FPL, as the Secured Party, as security for the Termination Fee, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Termination Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Termination Security, the security interest and lien granted hereunder on that Termination Security will be released immediately and, to the extent possible, without any further action by either party.

10.3 In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Termination Fee Cash Collateral held by FPL (all of which may be retained by FPL), FPL will transfer to the QS on a monthly basis the Interest Amount, Pursuant to Section 9.7.

11. Performance Factor

FPL desires to provide an incentive to the QS to operate the Facility during on-peak and off-peak periods in a manner which approximates the projected performance of FPL's Avoided Unit. A formula to achieve this objective is attached as Appendix B.

(Continued on Sheet No. 9.040)

(Continued from Sheet No. 9.039)

12. Default

Notwithstanding the occurrence of any Force Majeure as described in Section 16, each of the following shall constitute an Event of Default:

12.1 The QS fails to meet the applicable requirements specified in Section 1 of this Contract.;

12.2 The QS changes or modifies the Facility from that provided in Section 1 with respect to its type, location, technology or fuel source, without prior written approval from FPL.;

12.3 After the Capacity Delivery Date, the Facility fails, for twelve (12) consecutive months, to maintain an Annual Capacity Billing Factor, as described in Appendix B, of at least 70%.;

12.4 The QS fails to comply with any of the provisions of Section 9.0 hereof (Completion/Performance Security).

12.5 The QS fails to comply with any of the provisions of Section 10.0 hereof (Termination Security).;

12.6 The QS ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against the QS or if a receiver shall be appointed for the QS or any of its assets or properties; or if any part of the QS's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within 30 days thereof; or if the QS shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due.

12.7 The QS fails to give proper assurance acceptable to FPL of adequate performance as specified under this Contract within 30 days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance.

12.8 The QS materially fails to perform as specified under this Contract, including, but not limited to, the QS's obligations under any part of Sections 8, and 18.

12.9 The QS fails to achieve the permitting, licensing, certification, and all federal, state and local governmental environmental and licensing approvals required to initiate construction of the Facility by no later than one year prior to Guaranteed Capacity Date.

12.10 The QS fails to comply with any of the provisions of Section 18.3 hereof (Project Management).

12.11 Any of the representations or warranties made by the QS in this Contract is false or misleading in any material respect.

12.12 The occurrence of an event of default by the QS under the Interconnection Agreement or any applicable Wheeling Agreement;

12.13 The QS fails to satisfy its obligations under Section 18.14 hereof (Assignment).

12.14 The QS fails to deliver to FPL in accordance with this Contract any energy or firm capacity required to be delivered hereunder or the delivery or sale of any such energy and firm capacity to an entity other than FPL.

12.15 The QS fails to perform any material covenant or obligation under this Contract not specifically mentioned in this Section

12.16 If at any time after the Capacity Delivery Date, the QS reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 5.1 (as such level may be reduced by Section 5.3) within twelve (12) months following the occurrence of such event of Force Majeure.

(Continued on Sheet No. 9.041)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

(Continued from Sheet No. 9.040)

13. FPL's Rights in the Event of Default

13.1 Upon the occurrence of any of the Events of Default in Section 12, FPL may:

(a) terminate this Contract, without penalty or further obligation, except as set forth in Section 13.2, by written notice to the QS, and offset against any payment(s) due from FPL to the QS, any monies otherwise due from the QS to FPL;

(b) draw on the Completion/Performance Security pursuant to Section 9 or collect the Termination Fee pursuant to Section 10 as applicable; and

(c) exercise any other remedy(ies) which may be available to FPL at law or in equity.

13.2 In the case of an Event of Default, the QS recognizes that any remedy at law may be inadequate because this Contract is unique and/or because the actual damages of FPL may be difficult to reasonably ascertain. Therefore, the QS agrees that FPL shall be entitled to pursue an action for specific performance, and the QS waives all of its rights to assert as a defense to such action that FPL's remedy at law is adequate.

13.3 Termination shall not affect the liability of either party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

14. Indemnification/Limits

14.1 FPL and the QS shall each be responsible for its own facilities. FPL and the QS shall each be responsible for ensuring adequate safeguards for other FPL customers, FPL's and the QS's personnel and equipment, and for the protection of its own generating system. Subject to section 2.7 Indemnity to Company, or section 2.71 Indemnity to Company – Governmental, FPL's General Rules and Regulations of Tariff Sheet No.6.020 each party (the "Indemnifying Party") agrees, to the extent permitted by applicable law, to indemnify, pay, defend, and hold harmless the other party (the "Indemnified Party") and its officers, directors, employees, agents and contractors (hereinafter called respectively, "FPL Entities" and "QS Entities") from and against any and all claims, demands, costs, or expenses for loss, damage, or injury to persons or property of the Indemnified Party (or to third parties) caused by, arising out of, or resulting from (a) a breach by the Indemnifying Party of its covenants, representations, and warranties or obligations hereunder, (b) any act or omission by the Indemnifying Party or its contractors, agents, servants or employees in connection with the installation or operation of its generation system or the operation thereof in connection with the other Party's system; (c) any defect in, failure of, or fault related to, the Indemnifying Party's generation system; (d) the negligence or willful misconduct of the Indemnifying Party or its contractors, agents, servants or employees, or (e) any other event, act or incident, including the transmission and use of electricity, that is the result of, or proximately caused by, the Indemnifying Party or its contractors, agents, servants or employees.

14.2 Payment by an Indemnified Party will not be a condition precedent to the obligations of the Indemnifying Party under Section 14. No Indemnified Party under Section 14 shall settle any claim for which it claims indemnification hereunder without first allowing the Indemnifying Party the right to defend such a claim. The Indemnifying Party shall have no obligations under Section 14 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 14 shall survive termination of this Agreement.

14.3 Limitation on Consequential, Incidental and Indirect Damages. TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER THE QS NOR FPL, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS CONTRACT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS CONTRACT, INCLUDING WITHOUT LIMITATION, ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, UNDER ANY INDEMNITY PROVISION OR ANY OTHER THEORY OF RECOVERY. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY, AND SUCH DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE MEASURE OF DAMAGES AND

(Continued on Sheet No. 9.042)

(Continued from Sheet No. 9.041)

ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED; PROVIDED, HOWEVER, THE PARTIES AGREE THAT THE FOREGOING LIMITATIONS WILL NOT IN ANY WAY LIMIT LIABILITY OR DAMAGES UNDER ANY THIRD PARTY CLAIMS OR THE LIABILITY OF A PARTY WHOSE ACTIONS GIVING RISE TO SUCH LIABILITY CONSTITUTE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS CONTRACT. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE DEEMED TO BE A WAIVER OF A PARTY'S RIGHT TO SEEK INJUNCTIVE RELIEF.

15. Insurance

15.1 The QS shall procure or cause to be procured, and shall maintain throughout the entire term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable to FPL on a standard "Insurance Services Office" commercial general liability form (such policy or policies, collectively, the "QS Insurance"). A certificate of insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QS Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract and the Interconnection Agreement, or (ii) caused by operation of the Facility or any of the QS's equipment or by the QS's failure to maintain the Facility or the QS's equipment in satisfactory and safe operating condition. Effective at least fifteen (15) calendar days prior to the synchronization of the Facility with FPL's system, the QS Insurance shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards. Without limiting the foregoing, the QS Insurance must be reasonably acceptable to FPL. Any premium assessment or deductible shall be for the account of the QS and not FPL.

15.2 The QS Insurance shall have a minimum limit of one million dollars ($1,000,000) per occurrence, and two million dollars ($2,000,000) combined aggregate limit, for bodily injury (including death) or property damage.

15.3 In the event that such insurance becomes totally unavailable or procurement thereof becomes commercially impracticable, such unavailability shall not constitute an Event of Default under this Contract, but FPL and the QS shall enter into negotiations to develop substitute protection which the Parties in their reasonable judgment deem adequate.

15.4 To the extent that the QS Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the effective date of this Contract or such other date as may be agreed upon to protect the interests of the FPL Entities and the QS Entities. Furthermore, to the extent the QS Insurance is on a "claims made" basis, the QS's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QS Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QS during the term of this Contract.

15.5 The QS Insurance shall provide that it may not be cancelled or materially altered without at least thirty (30) calendar days' written notice to FPL. The QS shall provide FPL with a copy of any material communication or notice related to the QS Insurance within ten (10) business days of the QS's receipt or issuance thereof.

15.6 The QS shall be designated as the named insured and FPL shall be designated as an additional named insured under the QS Insurance. The QS Insurance shall be endorsed to be primary to any coverage maintained by FPL.

16. Force Majeure

Force Majeure is defined as an event or circumstance that is not within the reasonable control of, or the result of the negligence of, the affected party, and which, by the exercise of due diligence, the affected party is unable to overcome, avoid, or cause to be avoided in a commercially reasonable manner. Such events or circumstances may include, but are not limited to, acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes, difficulties (not caused by the failure of the affected party to comply with the terms of a collective bargaining agreement), or actions or restraints by court order or governmental authority or arbitration award. Force Majeure shall not include (a) the QS's ability to sell capacity and energy to another market at a more advantageous price; (b) equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility; (c)) a failure of performance of any other entity, including any entity providing electric transmission service to the QS, except to the extent that such failure was caused by an event that would otherwise qualify as a Force Majeure event; (d) failure of the QS to timely apply for or obtain permits.

(Continued on Sheet No. 9.043)

(Continued from Sheet No. 9.042)

16.1 Except as otherwise provided in this Contract, each party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.

16.2 In the event of any delay or nonperformance resulting from an event of Force Majeure, the party claiming Force Majeure shall notify the other party in writing within two (2) business days of the occurrence of the event of Force Majeure, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A party claiming Force Majeure shall not be entitled to any relief therefore unless and until conforming notice is provided. The party claiming Force Majeure shall notify the other party of the cessation of the event of Force Majeure or of the conclusion of the affected party's cure for the event of Force Majeure, in either case within two (2) business days thereof.

16.3 The party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected party, and such party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such party deems to be unfavorable.

16.4 If the QS suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the QS may, upon notice to FPL, temporarily adjust the Committed Capacity as provided in Sections 16.5 and 16.6. Such adjustment shall be effective the first calendar day immediately following FPL's receipt of the notice or such later date as may be specified by the QS. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.

16.5 If the Facility is rendered completely inoperative as a result of Force Majeure, the QS shall temporarily set the Committed Capacity equal to 0 KW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 KW, FPL shall have no obligation to make capacity payments hereunder.

16.6 If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the QS shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.

16.7 Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provision of this Contract, upon such cessation or cure, FPL shall have the right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this section 16.7. Any Committed Capacity Test required by FPL under this Section shall be additional to any Committed Capacity Test under Section 5.3.

16.8 During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 16.4, all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix B.

16.9 The QS agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with FPL's system if the same is (are) rendered inoperable due to actions of the QS, its agents, or Force Majeure events affecting the QS, the Facility or the interconnection with FPL. FPL agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by FPL or its agents.

17. Representations, Warranties, and Covenants of QS

The QS represents and warrants that as of the Effective Date and for the term of this Contract:

17.1 Organization, Standing and Qualification

The QS is a_____(corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of _____ and has all necessary power and authority to carry on its business as presently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The QS is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on FPL.

(Continued on Sheet No. 9.044)

(Continued from Sheet No. 9.043)

17.2 Due Authorization, No Approvals, No Defaults, etc.

Each of the execution, delivery and performance by the QS of this Contract has been duly authorized by all necessary action on the part of the QS, does not require any approval, except as has been heretofore obtained, of the _____(shareholders, partners, or others, as applicable) of the QS or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the QS, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the _____(articles of incorporation, bylaws, or other as applicable) of the QS, or any agreement, judgment, injunction, order, decree or other instrument binding upon the QS, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract. This Contract constitutes QS's legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy laws from time to time in effect that affect creditors' rights generally or by general principles of equity (regardless of whether such enforcement is considered in equity or at law).

17.3 Compliance with Laws

The QS has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The QS is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the QS or FPL.

17.4 Governmental Approvals

Except as expressly contemplated herein, neither the execution and delivery by the QS of this Contract, nor the consummation by the QS of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the QS has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).

17.5 No Suits, Proceedings

There are no actions, suits, proceedings or investigations pending or, to the knowledge of the QS, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the QS's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The QS has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. The QS is not in breach of, in default under, or in violation of, any applicable Law, or the provisions of any authorization, or in breach of, in default under, or in violation of, or in conflict with any provision of any promissory note, indenture or any evidence of indebtedness or security therefore, lease, contract, or other agreement by which it is bound, except for any such breaches, defaults, violations or conflicts which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business or financial condition of Buyer or its ability to perform its obligations hereunder.

17.6 Environmental Matters

17.6.1 QS Representations

To the best of its knowledge after diligent inquiry, the QS knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.

17.6.2 Ownership and Offering For Sale Of Renewable Energy Attributes

The QS retains any and all rights to own and to sell any and all environmental attributes associated with the electric generation of the Facility, including but not limited to, any and all renewable energy certificates, "green tags" or other tradable environmental interests (collectively "RECs"), of any description.

(Continued on Sheet No. 9.045)

(Continued from Sheet No. 9.044)

17.6.3 Changes in Environmental and Governmental Regulations

If new environmental and other regulatory requirements enacted during the term of the Contract change FPL's full avoided cost of the unit on which the Contract is based, either party can elect to have the contract reopened.

17.7 Interconnection/Wheeling Agreement

The QS has executed an interconnection agreement with FPL, or represents or warrants that it has entered into a valid and enforceable Interconnection Agreement with the utility in whose service area the Facility is located, pursuant to which the QS assumes contractual responsibility to make any and all transmission-related arrangements (including control area services) between the QS and the transmitting utility for delivery of the Facility's capacity and energy to FPL.

17.8 Technology and Generator Capabilities

That for the term of this Contract the Technology and Generator Capabilities table set forth in Section 1 is accurate and complete.

18. General Provisions

18.1 Project Viability

To assist FPL in assessing the QS's financial and technical viability, the QS shall provide the information and documents requested in Appendix D or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract, and to the extent the documents are available. All documents to be considered by FPL must be submitted at the time this Contract is presented to FPL. Failure to provide the following such documents may result in a determination of non-viability by FPL.

18.2 Permits; Site Control

The QS hereby agrees to obtain and maintain Permits which the QS is required to obtain as a prerequisite to engaging in the activities specified in this Contract. QS shall also obtain and maintain Site Control for the Term of the Contract.

18.3 Project Management

18.3.1 If requested by FPL, the QS shall submit to FPL its integrated project schedule for FPL's review within sixty calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. If requested by FPL, the QS shall submit progress reports in a form satisfactory to FPL every calendar month until the Capacity Delivery Date and shall notify FPL of any changes in such schedules within ten calendar days after such changes are determined. FPL shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off- site. FPL's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

18.3.2 The QS shall provide FPL with the final designer's/manufacturer's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct current elementary diagrams for review and inspection at FPL no later than one hundred eighty calendar days prior to the initial synchronization date.

18.4 Assignment

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. This Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party, such consent to be granted or withheld in such other Party's sole discretion. Any direct or indirect change of control of QS (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of FPL. Notwithstanding the foregoing, either Party may, without the consent of the other Party, assign or transfer this Agreement: (a) to any lender as collateral security for obligations under any financing documents entered into with such lender provided, QS shall be responsible for FPL's reasonable costs and expenses associated with the review, negotiation, execution and delivery of any documents or information pursuant to such collateral assignment, including reasonable attorneys' fees (b) to an affiliate of such Party; *provided*, that such affiliate's creditworthiness is equal to or better than that of such Party (and in no event less than Investment Grade) as determined reasonably by the non-assigning or non-transferring Party and; *provided, further*, that any such affiliate shall agree in writing to be bound by and to assume the terms and conditions hereof and any and all obligations to the non-assigning or non-transferring Party arising or accruing hereunder from and after the date of such assumption. "Investment Grade" means BBB- or above from Standard & Poor's Corporation or Baa2 or above from Moody's Investor Services.

18.5 Disclaimer

In executing this Contract, FPL does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the QS or any assignee of this Contract.

(Continued on Sheet No. 9.046)

(Continued from Sheet No. 9.045)

18.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the QS:

_____

_____

For FPL:
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Attn: EMT Contracts Department

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. EST on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. EST to 4:45 p.m. EST) to the visitors' entrance at the address below:

Florida Power & Light Company
700 Universe Boulevard, Juno Beach, FL 33408
Attention: Contracts Manager/Coordinator
EMT Contracts Department

18.7 Applicable Law

This Contract shall be construed in accordance with and governed by, and the rights of the Parties shall be construed in accordance with, the laws of the State of Florida as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies, without regard to conflict of law rules thereof.

18.8 Venue

The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Florida or, in the event that jurisdiction for any matter cannot be established in the United States District Court for the Southern District of Florida, in the state court for Palm Beach County, Florida, solely in respect of the interpretation and enforcement of the provisions of this Contract and of the documents referred to in this Contract, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 18.8 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(Continued on Sheet No. 9.047)

(Continued from Sheet No. 9.046)

18.9. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS CONTRACT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT A PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION RESULTING FROM, ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (d) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS CONTRACT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 18.9

18.10 Taxation

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

18.11 Severability

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

18.12 Complete Agreement and Amendments

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

18.13 Survival of Contract

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

18.14 Record Retention

The QS agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all QS Entities to retain for the same period all such records.

18.15 No Waiver

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

(Continued on Sheet No. 9.048)

(Continued from Sheet No. 9.047)

18.16 Set-Off

FPL may at any time, but shall be under no obligation to, set off any and all sums due from the QS against sums due to the QS hereunder.

18.17 Assistance With FPL's evaluation of FIN 46R

Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require FPL to evaluate whether the QS must be consolidated, as a variable interest entity (as defined in FIN 46R), in the consolidated financial statements of FPL. The QS agrees to fully cooperate with FPL and make available to FPL all financial data and other information, as deemed necessary by FPL, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R. If the result of an evaluation under FIN 46R indicates that the QS must be consolidated in the financial statements of FPL, the QS agrees to provide financial statements, together with other required information, as determined by FPL, for inclusion in disclosures contained in the footnotes to the financial statements and in FPL's required filings with the Securities and Exchange Commission ("SEC"). The QS shall provide this information to FPL in a timeframe consistent with FPL's earnings release and SEC filing schedules, to be determined at FPL's discretion. The QS also agrees to fully cooperate with FPL and FPL's independent auditors in completing an assessment of the QS's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of FPL. FPL will treat any information provided by the QS in satisfying Section 18.17 as confidential information and shall only disclose such information to the extent required by accounting and SEC rules and any applicable laws.

IN WITNESS WHEREOF, the QS and FPL executed this Contract this_____day of_____.

FLORIDA POWER & LIGHT COMPANY

WITNESS:

_____

Date_____

_____

WITNESS: _____(QS)

Date

FLORIDA POWER & LIGHT COMPANY

Seventh Revised Sheet No. 10.300
Cancels Sixth Revised Sheet No. 10.300

RATE SCHEDULE QS-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A RENEWABLE ENERGY FACILITY
OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS

SCHEDULE
QS-2, Firm Capacity and Energy

AVAILABLE
The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Renewable Energy Facility specified in Section 366.91, Florida Statutes or by a Qualifying Facility with a design capacity of 100 KW or less as specified in FPSC Rule 25-17-0832(4) and which is either directly or indirectly interconnected with the Company. Both of these types of facilities shall also be referred to herein as Qualified Seller or "QS".

The Company will petition the FPSC for closure upon any of the following as related to the generating unit upon which this standard offer contract is based i.e. the Avoided Unit : (a) a request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued, (b) the Company files a petition for a need determination or commences construction of the Avoided Unit when the generating unit is not subject to Rule 25-22.082, F.A.C., or (c) the generating unit upon which the standard offer contract is based is no longer part of the utility's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent Ten Year Site Plan.

APPLICABLE
To Renewable Energy Facilities as specified in Section 366.91, Florida Statutes producing capacity and energy from qualified renewable resources for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Renewable Capacity and Renewable Energy are capacity and energy produced and sold by a QS pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

To Qualifying Facilities ("QF"), with a design capacity of 100 KW or less, as specified in FPSC Rule 25-17.0832(4)(a) producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Capacity and Energy are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE
Purchases within the areas served by the Company shall be, at the option of the Company, single or three phase, 60 hertz alternating current at any available standard Company voltage. Purchases from outside the areas served by the Company shall be three phase, 60 hertz alternating current at the voltage level available at the interchange point between the Company and the entity delivering the Firm Energy and Capacity from the QS.

LIMITATION
Purchases under this schedule are subject to Section 366.91, Florida Statutes and/or FPSC Rules 25-17.0832 through 25-17.091, F.A.C., and 25-17.200 through 25-17.310 F.A.C and are limited to those Facilities which:

A. Commit to commence deliveries of firm capacity and energy no later than the in-service date of the Avoided Unit, as detailed in Appendix II, and to continue such deliveries for a period of at least 10 years up to a maximum of the life of the avoided unit;

B. Are not currently under contract with the Company or with any other entity for the Facility's output for the period specified above

(Continued on Sheet No. 10.301)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Seventh Revised Sheet No. 10.301
Cancels Sixth Revised Sheet No. 10.301

(Continued from Sheet No. 10.300)

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company, and is detailed in Appendix II to this Schedule. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. **Firm Capacity Rates**

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond the in-service date of the Avoided Unit. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QS will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie lines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a single year purchase with an in-service date of the Avoided Unit, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

(Continued on Sheet No. 10.302)

Issued by: S.E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

(Continued from Sheet No. 10.301)

Option B - Fixed Value of Deferral Payments - Early Capacity

Payment schedules under this option are based upon the early capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit provided; however, that under no circumstances may payments begin before the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. When this option is selected, the capacity payments shall be made monthly commencing no earlier than the Capacity Delivery Date of the QS and calculated using the methodology shown on Appendix I.

The QS shall select the month and year in which the deliveries of firm capacity and energy to the Company are to commence and capacity payments are to start. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. The methodology used to calculate this option is shown in Appendix I. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of the capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance expense shall be calculated as shown in Appendix I. At the option of the QS, payments for early levelized capacity shall commence at any time before the anticipated in-service date of the Company's Avoided Unit as specified in Appendix E, provided that the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option E – Flexible Payment Option

Payment schedules under this option are based upon a payment stream elected by the QS consisting of the capital component of the Company's avoided unit. Payments can commence at any time after the actual in-service date of the QS and before the anticipated in-service date of the utility's avoided unit, as specified in Appendix E, provided that the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. Regardless of the payment stream elected by the QS, the cumulative present value of capital cost payments made to the QS over the term of the contract shall not exceed the cumulative present value of the capital cost payments which would have been made to the QS had such payments been made pursuant to FPSC Rule 25-17.0832(4)(g)1, F.A.C. Fixed operation and maintenance expense shall be calculated in conformance with Rule 25-17.0832(6),F.A.C. The Company will provide the QS with a schedule of capacity payment rates based on the information specified in Appendix E.

(Continued on Sheet No. 10.303)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Sixth Revised Sheet No. 10.303
Cancels Fifth Revised Sheet No. 10.303

(Continued from Sheet No. 10.302)

B. **Energy Rates**

(1) **Payments Associated with As-Available Energy Costs prior to the In-Service Date of the Avoided Unit.**

Options A or B are available for payment of energy which is produced by the QS and delivered to the Company prior to the in-service date of the Avoided Unit. The QS shall indicate its selection in Appendix E, Once selected; an option shall remain in effect for the term of the Standard Offer Contract with the Company.

Option A Energy Payments based on Actual Energy Costs

The energy rate, in cents per kilowatt-hour (¢/KWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the Delivery Point of the QS is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

Option B – Energy Payments based on the year by year projection of As-Available energy costs

The energy rate, in cents per kilowatt-hour (¢/KWh), shall be based on the Company's year by year projection of system incremental fuel costs, prior to hourly economy sales to other utilities, based on normal weather and fuel market conditions (annual As-Available Energy Cost Projection which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. and with FPSC Rule 25-17.250(6) (a) F.A.C.) plus a fuel market volatility risk premium mutually agreed upon by the utility and the QS. Prior to the start of each applicable calendar year, the Company and the QS shall mutually agree on the fuel market volatility risk premium for the following calendar year, normally no later than November 15. The Company will provide its projection of the applicable annual As-Available Energy Cost prior to the start of the calendar year, normally no later than November 15 of each applicable calendar year. In addition to the applicable As-Available Energy Cost projection the energy payment will include identifiable operation and maintenance expenses, an adjustment for line losses reflecting delivery voltage and a factor that reflects in the calculation of the Company's Avoided Energy Costs the delivery of energy from the region of the Company in which the Delivery Point of the QS is located.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's applicable Projected Avoided Energy Cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

(2) **Payments Associated with Applicable Avoided Energy Costs after the In-Service Date of the Avoided Unit.**

Option C is available for payment of energy which is produced by the QS and delivered to the Company after the in-service date of the avoided unit. In addition, Option D is available to the QS which elects to fix a portion of the firm energy payment. The QS shall indicate its selection of Option D in Appendix E. once selected, Option D shall remain in effect for the term of the Standard Offer Contract.

Option C- Energy Payments based on Actual Energy Costs starting on the in-service date of the Avoided Unit, as detailed in Appendix II.

The calculation of payments to the QS for energy delivered to FPL on and after the in-service date of the Avoided Unit shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's firm energy rate (¢/KWh); and (b) the amount of energy (KWH) delivered to FPL from the Facility during that hour.

(Continued on Sheet No. 10.304)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

Eighth Revised Sheet No. 10.304
Cancels Seventh Revised Sheet No. 10.304

(Continued from Sheet No. 10.303)

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QS to FPL, the firm energy rate in cents per kilowatt hour (¢/KWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, F.A.C., and FPL's Rate Schedule COG-1, as they may each be amended from time to time and (b) the Company's Avoided Unit Energy Cost. The Company's Avoided Unit Energy Cost, in cents per kilowatt-hour (¢/KWh) shall be defined as the product of: (a) the fuel price in $/mmBTU as determined from gas prices published in Platts Inside FERC Gas Market Report, first of the month posting for Florida Gas Transmission Zone 3, plus all charges, surcharges and percentages that are in effect from time to time for service under Gulfstream Natural Gas System's Rate Schedule FTS; and (b) the average annual heat rate of the Avoided Unit, plus (c) an additional payment for variable operation and maintenance expenses which will be escalated based on the actual Producer Price Index. All energy purchases shall be adjusted for losses from the point of metering to the Delivery Point. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the Delivery Point of the QS is located.

Option D- Fixed Firm Energy Payments Starting as early as the In-Service Date of the QS Facility

The calculation of payments to the QS for energy delivered to FPL may include an adjustment at the election of the QS in order to implement the provisions of Rule 25-17.250 (6) (b), F.A.C. Subsequent to the determination of full avoided cost and subject to the provisions of Rule 25-17.0832(3) (a) through (d), F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the utility and renewable energy generator, shall be fixed and amortized on a present value basis over the term of the contract starting, at the election of the QS, as early as the in-service date of the QS. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have operated. The portion of the base energy costs mutually agreed to by the Company and the QS shall be specified in Appendix E. The Company will provide the QS with a schedule of "Fixed Energy Payments" over the term of the Standard Offer Contract based on the applicable information specified in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

As required in Section 25-17.0832, F.A.C. as-available energy cost projections until the in-service date of the avoided unit will be provided within 30 days of receipt by FPL of a written request for such projections by any interested person.

ESTIMATED UNIT FUEL COST

As required in Section 25-17.0832, F.A.C. the estimated unit fuel costs associated with the Company's Avoided Unit and based on current estimates of the price of natural gas will be provided within 30 days of a written request for such an estimate.

(Continued on Sheet No. 10.305)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

(Continued from Sheet No. 10.304)

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to a QS within the Company's service area shall be adjusted according to the delivery voltage by the multipliers provided in the COG-1.

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the QS's ability to maintain the following performance criteria:

A. Capacity Delivery Date
The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit, as detailed in Appendix II.

B. Availability and Capacity Factor
The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

A QS within the areas served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from a QS outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Renewable Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon EST to 9:00 pm. EST excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. EST to 10:00 a.m. EST and 6:00 p.m. EST to 10:00 p.m. EST prevailing Eastern time excluding Thanksgiving Day, Christmas Day, and New Years Day. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QS, upon entering into a Standard Offer Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to the Company, or net sales to the Company; provided, however, that no such arrangement shall cause the QS to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a QS selling as-available energy enters into a Standard Offer Contract for the sale of firm capacity and energy; 2) when a Standard Offer Contract expires or is lawfully terminated by either the QS or the Company; 3) when the QS is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene this Tariff or the contract between the QS and the Company.

If a QS elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written notice to the Company; 2) the installation by the Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QS for such metering equipment and its installation; and 3) upon completion and approval by the Company of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the QS for such alteration(s).

Payments due a QS will be made monthly and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the QS and the applicable avoided energy rates at which payments are being made shall accompany the payment to the QS.

A statement covering the charges and payments due the QS is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

(Continued on Sheet No. 10.306)

FLORIDA POWER & LIGHT COMPANY

Eighth Revised Sheet No. 10.306
Cancels Seventh Revised Sheet No. 10.306

(Continued from Sheet No. 10.305)

CHARGES TO ENERGY FACILITY

The QS shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. **Base Charges:**
Monthly base charges for meter reading, billing and other applicable administrative costs as per applicable Customer Rate Schedule.

B. **Interconnection Charge for Non-Variable Utility Expenses**
The QS shall bear the cost required for interconnection, including the metering. The QS shall have the option of (i) payment in full for the interconnection costs including the time value of money during the construction of the interconnection facilities and providing a Bond, Letter of Credit or comparable assurance of payment acceptable to the Company adequate to cover the interconnection cost estimates, (ii) payment of monthly invoices from the Company for actual costs progressively incurred by the Company in installing the interconnection facilities, or (iii) upon a showing of credit worthiness, making equal monthly installment payments over a period no longer than thirty-six (36) months toward the full cost of interconnection. In the latter case, the Company shall assess interest at the rate then prevailing for thirty (30) day highest grade commercial paper, such rate to be specified by the Company thirty (30) days prior to the date of each installment payment by the QS.

C. **Interconnection Charge for Variable Utility Expenses**
The QS shall be billed monthly for the variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the QS if no sales to the Company were involved.

In lieu of payment for actual charges, the QS may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities as provided in COG-1.

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

(Continued on Sheet No. 10.307)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.307**

(Continued from Sheet No. 10.306)

TERMS OF SERVICE

(1) It shall be the QS's responsibility to inform the Company of any change in its electric generation capability.

(2) Any electric service delivered by the Company to a QS located in the Company's service area shall be subject to the following terms and conditions:

(a) A QS shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.

(b) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:

(i) In the first year of operation, the security deposit should be based upon the singular month in which the QS's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the QS. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.

(ii) For each year thereafter, a review of the actual sales and purchases between the QS and the Company will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QS exceed the actual sales to the Company in that month.

(c) The Company shall specify the point of interconnection and voltage level.

(d) The QS must enter into an interconnection agreement with the Company which will, among other things, specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the QS or its interconnection to the Company's facilities may require modifications to this Interconnection Agreement or the safety and reliability standards contained therein.

(3) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

(1) Special contracts deviating from the above standard rate schedule are allowable provided the Company agrees to them and they are approved by the Florida Public Service Commission.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

APPENDIX I
TO RATE SCHEDULE QS-2
CALCULATION OF VALUE OF DEFERRAL PAYMENTS

APPLICABILITY

Appendix I provides a detailed description of the methodology used by the Company to calculate the monthly values of deferring or avoiding the Company's Avoided Unit identified in Schedule QS-2. When used in conjunction with the current FPSC-approved cost parameters associated with the Company's Avoided Unit contained in Appendix II, a QS may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the QS enter into a Standard Offer Contract with the Company.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a QS pursuant to the Company's Standard Offer Contract shall be defined as the year-by-year value of deferral of the Company's Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Company's Avoided Unit one year, and shall be calculated as follows:

Where, for a one year deferral:

VAC$_n$ = utility's monthly value of avoided capacity and O & M, in dollars per kilowatt per month, for each month of year n,

K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;

R = $(1 + i_p) / (1 + r)$;

I = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Company's Avoided Unit which would have been paid had the Unit been constructed;

O_n = total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit,

i_c = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);

i_o annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);

r = annual discount rate, defined as the utility's incremental after-tax cost of capital;

L = expected life of the Company's Avoided Unit(s); and

n year for which the Company's Avoided Unit(s) is (are) deferred starting with its (their) original anticipated in-service date(s) and ending with the termination of the Company's Standard Offer Contract.

(Continued on Sheet No. 10.309)

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.309**

(Continued from Sheet No. 10.308)

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS – EARLY CAPACITY- OPTION B

Normally, payments for firm capacity shall not commence until the in-service date of the Company's Avoided Unit(s). At the option of the QS, however, the Company may begin making payments for early capacity consisting of the capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit starting as early as the in-service date of the QS facility. When such payments for early capacity are elected, the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the QS, and shall be calculated as follows:

$$A_m = A_c \frac{(1+i_p)^{(n-1)}}{12} - A_o \frac{(1+i_o)^{(n-1)}}{12} \quad for\ m = 1\ to$$

Where:

A_m = monthly payments to be made to the QS for each month of the contract year n, in dollars per kilowatt per month in which QS delivers capacity pursuant to the early capacity option;

i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);

i_o annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);

m = year for which the fixed value of deferral payments under the early capacity option are made to a QS, starting in year one and ending in the year t;

t = the term, in years, of the Standard Offer Contract;

A_c $F / (1 - R)/(1- R^{t}) /$

Where

F the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s);

R = $(1+i)/(1+r)$

r annual discount rate, defined as the Company's incremental after-tax cost of capital; and

A_o = $G / (1 - R)/(1- R^{t}) /$

Where:

G The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s).

R $(1+i_o)/(1+r)$

The currently approved parameters applicable to the formulas above are found in Appendix II.

(Continued on Sheet No. 10.310)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

(Continued from Sheet No. 10.309)

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS LEVELIZED AND EARLY LEVELIZED CAPACITY OPTION C & OPTION D, RESPECTIVELY

Monthly fixed value of deferral payments for levelized and early levelized capacity shall be calculated as follows:

$$P_L = \frac{F}{12} \times \frac{r}{1-(1+r)^{-t}} + O$$

Where:

P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Company's Avoided Unit(s);

F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the capacity payments which would have been made had the capacity payments not been levelized;

r = the annual discount rate, defined as the Company's incremental after-tax cost of capital;

t = the term, in years, of the Standard Offer Contract;

O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.

FLORIDA POWER & LIGHT COMPANY

~~Nineteenth~~ Twentieth Revised Sheet No. 10.311
Cancels Nineteenth ~~Eighteenth~~ Revised Sheet No. 10.311

APPENDIX II
TO RATE SCHEDULEQS-2
20342032 AVOIDED UNIT INFORMATION

The Company's Avoided Unit has been determined to be a ~~1,991469~~ MW ~~Combined Cycle~~Combustion Turbine Unit with an in-service date of June 1, 20342032 and a contract heat rate of 6,00810,325 Btu/kWh.

EXAMPLE STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
FOR A CONTRACT TERM OF TEN YEARS FROM THE IN-SERVICE DATE OF THE AVOIDED UNIT
($/KW/MONTH)

	Option A	Option B	Option C	Option D
Contract Year	Normal Capacity Payment	Early Capacity Payment	Levelized Capacity Payment	Early Levelized Capacity Payment
2025	$ -	~~$~~	$ -	~~$~~
2026	$ -	$ -	$ -	$ -
2027	$ -	$ -	$ -	$ -
2028	$ -	$ ~~-5.64~~	$ -	$ ~~-6.70~~
2029	$ -	$ ~~-5.76~~	$ -	$ -6.30
2030	$ -	$ ~~5.085.88~~	$ -	$ ~~5.686~~.30
2031	$ -	$ ~~5.196.00~~	$ -	$ ~~5.686~~.30
2032	$ -9.75	$ ~~5.306~~.12	$ -10.56	$ ~~5.686~~.30
2033	$ -9.95	$ ~~5.416~~.25	$ -10.56	$ ~~5.686~~.30
2034	$ ~~9.79~~10.16	$ ~~5.526~~.37	$ ~~9.53~~10.56	$ ~~5.686~~.30
2035	$ ~~9.97~~10.36	$ ~~5.636~~.50	$ ~~9.53~~10.56	$ ~~5.686~~.30
2036	$ 9.1610.58	$ 5.756.64	$ 9.5310.56	$ 5.686.30
2037	$ 9.3510.79	$ 5.876.77	$ 9.5310.56	$ 5.686.30
2038	$ ~~9.54~~11.01	$ ~~5.996~~.91	$ ~~9.53~~10.56	$ ~~5.686~~.30
2039	$ 9.7411.24	$ 6.127.05	$ 9.5310.56	$ 5.686.30
2040	$ 9.9411.47	$ 6.257.20	$ 9.5310.56	$ 5.686.30
2041	$ ~~10.15~~11.70	$ ~~6.387~~.34	$ ~~9.53~~10.56	$ ~~5.686~~.30
2042	$ ~~10.36~~11.94	$ ~~6.517~~.49	$ ~~9.53~~10.56	$ ~~5.686~~.30
~~2043~~	~~$ 10.58~~	~~$ 6.64~~	~~$ 9.53~~	~~$ 5.68~~
~~2044~~	~~$ 10.80~~	~~$ 6.78~~	~~$ 9.53~~	~~$ 5.68~~

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes, the most recent estimated incremental avoided energy costs for the next ten years will be provided within thirty (30) days of written request.

ESTIMATED UNIT FUEL COSTS ($/MMBtu):
The most recent estimated unit fuel costs for the Company's avoided unit will be provided within thirty (30) days of written request.

Issued by: Tiffany Cohen, VP Financial Planning and Rate Strategy
Effective: ~~June 18, 2024~~

FLORIDA POWER & LIGHT COMPANY

~~Twelfth~~ Thirteenth Revised Sheet No.10.311.1
Cancels Twelfth ~~Eleventh~~ Revised Sheet No. 10.311.1

2032 AVOIDED UNIT FIXED VALUE OF DEFERRAL PAYMENTS

Where, for a one-year deferral:			Value
VAC_m	–	Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	$8.78659.7535
K	–	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.43201.3786
I_n	–	total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of y earn;	$1,026.361,224.90
O_n	–	total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	$17.2010.80
i_p	–	annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i_o	–	annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
r	–	annual discount rate, defined as the Company's incremental after-tax cost of capital;	8.148.15%
L	–	expected life of the Company's Avoided Unit;	40
n	–	year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	20342032

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A_m	–	monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i_p	–	annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i_o	–	annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
u	=	year for which early capacity payments to a QS are to begin: (at the election of the QS early capacity payments may commence any time after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit.)	*
F	–	the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	$636.01765.56
r	=	annual discount rate, defined as the Company's incremental after-tax cost of capital;	8.148.15%
t	–	the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
G	–	the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	$126.4479.37

*From Appendix E

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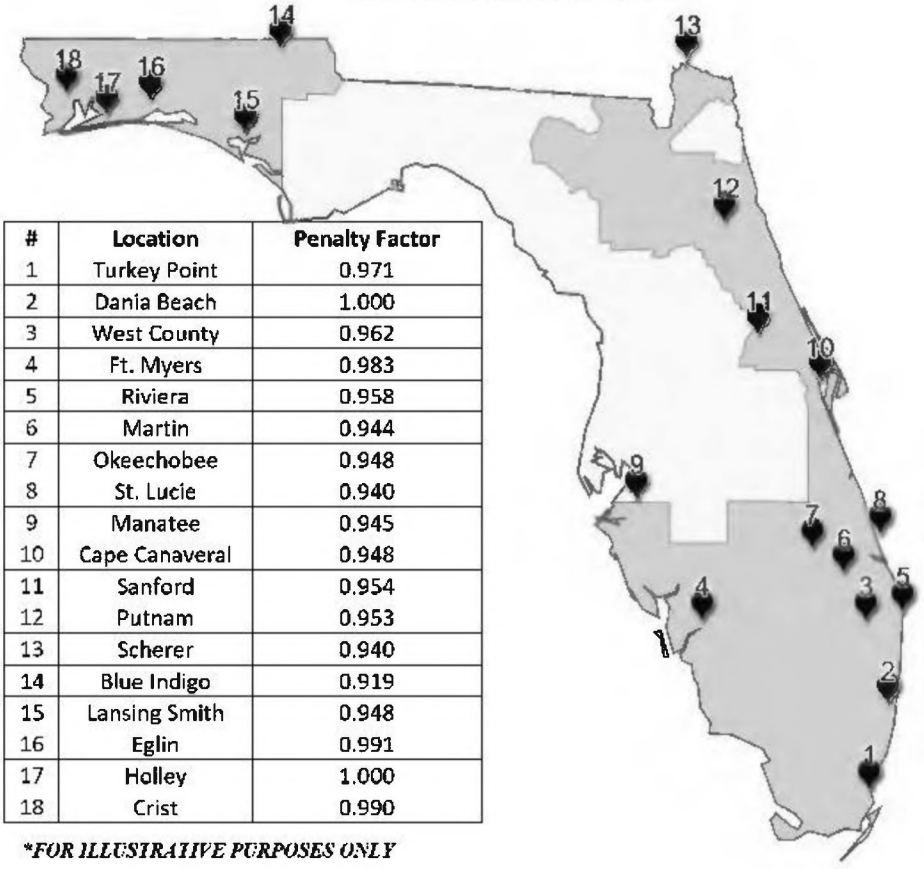
Effective: ~~June 18, 2024~~

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.312.1

VALUE OF CAPACITY LOCATION



#	Location	Penalty Factor
1	Turkey Point	0.971
2	Dania Beach	1.000
3	West County	0.962
4	Ft. Myers	0.983
5	Riviera	0.958
6	Martin	0.944
7	Okeechobee	0.948
8	St. Lucie	0.940
9	Manatee	0.945
10	Cape Canaveral	0.948
11	Sanford	0.954
12	Putnam	0.953
13	Scherer	0.940
14	Blue Indigo	0.919
15	Lansing Smith	0.948
16	Eglin	0.991
17	Holley	1.000
18	Crist	0.990

**FOR ILLUSTRATIVE PURPOSES ONLY*

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Second Revised Sheet No. 10.313
Cancels First Revised Sheet No. 10.313

APPENDIX B
TO THE STANDARD OFFER CONTRACT
FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY
FROM RENEWABLE ENERGY FACILITIES
OR QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS PAY
FOR PERFORMANCE PROVISIONS MONTHLY CAPACITY PAYMENT CALCULATION

1. Monthly Capacity Payments (MCP) for each Monthly Billing Period shall be computed according to the following:

A. In the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than 80%, then no Monthly Capacity Payment shall be due. That is:

$$MCP = 0$$

B. In the event that the ACBF is equal to or greater than 80% but less than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times [1.14 \times (ACBF - 94\%)] \times CC$$

C. In the event that the ACBF is equal to or greater than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula

$$MCP = BCP \times CC$$

Where

MCP = Monthly Capacity Payment in dollars.

BCP = Base Capacity Payment in $/KW/Month as specified in FPL's Rate Schedule QS-2.

CC = Committed Capacity in KW.

ACBF = Annual Capacity Billing Factor. This factor is calculated using the 12 months rolling average of the Monthly Capacity Factor. This 12 month rolling average shall be defined as the sum of the 12 consecutive Monthly Capacity Factors preceding the date of calculation, divided by 12. During the first 12 consecutive Monthly Billing Periods, commencing with the first Monthly Billing Period in which Capacity payments are to be made, the calculation of the Annual Capacity Billing Factor shall be performed as follows: (a) during the first Monthly Billing Period, the Annual Capacity Billing Factor shall be equal to the Monthly Capacity Factor; (b) thereafter, the calculation of the Annual Capacity Billing Factor shall be computed by dividing the sum of the Monthly Capacity Factors during the first year's Monthly Billing Periods in which Capacity payments are to be made by the number of Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average Annual Capacity Billing Factor. Periods during which the Facility has temporarily set its Committed Capacity equal to 0 KW due to a Force Majeure event pursuant to Section 16 shall be excluded from the applicable capacity factor calculation.

MCF = Monthly Capacity Factor. The sum of (i) the Hourly Factors of the Non-Dispatch Hours plus (ii) the Hourly Factors of the Dispatch Hours or the Hourly factors of the hours when FPL requested reduced deliveries pursuant to Sections 8.4.6 and 8.4.8 (Reduced Delivery Hour); divided by the number of hours in the Monthly Billing Period.

HFNDH = Hourly Factor of a Non-Dispatch Hour. The energy received during the hour divided by the Committed Capacity. For purposes of calculating the Hourly Factor of a Non-Dispatch Hour the energy received shall not exceed the Committed Capacity.

HFDH = Hourly Factor of a Dispatch Hour or a Reduced Delivery Hour. The scheduled energy received divided by the scheduled energy requested. For purposes of calculating the Hourly Factor of a Dispatch Hour or the Hourly Factor of a Reduced Delivery Hour the scheduled energy received shall not exceed the scheduled energy requested.

On-Peak Hours = Those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon to 9:00 p.m. excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time excluding Thanksgiving Day, Christmas Day and New Year's Day. FPL shall have the right to change such On- Peak Hours by providing the QS a minimum of thirty calendar days' advance notice.

Monthly Billing Period = The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the Capacity Delivery Period Date and ending with the last calendar day of such month.

Scheduled Energy and Dispatch Hours are as defined in Section 8.4.7 of the Standard Offer Contract.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: August 27, 2015

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.314**

APPENDIX C
TO THE STANDARD OFFER CONTRACT
TERMINATION FEE

The Termination Fee shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be), computed according to the following formula:

Termination Fee = Termination Fee applicable to Capacity Payment Option plus Termination Fee applicable to Fixed Firm Energy Option

Termination Fee applicable to Capacity Payment Options B, C, D and E:

$$\sum_{i=1}^{n} (MCP_i - MCPC_i) \times (1+r)^{n-i}$$

with: $MCPC_i = 0$ for all periods prior to the in-service date of the Company's Avoided Unit;

where

i = number of the Monthly Billing Period commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following the month in which Capacity Delivery Date occurs = 2; etc.)

n = the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)

r = the future value of an amount factor necessary to compound a sum monthly so the annual percentage rate derived will equal FPL's incremental after-tax avoided cost of capital (defined as r in QS-2). For any Monthly Billing Period in which $MCPC_i$ is greater than MCP_i, r shall equal 1.

MCP = Monthly Capacity Payment paid to QS corresponding to the Monthly Billing Period i, calculated in accordance with Appendix B.

$MCPC_i$ = Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i, calculated in accordance with QS-2

In the event that for any Monthly Billing Period, the computation of the value of the Capacity Payment Termination Fee for such Monthly Billing Period (as set forth above) yields a value equal to or greater than zero, the amount of the Capacity Payment Termination Fee shall be increased by the amount of such value.

In the event that for any Monthly Billing Period, the computation of the value of the Capacity Payment Termination Fee for such Monthly Billing Period (as set forth above) yields a value less than zero, the amount of the Capacity Payment Termination Fee shall be decreased by the amount of such value expressed as a positive number (the "Initial Reduction Value"); provided, however, that such Initial Reduction Value shall be subject to the following adjustments (the Initial Reduction Value, as adjusted, the "Reduction Value"):

a. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B is less than 80%, then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Capacity Payment Termination Fee shall not be reduced for the applicable Monthly Billing Period.

b. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B, is equal to or greater than 80% but less than 94%, then the Reduction Value shall be determined as follows:

Reduction Value = Initial Reduction Value x [0.04 x (ACBF − 94%)]

For the applicable Monthly Billing Period, the Termination Fee shall be reduced by the amount of such Reduction Value.

In no event shall FPL be liable to the QS at any time for any amount by which the Capacity Payment Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

Termination Fee applicable to the Fixed Firm Energy Payment Option D

Prior to in-service date of avoided unit:
The Termination Fee for the Fixed Firm Energy Option shall be equal to the cumulative sum of the Fixed Firm Energy Payments made to the QS pursuant to Option D, starting with the in-service date of the QS facility, for each billing cycle. Such number shall reach the maximum amount on the billing cycle immediately preceding the billing cycle associated with the in-service date of the Avoided Unit.

After in-service date of avoided unit:
The Termination Fee shall be decreased each billing cycle following the in-service date of the avoided unit by an amount equal to the difference between the projected Fixed Energy Cost that was used in the calculation to determine the base energy cost to be fixed and amortized pursuant to Option D for such billing cycle and the amortized Fixed Firm Energy Payment in cents/KWH times the energy delivered by the QS not to exceed the MWH block specified in Appendix E.

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 9, 2020

APPENDIX D
TO THE STANDARD OFFER CONTRACT
DETAILED PROJECT INFORMATION

Each eligible Contract received by FPL will be evaluated to determine if the underlying QS project is financially and technically viable. The QS shall, to the extent available, provide FPL with a detailed project proposal which addresses the information requested below.

I. FACILITY DESCRIPTION

- Project Name
- Project Location
  - Street Address
  - Site Plot Plan
  - Legal Description of Site
- Generating Technology
- Facility Classification (include types from statute)
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date
- Steam Host (for cogeneration facilities)
  - Street Address
  - Legal Description of Steam Host
  - Host's annual steam requirements (lbs/yr)
- Contact Person
  - Individual's Name and Title
  - Company Name
  - Address
  - Telephone Number
  - Telecopy Number

II. PROJECT PARTICIPANTS

- Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:
  - Project Development
  - Siting and Licensing the Facility
  - Designing the Facility
  - Constructing the Facility
  - Securing the Fuel Supply
  - Operating the Facility
- Provide details on all electrical generation facilities which are currently under construction or operational which were developed by the QS.
- Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders, and the percentage of equity invested at financial closing.

(Continued on Sheet No. 10.316)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.316**

(Continued from Sheet No. 10.315)

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g., Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.

- Provide annual fuel requirements (AFR) necessary to support the requirements pursuant to Section 366.91, Florida Statutes, and the planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel supply arrangements in place to meet the AFR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR.

Category	Description of Fuel Supply Arrangement fuel is from a fully developed
owned –	source owned by one or more of the project participants
contract –	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI =	a letter of intent for the fuel supply exists between developer(s) and fuel supplier(s)
REF –	renewable energy facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none –	no firm fuel supply arrangement currently in place
other –	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.

- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Energy Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.

- Provide annual fuel transportation requirements (AFTR) necessary to support planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Energy Facility. Use the categories below to describe the current arrangement for securing the AFTR.

owned –	fuel transport via a fully developed system owned by one or more of the project participants
contract –	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI –	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
Spot –	fuel transportation will be purchased on the spot market
none =	no firm fuel transportation arrangement currently in place
other –	fuel transportation arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the transportation price mechanism of the arrangement.

- Provide the maximum, minimum, and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.

(Continued on Sheet No. 10.317)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

(Continued from Sheet No. 10.316)

IV. PLANT DISPATCHABILITY/CONTROLLABILITY

- Provide the following operating characteristics and a detailed explanation supporting the performance capabilities indicated.
  - Ramp Rate (MW/minute)
  - Peak Capability (% above Committed Capacity)
  - Minimum power level (% of Committed Capacity)
  - Facility Turnaround Time, Hot to Hot (hours)
  - Start-up Time from Cold Shutdown (hours)
  - Unit Cycling (# cycles/yr)
  - MW and MVAR Control (AGC, Manual, Other (please explain))

V. SITING AND LICENSING

- Provide a licensing/permitting milestone schedule which lists all permits, licenses and variances required to site the Facility. The milestone schedule shall also identify key milestone dates for baseline monitoring, application preparation, agency review, certification and licensing/siting board approval, and agency permit issuance.
- Provide a licensing/permitting plan that addresses the issues of air emissions, water use, wastewater discharge, wetlands, endangered species, protected properties, solid waste, surrounding land use, zoning for the Facility, associated linear facilities, and support of and opposition to the Facility.
- List the emission/effluent discharge limits the Facility will meet, and describe in detail the pollution control equipment to be used to meet these limits.

VI. FACILITY DEVELOPMENT AND PERFORMANCE

- Submit a detailed engineering, procurement, construction, startup and commercial operation schedule. The schedule shall include milestones for site acquisition, engineering phases, selection of the major equipment vendors, architect engineer, EPC contractor, and Facility operator, steam host integration, and delivery of major equipment. A discussion of the current status of each milestone should also be included where applicable.
- Attach a diagram of the power block arrangement. Provide a list of the major equipment vendors and the name and model number of the major equipment to be installed.
- Provide a detailed description of the proposed environmental control technology for the Facility and describe the capabilities of the proposed technology.
- Attach preliminary flow diagrams for the steam system, water system, and fuel system, and a main electrical one line diagram for the Facility.
- State the expected heat rate (HHV) at 75 degrees Fahrenheit for loads of 100%, 75%, and 50%. In addition, attach a preliminary heat balance for the Facility.
- [NOTE: add any requirements related to demonstrating that the facility meets the requirements under the statute or applicable rules]

(Continued on Sheet No. 10.318)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.318**

(Continued from Sheet No. 10.317)

VII. FINANCIAL

- Provide FPL with assurances that the proposed QS project is financially viable consistent with FPSC Rule 25-17.0832(4) (c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.

  - Annual Project Revenues

    - Capacity Payments ($ and $/KW/Mo)
    - Variable O&M ($ and $/MWh)
    - Energy ($ and $/MWh)
    - Steam Revenues ($ and $/lb.)
    - Tipping Fees ($ and $/ton)
    - Interest Income
    - Other Revenues
    - Variable O&M Escalation (%/yr)
    - Energy Escalation (%/yr)
    - Steam Escalation (%/yr)
    - Tipping Fee Escalation (%/yr)

  - Annual Project Expenses

    - Fixed O&M ($ and $/KW/Mo)
    - Variable O&M ($ and $/MWh)
    - Energy ($ and $/MWh)
    - Property Taxes ($)
    - Insurance ($)
    - Emission Compliance ($ and $/MWh)
    - Depreciation ($ and %/yr)
    - Other Expenses ($)
    - Fixed O&M Escalation (%/yr)
    - Variable O&M Escalation (%/yr)
    - Energy Escalation (%/yr)

  - Other Project Information

    - Installed Cost of the Energy Facility ($ and $/KW)
    - Committed Capacity (KW)
    - Average Heat Rate - HHV (MBTU/KWh)
    - Federal Income Tax Rate (%)
    - Facility Capacity Factor (%)
    - Energy Sold to FPL (MWH)

  - Permanent Financing

    - Permanent Financing Term (yrs)
    - Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt, and equity)
    - Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt, and equity)
    - Annual Interest Expense
    - Annual Debt Service ($)
    - Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)

- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.

- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY **Original Sheet No. 10.319**

APPENDIX E
TO THE STANDARD OFFER CONTRACT
CONTRACT OPTIONS TO BE SELECTED BY QS

Term of Contract

Execution date
Termination date _____

Firm Capacity Rates

Commencement date for deliveries of Firm Energy and Capacity _____

Capacity Payment Option Selected (from available Options A through E)
If Option E is selected proposed payment stream:

_____
_____

Schedule of Capacity Payments to be provided by the Company based on applicable parameters follows:

Year $/KW/Month

Energy Rates

Energy payment Options selected applicable to energy produced by the QS and delivered to the Company (from available Option A or B and D)
Select from Option A or B _____
And
Select D _____

If Option D is selected by the QS; the Company and the QS mutually agree on fixing and amortizing the following portion of the Base Energy Costs associated with the Avoided Unit
_____% which yields _____MWH

Projected Energy Cost of Energy Produced by Avoided Unit (provided by the Company):

Year Projected Fixed Energy Cost (in Cents/KWH or in Dollars)

Based on the projections of Energy Costs Produced by the Avoided Unit and the mutually agreed upon Portion of the Base Energy Costs associated with the Avoided Unit the Fixed Energy Payment shall be _____ $/MWH or $_____(as applicable).

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

Item 9

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Davis, Ellis, King, Ramos) LVK
Division of Accounting and Finance (Gatlin, Holloway) ALM
Division of Economics (Ward) CJP
Office of the General Counsel (Bloom, Crawford) JSC

RE: Docket No. 20250034-EI – Petition for a limited proceeding to approve first solar base rate adjustment, by Duke Energy Florida, LLC.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo Smith

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

By Order No. PSC-2024-0472-AS-EI, issued on November 12, 2024, the Florida Public Service Commission (Commission) approved Duke Energy Florida's (DEF or Company) 2024 Settlement Agreement (2024 Settlement).[1] Paragraph 16 of the 2024 Settlement allows for the inclusion, in base rates, of up to 900 megawatts (MW) of solar generation through a Solar Base Rate Adjustment (SoBRA). Pursuant to the 2024 Settlement, DEF will construct approximately 300 MW, per calendar year, of solar generation that must meet certain criteria for inclusion in base rates.

[1] Order No. PSC-2024-0472-AS-EI, issued November 12, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

On February 21, 2025, DEF filed a limited proceeding with the Commission to seek approval of four solar projects, collectively referred to as the First SoBRA Tranche. The solar projects include: Sundance in Madison County, Rattler in Hernando County, Half Moon in Sumter County, and Bailey Mill in Jefferson County, with a total installed capacity of approximately 300 MW. As each of the solar facilities is below 75 MW, the Commission's decision is limited based on the 2024 Settlement regarding the reasonableness and cost-effectiveness of the solar generation projects.

The Commission has jurisdiction pursuant to Sections 366.06, 366.076, and 366.92, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve DEF's First SoBRA Tranche which includes the Sundance, Rattler, Half Moon, and Bailey Mill solar projects?

Recommendation: Yes. The First SoBRA Tranche is reasonable and cost-effective in accordance with the criteria of subparagraph 16(c) of the 2024 Settlement, and therefore should be approved for inclusion in base rates through the SoBRA mechanism. (Davis)

Staff Analysis: In its petition, DEF proposes the addition of four solar generating facilities, each rated at 74.9 MW. The following table provides the estimated in-service dates, estimated rate effective date and estimated installed cost for each project. The variation in installed costs is primarily due to network upgrades and solar supporting equipment (balance of system).

Table 1-1
First SoBRA Projects

Project Name	Sundance	Rattler	Half-Moon	Bailey Mill
In-Service Date	July 2025	January 2026	January 2026	May 2026
Installed Cost ($M)	$110.9	$137.6	$145.2	$127.7
Rate Effective Date	August 2025	February 2026	February 2026	June 2026

Source: Document No. 01084-2025.

Subparagraph 16(c) of the 2024 Settlement states that the reasonableness and cost-effectiveness of the SoBRA project(s) shall be evaluated based only on whether the projects in the SoBRA will (1) lower the projected system CPVRR as compared to a system CPVRR without the solar projects (also known as the 'base case'); (2) whether CPVRR of the solar projects show positive benefits that exceed costs within ten years; (3) whether the solar projects meet a 1.15 to 1 benefit to cost ratio; and (4) whether the solar projects are 100 percent dedicated to serve DEF's retail load.

The CPVRR compares the cost of the added generation, transmission, operations and maintenance (O&M) and other expenses of the proposed solar project(s) to the avoided traditional generation, transmission, fuel, and O&M expenses that would otherwise have been incurred if the facilities had not been constructed. As part of its analysis, DEF produced resource plans for both the SoBRA case and the Base Case, including additions of solar, batteries, natural gas, and small nuclear reactors (SMRs) as future units. The primary difference between the resource plans for the First SoBRA Tranche is the amount and timing of battery storage capacity starting in 2028, and in the base case only, the addition of a combustion turbine in 2035.

Exhibit No. BMHB-4 of DEF's petition shows a net system benefit of $253 million over the life of the First SoBRA Tranche. In response to staff's data request, DEF provided the annual values for each category and staff determined that on a CPVRR basis the solar projects become cost-effective in 2035, or one year earlier than the ten-year requirement of the 2024 Settlement. In addition, Exhibit No. BMHB-4 of DEF's petition shows $742.4 million avoided costs (including fuel, emissions, O&M, gas transportation, and capital) and $182.1 million of production tax credits due to the added solar projects for a total of $924.4 million in benefits. The same exhibit

shows the costs of the solar projects are $671.4 million, including capital, transmission, and O&M costs, resulting in a benefit to cost ratio of 1.38, which exceeds the minimum criteria in the 2024 Settlement. Finally, based on DEF's response to staff's data requests the solar projects appear to be dedicated to serve DEF's retail load since all solar projects are listed in the resource plan required to meet a minimum reserve capacity of 20 percent.

Conclusion

The First SoBRA Tranche will lower DEF's system CPVRR by approximately $253 million with benefits beginning in 2035, and has a total benefit to cost ratio of 1.38. The First SoBRA Tranche will also be 100 percent dedicated to serve retail load. Therefore, the First SoBRA Tranche is reasonable and cost-effective in accordance with the criteria of subparagraph 16(c) of the 2024 Settlement, and should be approved for inclusion in base rates through the SoBRA mechanism.

Issue 2: What is the estimated annual revenue requirement associated with DEF's First SoBRA Tranche which includes the Sundance, Rattler, Half Moon, and Bailey Mill solar projects?

Recommendation: The estimated annual revenue requirement associated with DEF's First SoBRA Tranche is $73.3 million. (Gatlin)

Staff Analysis: Pursuant to the 2024 Settlement, DEF was authorized to establish a SoBRA mechanism to recover the costs associated with constructing 300 MW of solar generation annually, from 2025 through 2027. The SoBRA mechanism allows DEF to file a petition for approval of groups of solar generation projects in separate dockets, filed closer to their respective in-service dates, in order to ensure more accurate and current cost projections.

The Company requested the Commission approve an annual revenue requirement based on the projected installed cost of four projects, Bailey Mill Solar Center, Rattler Solar Center, Half Moon Solar Center, and Sundance Solar Center, in its first solar base rate adjustment. The estimated in-service date for the facilities is July 2025 (Sundance), January 2026 (Rattler and Half Moon), and May 2026 (Bailey Mill). The projected annual revenue requirement includes the Clean Energy Connection expansion revenues of $7.5 million, pursuant to Paragraph 16a of the 2024 Settlement.

The revenue requirement for DEF's SoBRA is based on a projected plant cost to determine rate base and the required net operating income. The net operating income includes operation and maintenance expenses, depreciation expenses, financing costs, insurance costs, and taxes, as well as a debit of $7.5 million per project, for the Clean Energy Connection, which results in a net increase in the revenue requirement of each project. The proposed annual revenue requirement associated with DEF's First SoBRA is $73.3 million, based on a total rate base of $498.4 million and a net operating income of $54.6 million. Table 2-1 reflects the calculated revenue requirement for each individual project.

Table 2-1
DEF First SoBRA Annual Revenue Requirement ($000)

	Sundance	Rattler	Half Moon	Bailey Mill
Rate Base	$108,541	$130,000	$135,401	$124,535
Rate of Return	6.700%	6.740%	6.740%	6.740%
NOI Required	7,272	8,762	9,126	8,394
NOI Achieved	(4,910)	(5,419)	(5,579)	(5,068)
NOI Deficiency/Excess	12,182	14,181	14,705	13,462
NOI Multiplier	1.343	1.344	1.344	1.344
Revenue Requirement	$16,364	$19,054	$19,758	$18,093

Source: Prepared Direct Testimony and Exhibit of DEF witness Olivier, Exhibit MJO-1.

Conclusion

The estimated annual revenue requirement associated with DEF's First SoBRA Tranche is $73.3 million.

Issue 3: Should the Commission give staff administrative authority to approve tariffs and associated charges for DEF's First SoBRA Tranche which includes the Sundance, Rattler, Half Moon, and Bailey Mill solar projects?

Recommendation: Yes. DEF should file tariffs and supporting calculations two months prior to the effective date of each solar base rate adjustment. DEF should also submit a letter to the Commission declaring the commercial operation date of each solar facility prior to any base rate changes going into effect. (Ward)

Staff Analysis: Witness Olivier stated in her testimony that DEF will file the rate adjustments and tariff sheets for Commission confirmation approximately two months prior to the effective date of each of the rate adjustments. The expected rate adjustment effective dates for the solar projects are August 2025 (Sundance), February 2026 (Rattler and Half Moon), and June 2026 (Bailey Mill).

In response to staff's second data request, DEF provided preliminary approximate base rate impacts on the 1,000 kWh residential bill for the four solar projects as follows: Sundance ($0.47), Rattler ($0.56), Half Moon ($0.56), and Bailey Mill ($0.51).[2] DEF stated that all of these solar projects will provide fuel savings. Based on the cost per kWh of natural gas in DEF's 2025 fuel projection filing, DEF estimates a fuel savings of approximately $0.17 per solar plant.[3]

Conclusion

The Commission should grant staff administrative authority to approve the tariffs and associated charges as they are submitted by DEF. DEF should file tariffs and supporting calculations two months prior to the effective date of each solar rate base adjustment. DEF should also submit a letter to the Commission declaring the commercial operation date of each solar facility prior to any base rate changes going into effect.

[2] Response to Staff's Second Data Request, Response No. 1.
[3] Response to Staff's Second Data Request, Response No. 1.

Issue 4: Should this docket be closed?

Recommendation: No. This docket shall remain open pending DEF's letters confirming commercial operation. Once these letters have been received, this docket shall be closed administratively. (Bloom, Crawford)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. This docket shall remain open pending DEF's letters confirming commercial operation. Once these letters have been received, this docket shall be closed administratively.

Item 10

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Wooten, Ellis, King) TB
Office of the General Counsel (Augspurger, Marquez) ACH

RE: Docket No. 20250036-EI – Petition for approval of purchased power agreement between Tampa Electric Company and Hillsborough County.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On February 28, 2025, Tampa Electric Company (TECO or Company) filed a petition requesting approval of a negotiated purchased power agreement (PPA or Contract) for the purchase of firm capacity and energy with Hillsborough County, Florida (Hillsborough). The PPA is based on Hillsborough's Waste-to-Energy Facility (WTE Facility) located in Tampa, Florida, which is an existing 47 megawatt (MW) Qualifying Facility (QF) and is located in TECO's service territory. Hillsborough is proposing to initially sell 16 MW of firm capacity and energy, with the option to sell up to 35 MW, to TECO for a 10-year period from March 1, 2025, through February 28, 2035. According to the Company, the contract begins the later of March 2025, or when approved by the Commission, with the end date of the agreement remaining unchanged.

The Commission has jurisdiction over this matter pursuant to Sections 366.051, 366.81, and 366.91, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve cost recovery of the negotiated purchase power agreement between Tampa Electric Company and Hillsborough County?

Recommendation: Yes. Based on staff's review, the negotiated PPA improves TECO's fuel diversity with the addition of renewable energy and is cost-effective based on current forecasts, saving approximately $2.9 million in Net Present Value (NPV). The PPA has adequate security and performance guarantees to protect ratepayers in the event of a default or non-performance by Hillsborough. (Wooten)

Staff Analysis: Hillsborough proposes to sell 16 MW of firm capacity and energy from its WTE Facility to TECO for ten years, commencing upon approval of the PPA by the Commission through February 28, 2035. The WTE Facility uses municipal solid waste as its primary fuel, a source of renewable energy pursuant to Section 366.91(2)(b), F.S. The price structure in the Contract has no capacity payment, but features an "all-in" $37.00 dollars per megawatt-hour (MWh) energy rate payment with no escalation factor.

Rule 25-17.0832(3), Florida Administrative Code (F.A.C.), states that in reviewing negotiated firm capacity and energy contracts for the purposes of cost recovery, the Commission shall consider factors relating to the contract that would impact the utility's customers, including: the need for power by the purchasing utility and/or Florida utilities statewide; the cost-effectiveness of the contract; security provisions for early capacity payment; and, performance guarantees associated with the facility. These factors are evaluated below.

Need For Power

Based on TECO's 2025 Ten-Year Site Plan (TYSP), the next planned capacity addition that could be avoided is a 247 MW natural gas-fired combustion turbine with an in-service date of January 2031. Therefore, the PPA's firm capacity of 16 MW would help avoid or defer the construction of future generation capacity for the duration of the PPA. In addition to firm capacity, the PPA would improve the Company's fuel diversity by increasing the contribution of renewable resources. TECO is forecasted to rely upon natural gas for up to 84.3 percent of its energy during the contract period, according to its 2025 TYSP. Therefore, staff believes the proposed PPA will enhance TECO's system reliability and increase its fuel diversity.

Cost-Effectiveness

Rule 25-17.0832(3)(b), F.A.C., states, in part, that the Commission should consider whether the cumulative present worth of the payments to the QF are not greater than the cumulative present worth of the purchasing utility's avoided cost of capacity and energy. This cost-effectiveness evaluation is thus based on the differential between TECO's internal system costs under two scenarios, both with and without the PPA. In response to staff's data request, TECO provided its cost-effectiveness analysis that estimated the net cumulative benefits of the PPA at $3.1 million on an NPV basis using the base fuel and emission price forecasts based on a March 2025 begin date.[1] As mentioned previously, the effective date of the contract will be the date of the

[1] Document No. 02880-2025, filed on April 16, 2025, in Docket No. 20250036-EI, *In re: Petition for approval of purchased power agreement between Tampa Electric Company and Hillsborough County.*

Commission's approval, which if approved in July 2025, would result in a revised estimated net cumulative benefit of approximately $2.9 million. In addition, TECO will receive at no cost any Renewable Energy Credits (RECs) generated by the WTE Facility from its associated energy. In response to a staff data request, TECO stated that if it sells any of the RECs it will pass on any revenue to ratepayers.[2] These potential revenues are not included in the economic evaluation of the PPA.

Security Capacity Payment

Rule 25-18.032(3)(c), F.A.C., requires the Commission to consider security factors relating to the contract for early capacity payments. Security guarantees in the contract include provisions to ensure repayment of firm capacity and energy payment in the event that the QF fails to deliver firm capacity and energy in adherence with the terms and conditions of the contract. The Contract is slated to commence in the year 2025, and, based on TECO's 2025 TYSP, the next avoided unit is scheduled to be in-service in 2031. If the QF defaults during this time, the Contract includes a termination security table for determining compensation due to TECO. Staff reviewed the security terms and conditions contained in the negotiated Contract and found them adequate to protect ratepayers.

Performance Guarantees

Rule 25-17.0832(3)(d), F.A.C., requires the Commission consider whether the utility's ratepayers will be protected by the contract's terms. Performance guarantees included in the contract detail how the QF is to operate and further impose financial penalties or other remedies should the QF fail to adhere to the contract's terms and conditions. The protections include a lower energy rate if Hillsborough does not provide a monthly energy availability of at least 95 percent during peak months and 90 percent during off-peak months. Also, if the Hillsborough WTE Facility has availability of less than 70 percent for any 6 months in a calendar year during the Contract, this failure will be considered a default, and TECO may recover the cost of obtaining replacement power for the balance of the contract from Hillsborough. Staff reviewed the performance guarantees contained in the negotiated Contract and found them adequate to protect ratepayers.

Other Considerations

Section 5 of the Contract holds TECO responsible for potential transmission studies, if required, as well as for possible upgrades, if needed (although TECO would have the option to terminate the contract in lieu of incurring upgrade costs). However, as stated previously, the QF is within TECO's service territory and, therefore, TECO is the sole transmission provider. TECO was required to conduct a transmission study in order to secure the related transmission and has no plans for requesting recovery of the transmission study costs from customers. Furthermore, in response to a staff data request TECO stated that no transmission upgrades are required to have power delivered from the facility.[3]

[2] Document No. 02880-2025, filed on April 16, 2025, in Docket No. 20250036-EI, *In re: Petition for approval of purchased power agreement between Tampa Electric Company and Hillsborough County.*
[3] *Id.*

Conclusion

Based on staff's review, the negotiated PPA improves TECO's fuel diversity with the addition of renewable energy and is cost-effective based on current forecasts, saving approximately $2.9 million in NPV. The Contract has adequate security and performance guarantees to protect ratepayers in the event of a default or non-performance by Hillsborough.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interest are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. (Augspurger, Marquez)

Staff Analysis: This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action.

Item 11

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Lewis, Ramos, Smith II) LVK
Division of Accounting and Finance (Bardin, Cicchetti, Norris, Sewards) ALM
Division of Economics (Bruce, Sibley) CJP
Office of the General Counsel (Brownless) JSC

RE: Docket No. 20240130-WS – Application for grandfather certificate to operate water and wastewater utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action for Issues 3, 4, 5, 6, and 7 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Graham

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 28, 2024, the Board of County Commissioners of Citrus County (County) adopted Resolution No. 2024-040 (Resolution), transferring regulation of the privately-owned, for profit water and wastewater utilities in Citrus County to the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in Citrus County became subject of the provisions of Chapter 367, Florida

Statutes (F.S.). By Order No. PSC-2024-0267-FOF-WS, the Commission acknowledged the Resolution.[1]

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On August 26, 2024, CSWR-Florida Utility Operating Company, LLC (CSWR or Utility) filed an application for certificates under grandfather rights to provide water and wastewater service in Citrus County pursuant to Section 367.171(2), F.S., and Rule 25-30.035, Florida Administrative Code (F.A.C.). CSWR's application was deficient, and staff sent a deficiency letter to the Utility on September 19, 2024. The Utility cured the deficiencies on March 19, 2025.

CSWR provides water service to approximately 6,229 customers and wastewater service to approximately 5,474 customers in the Beverly Hills/Rolling Oaks subdivision. The Utility's service area is located in the Southwest Florida Water Management District. This recommendation addresses the application for grandfather water and wastewater certificates and rates and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

[1] Order No. PSC-2024-0267-FOF-WS, issued July 25, 2024, in Docket No: 20240095-WS, *In re: Resolution of the Board of County Commissioners of Citrus County declaring Citrus County subject of the provisions of Sections 367, F.S.*

Discussion of Issues

Issue 1: Should CSWR-Florida Utility Operating Company, LLC's application for grandfather water and wastewater certificates in Citrus County be acknowledged?

Recommendation: Yes. CSWR's statutory right should be acknowledged and the Utility should be granted Certificate Nos. 694-W, and 587-S, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as CSWR's certificate and should be retained by the Utility. (Lewis, Bardin)

Staff Analysis: The Utility's application for certificates under grandfather rights to provide water and wastewater services in Citrus County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. An adequate service territory description and system maps were provided. As the Utility has its own treatment facilities, the application contains a warranty deed as proof of ownership of the land on which the Utility's facilities are located as required by Rule 25-30.035(11), F.A.C. A description of the Utility's territory is described in Attachment A.

As stated in the case background, CSWR serves approximately 6,629 water and 5,474 wastewater customers. The Utility does not currently have any outstanding citations, violations, or consent orders on file with the Florida Department of Environmental Protection.

The Utility is aware of its obligation to submit its 2024 Annual Report pursuant to Rule 25-30.110, F.A.C., and is also aware of its obligation to pay regulatory assessment fees pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

Conclusion

Based on the above, staff recommends that CSWR be granted Certificate No. 694-W and 587–S to serve the territory described in Attachment A. The resultant order should serve as CSWR's certificates and should be retained by the Utility.

Issue 2: What rates and charges should be approved for CSWR-Florida Utility Operating Company, LLC?

Recommendation: Of the Utility's rates, charges, and deposits for water and wastewater services that were approved by Citrus County and in effect when Citrus County transferred jurisdiction to the Commission, the rates and charges shown on Schedule Nos. 1A and 1B, should be approved. In addition, the Utility's existing violation reconnection charge for water should be approved. This charge, as well as the rates and charges shown in Schedule Nos. 1A and 1B, should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved violation reconnection charge for water as well as the rates and charges shown in Schedule Nos. 1A and 1B, until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

Staff Analysis: Citrus County Water and Wastewater Authority approved the Utility's current monthly water and wastewater rates by Final Order No. 22-06 on October 10, 2022. The monthly water rates consist of a base facility charge (BFC) and a five-tier inclining block rate structure per meter size. The wastewater rates consist of a BFC and a gallonage charge, including a 6,000 gallonage cap.

The Utility's water and wastewater charges consist of miscellaneous service charges and service availability charges. The miscellaneous service charges and the service availability charges were established under the prior owner; however, some of the miscellaneous service charges are not consistent with the Florida Statutes or Commission Rules. Staff recommends they be modified in Issue 6. The Utility's existing violation reconnection charge for water should remain unchanged and should be approved.

Staff recommends that the Utility's rates, charges, and deposits for water and wastewater services that were approved by Citrus County and in effect when Citrus County transferred jurisdiction to the Commission, shown on Schedule Nos. 1A and 1B, should be approved. In addition, the Utility's existing violation reconnection charges for water should be approved. This charge, as well as the rates and charges shown in Schedule Nos. 1A and 1B, should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should charge the approved violation reconnection charge for water, as well as the rates and charges shown in Schedule Nos. 1A and 1B, until authorized to change them by the Commission in a subsequent proceeding.

Issue 3: Should the Utility's current terms of payment be revised to conform to Rule 25-30.335(6), F.A.C.?

Recommendation: Yes. The Utility's current terms of payment should be revised to conform to Rule 25-30.335(6), F.A.C. (Bruce)

Staff Analysis: The Utility's current water and wastewater tariff indicates that a customer residing in Florida will become delinquent if their bill is not paid within 16 days while a non-Florida resident has 21 days to pay their bill before becoming delinquent. However, Rule 25-30.335(6), F.A.C. states that a Utility may not consider a customer delinquent in paying his or her bill until the 21st day after the Utility has mailed or presented the bill for payment. Therefore, staff recommends that the Utility's methodology of billing a customer should be revised to conform to Rule 25-30.335(6), F.A.C.

Issue 4: What are the appropriate initial customer deposits for CSWR?

Recommendation: The appropriate initial customer deposit should be $40 for the residential 5/8 inch x 3/4 inch meter sizes for water and $60 for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. Staff recommends that the residential rental deposit of $60 for water and $75 for wastewater be removed. The approved initial customer deposits should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

Staff Analysis: Rule 25-30.311, F.A.C., provides the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. An initial customer deposit ensures that the cost of providing service is recovered from the cost causer. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.

As shown in the Utility's tariff, the initial customer deposits for the water residential 5/8 inch x 3/4 inch meter size is $40 and $50 for general service. The general service consists of deposit amounts for each meter size up to 12 inches. For wastewater, the initial customer deposits for the wastewater residential 5/8 inch x 3/4 inch meter size is $60. The wastewater general service also consists of deposit amounts for each meter size up to 12 inches. Furthermore, the Utility's tariff indicates a residential rental deposit of $60 for water and $75 for wastewater. However, Rule 25-30.311, F.A.C., does not state that a residential homeowner in the service area can be charged a different deposit amount nor is it Commission practice. Therefore, staff recommends that the residential rental deposit of $60 for water and $75 for wastewater be removed.

The Commission's practice has been to set initial customer deposits equal to two billing periods based on the average consumption for a 12-month period for each class of customers.[2] However, the Utility did not provide billing data or the average consumption for its customer base to determine the appropriate customer deposit for its water and wastewater customers. Therefore, staff recommends that the initial customer deposit for the water residential remain at $40 for the residential 5/8 inch x 3/4 inch meter size. All other residential meter sizes as well as all general service meter sizes should be charged two times the average estimated bill for water pursuant to the Rule 25-30.311, F.A.C. For wastewater, staff also recommends that the initial customer deposit remain at $60 for the residential 5/8 inch x 3/4 inch meter size. All other residential meter sizes and all general service meter sizes should be charged two times the average estimated bill for wastewater pursuant to the rule.

[2] Order Nos. PSC-2017-0428-PAA-WS, issued November 7, 2017, in Docket No. 20160195-WS, *In re: Application for staff-assisted rate case in Lake County by Lakeside Waterworks, Inc.* and PSC-17-0113-PAA-WS, issued March 28, 2017, in Docket No. 20130105-WS, *In re: Application for certificates to provide water and wastewater service in Hendry and Collier Counties, by Consolidated Services of Hendry & Collier, LLC.*

Conclusion

Staff recommends that the appropriate initial customer deposit should be $40 for the residential 5/8 inch x 3/4 inch meter sizes for water and $60 for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. Staff recommends that the residential rental deposit of $60 for water and $75 for wastewater be removed. The approved initial customer deposits should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 5: What are the appropriate meter test deposit charges for CSWR?

Recommendation: Staff recommends that the appropriate meter test deposits be revised to conform to Rule 25-30.266(2)(a), F.A.C. (Bruce)

Staff Analysis: The Utility's current water tariff, Second Revised Sheet No. 15.1, indicates meter test deposits for various meter sizes as shown in Table 5-1 below. However, pursuant to Rule 25-30.266(2)(a), F.A.C., the Utility may not exceed meter test deposits, shown below in Table 5-2.

Table 5-1
Utility's Current Meter Test Deposits

Meter Size	Fee
5/8" x 3/4"	$81.20
3/4"	$86.30
1"	$96.45
1 1/2"	$101.50
2" and over	Actual Cost

Table 5-2
Staff Recommended Meter Test Deposits

Meter Size	Fee
5/8" and 3/4"	$20.00
1" and 1 1/2"	$25.00
2" and over	Actual Cost of Test

Therefore, staff recommends that the appropriate meter test deposits be revised pursuant to Rule 25-30.266(2)(a), F.A.C, to the amounts shown on Table 5-2.

Issue 6: What are the appropriate water and wastewater miscellaneous service charges for CSWR?

Recommendation: With the exception of the Utility's existing violation reconnection charge for water (which is discussed in Issue 2), the appropriate miscellaneous service charges shown on Table 6-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. (Bruce)

Staff Analysis: The Utility did not request to revise its existing miscellaneous service charges. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge, other than monthly rates or service availability charges. Staff believes that some of the Utility's existing charges should be revised to conform to the Florida Statutes or the Commission's rules. However, as discussed in Issue 2, staff recommends that the Utility's violation reconnection charge for water remain unchanged. The Utility's current miscellaneous service charges for water and wastewater are shown below on Table 6-1. Staff's recommended miscellaneous service charges are shown on Table 6-2.

Table 6-1
CSWR-Florida Utility Operating Company, LLC
Existing Miscellaneous Service Charges

	Existing Water	Existing Wastewater
Initial Connection Fee	$50.75	$50.75
Normal Reconnection Fee	$50.75	$50.75
Violation Reconnection Fee	$50.75	$50.75
Premise Visit Fee – (In Lieu of Disconnection)	$50.75	$50.75
Late Payment Charge	$5.10	$5.10
	or 1.5 percent	or 3 percent
Tampering/Unauthorized Use Charges		
5/8 x 3/4"	$152.25	$152.25
1"	$172.55	$172.55
1 1/2"	$192.85	$192.85
2"	$253.75	$253.75
All Others	$253.75 plus cost	$253.75 plus cost
Developer Changing Meter Location	$147.20	N/A
Tampering with Backflow Device	$147.20	N/A
Meter Re-read Fee	$40.60	N/A
Adjustment of Meter Box		
5/8 x 3/4"	$50.75	N/A
All Others	Actual Cost	N/A
Testing of Backflow Prevention Device	$101.50	N/A

Source: Utility's current tariff

Initial, Reconnection Charge, Premises Visit, Violation Reconnection (Wastewater), and Meter Re-Read

As shown on Table 6-1, the Utility currently has an initial connection charge, reconnection charge, a violation reconnection charge, and a premises visit charge (in lieu of disconnection) of $50.75 for water and wastewater. However, pursuant to Rule 25-30.460(2)(a), F.A.C., initial and reconnection charges are subsumed within the definition of the premises visit charge. Therefore, staff recommends that the initial and normal reconnection charges be removed. For wastewater, the violation reconnection should be at actual cost pursuant to Rule 25-30.460, F.A.C. The Utility has a meter re-read charge of $40.60 in place. This charge was put in place under the prior owner and according to the Utility this charge has not been assessed. Although the Utility has not assessed a meter re-read charge, if a customer requests a meter re-read it is covered as a premises visit charge under the Commission's rules. Therefore, staff recommends that the Utility's meter re-read charge should be removed.

Late Payment Charge

As shown on Table 6-1, the Utility's tariff states that a customer will be charged a late payment charge of $5.10 or 1.5 percent of the payment due for water and 3 percent for wastewater, whichever is greater. This charge is levied when a customer's billing account is not paid within 16 days for a Florida resident. As discussed in Issue 3, staff is recommending that the Utility's terms of payment be conformed to Rule 25-30.335(6), F.A.C. Furthermore, staff does not believe that a percentage of the bill due is appropriate for a late payment charge because it is a cost-based charge that the Commission has approved for other water utilities, historically.[3] Therefore, staff recommends that the 1.5 percent and 3 percent be removed and the late payment charge be a single charge of $5.10.

Adjustment of Meter Box

As shown on Table 6-1, the Utility currently has an adjustment of meter box charge of $50.75 for the 5/8 x 3/4" meter size and actual cost for all other meter sizes for water service. The Utility indicated that this charge was put in place under the prior owner and has never been assessed. The Utility does not plan to assess an adjustment of meter box charge. Therefore, staff recommends this charge be removed.

Testing of Backflow Prevention Device Charge and Tampering with Backflow Device

As shown on Table 6-1, the Utility has a testing of backflow prevention device charge of $101.50 for water, as well as a tampering with backflow device charge of $147.20. The Utility representative indicated that these charges were put in place under the prior owner and have never been assessed. However, it is the responsibility of the customer to annually test their backflow prevention assembly. The proper functioning of backflow devices are essential to the integrity of the entire water system. Staff believes that if a customer does not perform its testing, the Utility should assess the charge if it has to undertake the testing of the backflow prevention device. Staff believes the testing charge is appropriate. For the tampering with backflow device,

[3] Order No. PSC-93-0816-FOF-WS, dated May 27, 1993, in Docket No. 19921098-WS, *In re: Application for certificates to provide water and wastewater service in Alachua County under grandfather rights by Turkey Creek, Inc. and Family Diner, Inc. d/b/a Turkey Creek Utilities.*

if the Utility has any occurrences, it can assess actual cost as recommended below for the tampering charge. Therefore, the tampering with backflow device charge should be removed.

Developer Changing Meter Location

As shown on Table 6-1, the Utility has a developer changing meter location charge, which is assessed if a developer changes a meter location and the move requires the company to adjust the meter, change the meter in any way in order to either provide continuing service, or to read the meter. However, the Utility also indicated that this charge was put in place under the prior owner and has not been assessed because all of the Utility's meters are stable and the Utility does not plan to assess the developer changing meter location in the future. Therefore, staff recommends that the developer changing meter location charge be removed.

Tampering/Unauthorized Use Charge

As shown on Table 6-2, the Utility has tampering/unauthorized use charges of various amounts per meter size plus actual cost for all meter sizes over 2 inches for water and wastewater. However, Rule 25-30.320(2)(j), F.A.C., provides that a utility may refuse or discontinue service without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of such service, the utility, before restoring service, may require the customer to make, at his own expense, all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service. Based on the above, staff recommends that the Utility's tampering or prohibited connection or use charges be approved based on actual cost.

Landlord Service

The Utility's tariff shows a landlord service notification, which states that the homeowner is responsible for the water and wastewater service at the time a renter terminates their service. If a renter notifies the Utility that they are terminating service, the responsibility for the water bill will be automatically transferred to the homeowner on the date that the renter's service has terminated. There are no subsections in Rule 25-30, F.A.C., which indicates that a landlord is responsible if service is terminated by a renter. Only the customer of record who applied for service is responsible. A homeowner is not required to have water and wastewater service when a renter terminates service or during periods of vacancy of the property. Therefore, this provision in the Utility's existing tariff should be removed.

Damage to the Utility Property

The Utility's tariff states that a person who causes damage to the Utility's property will be responsible for payment of the total cost, plus any taxes, of the repair of the property whether the repair is completed by an independent contractor or the Utility's employees. If the Utility experiences any damage to its property, staff believes that it is not within the Commission's authority to implement a charge or any costs associated with property damage. Therefore, staff recommends that the damage to utility property be removed.

Conclusion

Based on the above, with the exception of the Utility's existing violation reconnection charge for water (which is discussed in Issue 2), the appropriate miscellaneous service charges shown on Table 6-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate.

Table 6-2
Staff Recommended Miscellaneous Service Charges

	All Hours
Premises Visit	$50.75
Violation Reconnection Charge (Water)	$50.75
Violation Reconnection Charge (Wastewater)	Actual Cost
Tampering or Prohibited Connection or Use Charge	Actual Cost
Late Payment Charge	$5.10

Issue 7: Should the Commission approve the removal of the CIAC Tax Impact charge from the Utility's current tariff?

Recommendation: Yes. Staff recommends that the Commission approve the removal of the Utility's CIAC Tax Impact charge from its current tariff. (Bruce)

Staff Analysis: The Utility's tariff indicates a tax gross-up of CIAC. Due to changes in Federal Tax Law, the Commission no longer requires CIAC tax gross ups. Therefore, staff recommends that the Commission approve the removal of the Utility's CIAC Tax Impact charge from its current tariff.

Issue 8: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively if no timely protest has been filed. (Brownless)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively if no timely protest has been filed.

SERVICE AREA LEGAL DESCRIPTION

ROLLING OAKS

A parcel of land being located in Sections 1, 2, 11, 12, 13, 14 ,15 and 22 of Township 18 South, Range 18 East, and Sections 6, 7 and 8 of Township 18 South, Range 19 East, and in Section 36 of Township 17 South, Range 18 East, all in Citrus County, Florida, and being more particularly described as follows:

Beginning at the SE corner of said Section 13, Township 18 South, Range 18 East, thence run along the south lines of said Sections 13 and 14 (also being the south lines of Beverly Hills subdivision) the following calls: run South 89° 50' 33" West for 2,592.330 feet; run South 89° 45' 05" West for 4,063.93 feet; thence run South 89° 32' 46"West for 647.17 feet; thence run South 89° 35' 21" West for 1,037.92 feet; thence run South 89° 36' 28" West for 1,395.00 feet; thence run South 89° 36' 28" West for 721.80 feet to the NE corner of Section 22; thence run South 00° 09' 21" East for 1,269.01 feet; thence run North 89° 42' 21" West for 962.01 feet; thence run South 00° 18' 00" West for 690.65 feet; thence run South 89° 48' 45" West for 395.97 feet; thence run North 00° 34' 14" West for 694.06 feet; thence run North 89° 54' 42" West for 2,194.73 feet to the eastern right-of-way of N. Lecanto Highway 491; thence run in a northerly direction along said right-of-way the following calls: run North 23° 28' 45" East for 1,567.82 feet; thence run North 23° 35' 44" East for 1,518.340 feet; thence run along a curve to the right for 686.89 feet, said curve having a radius of 2,988.609 feet and a chord of North 30° 24' 41" East for 685.37 feet; thence run North 39° 09' 53" East for 767.89 feet; thence run South 53° 55' 21" East for 24.76 feet; thence run North 40° 01' 51" East for 239.12 feet; thence run North 50° 44' 06" West for 29.99 feet; thence run North 39° 01' 54" East for 207.11 feet; thence run South 50° 55' 25" East for 30.09 feet; thence run North 38° 40' 08" East for 592.82 feet; thence run North 51° 38' 37" West for 29.99 feet; thence run North 38° 40' 44" East for 729.39 feet; thence run North 40° 02' 02" East for 1,507.23 feet; thence run North 02° 06' 46" West for 32.94 feet; thence run North 39° 03' 13" East for 879.32 feet; thence run North 38° 55' 57" East for 700.68 feet; thence run North 39° 00' 00" East for 2,500.00 feet; thence run North 39° 00' 00" East for 300.00 feet; thence run North 39° 00' 00" East for 350.00 feet; thence run North 44° 53' 47" East for 96.96 feet; thence run North 38° 54' 49" East for 4,000.55 feet; thence run along a curve to the left for 1,680.13 feet, said curve having a radius of 7,383.57 feet and a chord of North 32° 14' 47" East for 1,676.51 feet; thence run North 25° 04' 23" East for 1,601.41 feet; thence run North 88° 25' 28" East for 404.43 feet; thence run South 00° 32' 20" West for 931.21 feet; thence run North 88° 25' 04" East for 1,376.98 feet; thence run North 00° 31' 56" West for 1,696.23 feet; thence run South 88° 17' 21" West for 942.97 feet; thence run North 25° 00' 37" East for 1,512.58 feet; thence run along a curve to the right for 1,134.33 feet said curve having a radius of 2,415.11 feet and a chord of North 38° 28' 04" East for 1,123.93 feet; thence run North 52° 27'

46" East for 75.00 feet; thence run North 52° 35' 09" East for 697.31 feet to the east line of said Section 36, Township 17 South, Range 18 East; thence leaving said highway right-of-way run South 00° 18' 15" West for 2,662.29 feet to the NW corner of Section 6, Township 18 South, Range 19 East; thence run North 89° 25' 26" East for 2,670.32 feet; thence run North 89° 44' 51" East for 2,615.94 feet to the NE corner of said Section 6; thence run South 00° 09' 35" East for 2,656.03 feet; thence run South 89° 31' 11" West for 2,637.06 feet; thence run South 00° 26' 40" East for 2,648.82 feet to the north line of Section 7; thence run North 89° 57' 14" East for 5,278.23 feet; thence run South 00° 09' 43" East for 2,670.04 feet; thence run North 89° 37' 03" West for 5,306.56 feet; thence run South 00° 08' 13" East for 2,657.88 feet to the north line of Section 18; thence run North 89° 32' 18" West for 2,650.16 feet to the NW corner of said section 18, said point also being the NE corner of Beverly Hills Unit 8 subdivision; thence run South 00° 05' 30" West for 3,456.35 feet; thence run South 00° 22' 11" West for 1,830.61 feet back to the Point of Beginning. Said parcel contains 4,089 acres, more or less.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
CSWR-Florida Utility Operating Company, LLC
pursuant to
Certificate Number 587-S

to provide wastewater service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
*	*	20240130-WS	Grandfather Certificate

*Order Number and date to be provided at time of issuance.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
CSWR-Florida Utility Operating Company, LLC
pursuant to
Certificate Number 694-W

to provide water service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
*	*	20240130-WS	Grandfather Certificate

*Order Number and date to be provided at time of issuance.

CSWR-Florida Utility Operating Company, LLC
Existing Monthly Water Rates

Meter Size	Base Facility Charge	Gallonage Tier,Charge per 1,000 gallons									
5/8 x 3/4"	$12.11	0 -10,000	$0.73	10,001 - 20,000	$1.39	20,001 - 30,000	$2.09	30,001 - 40,000	$2.79	Over 40,000	$3.46
1"	$30.19	0 -25,000	$0.73	25,001 - 50,000	$1.39	50,001 - 75,000	$2.09	75,001 - 100,000	$2.79	Over 100,000	$3.46
1-1/2"	$60.34	0 -50,000	$0.73	50,001 - 100,000	$1.39	100,001 - 150,000	$2.09	150,001 - 200,000	$2.79	Over 200,000	$3.46
2"	$96.51	0 -80,000	$0.73	80,001 - 160,000	$1.39	160,001 - 240,000	$2.09	240,001 - 320,000	$2.79	Over 320,000	$3.46
3"	$192.96	0 -160,000	$0.73	160,001 - 320,000	$1.39	320,001 - 480,000	$2.09	480,001 - 640,000	$2.79	Over 640,000	$3.46
4"	$301.48	0 -250,000	$0.73	250,001 - 500,000	$1.39	500,001 - 750,000	$2.09	750,001 - 1,000,000	$2.79	Over 1,000,000	$3.46
6"	$602.51	0 -250,000	$0.73	250,001 - 500,000	$1.39	500,001 - 750,000	$2.09	750,001 - 1,000,000	$2.79	Over 1,000,000	$3.46

Miscellaneous Service Charges - Water

Violation Reconnection Charge (Water)	$50.75

CSWR-Florida Utility Operating Company, LLC
Existing Monthly Wastewater Rates

Residential and General Service

Base Facility Charge by Meter Size	
5/8" X 3/4"	$18.55
3/4"	$46.27
1"	$92.48
1 1/2"	$147.94
2"	$295.81
3"	$461.91
4"	$665.50
6"	$924.29
Residential Service – Charge Per 1,000 gallons (6,000 Gallonage cap)	$3.49
General Service – Charge Per 1,000 gallons	$4.24

Service Availability Charges

Wastewater Lateral	$629.30
Plant Capacity Charge	$137.00
Main Extension Charge	$491.00

Item 12

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis) LVE
Division of Economics (Chambliss, Bruce) EJP
Office of the General Counsel (Dose) JSC

RE: Docket No. 20240144-SU – Application for amendment of Certificate No. 104-S to extend service to Oak Stone Development in DeSoto County and petition for approval of special developer agreement and service availability charges, by Ni Florida, Inc.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action for Issue 2 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Ni Florida, Inc. (Ni Florida or Utility) is a Class A water and wastewater utility operating in Pasco County and Lee County. Ni Florida currently provides wastewater service to approximately 2,751 customers in Pasco County and water service to approximately 735 customers in Lee County. On October 10, 2024, Ni Florida filed an application with the Commission to amend Certificate No. 104-S to extend wastewater service to Oak Stone Development in DeSoto County, and for approval of a special developer agreement and service availability charges.

The proposed service area is a new development of approximately 642 acres. This development will include the addition of approximately 1,950 wastewater connections, which will consist of residential single-family homes, townhouses, and condominiums. DeSoto County is an area not under the jurisdiction of the Commission. However, Section 367.171(7), Florida Statutes (F.S.), provides that the Commission has exclusive jurisdiction over utilities whose service transverses county boundaries.

In 1973, the Utility was granted Certificate No. 104-S in Pasco County.[1] The certificate has subsequently undergone one transfer, been amended six times, and underwent two transfers of majority organizational control prior to being acquired by Ni Florida in 2007.[2] The certificate then underwent two more transfers of majority organizational control before the Commission acknowledged the name change of the Utility from Ni Florida, LLC to Ni Florida, Inc., in 2021.[3]

As part of its amendment application, the Utility requested Commission approval of a special developer agreement and service availability charges. Pursuant to Rule 25-30.550(1), Florida Administrative Code (F.A.C.), developer agreements shall be deemed to be approved under the utility's existing availability policy, unless the Commission gives notice of intent to disapprove within 30 days. Ni Florida waived this requirement in a memo filed on March 25, 2025.

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[1] Order No. 5781, issued June 19, 1973, in Docket No. C-72696-S, *In re: Application of Allyn Water Supply, Inc. for certificates to operate its existing water and sewer system in Pasco County.*

[2] Order 7824, issued June 2, 1977, in Docket No. 19750558-S, *In re: Joint application for the transfer of the assets of Allyn Water Supply, Inc. and Certificate No. 104-S to Hudson Utilities, Inc., pursuant to Section 367.071, Florida Statutes*; Order 13823, issued October 31, 1984, in Docket No. 19840296-SU, *In re: Application of Hudson Utilities, Inc., for amendment of Certificate No. 104-S to include additional territory in Pasco County, Florida.*; Order 14477, issued June 18, 1985, in Docket No. 19850149-SU, *In re: Application of Hudson Utilities, Inc. for amendment of Certificate 104-S to include additional territory in Pasco County, Florida.*; Order 15556, issued January 16, 1986, in Docket No. 19850779-SU, *In re: Application of Hudson Utilities, Inc., for the transfer of Certificate No. 104-S from the Florida Conference of Seventh Day Adventists to Al Meyer, King Helie, and Robert Bammann in Pasco County, Florida*; Order 22852, issued April 24, 1990, in Docket No. 19900065-SU, *In re: Application for amendment of Certificate No. 104-S in Pasco County by Hudson Utilities, Inc.*; Order 23846, issued December 10, 1990, in Docket No. 19900020-SU, *In re: Application for amendment of Certificate 104-S in Pasco County by Hudson Utilities, Inc.*; Order PSC-99-1916-PAA-SU, issued September 27, 1999, in Docket No. 19981079-SU, *In re: Application for amendment of Certificate No. 104-S to extend service territory in Pasco County by Hudson Utilities, Inc., and request for limited proceeding*; Order PSC-99-2381-FOF-SU, issued December 6, 1999, in Docket No. 19981080-SU, *In re: Application by Hudson Utilities, Inc., for transfer of majority organizational control in Pasco County*; Order PSC-04-1278-AS-SU, issued December 27, 2004, in Docket No. 20041207-SU, *In re: Application for amendment of Certificate No. 104-S to delete territory in Pasco County by Hudson Utilities, Inc.*; and Order PSC-08-0226-FOF-SU, issued April 7, 2008, in Docket No. 20070740-SU, *In re: Joint application for approval of transfer of Hudson Utilities, Inc.'s wastewater system and Certificate No. 104-S, in Pasco County, to Ni Florida, LLC.*

[3] Order PSC-15-0315-FOF-WU, issued August 5, 2015, in Docket No. 20150115-WU, *In re: Joint application for approval of transfer of majority organizational control of Ni Florida, LLC, holder of Certificate Nos. 388-W in Lee County and 104-S in Pasco County, to Ni Pacolet Milliken Utilities, LLC*; Order PSC-2021-0073-FOF-WS, issued February 8, 2021, in Docket No. 20200221-WS, *In re: Joint application for approval of transfer of majority organizational control of Ni Florida, LLC, holder of Certificate Nos. 388-W in Lee County and 104-S in Pasco County, to Florida Utility Systems, Inc.*; Order PSC-2021-0327-FOF-WS, issued August 30, 2021, in Docket No. 20210069-WS, *In re: Application for acknowledgment of name change on Wastewater Certificate No. 104-S in Pasco County and Water Certificate No. 388-W in Lee County from Ni Florida, LLC, to Ni Florida, Inc.*

This recommendation addresses the Utility's request to extend its wastewater service territory, the special developer agreement, and service availability charge for the proposed service area. The Commission has jurisdiction pursuant to Section 367.045(2), and 367.171, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve Ni Florida's application for amendment of Certificate No. 104-S to extend its wastewater service to Oak Stone Development in DeSoto County?

Recommendation: Yes. The Commission should amend Certificate No. 104-S to include the territory as described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Ni Florida's amended certificate and should be retained by the Utility. The Utility should charge future customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by the Commission in a subsequent proceeding. (Sanchez)

Staff Analysis: The Utility's application to amend its authorized service territory is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, F.A.C. The appropriate filing fee, as required by Section 367.145, F.S., was received by the Commission on October 11, 2024. Ni Florida provided notice of the application pursuant to Section 367.045, F.S., and Rule 25-30.030(5)(c), F.A.C. This notice provided 30 days for customers to file an objection to the extension. No objections to the application have been received and the time for filing such has expired.

An adequate service territory map and territory description have been provided to Commission staff as prescribed by Rule 25-30.036(2)(f) and (h), F.A.C. A description of the territory requested to be extend by the Utility, as well as the resulting service territory description, is appended to this recommendation as Attachment A. The Utility has submitted an affidavit consistent with Section 367.045(2)(d), F.S., that it has tariffs and annual reports on file with the Commission.

Desoto County currently provides water and wastewater service to the County; however, its wastewater treatment plant is unable to provide service to the full development. As there are no other utilities in the area capable of providing service, Oak Stone, LLC, requested service from Ni Florida. Pursuant to the developer agreement with Oak Stone, LLC, Ni Florida will construct wastewater treatment plants (WWTPs) to serve the development as it expands. Three WWTPs of various capacities will be constructed to match the construction phases of the development. Phase 1 construction includes a WWTP with a capacity of 60,000 gallons per day (gpd) and is expected to be completed by December 2025, and operational by February 1, 2026. Phase 2 construction includes a WWTP with a capacity of 200,000 gpd that is planned to be operational early 2027. A permit application for the Phase 3 WWTP will be submitted once the development flows reach 60 percent of the permitted capacity of the existing WWTPs.

Conclusion

Based on the information above, staff recommends that the Commission should amend Certificate No. 104-S to include the territory as described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Ni Florida, Inc.'s amended certificate and should be retained by the Utility. The Utility should charge future customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by the Commission in a subsequent proceeding.

Issue 2: Should the Commission approve Ni Florida's request for approval of the special developer agreement and service availability charge for the proposed service area?

Recommendation: Yes. Staff recommends that Ni Florida's proposed special developer agreement and plant capacity charge of $4,140 for the proposed service area should be approved. The approved service availability charge should be effective for service rendered or connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475, F.A.C. (Bruce)

Staff Analysis: As discussed in Issue 1, staff is recommending the approval of an amendment to Ni Florida's wastewater certificate to extend its service area to include a new development, Oak Stone, in Desoto County. For this new development, Ni Florida is proposing a special developer agreement (Attachment B) with Oak Stone, LLC (Developer) as well as a plant capacity charge of $4,140 per equivalent residential connection (ERC), which will be specific to Oak Stone. The proposed charge is a negotiated rate between the Utility and the Developer. For its wastewater system, the Utility currently has a main extension charge of $1,710 per ERC that was approved in 2019.[4] The existing main extension charge will not be applicable to Oak Stone. Ni Florida is not requesting a main extension charge for Oak Stone because the collection system will be installed by the Developer and donated to the Utility.

The developer agreement between Ni Florida and Oak Stone indicates the Developer will construct the wastewater collection system and agree to several responsibilities to receive wastewater service. A few of the responsibilities from the developer agreement include the following: a) the Developer will install the sewer lateral lines terminating at a cleanout on each lot near the right-of-way line and conform with standard details by the Utility; b) the Developer will also be solely responsible for designing and constructing any required lift stations (other than any lift stations that may be required to be installed by Utility on the plant site); and c) the Developer will locate the wastewater collection system in easements or property dedicated to the Utility, and provide any and all easements on the land which are reasonably necessary and/or requested by the Utility.

In its application, the Utility indicated the wastewater treatment facility will have a design capacity of 460,000 gallons per day and the ability to serve 1,950 ERCs. The construction will be done in three phases. According to the developer agreement, the Utility's responsibility relates to construction, operation, and maintenance of the wastewater treatment plant. Some of the Utility's responsibilities include the following: a) the design and construction of the wastewater treatment plant, which should be in compliance with applicable law and sufficient capacity to provide wastewater services; b) provide copies of the plans and specifications of the plant to the Developer for its review and reasonable suggestions and recommendations; c) obtain at the Utility's sole cost and expense, all required federal, state, county, local permits, approvals, and consents to construct, operate, and maintain the plant on the plant site. Staff reviewed the Utility's Developer Agreement and determined that it is pursuant to Rule 25-30.550(3), F.A.C. Therefore, staff recommends that the Developer Agreement in this case is appropriate and should be approved.

[4] Order No. PSC-2019-0223-PAA-SU, issued June 3, 2019, in Docket No. 20190075-SU, *In re: Revision of wastewater service availability charges for Ni Florida in Pasco County.*

Service availability charges are one-time charges applicable to new connections, which allow a customer to pay its pro rata share of the facilities and plant cost. Rule 25-30.580, F.A.C., establishes guidelines for designing service availability charges. Pursuant to the rule, the maximum amount of the contributions-in-aid-of construction (CIAC), net amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their designed capacity. The minimum amount of CIAC should not be less that the percentage of such facilities and plant that is represented by the wastewater collection system.

A plant capacity charge is a service availability charge and allows the Utility to recover each customer's pro rata share of the cost of treatment facilities and stay within the guidelines prescribed in Rule 25-30.580, F.A.C., which provides the minimum and maximum guidelines for designing service availability charges. Based on the Utility's calculation, the proposed plant capacity charge of $4,140, results in a contribution level of 97.21 percent, which is over the maximum guideline. However, the Utility anticipates operating the Oak Stone system as an addition to its system in Lee County. The Utility indicated that the future consolidation of the two systems results in a contribution level of 79.81 percent. This contribution level is slightly higher than Commission rule.

The Commission has indicated that there are drawbacks to the rule because the guidelines are a moving target, looking forward in time when the utility plant is at designed capacity. The analysis involves projections of growth rates and many assumptions that are constantly changing.[5] In this case, projected costs for construction could be higher than anticipated. Therefore, since the proposed charge is negotiated and being compared to projected costs of construction for the new wastewater treatment plant, staff recommends the Utility's proposed plant capacity charge of $4,140 is reasonable. However, the Commission has the authority to adjust the charge in the future based on actual costs.

Conclusion

Based on the above, staff recommends that Ni Florida's proposed special developer agreement and plant capacity charge of $4,140 for the proposed service area should be approved. The approved service availability charge should be effective for service rendered or connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475, F.A.C.

[5] Order No. PSC-07-0865-PAA-SU, issued October 29, 2007, in Docket No. 20060285-SU, *In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven.*

Issue 3: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively. (Dose)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively.

Description of Proposed Service Area

A tract of land located in Section 29 and 30, Township 39 South, Range 23 East, DeSoto County, Florida, being more particularly described as follows:

BEGINNING at the Southwest corner of said Section 30, run thence N. 00°04'04" E., along the West line of said Section 30, 2188. 72 feet to a point on the Northwesterly right of way of former Seaboard Coastline Railroad; thence N. 51 °14'02" E., along said Northwesterly right of way, 4986.09 feet to the North line of said Section 30; thence N. 89°58'19" E., along said North line, 1421.03 feet to the Northeast comer of said Section 30; thence S.89°36'38" E., along the North line aforesaid Section 29 4605.86 feet; thence leaving said North line, run S.00°23'20" W., 34.71 feet; thence 100.85 feet in a southerly direction along a non-tangent curve turning to the left, having a central angle of 30°24'43", with a radius of 190.00 feet, having a chord bearing of S.06°48'06" W. and a chord distance of 99.67 feet; thence 83.35 feet in a southerly direction along a reverse tangent curve turning to the right, having a central angle of 35°22'29", with a radius of 135.00 feet, having a chord bearing of S.09°16'59" W. and a chord distance of 82.03 feet; thence S.26°58'15" W., 61.41 feet; thence 82.82 feet in a southwesterly direction along a tangent curve turning to the right, having a central angle of 73°00'14", with a radius of 65.00 feet, having a chord bearing of S.63°28'22" W. and a chord distance of 77.33 feet; thence N. 79°34'21" W., 46.99 feet; thence S.10°01'10" W., 120.33 feet; thence. S.16°33'09" W., 80.52 feet; thence 285.38 feet in a southeasterly direction along a non-tangent curve turning to the left, having a central angle of 86°03'29", with a radius of 190.00 feet, having a chord bearing of S.41 °37'10" E. and a chord distance of 259.30 feet; thence S.63°01'45" E., 65.00 feet to the Westerly right of way of State Road S-741 (Kings Highway) (County Road 769); thence along said Westerly right of way the following four (4) courses: 1) S.26°58'15" W., 176.42 feet; 2) S.29°13'31" W., 74.10 feet; 3) S.63°47'30" E., 17.90 feet; 4) S.26°12'30" W., 1236.72 feet to the North right of way of 33rd Avenue, thence S.89°36'40" W., along said North right of way 681.34 feet to the West right of way of Rainey Street; thence S.00°06'22" W., along said West right of way 320.01 feet to the South right of way of 32nd Avenue; thence N. 89°36'40" E., along said North right of way 523.88 feet to aforesaid Westerly right of way of State Road S-741; thence S.26°12'30" W., along said Westerly right of way 305.52 feet; thence leaving said Westerly right of way, run N. 89°53'26" W., 799.38 feet; thence S.00°01 '12" E., 520.04 feet; thence N. 89°53'04" W., 2883.60 feet to a point on the West line aforesaid Section 29; thence N. 89°14'49" W., 3311.55 feet; thence S.00°02'53" W., 2192.59 feet to the South line aforesaid Section 30; thence N. 89°07'20" W., 1999.84 feet to the **POINT OF BEGINNING.**

Common street names bordering the proposed service area: Kings Highway (CR 769), Raintree Boulevard, 33rd Avenue, Rainey Street

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Ni Florida, Inc.
pursuant to
Certificate Number 104–S

to provide water service in Pasco and DeSoto Counties in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission, in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled, or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
5781	06/19/73	C-72696-S	Original Certificate
7824	06/02/77	19750558-S	Transfer
13823	10/31/84	19840296-SU	Amendment
14477	06/18/85	19850149-SU	Amendment
15556	01/16/86	19850779-SU	TMOC
22852	04/24/90	19900065-SU	Amendment
23846	12/10/90	19900020-SU	Amendment
PSC-98-1543-FOF-SU	11/20/98	19981081-SU	Name Change
PSC-99-1916-PAA-SU	09/27/99	19981079-SU	Amendment
PSC-99-2381-FOF-SU	12/06/99	19981080-SU	TMOC
PSC-04-1278-AS-SU	12/27/04	20041207-SU	Amendment
PSC-08-0226-FOF-SU	04/07/08	20070740-SU	Transfer
PSC-15-0315-FOF-WU	08/05/15	20150115-WU	TMOC
PSC-2021-0073-FOF-WS	02/08/21	20200221-WS	TMOC
PSC-2021-0327-FOF-WS	08/30/21	20210069-WS	Name Change
*	*	20240144-SU	Amendment

* Order Number and date to be provided at time of issuance.

Agreement to Provide Wastewater Service

This Agreement to Provide Wastewater Service (the "Agreement") is made and entered into this 14 day of June, 2024 ("Effective Date") by and between Ni Florida, Inc. ("Utility") and Oak Stone LLC ("Developer") (Utility and Developer each referred to as a "Party" and collectively as the "Parties").

RECITALS

A. Utility is a regulated, privately owned water and wastewater utility that provides wastewater services in and around the State of Florida.

B. Developer is a real estate developer that is currently in the process of developing a primarily residential development on an approximately 641.6-acre tract of land located at 11480 County Road 769, Arcadia, FL 34269 in DeSoto County, Florida (the "Development"). When fully built out, the Development is expected to consist of approximately 2,000 living unit equivalents of wastewater.

C. The Parties desire that Utility provide wastewater services to the Development under the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and Utility hereby agree as follows:

AGREEMENT

1.
WASTEWATER SERVICE

1.1 Reservation of Capacity and Agreement to Provide Service: Utility reserves and agrees to provide service to Developer, and Developer agrees to take such service, of 2,000 LUEs (i.e. "living unit equivalent") of wastewater capacity, as the term "LUE" is defined in **Exhibit A** attached hereto. This wastewater service commitment shall be limited to the proposed approximately 641.6-acre site as described in **Exhibit B** (the "Land"). In consideration of such reservation, Developer agrees and shall cause Utility to be paid an amount equal to $4,140 per LUE multiplied by the number of LUEs reserved per lot pursuant to this Section 1.1 by the respective home builder of each lot on the Land requiring wastewater utility service from Utility and that full payment of such amounts by each respective home builder of each lot shall be a condition precedent to Utility providing wastewater utility service to such lot. Such payment under this Section 1.1 shall hereinafter be referred to as the "Capacity Reservation Fee". The Capacity Reservation Fee is non-refundable and shall be due and payable to Utility on a quarterly basis in advance based upon a good faith estimate of the number of LUE connections requested quarterly within the Development, and under no circumstances any later than building certificate of occupancy for each lot. In each subsequent quarterly payment, Developer shall "true up" such estimate by (i) receiving a credit to the extent the prior quarter's estimate exceeded the actual LUE connections during such prior quarter or (ii) paying an additional amount in such subsequent quarterly advance payment to the extent the prior quarter's estimated payment was less than the actual LUE connections during such prior quarter.

1.2 Any connections requiring LUEs beyond those reserved under this Agreement will require Developer, its successors, assigns, or the then-Land owner, to acquire additional LUEs of wastewater. No additional connections will be allowed, other than the connections reserved herein, without the Parties, their successors or assigns, amending this Agreement to encompass additional LUE needs and payment by Developer of applicable charges as well as appropriate plan review by the Utility.

1.3 It is expressly agreed that this Agreement extends only to the wastewater service for the Development. Developer acknowledges that the utility services provided by Utility hereunder are anticipated to be regulated by the Florida Public Service Commission (the "Commission") and as set forth in (a) that certain Resolution No. 2023-97 of the Board of County Commissioners of DeSoto County, Florida regarding Operation of Utility in DeSoto County dated July 25, 2023 as well as (b) that certain Agreement Concerning Service Area of Utility in DeSoto County, Florida. If any Governmental Authority, including but not limited to the Commission, issues an order, ruling, decision or regulation not covered by this Agreement (including, but not limited to, a determination that the utility services provided pursuant to this Agreement are not subject to the Commission's jurisdiction or denial of necessary permits or amendments to existing permits), including any new or revised enforceable regulatory classification of the subject wastewater facility, as applicable, whichresults in a materially adverse effect on either Party's rights and benefits under this Agreement, each Party shall use commercially reasonable efforts and shall cooperate with the other Party to pursue all necessary permits, approvals and authorizations, if any, of such applicable Governmental Authority, and to amend the terms and conditions of this Agreement, in each case as may be reasonably required in order that provision of utility services under this Agreement shall continue; provided that neither Party shall be required to take any action pursuant to this Section 1.2 which is reasonably likely to have a materially adverse effect on such Party's rights and benefits under this Agreement. As used herein, "Governmental Authority" shall mean any United States federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, court, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal. If the Parties are unable or unwilling to reach agreement pursuant to this Section 1.2, Utility shall have the right to terminate this Agreement, without any further obligations to Developer, upon 14 days' prior written notice to Developer.

1.4 This Agreement is in all respects subject to and limited by all federal, state, and local statutes, rules, permits, and approvals in determining treatment, sites, and all other related considerations as that may pertain to the delivery of wastewater services.

1.5 Developer warrants and represents, that the units and/or number of building square feet (as applicable on **Exhibit A** attached hereto) receiving wastewater service in the Development shall not exceed the reserved LUEs determined under the allocation chart on **Exhibit A** attached hereto. In the event Utility determines that a new connection for wastewater service will cause Developer to breach the warranty and representation in the immediately preceding sentence, Utility may refuse to allow such new connection to the wastewater collection systems. In such event, Developer agrees to indemnify Utility, its successors and assigns, and hold Utility free and harmless from and against any and all claims, demands, and causes of action which may be asserted by anyone on account of such refusal, including all attorneys' fees and other expenses which may be incurred by Utility in connection with such claims, demands, and causes of action. Developer's obligations pursuant to the foregoing sentence shall survive any transfer of LUEs reserved in this Agreement.

1.6 Utility and Developer agree that certain tests may be required to be performed upon the facilities constructed by Developer to provide data and/or to meet applicable federal, state, county, and local governmental rules, regulations, statutes and procedures.

a. System Tests. Developer will obtain all required tests upon the Land in order to comply with all applicable laws. Developer agrees to perform such tests (or retain qualified third parties to perform such tests) and to provide all of the data from such tests, together with Developer's analysis and reports related to such tests, at Developer's sole cost and expense, to Utility at Utility's reasonable request.

b. Plant Site Tests. Utility will obtain all required tests upon the Plant Site (hereinafter defined) in order to comply with all applicable laws. Utility agrees to perform such tests (or retain qualified third parties to perform such tests) and to provide all of the data from such tests, together

with Utility's analysis and reports related to such tests, at Utility's sole cost and expense, to Developer at Developer's reasonable request.

1.7 Developer shall ensure (and if necessary for uses other than residential, lagoon amenity and ancillary entertainment facilities and office warehouse, construct pre-treatment facilities to ensure) that all wastewater delivered to Utility meets the criteria for domestic wastewater pursuant to Utility's then-controlling tariff. Any wastewater delivered to Utility that does not meet such criteria must be pretreated by Developer so as to meet such criteria prior to delivery to Utility.

1.8 Notwithstanding anything to the contrary herein, the Parties agree that the terms, conditions, rights and obligations of this Agreement shall not become effective until the closing of the land sale via a separate agreement (the "Purchase Agreement") in which Developer shall sell, and Utility shall purchase, the Plant land ("Plant Site").

2.

CONSTRUCTION OF THE SYSTEM

2.1 With the exception of the Plant, all other facilities and equipment described in this Paragraph 2.1 including the wastewater collection system, are referred to herein as the "System". As a prerequisite and condition to the obligation of Utility to provide wastewater utility service, Developer agrees with Utility to do the following:

(a) Prior to the initiation of construction of the System, provide copies of the plans and specifications of the System to Utility for its review and reasonable suggestions and recommendations, provided however that the final approval of the plans and specifications of the System shall remain with Developer.

(b) Developer shall be responsible for obtaining (at its sole cost and expense) the approval of any applicable governmental or regulatory authorities in order that the System complies with applicable law.

(c) After review by Utility of such plans and specifications and the approval by governmental authorities of such plans and specifications, Developer shall commence and complete the construction and installation of the System (including ancillary infrastructure associated therewith) necessary to provide wastewater service to each of the proposed lots within the Development, as set forth in more detail on the list of System facilities on **Exhibit C** hereto, in a good and workmanlike manner, using only new materials and in material accordance with the plans and specifications approved by Utility and by applicable governmental authorities.

(d) As part of the completion of the System, Developer will install the sewer lateral lines terminating at a cleanout on each lot near the right-of-way line and the sewer laterals shall be in conformance with standard details approved by the Utility and by applicable governmental authorities.

(e) The Parties agree that Developer will also be solely responsible for designing and constructing any required lift stations (other than any lift station(s) that may be required to be installed by Utility on the Plant Site), subject to Utility's same review, approval and inspection as a part of the System.

(f) Developer shall locate the System in easements or property dedicated to the Utility, and provide any and all easements on the Land which are reasonably necessary and/or reasonably requested by Utility, (in each case, in the locations approved by Developer), to allow Utility to provide services to each lot within the Development and to allow the Utility's system to function properly to provide wastewater services to the Land now or in the future. Developer will convey to Utility via special warranty deed a tract of real property of approximately 10.2 acres.

(g) Promptly upon the signing of a construction contract for the construction of the System, Developer will share such contract and the associated construction schedule with Utility (the "System Construction Contract Date").

(h) Within ten business days of the System Construction Contract Date, Developer will also provide Utility with reasonable proof of sufficiency of funds to complete the Development. It is contemplated that the cost for the design, installation and construction of the System shall be financed by the issuance of bonds which would be issued by a newly formed community development district (the "CDD Bonds") that the Developer intends to be created pursuant to Chapter 190 of the Florida Statutes in connection with the financing of the development and construction of certain infrastructure and amenities for the Development (the "CDD"). Utility agrees that the proposed issuance of the CDD Bonds for the financing of the construction of the System will constitute reasonable proof of sufficiency of funds to complete the construction of the System.

(i) Design and construction costs of lift stations for the project, except on the Plant site, shall be the responsibility of the Developer. Design and construction costs of lift stations on the Plant site shall be the responsibility of the Utility.

(j) Developer shall at a minimum provide to Utility at least quarterly updates on the status of the lots and the Development, including with respect to (i) forecast of lot buildouts for the next quarter, (ii) progress made and location in the construction cycle and (iii) count of lots under construction as well as lots completed. Developer and Utility, and their respective consultants or contractor, shall meet on a regular basis, a minimum every three months, to communicate progress and provide schedule updates for the Land, System and Plant.

(k) Developer represents and warrants to Utility that the System shall be sufficient to serve the wastewater utility requirements of the LUEs for the Development reserved hereunder.

3.
CONSTRUCTION OF THE PLANT

3.1 Utility agrees with Developer to do the following in connection with the construction, operation and maintenance of the Plant:

(a) Utility will be solely responsible for designing and constructing the wastewater treatment plant, (the "Plant") in compliance with applicable law and with sufficient capacity to provide wastewater services for 2,000 LUEs at full build out for the Development and the Land. In no event shall the Utility use any portion of the Plant or any portion of the Plant Land to provide wastewater services to any real property residential or commercial use or development which is not located on the Land. The construction of the Plant is planned, designed and intended to be implemented by Utility in three (3) construction phases as described on **Exhibit H** attached hereto in accordance with applicable law and with sufficient capacity to meet the level of actual and planned demand for wastewater services of the Development during any point of the Term, up to the LUEs reserved hereunder.

(b) Prior to the initiation of construction of the Plant, Utility shall provide copies of the plans and specifications of the Plant to Developer for its review and reasonable suggestions and recommendations, provided however that the final approval of the plans and specifications of the Plant shall remain with Utility.

(c) Utility shall be responsible for obtaining (at its sole cost and expense) the approval of any applicable federal, state, county and local governmental or regulatory authorities in order that the Plant may comply with applicable law.

(d) Utility shall obtain, at Utility's sole cost and expense, all required federal, state, county and local permits, approvals and consents to construct, operate and maintain the Plant on the Plant site (collectively, the "Plant Permits") and Utility shall provide to Developer a complete set of such Plant Permits to Developer upon receipt.

(e) Promptly upon the signing of a construction contract for the construction of the Plant, Utility will share such contract and the associated construction schedule with Developer (the "Plant Construction Contract Date").

(f) Prior to the commencement of the construction of the Plant, Utility shall provide to Developer a payment and performance bond issued by a recognized national surety company reasonably acceptable to Developer (the "Surety") with in the face amount of such bond equal to 100% of the cost to construct the Plant (the "Payment and Performance Bond") which insures the payment and performance of the obligations of Utility under this Agreement solely with respect to the construction of the Plant. Utility shall pay for the cost of the Payment and Performance Bond.

(g) Developer and Utility acknowledge the desire to construct the System and the Plant in accordance with this Agreement in order to avoid delays and premature expenditures. Utility will be required to start construction on the Plant within thirty (30) days after (i) Utility (a) receives all required permits and government approvals and (b) has acquired from Developer or its designee legal title to the real property on which the Plant will be constructed, and (ii) Developer has (a) provided to Utility the proof of funds as set forth herein, and commenced construction of the System.

(h) In accordance with its obligations under s. 367.111, Florida Statutes and Rule 25-30.231, Florida Administrative Code, the Utility shall be responsible for the operation and maintenance of (i) the System after the System has been conveyed to the Utility in accordance with the terms of this Agreement and (ii) the Plant upon completion of construction and Utility shall be responsible for all costs incurred in the operation and maintenance of such System and such Plant.

(i) One or more representative(s) of Developer shall be entitled to attend (whether in person or via telephone conference or Zoom conference) the scheduled construction meetings held by Utility during the construction of the Plant. One or more representative(s) of Utility shall be entitled to attend (whether in person or via telephone conference or Zoom conference) the scheduled construction meetings held by Developer during the construction of the Development and the System.

(j) In the event the Plant is not ready to provide wastewater services when required hereunder, Utility will, at its sole cost, take actions necessary to provide a temporary solution for the provision of wastewater service required hereunder until the date that the construction of the Plant has been finally completed and the Plant is fully operational for the benefit of the Development with all required governmental permits and approvals at no additional cost to the Developer or the Development which comply, in all material respects, with applicable laws (the "Temporary Sewer Facilities"). Utility will continue to provide such Temporary Sewer Facilities to Developer and the Development until the date that the construction of the Plant has been finally completed and the Plant is fully operational for the benefit of the Development with all required governmental permits and approvals. Each of the end users for wastewater services in the Development shall be required to pay to Utility for the use of the Temporary Sewer Facilities with the same connection fees and monthly utility fees which would have been charged by Utility for the use by the end users of the completed Plant, but any additional costs or expenses solely with respect to Temporary Sewer Facilities, in excess of such connection fees and monthly utility fees, shall be borne by Utility and shall not be paid or reimbursed by Developer or the Development. When the Plant is finally completed and fully operational with all required Plant Permits and governmental approvals, and subject to applicable rules and regulations (e.g. including Utility's tariffs), the end users in the Development

shall not be required to pay a separate connection charge to commence using the Plant if such end user had previously paid to Utility a connection charge to use the Temporary Sewer Facilities.

4.

CONDITIONS PRECEDENT TO SERVICE

4.1 Utility will provide retail wastewater utility services to each residential or commercial customer located within the Development according to Utility's wastewater tariffs then in effect, provided that Utility's obligations to provide service to each such customer within the Development will be subject to the satisfaction of (or Utility's waiver, in writing) of the following conditions:

(a) The completed installation of the System and the inspection and review of such by Utility and the inspection, review, approval and acceptance of such by all applicable governmental agencies. Developer's conveyance to Utility of (i) title to the System and (ii) all real property and easements encumbering the Land in the location approved by Developer which are necessary for the construction, operation and maintenance thereof, all free and clear of all liens, encumbrances and restrictions other than the Permitted Exceptions. The conveyance of the System to Utility shall be pursuant to a Utility Conveyance Agreement in the form of the attached Exhibit E. The System shall not be conveyed to Utility until Utility has provided notice to Developer in writing that each of the following has occurred: (i) the inspection and acceptance of the Plant by all applicable agencies has occurred and been approved by all applicable governmental agencies and (ii) the initial phase of the Plant is fully operational or the temporary wastewater solution described in Section 3.1(j) is ready and operational for the Project; and

(b) All easements to be located on the Land reasonably necessary for the operation of the System and the provision of wastewater services to the Development has been conveyed to Utility free and clear of liens and encumbrances; and Utility has ownership of the utility site for the Plant and the requirements of Section 5.1 have been met with respect to such site for the Plant; and

(c) All applicable Capacity Reservation Fees due to Utility with respect to any building with an issued certificate of occupancy shall have been fully paid; and

(d) All charges pursuant to Utility's wastewater tariffs as approved by regulatory authorities, or any other governing body having jurisdiction, as applied to commercial customers (including, e.g., connection/tap fees), are paid; and

(e) At the final completion of the System and the closing of the conveyance of the System to Utility pursuant to the Utility Conveyance Agreement, then, Developer shall have also provided to Utility a two (2) year maintenance bond for 100% of the System being conveyed, in a form reasonably acceptable to Utility and the applicable government or regulatory authority and has also conveyed any warranties Developer received on such System to Utility, to the extent assignable (provided that, solely with respect to warranties received by Developer to which the bond provided in this provision is applicable, such received warranties shall be capped by the amount of such bond and by the effective term of such bond); and

(f) Developer shall have transferred to Utility its wastewater discharge permit, to the extent assignable; and

(g) All applicable regulatory and/or governmental permits (including, without limitation, the Plant Permits) and approvals have been obtained.

Once Developer has satisfied the conditions precedent to retail wastewater utility service listed in subparagraph 4.1(a)-(g), Utility agrees to provide retail wastewater utility service to each connection or customer within the Development that have paid the appropriate LUE fees.

- 6 -

5.
DEEDS, EASEMENTS, UTILITY SITES, REPRESENTATIONS AND WARRANTIES

5.1 Developer shall assign to Utility all necessary easements in and on the Land in the locations approved by Developer in order that Utility, after the construction of the System, may own, access, and operate the System. Utility shall construct the Plant on the Plant Site. Developer expressly warrants the System will be located within the easements which Utility can use to maintain and operate the System. Developer agrees to provide for stormwater drainage and detention design and construction required for the Plant. Developer and Utility agree that the Developer shall cause the utility site(s) to meet the following criteria:

(a) Developer shall construct an access driveway the Plant Site. The access driveway shall include an all-weather surface and be able to provide access to the Plant Site in the event of a 25-year storm.

(b) The Plant Site shall have potable water service and waste water-connections to the System extended to the Plant Site by Developer. The Plant Site shall have 480V three-phase electrical service and potable water service extended to such Plant Site by the Developer. Developer shall coordinate with Utility with respect to dry utilities capacity requirements for Plant site. Utility will prepare the application for obtaining retail service from electrical provider.

(c) The Developer will provide fill material for the Plant Site so that the Utility may grade the Plant Site to those elevations reasonably designated by the Utility Engineer and further described in **Exhibit F** attached hereto.

5.2 Developer hereby represents and warrants to Utility as follows:

(a) Authorization and Enforceability. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer and constitute the valid and binding obligations of Developer which are enforceable in accordance with its terms.

(b) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Developer is aware connected with the System Facilities or other properties to be conveyed hereunder.

(c) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(d) No Violation of Applicable Law. This Agreement and/or any provisions herein do not conflict with any applicable federal, state or local law, order, directive, rule or regulation.

5.3 Utility hereby represents and warrants to Developer as follows:

(a) Authorization and Enforceability. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Utility and constitute the valid and binding obligations of Utility which are enforceable in accordance with its terms.

(b) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Utility, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Utility is aware connected with the proposed Plant.

(c) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Utility is a party.

(d) No Violation of Applicable Law. This Agreement and/or any provisions herein do not conflict with any applicable federal, state or local law, order, directive, rule or regulation.

6.
ALLOCATION AND TRANSFER OF LUE'S

6.1 This Agreement extends and applies only to the provision of wastewater to the Land in LUE units as described on **Exhibit A** hereto. Developer warrants that the legal description in **Exhibit B** is accurate, and that it is the owner of the Land, free and clear of any third party liens, except the Permitted Exceptions (as defined in **Exhibit G attached hereto).**

6.2 Subject to the last sentence of this Section 6.2, upon Developer's conveyance of the Land or any portion of the Land to a subsequent purchaser, such subsequent purchaser shall be responsible for the construction of the System and all other obligations of Developer under this Agreement and shall specifically, in writing, agree to all the terms and conditions of this Agreement. Developer covenants and agrees that it shall assign its rights, duties, and obligations under this Agreement to such subsequent purchaser in a form and manner reasonably acceptable to Utility, including the assignment of Utility's System capacity under this Agreement needed to provide service to the Land or portion of such Land so conveyed. For the avoidance of doubt, Utility shall not have an approval right with respect to the Developer's conveyance of the Land or any portion of the Land to a subsequent purchaser, but Utility shall have the right to consent, which consent shall not unreasonably withheld, with respect to the form and content of the assumption of Developer's obligations under this Agreement by such purchaser. This Section 6.2 does not apply to the sale of subdivided lots developed by Developer on the Land (i) to individual purchasers of such lots or (ii) to one or more homebuilders which acquire such subdivided lots in order to build single family homes thereon and to market and sell such homes to end users.

6.3 Utility acknowledges that a portion of the Land shall be conveyed by Developer to the CDD in order to facilitate the development of the Land and the construction of the System and such transfer to the CDD shall not (i) constitute a default under this Agreement or (ii) require any consent by Utility.

7.
NO WAIVER

7.1 A Party's failure to obtain or require compliance with any provision(s) of this Agreement in no way shall be construed and/or be a waiver of that particular requirement(s), and in no way precludes that Party from requiring such provision(s) at any time.

8.
NOTICES

8.1 Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by email *and* one of the following: (i) personal delivery; (ii) by overnight courier for next business day delivery; or (iii) by registered or certified mail, return receipt requested. Notice shall be effective: (x) for personal delivery, upon personal delivery; and (y) for overnight courier, registered mail, or certified

mail, upon written verification of receipt. Notice to the parties shall be sufficient if made or addressed as follows:

If to Developer:
Oak Stone LLC
2502 North Rocky Point Drive
Suite 1050
Tampa, FL 33607
Attn: John Ryan, Manager
Email: john@metrodg.com

If to Utility:
NI FLORIDA, INC.
1710 Woodcreek Farms Road
Elgin, SC 29045
Attn: Craig Sorensen
E-mail: csorensen@swwc.com

With a copy to:
TEXAS WATER UTILITIES, L.P.
2150 Town Square Place, Suite 400
Sugar Land, Texas 77479
Attn: General Counsel
E-mail: legal@swwc.com

9.
DEFAULT

9.1 In the event of default by either party with respect to this Agreement, the party not in default shall give to the defaulting party written notice of such default specifying the failure or default relied upon. If the defaulting party fails to fully cure such default specified in such notice within thirty (30) days after receipt of such notice or if such default cannot reasonably be cured within such thirty (30) day period and the defaulting party has failed to use reasonable efforts to attempt to cure such default within sixty (60) days after the expiration of such 30-day time period, then, the party not in default shall have the right to:

(a) pursue specific performance of this Agreement; or

(b) in the event of default by Developer with respect to the construction of the System, then, Utility may cure such default by Developer and seek a reimbursement of the funds used ot cure such default from Developer; or

(c) in the event of default by Utility with respect to the construction of the Plant, Developer may make written demand under the Surety under the Payment and Performance Bond and demand that the Surety under such Payment and Performance Bond cure such default by Utility to the extent applicable under the Payment and Performance Bond; or

(d) commence legal action against the other party seeking damages against the other party for all damages and other liabilities caused by such default by such party and/or seeking the appointment of a receiver to oversee the completion of the construction of the System (with respect to Developer); or

(e) seek any other remedy available to such party not in default at law, in equity, by statute, under this Agreement or otherwise.

10.
TERM

10.1 The initial term of this Agreement runs fifteen (15) years from the Effective Date (the "Term") and afterward automatically renews on an annual basis for one-year terms unless either Party provides written notice to in accordance with Paragraph 8 that it is electing to terminate this Agreement.

11. GENERAL

11.1 This Agreement shall be governed by and be construed in accordance with the laws of the State of Florida, without regard to its conflict of law principles. Exclusive venue for any dispute will be in a court of appropriate jurisdiction in and for DeSoto County, Florida.

11.2 If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law or public policy or otherwise unenforceable, the remaining provisions shall remain in full force and effect, and the parties shall negotiate, in good faith, a substitute, valid, and enforceable provision which most nearly reflects the parties' stated intention as set forth in such affected provision.

11.3 It is understood and agreed that no brokers are involved in the negotiation and consummation of this Agreement, and each of the parties represents to the other that it has not incurred and will not incur any liability for brokerage fee or agent commissions in connection with this Agreement.

11.4 In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any applicable law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either Party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either Party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the Commission, over this Agreement or any part thereof.

11.5 Time is of the essence with respect to all matters covered by this Agreement.

11.6 This Agreement shall bind the parties to this Agreement, their affiliates, successors, and assigns. No other persons or entities may enforce this Agreement or claim any benefits under this Agreement.

11.7 If any party is rendered unable, wholly or in part, by Force Majeure (hereinafter defined) to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period, provided however that written notice is given to each of the affected parties within five (5) business days of the occurrence of such event of Force Majeure. Such cause, as far as possible, shall be remedied with all reasonable diligence. As used in this Agreement, "Force Majeure" shall mean: acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of government of the United States or the State of Florida or any civil or military authority, insurrections, riots, acts of terrorism, epidemics, tornadoes, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and any other inabilities of either party, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, and which such party could not have avoided by the exercise of due diligence and care.

11.8 This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting this Agreement's subject matter. This Agreement shall be subject to change or modification only with the mutual written consent of Utility and Developer. Each

of the recitals to this Agreement is true and correct, and each recital is hereby incorporated into this Agreement for all purposes.

11.9 EACH OF DEVELOPER AND UTILITY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, DEVELOPER, OR UTILITY AND FOR ANY COUNTERCLAIM THEREIN (REGARDLESS OF THE LEGAL THEORY INVOLVED, WHETHER AT LAW, IN EQUITY, BY STATUTE, UNDER THE ACT, IN TORT, OR OTHERWISE).

11.10 Developer may assign all or any portion of its rights and obligations under this Agreement (i) to a CDD without the consent of Utility provided that CDD assumes Developer's assigned obligations under this Agreement and notice is promptly provided to Utility or (ii) to a purchaser of all or any portion of the Land in accordance with Section 6.2.

11.11 Developer shall not have an approval right with respect to Utility's assignment of this Agreement, but Developer shall have the right to consent, which consent shall not unreasonably withheld, with respect to the form and content of the assumption of Utility's obligations under this Agreement by such assignee; provided however that Utility may assign this Agreement to an affiliate without the consent of Developer.

11.12 If any action at law or equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

11.13 The parties to this Agreement are not partners or joint venturers with each other and nothing herein shall be construed to make them partners or joint venturers or impose any liability as such on either of them. The Parties agree that Utility will not be considered to be in privity with any contractors used by Developer

11.14 In performing their respective obligations under this Agreement, the Parties will abide by and comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, those related to bribery and corruption. Additionally, Developer understands that Utility prohibits employees from engaging in activities that could create even the appearance of a conflict of interest. Developer will take no actions to induce any of Utility's employees into any conflicts of interest.

* * * * * ***Signature Page Follows*** * * * * *

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to Provide Wastewater Services as of the Effective Date.

NI FLORIDA, INC.

By: Sean Thomas
Name: ~~Craig Sorensen~~
Title: President

OAK STONE LLC

By: _____
Name:
Title:

Exhibit A
LUE Criteria

A. A living unit equivalent (LUE) is defined as the typical flow that would be produced by a single-family residence (SFR) located in a typical subdivision. For water this includes consumptive uses such as lawn watering and evaporative coolers. The number of LUE's for a project are constant; only the flows are different.

One (1) LUE produces: 0.54 GPM (Peak Hour) of water flow
0.32 GPM (Peak Day) of water flow
230 GPD (0.160 G.P.M.) average dry weather flow

B. Peak Flow Factor Formula

$$PFF = \frac{18 + [0.0144\ (F)]^{0.5}}{4 + [0.0144\ (F)]^{0.5}}$$

F= AVERAGE FLOW (GPM)

RESIDENTIAL	LUE CONVERSION
One (1) Single Family Residence Modular Home; Mobile Home	1 LUE
One (1) Duplex	2 LUE's
One (1) Triplex; Fourplex; Condo Unit P.U.D. unit (6+ Units/Acre to 24 Units/Acre)	0.7 LUE/Unit
One (1) Apartment Unit (24 + Units/Acre)	0.5 LUE/Unit
One (1) Hotel or Motel Room	0.5 LUE/Room

COMMERCIAL	LUE CONVERSION
Office	1 LUE/1533 Square Feet of Floor
Office Warehouse	1 LUE/4000 Square Feet of Floor
Retail; Shopping Center	1 LUE/2300 Square Feet of Floor
Restaurant; Cafeteria	1 LUE/200 Square Feet of Floor
Hospital	1 LUE/Bed
Rest Home	1 LUE/2 Beds
Church (Worship Services Only)	1 LUE/70 Seats
School (Includes Gym and Cafeteria)	1 LUE/13 Students

The LUE conversions to uses not described above will be determined by Utility, in its reasonable discretion in accordance with applicable law.

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C. Additional Terms

Developer agrees to install a minimum 1,000 gallon, two-compartment grease trap, unless otherwise approved, to serve each proposed restaurant, food service establishment or other user that in the opinion of Utility's engineer, may discharge fats, oils and/or greases to the wastewater system. Grease traps may not be shared between separate users without Utility's prior written consent.

* * * * * * *

Exhibit B

Description of the Land
(Entire Project)

Exhibit B

DESCRIPTION:

A tract of land located in Section 29 and 30, Township 39 South, Range 23 East, DeSoto County, Florida, being more particularly described as follows:

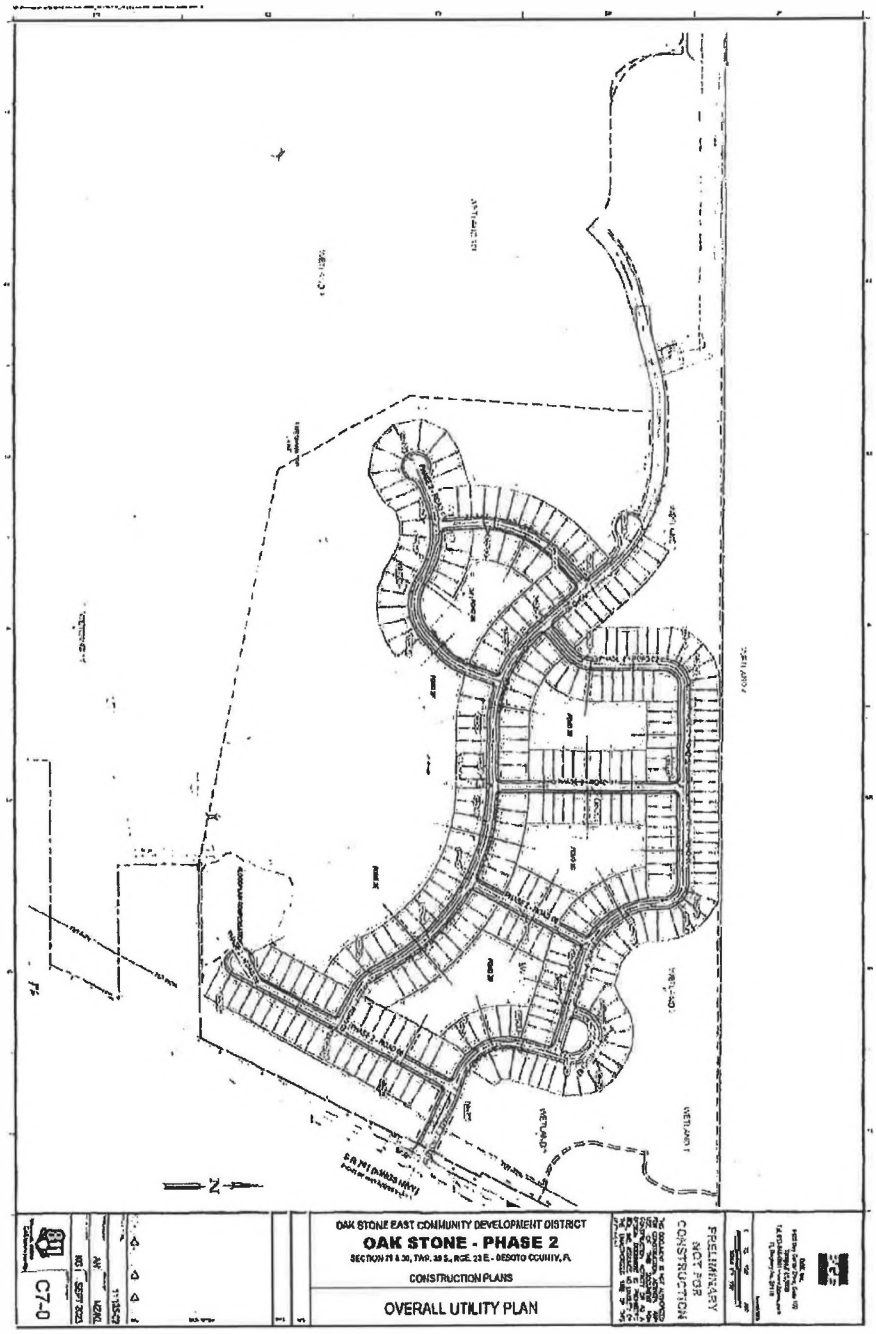
BEGINNING at the Southwest corner of said Section 30, run thence N. 00°04'04" E., along the West line of said Section 30, 2168.72 feet to a point on the Northwesterly right of way of former Seaboard Coastline Railroad; thence N. 51°14'02" E., along said Northwesterly right of way, 4986.09 feet to the North line of said Section 30; thence N. 89°58'19" E., along said North line, 1421.03 feet to the Northeast corner of said Section 30; thence S.89°36'38" E., along the North line aforesaid Section 29 4605.86 feet; thence leaving said North line, run S.00°23'20" W., 34.71 feet; thence 100.85 feet in a southerly direction along a non-tangent curve turning to the left, having a central angle of 30°24'43", with a radius of 190.00 feet, having a chord bearing of S.06°48'06" W. and a chord distance of 99.67 feet; thence 83.35 feet in a southerly direction along a reverse tangent curve turning to the right, having a central angle of 35°22'29", with a radius of 135.00 feet, having a chord bearing of S.09°16'59" W. and a chord distance of 82.03 feet; thence S.26°58'15" W., 61.41 feet; thence 82.82 feet in a southwesterly direction along a tangent curve turning to the right, having a central angle of 73°00'14", with a radius of 65.00 feet, having a chord bearing of S.63°28'22" W. and a chord distance of 77.33 feet; thence N. 79°34'21" W., 46.99 feet; thence S.10°01'10" W., 120.33 feet; thence S.16°33'09" W., 80.62 feet; thence 285.36 feet in a southeasterly direction along a non-tangent curve turning to the left, having a central angle of 86°03'29", with a radius of 190.00 feet, having a chord bearing of S.41°37'10" E. and a chord distance of 259.30 feet; thence S.83°01'45" E., 65.00 feet to the Westerly right of way of State Road S-741 (Kings Highway) (County Road 769); thence along said Westerly right of way the following four (4) courses; 1) S.26°58'15" W., 176.42 feet; 2) S.29°13'31" W., 74.10 feet; 3) S.63°47'30" E., 17.90 feet; 4) S.26°12'30" W., 1236.72 feet to the North right of way of 33rd Avenue, per Plat Book 4, Page 10 of the Public Records of DeSoto County; thence S.89°36'40" W., along said North right of way 681.34 feet to the West right of way of Rainey Street, per aforesaid Plat Book 4, Page 10; thence S.00°08'22" W., along said West right of way 320.01 feet to the South right of way of 32nd Avenue, said Plat Book 4, Page 10; thence N. 89°36'40" E., along said North right of way 523.88 feet to aforesaid Westerly right of way of State Road S-741; thence S.26°12'30" W., along said Westerly right of way 305.52 feet; thence leaving said Westerly right of way, run N. 89°53'26" W., 799.38 feet; thence S.00°01'12" E., 520.04 feet; thence N. 89°03'04" W., 2603.60 feet to a point on the West line aforesaid Section 29; thence N. 89°14'49" W., 3311.55 feet; thence S.00°02'53" W., 2192.59 feet to the South line aforesaid Section 30; thence N. 89°07'20" W., 1999.84 feet to the **POINT OF BEGINNING.**

Exhibit C

List of System Facilities

[To be attached.]

"Phase 2" as set forth in this Exhibit C will be the initial phase of development and construction for residential units requiring service from the Utility.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OAK STONE - PHASE 2
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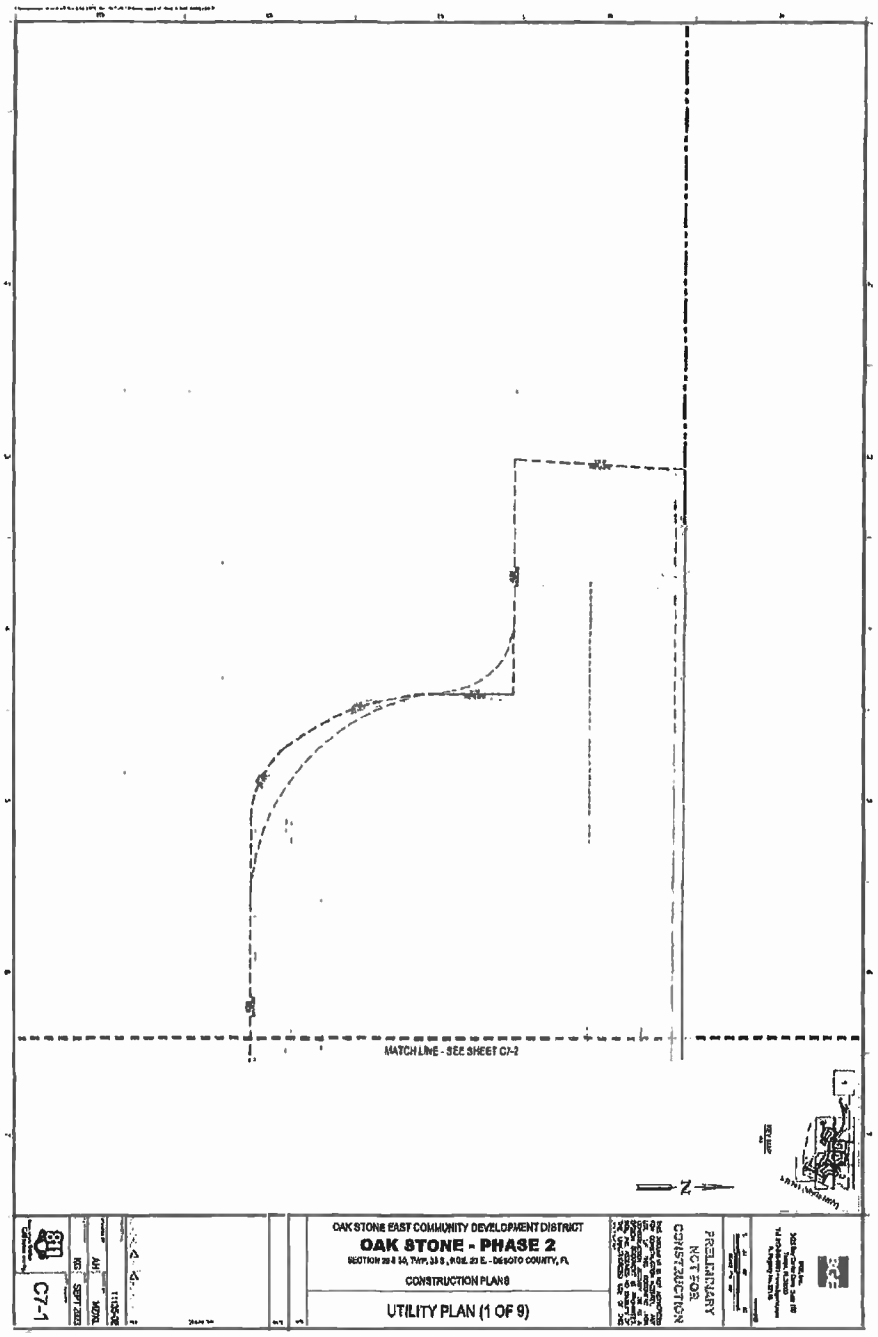
OVERALL UTILITY PLAN
PRELIMINARY
NOT FOR
CONSTRUCTION
C7-0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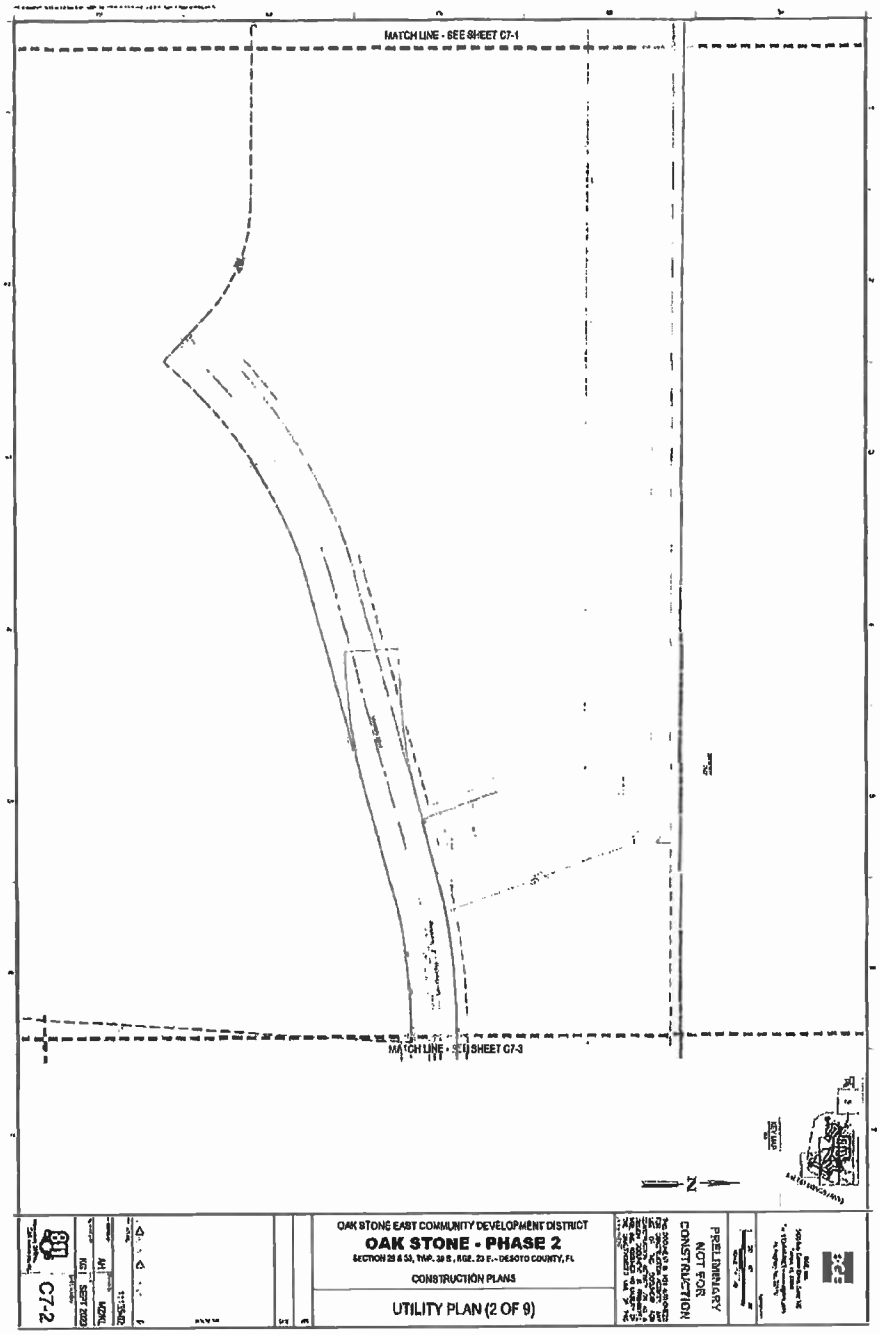
UTILITY PLAN (1 OF 9)
C7-1
PRELIMINARY
NOT FOR
CONSTRUCTION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MATCH LINE - SEE SHEET C7-3
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OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
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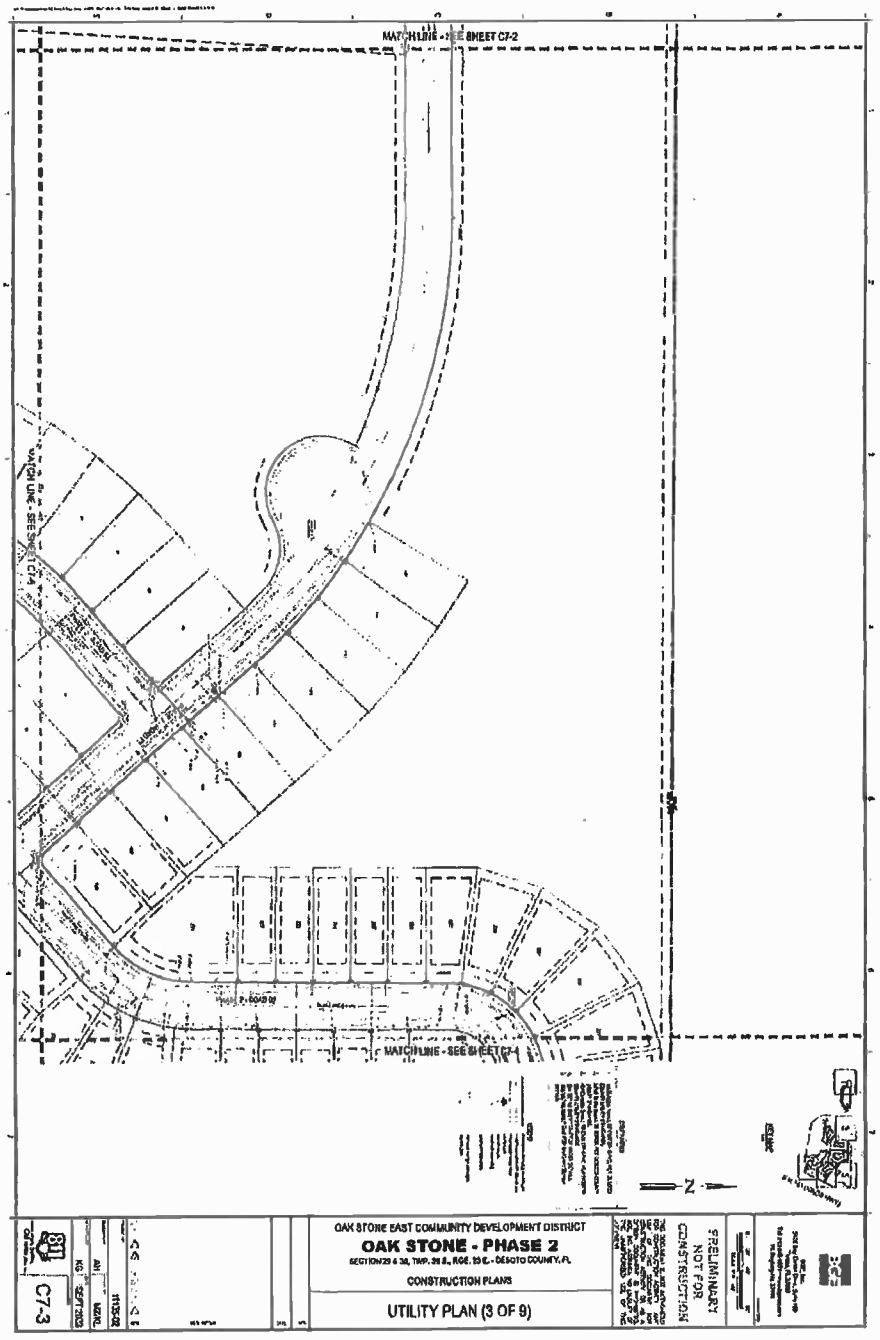
UTILITY PLAN (2 OF 9)
PRELIMINARY
NOT FOR
CONSTRUCTION
C7-2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OAK STONE - PHASE 2
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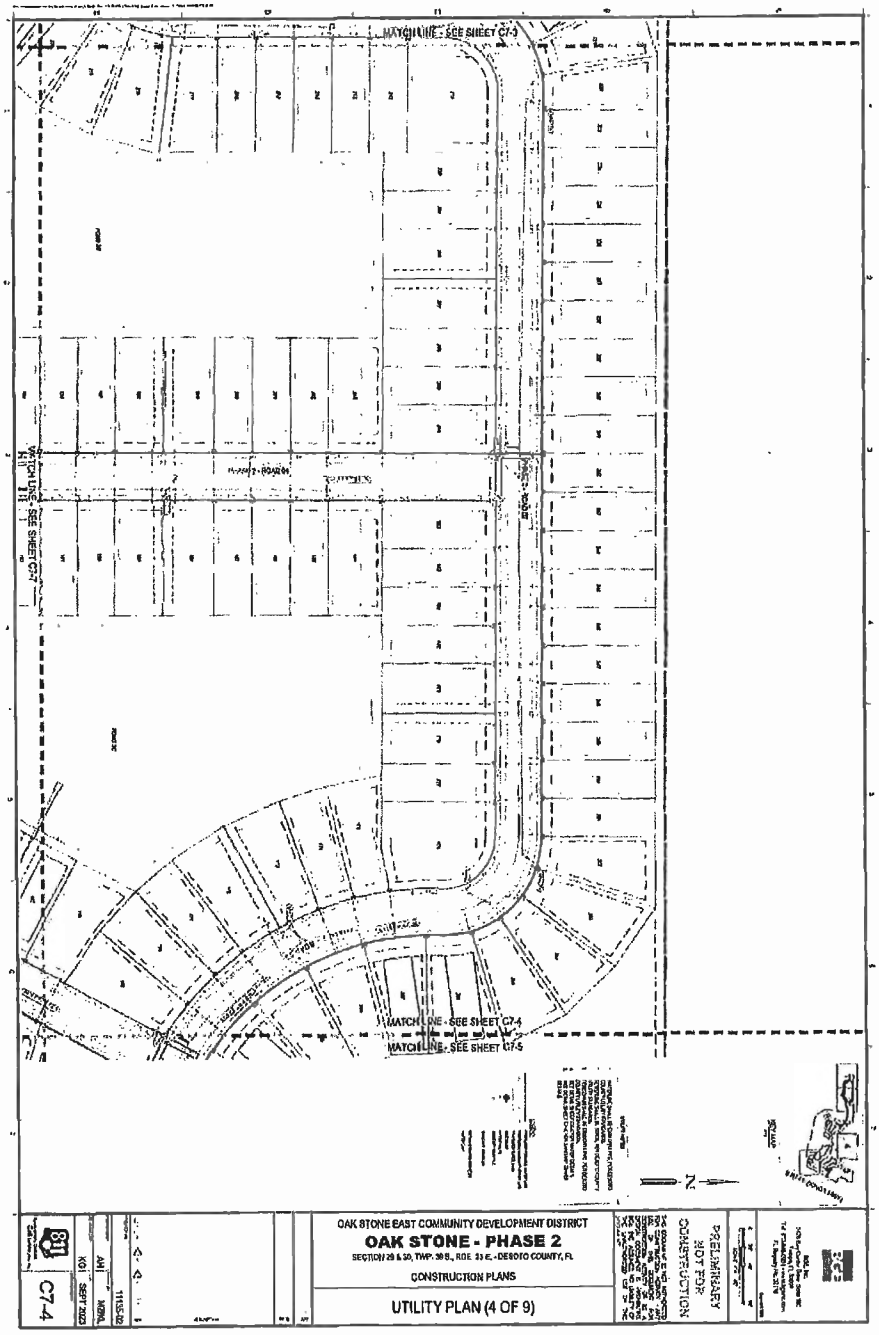
UTILITY PLAN (3 OF 9)
C7-3
PRELIMINARY
NOT FOR
CONSTRUCTION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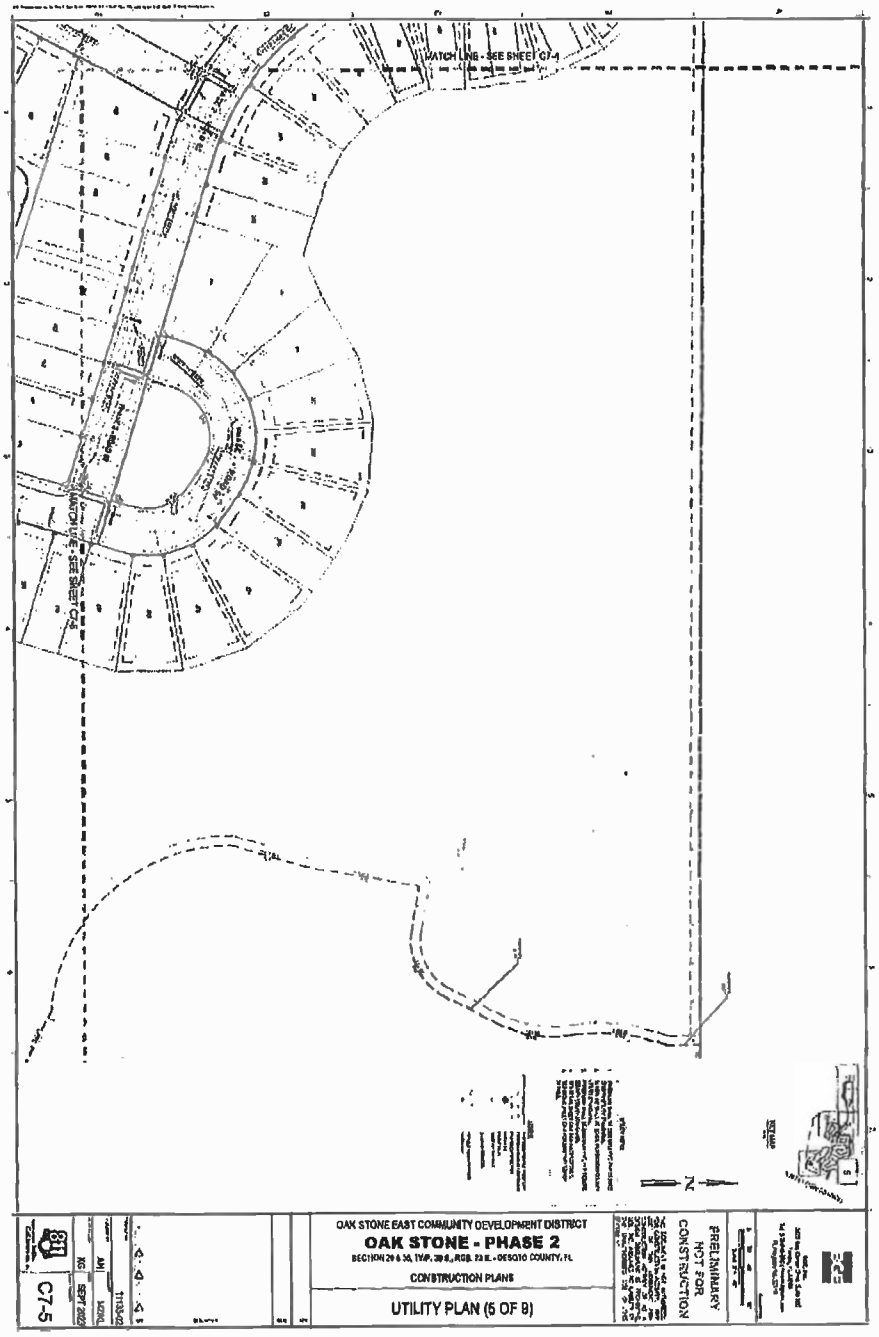
OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY PLAN (4 OF 9)
C7-4
PRELIMINARY
NOT FOR CONSTRUCTION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OAK STONE - PHASE 2
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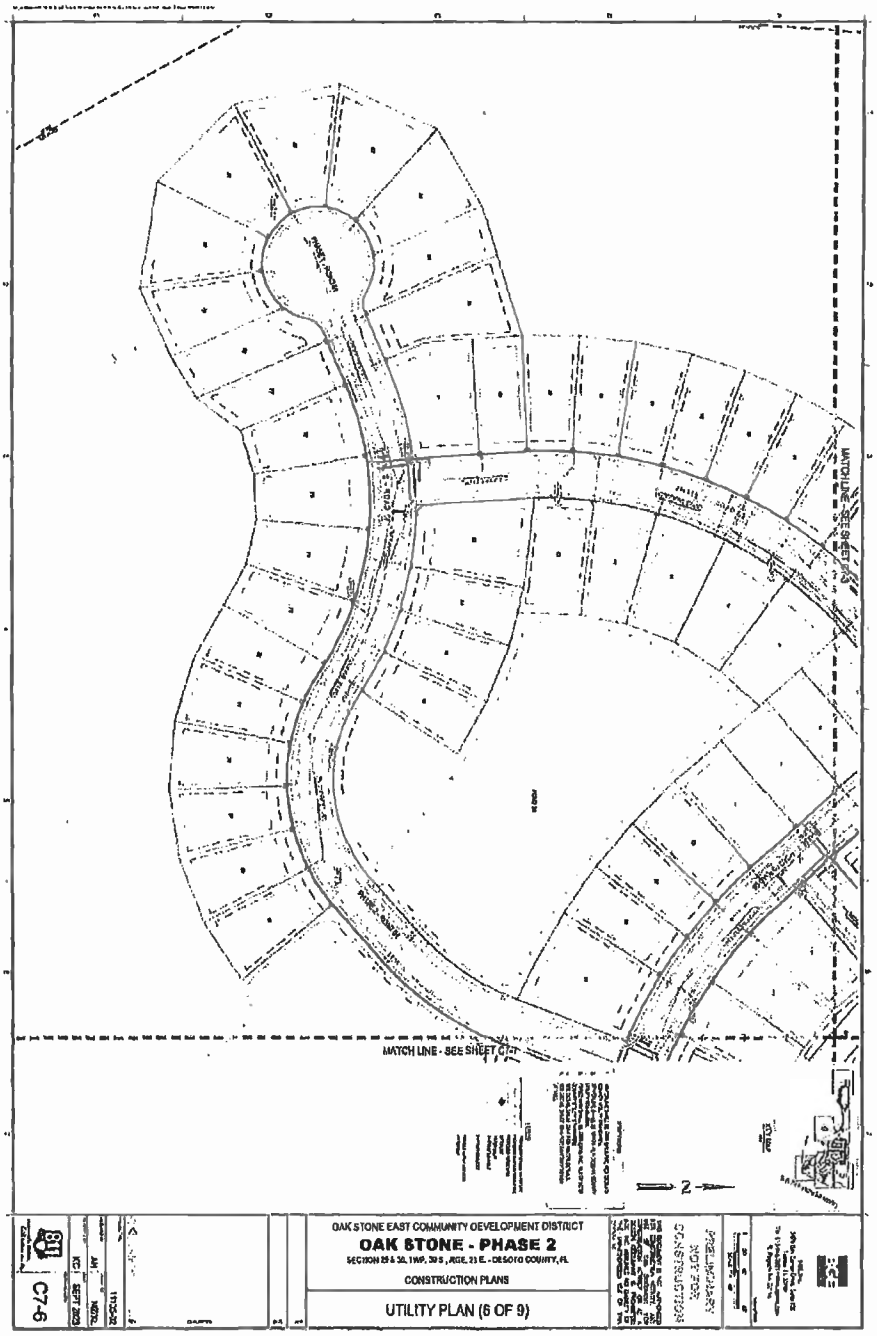
CONSTRUCTION
C7-5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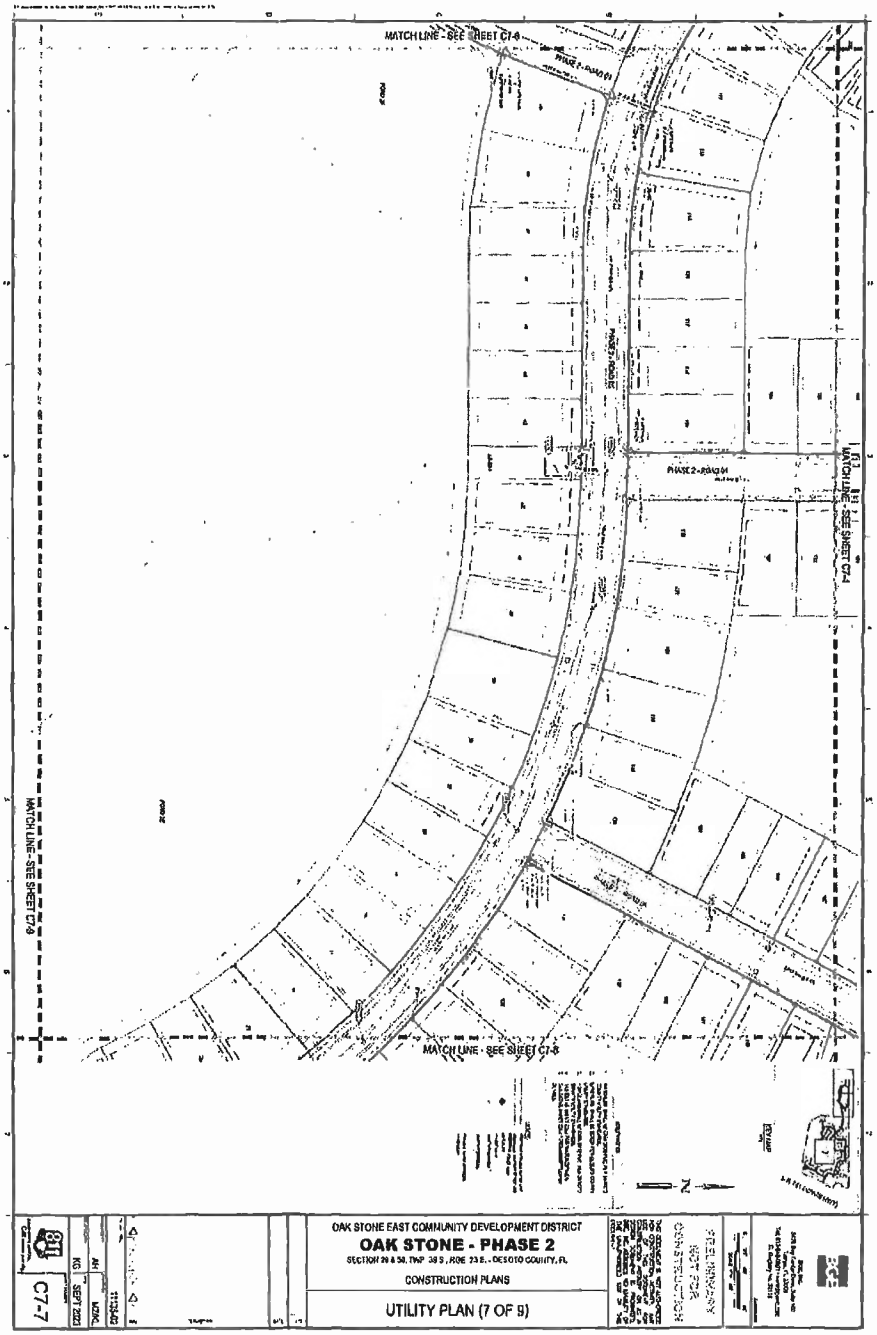
UTILITY PLAN (6 OF 9)
C7-6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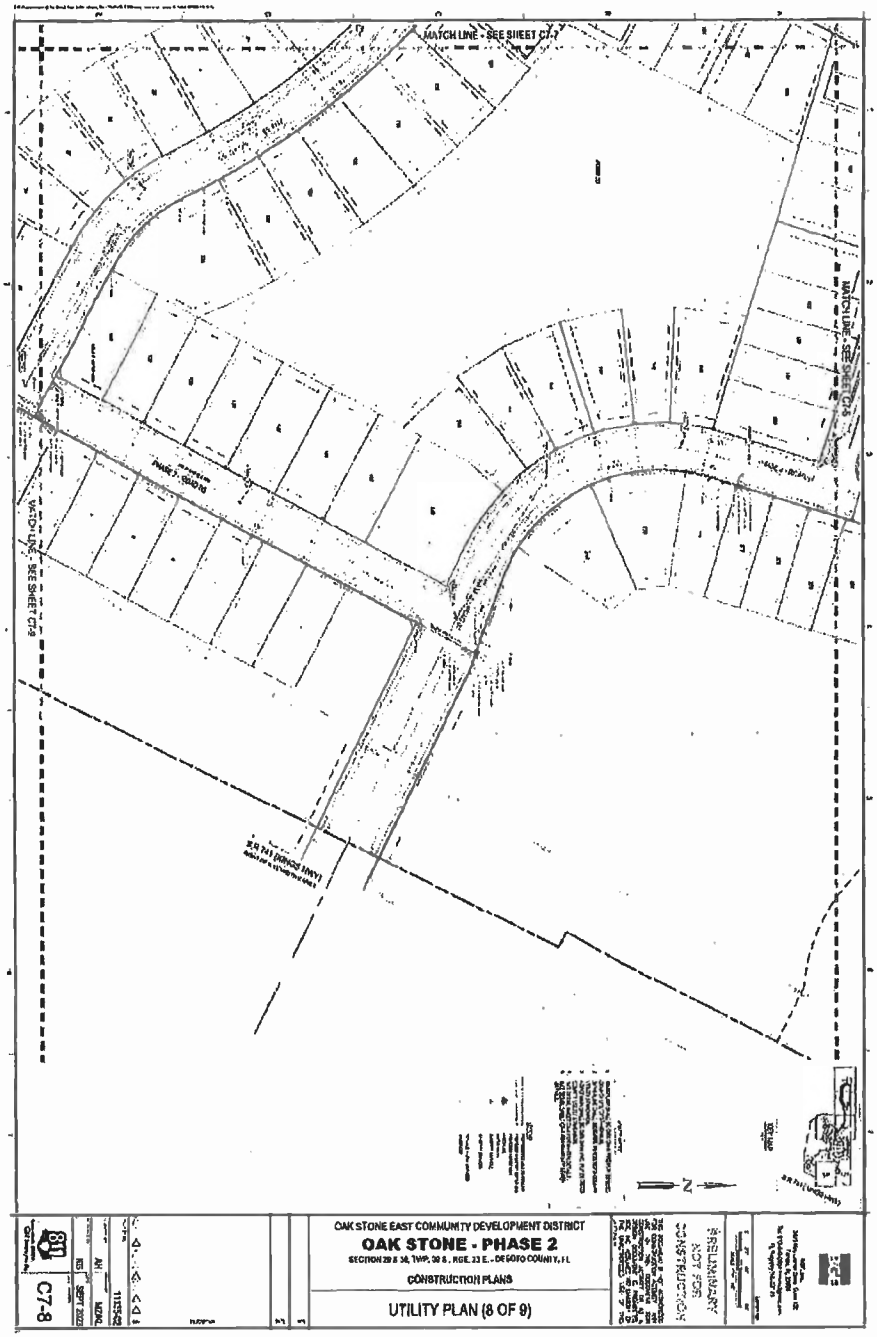
MATCH LINE - SEE SHEET C7-6
MATCH LINE - SEE SHEET C7-8
OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY PLAN (7 OF 9)
C7-7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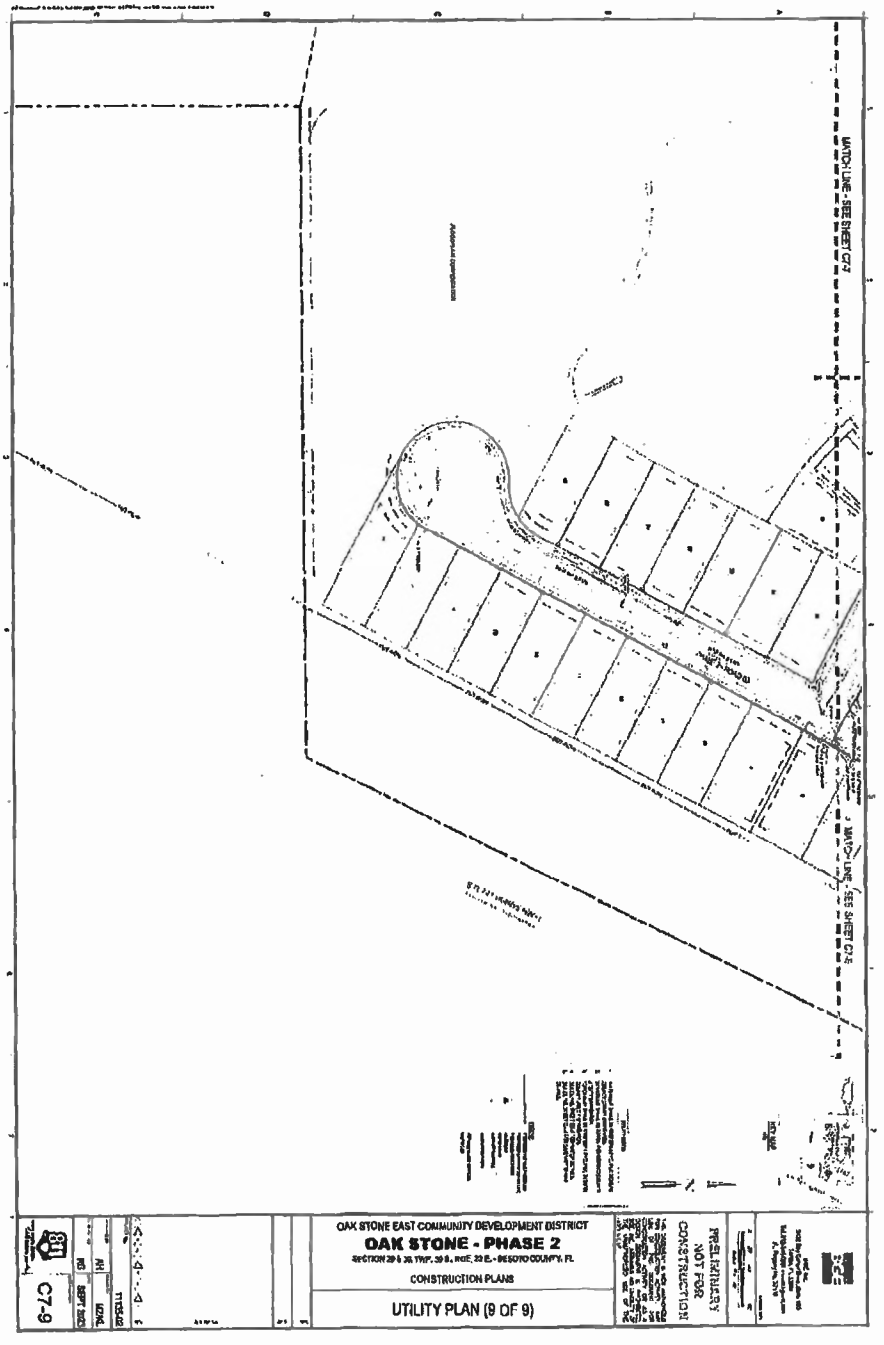
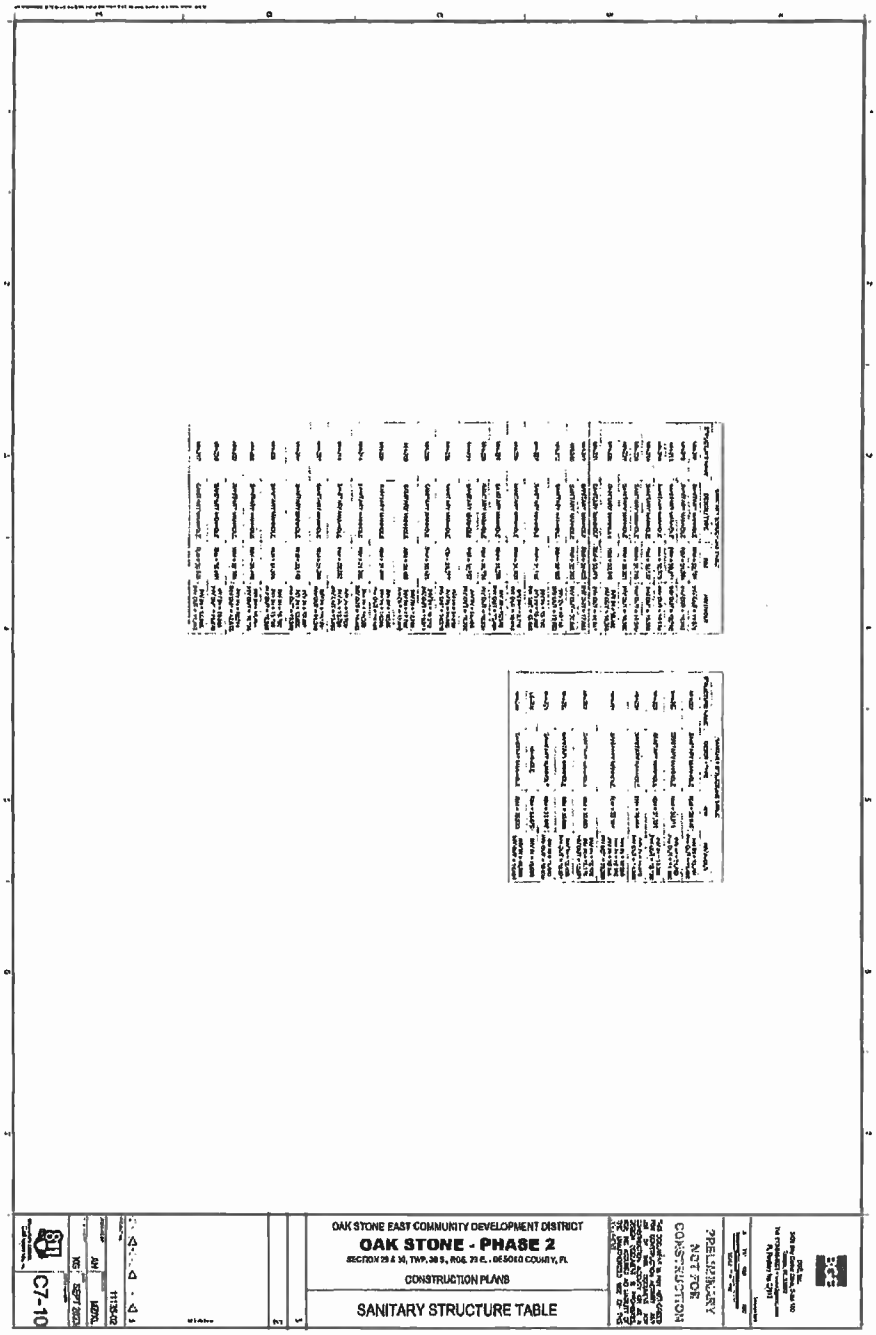
MATCH LINE - SEE SHEET C7-9
MATCH LINE - SEE SHEET C7-9
OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY PLAN (8 OF 9)
C7-8
PRELIMINARY
NOT FOR CONSTRUCTION


MATCH LINE - SEE SHEET C7-7
MATCH LINE - SEE SHEET C7-5
OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY PLAN (9 OF 9)
PRELIMINARY NOT FOR CONSTRUCTION
C7-9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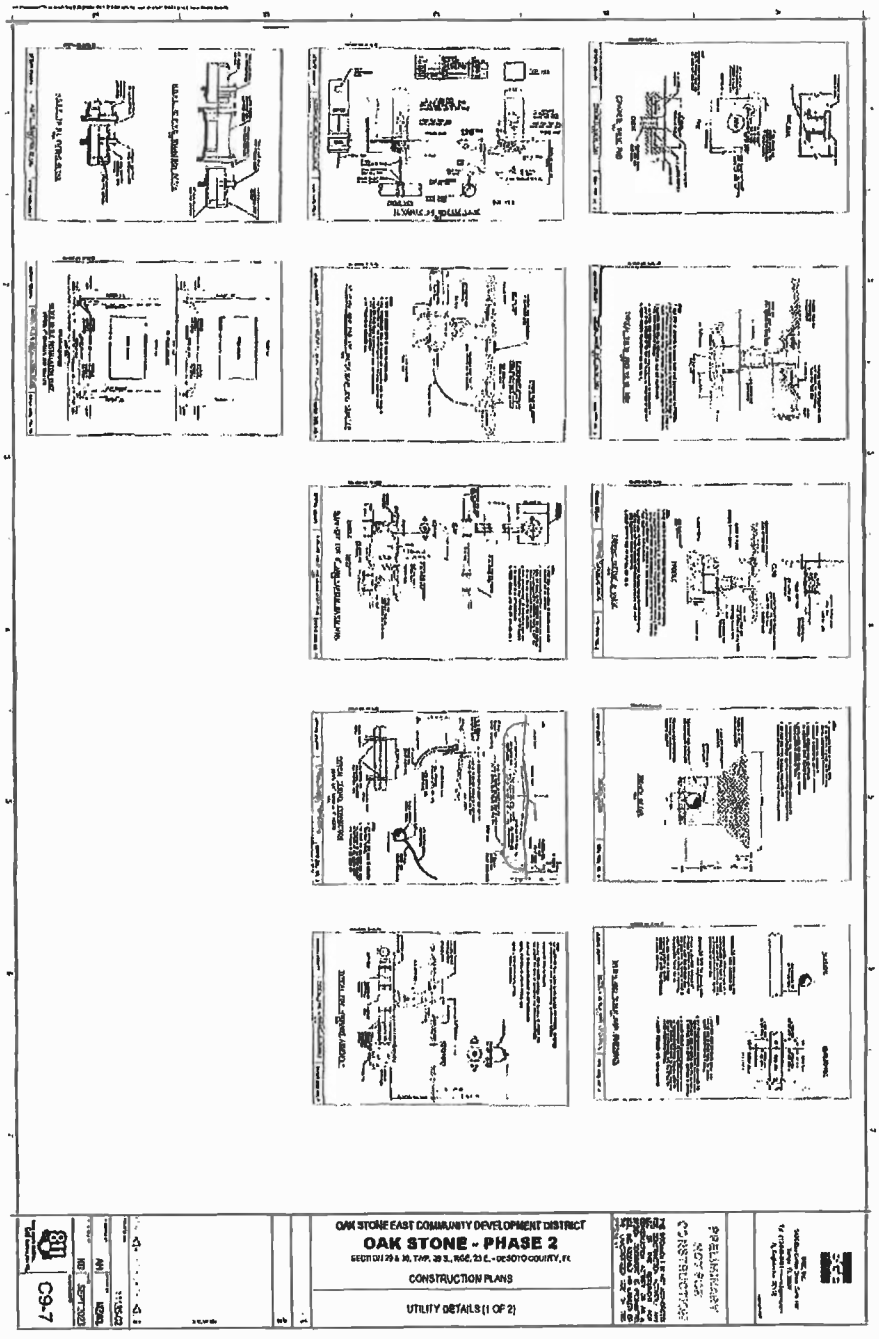
OAK STONE - PHASE 2
CONSTRUCTION PLANS
SANITARY STRUCTURE TABLE
PRELIMINARY
NOT FOR
CONSTRUCTION
C7-10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OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY DETAILS (1 OF 2)
C9-7

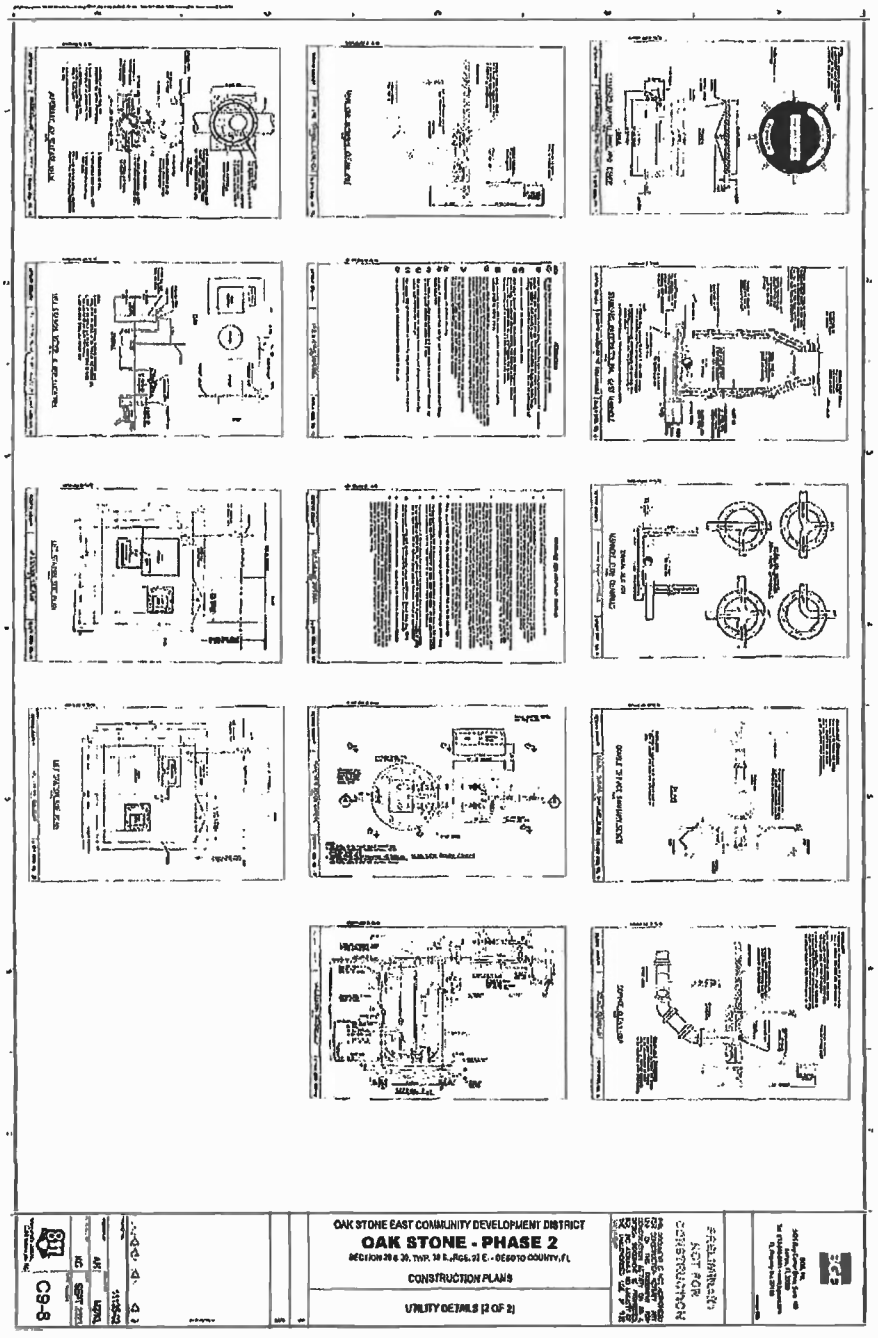
OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
CONSTRUCTION PLANS
UTILITY DETAILS (2 OF 2)
C8-8

Exhibit D

Plant Construction Schedule

Exhibit D

Estimated Design, Permitting, & Construction Schedule
Oak Stone WWTP & Perc Ponds

Critical Tasks	Duration	Start Date	End Date
Complete WWTP & Perc Pond Plans	2 mo	4/25/2024	6/15/2024
Complete FDEP Permit Application & associated Exhibits	2 wks	6/15/2024	6/30/2024
FDEP Review & Approval	2-1/2 mo **	7/1/2024	9/15/2024
Construction Bidding or Negotiating	1 mo	9/15/2024	10/15/2024
Construction Phase	12-15 mo **	10/15/2024	10/15/2025
FDEP Approval to Place into Service	2 wks **	Best Case	11/1/2025
Construction Completion		Worst Case	1/15/2026
FDEP Approval to Place into Service	2 wks **	Worst Case	2/1/2026

** Schedule depends on other entities

Exhibit E

Form Utility Conveyance Agreement

UTILITY CONVEYANCE AGREEMENT

This Utility Conveyance Agreement ("Agreement") is made and entered into by and between [•] (the "Utility") and [•] (the "Developer").

RECITALS

A. On or about _____, 202__, Utility and Developer entered into an Agreement to Provide Wastewater Service ("Developer Agreement"), pursuant to which Utility agreed to provide retail wastewater service to the Land.

B. The Developer Agreement, a true and correct copy of which is attached hereto as **Exhibit 1**, is incorporated by this reference.

C. Developer now wishes to convey, and Utility wishes to take title to, the System, which have been constructed by Developer, so that Utility can provide wastewater service to the Land.

AGREEMENT

For and in consideration of the premises and of the mutual obligations, covenants, and benefits hereinafter set forth, Utility and Developer contract and agree as follows:

2. Definitions. Unless a different meaning is ascribed herein, capitalized terms used herein shall have the same meaning as in the Developer Agreement.

3. Sale and Purchase. Developer hereby sells, conveys, transfers, and delivers to Utility all of the System ("System Facilities") along with, to the extent assignable, the permits listed on Schedule 2 attached hereto, free and clear of all liens, claims, encumbrances, options, charges, reservations, or restrictions; provided however that Utility acknowledges that the System Facilities will be located in, on or under land which is encumbered by water, sewer and/or general utility easement(s) recorded in the public records of the County and/or included in recorded plat(s) encumbering such land.

4. Assignment. Developer hereby assigns all of its rights under the construction contracts for the construction of the System Facilities to Utility and agrees to make provision for the transfer of any performance and payment bonds, and guarantees and warranties executed by the contractor and all other

- 19 -

rights of Developer pursuant to the provisions of such construction contracts. Developer shall provide Utility a copy of each construction contract.

5. Representations by Developer. Developer represents to Utility that:

(a) Title. All the properties of Developer covered by this Agreement are hereby conveyed to Utility, free and clear of all liens, claims, encumbrances, options, charges, reservations, and restrictions.

(b) Rights-of-Way, Easements, etc. Developer represents and warrants that the System Facilities are located in public utility easements as shown on recorded plats or easements sufficient for the operation thereof that are assigned to Utility. Developer further represents that all governmental permits required for the System Facilities (excluding any governmental permits required for the Plant), including their construction, have been obtained.

(c) Additional Easement(s). All of the System Facilities that are not located in public utility easements as shown on recorded plats are within easements granted to the Utility, which are being specifically assigned to Utility in a form reasonably acceptable to Utility. The private easements are as follows: _____.

(d) Possession. Developer is in possession of the System Facilities and Developer has received no written objection to the location or use of the System Facilities or adverse claims of title to the lands, easements, rights-of-way, licenses, permits, or leases on which the System Facilities are situated is presently being asserted by any person or persons.

(e) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Developer is aware connected with the System Facilities or other properties to be conveyed hereunder.

(f) Material Defects in System Facilities. Developer represents and warrants that the System Facilities does not have any material defects that would prohibit Utility's use of the System Facilities to be conveyed hereunder.

(g) Authorization. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer.

(h) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(i) "Record" or "As-Built" Drawings and Engineer's Certificate. Contemporaneously herewith Developer has provided Utility with a complete set of "record or as-built" drawings, together with a certificate by a registered professional engineer that the System Facilities were constructed as indicated on the drawings.

6. Plans and Specifications. Developer warrants and represents that the System Facilities are constructed in accordance with the plans and specifications previously approved by the Utility in accordance with the Developer Agreement.

7. Expenses. Except as specifically set forth herein, each party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby. All ad valorem or property taxes applicable to the System Facilities to the date of closing, including, without limitation, all taxes for |_____| and any "rollback" taxes assessed due to a change in land usage, shall be the obligation of Developer.

8. Further Assurances. Developer agrees that from time to time and upon the request of Utility, Developer will execute and deliver such other instruments of conveyance and transfer and take such other action as may be reasonably required to more effectively convey, transfer to, and vest in Utility and to put Utility in possession of all of the System Facilities conveyed, transferred, and delivered hereunder.

9. Representations Survive Conveyance. The agreements and representations made by the parties to this Agreement shall survive the conveyance of the System Facilities.

10. Miscellaneous. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida and can be changed or terminated only by an agreement in writing signed by the parties hereto. This Agreement embodies the entire understanding between the parties and there are no prior effective representations, warranties, or agreements between the parties. Venue for any dispute arising out of this Agreement shall be the courts in and for DeSoto County, Florida.

* * * * * *Signature Page Follows* * * * * *

WITNESS the execution of this Agreement in multiple counterparts, each of equal dignity, as of the ____ day of _____, 20__.

[•]

By:_____
Name:
Title:

[•]

By:_____
Name:
Title:

THE STATE OF FLORIDA §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, _____ of _____, on behalf of said _____.

_____
Notary Public Signature

(Seal)

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, _____ of _____, on behalf of said limited liability company.

_____
Notary Public Signature

(Seal)

Exhibit F

Fill Dirt Quantity Not To Exceed 48,000 cubic yards

"Fill Dirt" shall have the meaning as set forth in the Purchase Agreement.

Exhibit G

Permitted Exceptions

Each of the title exceptions listed in the Owner's Title Insurance Policy for the Land.

Exhibit H
Plant Construction Phasing
Phase 1: 260 LUE's
Phase 2: 870 LUE's
Phase 3: 870 LUE's
Total: 2,000 LUE's

Item 13

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Hampson)
Office of the General Counsel (Dose)

RE: Docket No. 20250042-GU – Petition for approval of amendment to transportation service agreement between Peninsula Pipeline Company, Inc. and Florida City Gas.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On March 14, 2025, Peninsula Pipeline Company, Inc. (Peninsula) filed its petition for approval of an amendment to a transportation service agreement between Peninsula and Florida City Gas (FCG). Peninsula states that it has received notice of a mandatory relocation by the Florida Department of Transportation (FDOT) for a road enhancement project. Peninsula has been mandated to relocate approximately 6,000 feet of 6-inch steel gas pipeline from the public right of way in Indian River County. The proposed amendment to the transportation service agreement is a result of the mandatory relocation by FDOT.

Peninsula, a wholly owned subsidiary of Chesapeake Utilities Corporation (Chesapeake), operates as an intrastate natural gas transmission company as defined by Section 368.103(4),

Florida Statutes (F.S.).[1] FCG is a local distribution company, and is also a wholly owned subsidiary of Chesapeake, subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S. FCG provides natural gas service to residential, commercial, and industrial customers in Brevard, Indian River, and Miami-Dade Counties, and receives deliveries of natural gas to serve these customers over the interstate transmission pipelines owned by Florida Gas Transmission Company, LLC. The Parties are subsidiaries of Chesapeake, and agreements between affiliated companies must be approved by the Commission pursuant to Section 368.105, F.S.

In July 2024, the Commission approved Peninsula's petition for approval of transportation service agreements between Peninsula and FCG.[2] As described on page 5 of the 2024 Order, the Indian River agreement also consolidated certain pre-existing agreements, which had been entered into before FCG was acquired by Chesapeake and therefore were not subject to the approval of the Commission. The pipeline segment FDOT has now required Peninsula to relocate was initially constructed pursuant to a 2012 agreement and was consolidated in the 2024 agreement, as discussed on page 5 of the 2024 Order.

During the evaluation of the petition, staff issued one data request to Peninsula, for which responses were received on April 28, 2025.[3] The proposed amendment to the transportation service agreement is included in the recommendation as Attachment A. This proposed amendment also includes Exhibits A, B, and C to the transportation service agreement. The Commission has jurisdiction over this matter pursuant to Sections 366.05(1), 366.06, and 368.105, F.S.

[1] Order No. PSC-06-0023-DS-GP, issued January 9, 2006, in Docket No. 050584-GP, *In re: Petition for declaratory statement by Peninsula Pipeline Company, Inc. concerning recognition as a natural gas transmission company under Section 368.101, F.S., et seq.*
[2] Order No. PSC-2024-0271-PAA-GU, issued July 26, 2024, in Docket No. 20240039-GU, *In re: Petition for approval of transportation service agreements between Peninsula Pipeline Company, Inc. and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.*
[3] Document No. 03191-2025.

Discussion of Issues

Issue 1: Should the Commission approve the proposed amendment to the transportation service agreement between Peninsula and FCG, dated February 14, 2025?

Recommendation: Yes, the Commission should approve the proposed amendment to the transportation service agreement between Peninsula and FCG, dated February 14, 2025. The proposed Total Monthly Reservation Charge for Segment I, as shown on Exhibits A and C to the transportation service agreement, is reasonable and meets the requirements of Section 368.105, F.S. (Hampson)

Staff Analysis: Peninsula initially received notice from FDOT of the road enhancement project in Indian River County on May 24, 2024.[4] As described in Peninsula's notice to FCG, this road enhancement project requires Peninsula to relocate approximately 6,000 feet of 6-inch steel gas pipeline from the public right of way. Peninsula stated that the relocation of the pipeline segment is expected to be completed by November 2025.[5] Section 4.3 of the 2024 transportation service agreement allows Peninsula to adjust the Monthly Reservation Charge to recover the cost of mandatory relocations of pipeline facilities.[6] Section 4.3 of the 2024 agreement states:

> "If, at any time after the Execution Date and throughout the term of this Agreement, [Peninsula] is required by any Governmental Authority… asserting jurisdiction over this Agreement and the transportation of Gas hereunder, to incur additional capital expenditures with regard to the service provided by [Peninsula] under this Agreement… including, without limitation, mandated relocations of [Peninsula's] pipeline facilities serving [FCG's] facility…, then [FCG's] Monthly Reservation Charge shall be adjusted and Exhibit A updated accordingly, and the new Monthly Reservation Charge shall be implemented immediately upon the effective date of such action, subject to Commission approval of the amendment."

Peninsula states the revised monthly reservation charge in the proposed amendment is appropriately modified to include the incremental costs required to relocate the pipeline segment. Peninsula provided a breakdown of the incremental capital costs to be incurred in response to staff's first data request.[7] In its response, Peninsula stated that the pipeline relocation would total approximately $3.1 million in capital costs, which includes $1.3 million in materials, supplies, and contingency, $940,000 in contractor labor, and $366,000 in inspections. Peninsula also provided in its responses the inputs used to calculate the incremental monthly reservation charge, which includes interest expense and return on equity, book depreciation, incremental operations and maintenance, and tax expense associated with the capital costs.

In addition to the revised Monthly Reservation Charge on Exhibits A and C to the agreement, Peninsula has also updated Exhibit B to include Pivotal Utility Holding, Inc. to Florida City Gas's name in the title. No other modifications to Exhibit B have been proposed.

[4] Responses to Staff's First Data Request, No. 7.
[5] Responses to Staff's First Data Request, No. 8.
[6] See Order No. PSC-2024-0271-PAA-GU, page 27.
[7] Responses to Staff's First Data Request, No. 1.

Conclusion

Based on the information provided in the petition and Peninsula's responses to data requests, staff recommends the Commission should approve the proposed amendment to the transportation service agreement between Peninsula and FCG, dated February 14, 2025. The proposed Total Monthly Reservation Charge for Segment I, as shown on Exhibits A and C to the transportation service agreement, is reasonable and meets the requirements of Section 368.105, F.S.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filled by a person whose substantial interest are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Dose)

Staff Analysis: If no protest is filled by a person whose substantial interest are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

FIRST AMENDMENT TO
FIRM TRANSPORTATION SERVICE AGREEMENT

This First Amendment to Firm Transportation Service Agreement ("Amendment No. 1") is made and entered into this 14th day of February, 2025, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, a New Jersey corporation (herein called "Shipper" or "FCG" and jointly with Company called "Parties") to amend certain provisions of the Firm Transportation Service Agreement dated February 26, 2024, between Company and Shipper.

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on February 26, 2024, and included in a petition filed with the Florida Public Service Commission ("FPSC") in Docket No. 20240039-GU (the "Agreement"), pursuant to which Company provides Shipper with firm transportation in Indian River County, Florida; and

WHEREAS, the Parties desire to amend the Agreement to revise the monthly reservation charge for Segment I in Exhibits A, B, and C of the Agreement to include the incremental costs for the relocation of a 6-inch steel transmission main from public right of way in compliance with the Florida Department of Transportation ("FDOT") Project 405606-7-52-01 to widen Country Road 510.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. By this Amendment No. 1, Exhibits A, B, and C are hereby amended by replacing them with the attached Exhibits A, B, and C in their entirety.

3. The Parties agree to execute and file with the Commission a petition for approval of this Amendment No. 1 within thirty (30) days of execution by both Parties.

4. Except as modified by this Amendment No. 1, the Agreement shall remain unchanged and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

8

COMPANY
Peninsula Pipeline Company, Inc.

By: Kevin Webber
Kevin J. Webber

Senior Vice President and Chief Development Officer

Date: 02/27/2025

SHIPPER
Pivotal Utility Holdings, Inc.
d/b/a Florida City Gas

By: _____
Jeffrey S. Sylvester

President and Chief Operating Officer

Date: 02/26/2025

EXHIBIT A

FIRM TRANSPORTATION SERVICE AGREEMENT BETWEEN

PENINSULA PIPELINE COMPANY, INC. AND

PIVOTAL UTILITIES HOLDING, INC. d/b/a/

FLORIDA CITY GAS

FEBRUARY 14, 2025

Segment I

Description of Transporter Delivery Point(s)

1. Interconnection between Florida Gas Transmission and the vicinity of I-95 and County Road 512

Description of Point(s) of Delivery

1. Interconnection between Shipper and Company in the area of Winter Beach, Florida
2. Interconnection between Shipper and Company in the area of Fellsmere, Florida

Total MDTQ (Dekatherms): Dt/Day [redacted]
MHTP: [redacted]

Total Monthly Reservation Charge (Segment I): [redacted]
Monthly Reservation Charge if Agreement extends beyond initial thirty (30) year period: [redacted]
Unauthorized Use Rate (In addition to Monthly Reservation Charge): [redacted]/Each Day Unauthorized Use

EXHIBIT B

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC. AND

PIVOTAL UTILITIES HOLDING, INC. d/b/a/

FLORIDA CITY GAS

FEBRUARY 14, 2025

Segment II

Description of Transporter Delivery Point(s)

1. A tap to the existing pipeline constructed in Segment I at or near 5900 85th Street, Vero Beach, Florida 32958

Description of Point(s) of Delivery
Interconnections between Company and Shipper's distribution lines at the following locations:

1. Highway 510 Wabasso Station
2. Beachside Orchid Station
3. Beach Turtle Trail Station
4. Beachside Indian River Shores Station
5. Beachside Greywig Station

From the Interconnection points identified herein, Company shall construct the Pipeline that shall consist of 10.93 miles of 4.50" x 0.188" API-5L X52 pipe. The design operating pressure is 625 psig, with an MAOP of 700 psig. At 700 psig the hoop stress in the 4" pipe is approximately 16.11% SMYS. The final design and construction of the Pipeline shall not materially deviate from these interconnection points or specifications absent a written and signed amendment of the Parties to this first revised amendment. The Pipeline consists of pipeline only and does not include any gate station, regulator station, branch valves, laterals, required property, etc.

MHTP [redacted]

Total MDTQ (Dekatherms): [redacted] Dt/Day
Monthly Reservation Charge for thirty (30) year period (Segment II):

Years 1-5 [redacted]
Years 6-10 [redacted]
Years 11-15 [redacted]

Years 16-20 [redacted]
Years 21-25 [redacted]
Years 26-30 [redacted]

Where the Year 1 begins on the in-service 04/01/2023

Unauthorized Use Rate (In addition to Monthly Reservation Charge): [redacted]/Each Day Unauthorized Use

EXHIBIT C

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC. AND

PIVOTAL UTILITIES HOLDING, INC. d/b/a/

FLORIDA CITY GAS

FEBRUARY 14, 2025

Segment I

Description of Transporter Delivery Point(s)

2. Interconnection between Florida Gas Transmission and the vicinity of I-95 and County Road 512

Description of Point(s) of Delivery

3. Interconnection between Shipper and Company in the area of Winter Beach, Florida,
4. Interconnection between Shipper and Company in the area of Fellsmere, Florida

Total MDTQ (Dekatherms): Dt/Day [redacted]
MHTP: [redacted]

Total Monthly Reservation Charge (Segment I): [redacted]
Monthly Reservation Charge if Agreement extends beyond initial thirty (30) year period: [redacted]

Segment II

Description of Transporter Delivery Point(s)

2. A tap to the existing pipeline constructed in Segment I at or near 5900 85th Street, Vero Beach, Florida 32958

Description of Point(s) of Delivery

Interconnections between Company and Shipper's distribution lines at the following locations:

6. Highway 510 Wabasso Station
7. Beachside Orchid Station
8. Beach Turtle Trail Station
9. Beachside Indian River Shores Station
10. Beachside Greytwig Station

From the Interconnection points identified herein, Company shall construct the Pipeline that shall consist of 10.93 miles of 4.50" x 0.188" API-5L X52 pipe. The design operating pressure is 625 psig, with an MAOP of 700 psig. At 700 psig the hoop stress in the 4" pipe is approximately 16.11% SMYS. The final design and construction of the Pipeline shall not materially deviate from these interconnection points or specifications absent a written and signed amendment of the Parties to this first revised amendment. The Pipeline consists of pipeline only and does not include any gate station, regulator station, branch valves, laterals, required property, etc.

MHTP [redacted]

Total MDTQ (Dekatherms): [redacted] Dt/Day

Years 1-5 [redacted]
Years 6-10 [redacted]
Years 11-15 [redacted]
Years 16-20 [redacted]
Years 21-25 [redacted]
Years 26-30 [redacted]

Monthly Reservation Charge for thirty (30) year period (Segment II):

Where the Year 1 begins on the in-service 04/01/2023

Segment III

Description of Transporter Delivery Point(s)

1. At or near Oslo Road and 74th Avenue
2. 77th Street and Kings Highway

Description of Point(s) of Delivery

1. At or near Oslo Road and 74th Avenue
2. 77th Street and Kings Highway
3. At or near 74th Avenue and N Sandpiper Drive

Total MDTQ (Dekatherms): Dt/Day [redacted]
MHTP: [redacted]

Total Monthly Reservation Charge (Segment III): [redacted]
This charge is subject to adjustment pursuant to the terms of this Agreement.
Unauthorized Use Rate (In addition to Monthly Reservation Charge): [redacted] Each Day Unauthorized Use

Item 14

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Bethea, Bruce, Hudson)
Division of Engineering (Watts)
Office of the General Counsel (Dose, Crawford)

RE: Docket No. 20240106-WU – Application for a revenue-neutral uniform water rate restructuring limited proceeding in Alachua, Duval, Leon, Okaloosa, and Washington Counties, by North Florida Community Water Systems, Inc.

AGENDA: 06/03/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

North Florida Community Water System, Inc. (NFCWS or utility) owns six water and three wastewater systems in Alachua, Duval, Franklin, Leon, Okaloosa, and Washington counties. Service is provided to approximately 2,213 water and 243 wastewater customers. According to NFCWS's 2024 Annual Report, the combined operating revenues were $1,468,386 for water and $449,525 for wastewater. NFCWS also recorded combined net operating expenses of $1,271,683 for water and $384,890 for wastewater. This proceeding is for the water systems, which are in all counties except for Franklin.

The six water systems are Gator Waterworks, Inc. (Gator); Duval Waterworks, Inc. (Duval), Lake Talquin Waterworks, Inc. (Lake Talquin), Seminole Waterworks, Inc. (Seminole),

Okaloosa Waterworks, Inc. (Okaloosa), and Sunny Hills Utility Company, Inc. (Sunny Hills). In February of 2023, the Commission acknowledged the corporate reorganization and name change of these systems to NFCWS.[1] The corporate reorganization resulted in no change in ownership or control of the utilities and each NFCWS system continued to charge its own Commission-approved rates and charges.

On July 25, 2024, NFCWS filed an application for a revenue-neutral rate restructuring limited proceeding for the purpose of consolidating the rates of the six water systems into uniform rates. In its application, NFCWS states that there is a wide disparity in rates among the systems. The utility believes that implementing uniform rates will result in a more equitable disbursement of operating costs among the customer group. Three of NFCWS systems have had rate cases before the Commission, which established rate base, operating income, rate of return on equity, and rates. The following table reflects the rate proceedings in which rates were last established for NFCWS's respective systems in this proceeding.

Last Proceedings Establishing Rates for NFCWS Water Systems

County	Former Utility Name	Order	Issuance Date
Alachua	Gator Waterworks, Inc.	PSC-2020-0086-PAA-WU	March 24, 2020
Duval	Duval Waterworks, Inc.	PSC-2012-0436-PAA-WS	August 24, 2012
Leon	Lake Talquin Waterworks, Inc.	N/A	N/A
Leon	Seminole Waterworks, Inc.	N/A	N/A
Okaloosa	Okaloosa Waterworks, Inc.	N/A	N/A
Washington	Sunny Hills Utility Company	PSC-2022-0335-PAA-WS	September 28, 2022

Source: NFCWS's petition

Rule 25-30.445(6), Florida Administrative Code (F.A.C.), provides that a limited proceeding will not be allowed if the utility has not had a rate case within seven years of the date of the petition for limited proceeding is filed with the Commission. Lake Talquin, Seminole, and Okaloosa have never had a rate case before the Commission and it has been more than seven years since Duval's last rate proceeding. Therefore, on August 2, 2024, NFCWS sought a partial variance or waiver of a requirement of Rule 25-30.445, F.A.C. On November 25, 2024, the Commission approved NFCWS's petition to waive Rule 25-30.455(6) for the limited purpose requested.[2]

In each of the system's last rate cases, before the consolidation into NFCWS, the Commission found the overall quality of service to be satisfactory except for Sunny Hills. In its 2022 rate case, the Commission found Sunny Hills' overall quality of service to be marginal due to noncompliance with the Department of Environmental Protection's (DEP) iron limits in its 2021

[1]Order No. PSC-2023-0097-FOF-WS, issued February 22, 2023, in Docket No. 20220199-WS, *In re: Joint application for acknowledgement of corporate reorganization and approval of name changes on Certificate Nos. 641-W and 551-S in Duval County, Certificate No. 555-W in Alachua County, Certificate Nos. 678-W and 672-W in Leon County, Certificate No. 676-W in Okaloosa County, and Certificate Nos. 501-W and 435-S in Washington County from Duval Waterworks, Inc., Gator Waterworks, Inc., Lake Talquin Waterworks, Inc., Seminole Waterworks, Inc., Okaloosa Waterworks, Inc., and Sunny Hills Utility Company to North Florida Community Water Services, Inc.*

[2]Order No PSC-2024-0485-PAA-WU, issued November 25, 2024, in the instant docket.

secondary water quality tests for Well No. 1.[3] Sunny Hills was ordered to submit a report to Commission staff six months from the date of the order on the status of the improvements to Well No. 1. Sunny Hills provided the required status report, and followed up with a second report as it was not able to complete the work within the six months due to supply chain issues. The issue was resolved, and the docket closed. As stated above, Lake Talquin, Okaloosa, and Seminole have not had a rate case before the Commission and therefore have not previously had a quality of service determination.

Staff reviewed each system's customer complaint record from July 2019 through August 2024. There were four complaints filed with the Commission regarding secondary water quality standards. Two complaints were for low water pressure, one for Sunny Hills and one for Seminole. When Sunny Hills investigated the low pressure complaint, it found that the water pressure tested within the DEP's approved limits. The low pressure issue for Seminole was determined to be caused by the freezing temperatures in Tallahassee, and that no line breaks occurred. The third complaint was for dirty water for Okaloosa, and the fourth complaint was for excessive chlorine in Sunny Hills. Each of these complaints was resolved through flushing.

The DEP also received two secondary water complaints for Sunny Hills after its last rate case was processed. Both DEP complaints involved odor and color problems that were due to low chlorine. One was due to a line break that was fixed. The other was due to problems at one of the two water treatment plants (WTP). The first WTP was shut down and the second WTP serviced the area until repairs were made to the first plant. All of the other systems that make up the NFCWS system are passing DEP's secondary water standards.[4]

A customer meeting was held virtually on March 26, 2024. One customer participated and voiced concerns regarding water pressure issues. Two comments were filed in the docket file pertaining to water quality. One identified the water as being brown in color, and the customer also reported low water pressure regarding Sunny Hills. The other stated that the water from Gator smelled strongly of chlorine.

This recommendation addresses the request for a revenue-neutral uniform rate restructuring limited proceeding. The Commission has jurisdiction to consider this matter pursuant to Sections 367.0822 and 367.0816, Florida Statutes (F.S.).

[3]Order No. PSC-2022-0436-PAA-WS, issued September 28, 2022, in Docket No. 20220066-WS, *In re: Application for increase in water rates in Washington County, by Sunny Hills Utility Company.*
[4]While staff requested complaint data for all water and wastewater systems of NFCWS from the DEP, the DEP only reported the complaint data for the wastewater systems.

Discussion of Issues

Issue 1: Should North Florida Community Water System's request for a revenue-neutral restructuring limited proceeding for uniform rates be approved?

Recommendation: Yes. The Commission should approve NFCWS's request for a revenue-neutral rate restructuring limited proceeding for uniform rate. (Hudson, Bethea)

Staff Analysis: NFCWS indicated that the implementation of uniform rates would result in a more equitable disbursement of operating costs among the customers. NFCWS believes it would be more efficient to have a uniform rate structure that would allow it to consolidate the accounting records and financial information into one set of books. It would allow a less stringent and more meaningful, understandable rate structure for the Okaloosa water system.

In prior dockets, the Commission has approved rate consolidation because it encourages large utilities to acquire small utilities; recognizes economies of scale attributable to large utilities with respect to combined operations; results in cost savings associated with regulatory filings; and produces rate stability across all systems.[5] In evaluating consolidated rates in prior decisions, the Commission has set a subsidy limit and evaluated the consolidated rates at the average consolidated residential demand for the individual systems.

The last subsidy limit was set by the Commission in 2023 at $17.27 for water and wastewater.[6] To put the $17.27 subsidy limit in perspective, if the limit is indexed from 2024 and 2025, using the Commission-approved indexes, it results in a subsidy limit of $18.23 for the instant docket. The indexed subsidy limit for water is based on 7,000 gallons. The average consolidated water residential demand is approximately 4,000 gallons and should be used to evaluate subsidies for water. Since the subsidy limit is based on 7,000 gallons, for 4,000, the subsidy limit is $10.42. As reflected in Table 1-1, the Gator, Okaloosa, and Seminole systems are paying a subsidy for water using staff's recommended rates. However, the subsidies are below the subsidy limit of $10.42.

[5]Order Nos. PSC-2023-0300-PAA-WS, issued October 2, 2023, in Docket No. 20220201-WS, *In re: Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties* and PSC-2017-0361-FOF-WS, issued September 25, 2017, in Docket No. 20160101-WS, *In re: Application for increase in water and wastewater in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.*
[6]Order No. PSC-2023-0300-PAA-WS, issued October 2, 2023, in Docket No. 20220201-WS, page 6.

Table 1-1
Residential Water Bill Comparison
Based on 4,000 Gallons a Month

System	Bill at Stand Alone Rates	Bill at Consolidated Rates	Subsidy Paid (Received)
Gator	$41.73	$46.91	$5.18
Lake Talquin	$52.77	$46.91	($5.86)
Okaloosa	$45.64	$46.91	$1.27
Seminole	$39.98	$46.91	$6.93
Sunny Hills	$58.31	$46.91	($11.40)

Based on the above, the proposed consolidation of rates results in rates that are below the subsidy limit of $10.42 for those systems paying a subsidy based on average usage. This is consistent with the Commission's previous analysis methodology for similar dockets. As discussed previously, there are many benefits of rate consolidation. As a result, the Commission should approve NFCWS's request for a revenue-neutral rate restructuring limited proceeding for uniform rates.

Issue 2: What is the appropriate revenue requirement for restructuring the rates?

Recommendation: The appropriate revenue requirement for restructuring the water rates is $1,537,556. (Hudson)

Staff Analysis: In its application, NFCWS requests the rate restructuring for uniform rates be revenue neutral. In its revised filing, the utility proposed to use the operating revenues that were generated by billing determinants and rates for 2023, increased by the 2024 price index and reduced by the 2023 operating revenues associated with overearnings by the Duval water system. In addition, NFCWS requested rate case expense to cover the cost incurred in this proceeding.

Subsequent to its 2023 test year, the utility was approved for price index rate adjustments for all water systems, except Duval, effective September 1, 2024. NFCWS's billing analyses are generated based on base facility charges. Therefore, when there is a rate change in a month, the prorated base facility charge shows up as two bills with a proration of usage for each customer in the billing analysis. The additional bills will overstate the operating revenues. The prorated usage will understate the operating revenues for the systems with tiered rate structures because the total usage would not be reflected in the appropriate tier. Staff adjusted the billing analyses to correct the issues that take place when there is a rate change during the month. Annualizing the operating revenues using the current rates, and the revised billing analysis resulted in water operating revenues of $1,548,370.

The utility requested rate case expense to cover the filing fee, customer noticing, newspaper noticing, final notice, and travel expense to attend the Commission Conference.[7] NFCWS paid a filing fee of $2,250, newspaper noticing costs of $407, and $3,485 for mailing customer meeting notice. The utility estimated cost of $3,485 for the final notice, $350 for mileage, and $145 for lodging. NFCWS is required by Rule 25-22.0407, F.A.C., to mail notices for the customer meeting, final rates, and four-year rate reduction. The utility's final notice cost was based on the cost incurred to mail notices for the customer meeting. However, the customer meeting notice was five pages while the final notice would only be two pages. The average cost per page for noticing the customer meeting was $697 ($3,485/5). For the two page final notice, the cost for noticing would be approximately $1,394. In addition, the utility did not include any cost for mailing the notices for the pending rate reduction, which would also be a two page notice resulting in a cost of $1,394. Staff has examined the requested expenses and supporting documentation and recommends total rate case expense of $9,425 ($2,250 + $407 + $3,485 + $1,394 + $350 + $145 + $1,394). The recommended total rate case expense should be amortized over four years, which represents an annual expense of $2,356 ($9,425/4 Years). The annual expense grossed-up for regulatory assessments fees (RAFs) results in $2,467 that should be recovered in rates.

The annualized 2023 water operating revenues of $1,548,370 should be increased by $2,467 for the rate case expense. In addition, as mentioned above, the total 2023 overearnings of $13,281

[7]Document No. 03300-2025 filed May 1, 2025.

for water should be removed.[8] Based on the above, the appropriate revenue requirement for restructuring the water rates is $1,537,556 ($1,548,370 + $2,467 - $13,281).

[8] Document No. 08157-2024 filed August 1, 2024.

Issue 3: What are the appropriate rate structures and rates for the water systems?

Recommendation: The staff recommended rate structure and rates for the water systems are shown on Schedule No. 1. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notices and the notices have been received by the customers. The utility should provide proof of the date notices were given within 10 days of the date of the notice. (Hudson)

Staff Analysis: For its consolidated water rates, NFCWS proposed a rate structure which consists of recovering 40 percent of the operating revenues from the base facility charge (BFC) and a three-tier inclining block rate structure. The proposed rate blocks are: (1) 0-6,000 gallons, (2) 6,001-12,000 gallons, and (3) all usage in excess of 12,000 gallons per month. The general service rate structure consists of a BFC and uniform gallonage charge.

NFCWS provides water service to approximately 2,121 residential customers and 92 general service customers. A review of the consolidated billing data indicates that approximately 15 percent of the residential bills had zero gallons, which signifies a slightly seasonal consolidated customer base. The average consolidated water demand is approximately 4,000 gallons per month. Staff performed an analysis of the utility's consolidated billing data in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the utility's customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

Due to approximately 30 percent of the bills being 1,000 gallons or less, staff recommends that the utility's proposal that 40 percent of the water revenue be generated from the BFC is appropriate. The 40 percent BFC allocation provides revenue stability. The average people per household served by the systems on a consolidated basis is approximately 2.5; therefore, based on the number of people per household, 50 gallons per day per person, and the number of days per month, the non-discretionary usage threshold should be 4,000 gallons per month.

Based on the consolidated billing analysis, the utility's three-tier inclining blocks rate structure was too aggressive for the usage distribution and the revenues. Staff recommends a BFC and a two-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water customers. The rate blocks are: (1) 0-4,000 gallons and (2) all usage in excess of 4,000 gallons per month. General service customers should be billed a BFC and a gallonage charge. Private fire protection customers should be billed one-twelfth of the BFC for the respective meter size pursuant to Rule 25-30.465, F.A.C.

On a consolidated basis, approximately 36 percent of the total residential consumption is discretionary. However, based on the moderate increase in bills for the customers in the Gator, Okaloosa, and Seminole systems, the number of gallons reduced is de minimis. Therefore, staff recommends no repression adjustment.

The staff recommended rate structure and rates for water are shown on Schedule No. 1. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notices and the notices have been received by the customers. The utility should provide proof of the date notices were given within 10 days of the date of the notice.

Issue 4: What is the appropriate amount of rate case expense and what is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The appropriate amount of rate case expense is $9,425. The total rate case expense should be amortized over four years, resulting in an annual expense of $2,467, when grossed-up for RAFs. The rates should be reduced as shown on Schedule Nos. 1-A and 1-B, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. In addition, for prior unamortized rate case expense, the rates should be reduced as shown on Schedule No. 2. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. NFCWS should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, the utility should file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense. (Hudson)

Staff Analysis: Section 367.081(8), F.S., requires that the rates be reduced immediately following the expiration of the recovery period by the amount of the rate case expense previously included in rates. The appropriate amount of rate case expense is $9,425. The total rate case expense should be amortized over four years, resulting in an annual expense of $2,467, when grossed-up for RAFs. The reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs, as shown on Schedule No. 1.

In addition, in a prior docket, Sunny Hills was allowed a four-year amortization period for rate case expense of $1,627. The amortization period has not expired. The amortization of prior rate case expense is set to expire on December 1, 2026. The dollar amount of the rate reductions at the end of the amortization period were defined in the order.[9] The rate reductions were calculated based on the percentage of rate case expense to the revenue requirement and was applied to the Commission-approved rates. With the recommendation of consolidation, the prior amortization rate case expense is embedded in the consolidated rates. The amount of rate case expense for Sunny Hills relative to the consolidated revenue requirement results in a lesser amount of rate reduction compared to the amount on a stand-alone basis. Using the rate reductions defined in the prior order for Sunny Hills would result in more rate case expense being removed than appropriate. Therefore, staff has recalculated the amount of the reductions based on the recommended consolidation. The amount of the rate reductions that should be applied to the consolidated rates, which will be applicable to all systems, at the end of the amortization period for the Sunny Hills water system is shown on Schedule No. 2.

Staff recommends that the rates be reduced as shown on Schedule No. 1, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. In addition, for prior unamortized rate case expense, the rates should be reduced as shown on Schedule No. 2. The decrease in rates should become effective immediately following the expiration of the rate case

[9]Order No. PSC-2022-0436-PAA-WS, issued September 28, 2022, in Docket No. 20220066-WS, *In re: Application for increase in water rates in Washington County, by Sunny Hills Utility Company.*

expense recovery period, pursuant to Section 367.081(8), F.S. NFCWS should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, the utility should file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Issue 5: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the utility and approved by staff. Upon staff's approval of the tariff sheets and customer notices, this docket should be closed administratively. (Dose)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the utility and approved by staff. Upon staff's approval of the tariff sheets and customer notices, this docket should be closed administratively.

DUVAL TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES				SCHEDULE NO. 1 DOCKET NO. 20240106-WS
	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	4 Year Rate Reduction
Residential Service	N/A	N/A	N/A	N/A
General Service				
Base Facility Charge by Meter Size				
5/8" x 3/4"	$31.84	$20.10	$20.43	$0.03
3/4"	$47.76	$30.15	$30.65	$0.05
1"	$79.60	$50.25	$51.08	$0.08
1-1/2"	$159.20	$100.51	$102.15	$0.15
2"	$254.72	$160.81	$163.44	$0.24
3"	$509.44	$321.63	$326.88	$0.48
4"	$796.00	$502.54	$510.75	$0.75
6"	$1,592.00	$1,005.08	$1,021.50	$1.50
8"	N/A	$1,608.13	$1,634.40	$2.40
10"	N/A	$2,311.68	$2,349.45	$3.45
Charge per 1,000 gallons - General Service	$3.12	$7.35	$7.22	$0.03
Private Fire Protection				
5/8" x 3/4"	$2.65	N/A	N/A	N/A
3/4"	$3.98	N/A	N/A	N/A
1"	$6.63	N/A	N/A	N/A
1-1/2"	$13.27	N/A	N/A	N/A
2"	$21.23	$13.40	$13.62	$0.02
3"	$42.45	$26.80	$27.24	$0.04
4"	$66.33	$41.88	$42.56	$0.06
6"	$132.67	$83.76	$85.13	$0.13
8"	N/A	$134.01	$136.20	$0.20
10"	N/A	$192.64	$195.79	$0.29
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$0.00	$0.00	$0.00	
6,000 Gallons	$0.00	$0.00	$0.00	
8,000 Gallons	$0.00	$0.00	$0.00	

GATOR TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES				SCHEDULE NO. 1 DOCKET NO. 20240106-WS
	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	4 Year Rate Reduction
Residential and General Service				
Base Facility Charge by Meter Size				
5/8" x 3/4"	$12.01	$20.10	$20.43	$0.03
3/4"	$18.02	$30.15	$30.65	$0.05
1"	$30.03	$50.25	$51.08	$0.08
1-1/2"	$60.05	$100.51	$102.15	$0.15
2"	$96.08	$160.81	$163.44	$0.24
3"	$192.16	$321.63	$326.88	$0.48
4"	$300.25	$502.54	$510.75	$0.75
6"	$600.50	$1,005.08	$1,021.50	$1.50
8"	N/A	$1,608.13	$1,634.40	$2.40
10"	N/A	$2,311.68	$2,349.45	$3.45
Charge per 1,000 gallons - Residential				
0 - 5,000 Gallons	$7.43	N/A	N/A	N/A
5,001 - 10,000 Gallons	$9.29	N/A	N/A	N/A
10,001 - 15,000 Gallons	$11.15	N/A	N/A	N/A
Over 15,000 Gallons	$14.87	N/A	N/A	N/A
0 - 6,000 Gallons	N/A	$6.24	N/A	N/A
6,001 - 12,000 Gallons	N/A	$9.36	N/A	N/A
Over 12,000 Gallons	N/A	$12.48	N/A	N/A
0 - 4,000 Gallons	N/A	N/A	$6.62	N/A
Over 4,000 Gallons	N/A	N/A	$8.27	N/A
Charge per 1,000 gallons - General Service	$7.67	$7.35	$7.22	$0.03
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$41.73	$45.06	$46.91	
6,000 Gallons	$58.45	$57.54	$63.45	
8,000 Gallons	$77.03	$76.26	$79.99	

LAKE TALQUIN TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES				SCHEDULE NO. 1 DOCKET NO. 20240106-WS
	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	4 Year Rate Reduction
Residential and General Service				
Base Facility Charge by Meter Size				
5/8" x 3/4"	$39.01	$20.10	$20.43	$0.03
3/4"	$58.52	$30.15	$30.65	$0.05
1"	$97.53	$50.25	$51.08	$0.08
1-1/2"	$195.05	$100.51	$102.15	$0.15
2"	$312.08	$160.81	$163.44	$0.24
3"	$624.16	$321.63	$326.88	$0.48
4"	$975.25	$502.54	$510.75	$0.75
6"	N/A	$1,005.08	$1,021.50	$1.50
8"	N/A	$1,608.13	$1,634.40	$2.40
10"	N/A	$2,311.68	$2,349.45	$3.45
Charge per 1,000 gallons - Residential and General Service	$3.44	N/A	N/A	N/A
0 - 6,000 Gallons	N/A	$6.24	N/A	N/A
6,001 - 12,000 Gallons	N/A	$9.36	N/A	N/A
Over 12,000 Gallons	N/A	$12.48	N/A	N/A
0 - 4,000 Gallons	N/A	N/A	$6.62	N/A
Over 4,000 Gallons	N/A	N/A	$8.27	N/A
Charge per 1,000 gallons - General Service	$7.67	$7.35	$7.22	$0.03
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$52.77	$45.06	$46.91	
6,000 Gallons	$59.65	$57.54	$63.45	
8,000 Gallons	$66.53	$76.26	$79.99	

OKALOOSA TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	4 Year Rate Reduction
				SCHEDULE NO. 1 DOCKET NO. 20240106-WS
Residential and General Service (GS1)				
Base Facility Charge by Meter Size				
5/8" x 3/4"	$34.67	$20.10	$20.43	$0.03
3/4"	$52.01	$30.15	$30.65	$0.05
1"	$86.68	$50.25	$51.08	$0.08
1-1/2"	$173.35	$100.51	$102.15	$0.15
2"	$277.36	$160.81	$163.44	$0.24
3"	$554.72	$321.63	$326.88	$0.48
4"	$866.75	$502.54	$510.75	$0.75
6"	$1,733.50	$1,005.08	$1,021.50	$1.50
8"	N/A	$1,608.13	$1,634.40	$2.40
10"	N/A	$2,311.68	$2,349.45	$3.45
Charge per 1,000 Gallons - Residential				
0 - 1,000 Gallons	$0.00	N/A	N/A	N/A
1,001 - 2,000 Gallons	$2.31	N/A	N/A	N/A
2,001 - 3,000 Gallons	$3.47	N/A	N/A	N/A
3,001 - 4,000 Gallons	$5.19	N/A	N/A	N/A
4,001 - 5,000 Gallons	$9.25	N/A	N/A	N/A
5,001 - 6,000 Gallons	$9.82	N/A	N/A	N/A
Over 6,000 Gallons	$10.40	N/A	N/A	N/A
0 - 6,000 Gallons	N/A	$6.24	N/A	N/A
6,001 - 12,000 Gallons	N/A	$9.36	N/A	N/A
Over 12,000 Gallons	N/A	$12.48	N/A	N/A
0 - 4,000 Gallons	N/A	N/A	$6.62	N/A
Over 4,000 Gallons	N/A	N/A	$8.27	N/A
Charge per 1,000 gallons - General Service (GS1)				
0 - 6,000 Gallons	$0.00	N/A	N/A	N/A
Over 6,000 Gallons	$9.25	N/A	N/A	N/A
Charge per 1,000 gallons - General Service (GS2)*	$5.79	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	N/A	N/A	$7.22	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$45.64	$45.06	$46.91	
6,000 Gallons	$64.71	$57.54	$63.45	
8,000 Gallons	$85.51	$76.26	$79.99	

* No BFC for GS2

SEMINOLE TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	SCHEDULE NO. 1 DOCKET NO. 20240106-WS 4 Year Rate Reduction
Residential				
All Meter Sizes	$26.62	N/A	N/A	N/A
Residential and General Service				
Base Facility Charge by Meter Size				
5/8" x 3/4"	N/A	$20.10	$20.43	$0.03
3/4"	N/A	$30.15	$30.65	$0.05
1"	N/A	$50.25	$51.08	$0.08
1-1/2"	N/A	$100.51	$102.15	$0.15
2"	N/A	$160.81	$163.44	$0.24
3"	N/A	$321.63	$326.88	$0.48
4"	N/A	$502.54	$510.75	$0.75
6"	N/A	$1,005.08	$1,021.50	$1.50
8"	N/A	$1,608.13	$1,634.40	$2.40
10"	N/A	$2,311.68	$2,349.45	$3.45
Charge per 1,000 gallons - Residential				
0 - 5,000 Gallons	$3.34	N/A	N/A	N/A
5,001 - 20,000 Gallons	$3.70	N/A	N/A	N/A
Over 20,000 Gallons	$4.12	N/A	N/A	N/A
0 - 6,000 Gallons	N/A	$6.24	N/A	N/A
6,001 - 12,000 Gallons	N/A	$9.36	N/A	N/A
Over 12,000 Gallons	N/A	$12.48	N/A	N/A
0 - 4,000 Gallons	N/A	N/A	$6.62	N/A
Over 4,000 Gallons	N/A	N/A	$8.27	N/A
Charge per 1,000 gallons - General Service	N/A	$7.35	$7.22	$0.03
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$39.98	$45.06	$46.91	
6,000 Gallons	$47.02	$57.54	$63.45	
8,000 Gallons	$54.42	$76.26	$79.99	

SUNNY HILLS TEST YEAR ENDED DECEMBER 31, 2023 MONTHLY WATER RATES	Utility Current Rates	Utility Proposed Rates	Staff Recommended Rates	4 Year Rate Reduction
				SCHEDULE NO. 1 DOCKET NO. 20240106-WS
Residential and General Service				
Base Facility Charge by Meter Size				
5/8" x 3/4"	$24.51	$20.10	$20.43	$0.03
3/4"	$36.77	$30.15	$30.65	$0.05
1"	$61.28	$50.25	$51.08	$0.08
1-1/2"	$122.55	$100.51	$102.15	$0.15
2"	$196.08	$160.81	$163.44	$0.24
3"	$392.16	$321.63	$326.88	$0.48
4"	$612.75	$502.54	$510.75	$0.75
6"	$1,225.50	$1,005.08	$1,021.50	$1.50
8"	$1,960.80	$1,608.13	$1,634.40	$2.40
10"	$2,818.65	$2,311.68	$2,349.45	$3.45
Charge per 1,000 gallons - Residential				
0 - 6,000 Gallons	$8.45	$6.24	N/A	N/A
6,001 - 12,000 Gallons	$12.70	$9.36	N/A	N/A
Over 12,000 Gallons	$16.89	$12.48	N/A	N/A
0 - 4,000 Gallons	N/A	N/A	$6.62	N/A
Over 4,000 Gallons	N/A	N/A	$8.27	N/A
Charge per 1,000 gallons - General Service	$9.47	$7.35	$7.22	$0.03
Private Fire Protection				
2"	$16.34	$13.40	$13.62	$0.02
3"	$32.68	$26.80	$27.24	$0.04
4"	$51.06	$41.88	$42.56	$0.06
6"	$102.13	$83.76	$85.13	$0.13
8"	$163.40	$134.01	$136.20	$0.20
10"	$234.89	$192.64	$195.79	$0.29
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$58.31	$45.06	$46.91	
6,000 Gallons	$75.21	$57.54	$63.45	
8,000 Gallons	$100.61	$76.26	$79.99	

UNAMORTIZED RATE CASE EXPENSE		SCHEDULE NO. 2 DOCKET NO. 20240106-WS
	Staff Recommended Rates	Sunny Hills Rate Reduction 12/1/2026
Residential and General Service		
Base Facility Charge by Meter Size		
5/8" x 3/4"	$20.43	$0.02
3/4"	$30.65	$0.03
1"	$51.08	$0.05
1-1/2"	$102.15	$0.11
2"	$163.44	$0.17
3"	$326.88	$0.35
4"	$510.75	$0.54
6"	$1,021.50	$1.08
8"	$1,634.40	$1.73
10"	$2,349.45	$2.49
Charge per 1,000 gallons - Residential		
0 - 4,000 Gallons	$6.62	$0.01
Over 4,000 Gallons	$8.27	$0.01
Charge per 1,000 gallons - General Service	$7.22	$0.01
Private Fire Protection		
2"	$13.62	$0.01
3"	$27.24	$0.03
4"	$42.56	$0.05
6"	$85.13	$0.09
8"	$136.20	$0.14
10"	$195.79	$0.21