

# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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

March 31, 2021

**VIA: ELECTRONIC FILING**

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

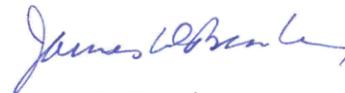
Re: Application of Tampa Electric Company for authority to issue and sell securities pursuant to Section 366.04, F.S. and Chapter 25-8, F.A.C. during the twelve months ending December 31, 2020; Docket No. 20190178-EI

Dear Mr. Teitzman:

Pursuant to Rule 25-8.009, Florida Administrative Code, and this Commission's Order No. PSC-2019-0495-FOF-EI issued November 20, 2019, attached is Tampa Electric Company's Consummation Report regarding the issuance and sale of securities during the fiscal year ended December 31, 2020.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/bmp  
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Tampa Electric Company )  
For Authority to Issue and Sell Securities Pursuant )  
To Section 366.04, F.S., and Chapter 25-8, F.A.C. )  
During the Twelve Months Ending )  
December 31, 2020 )  
\_\_\_\_\_ )

DOCKET NO. 20190178-EI  
FILED: March 31, 2021

**CONSUMMATION REPORT**

The applicant, Tampa Electric Company (the “Company”), pursuant to Commission Order No. PSC-2019-0495-FOF-EI dated November 20, 2019, submits the following information with respect to the issuance and/or sale of securities during the twelve months ending December 31, 2020.

**Facts of Issues**

The Company regularly borrows under its two revolving credit facilities, both of which permit the Company to draw down, repay and re-borrow funds. On December 18, 2020, the Company amended and restated its bank credit facility, entering into a Sixth Amended and Restated Credit Agreement. The amendment extended the maturity date from March 22, 2022 to March 22, 2023, increased the amount of the facility to \$800 million and made other technical changes. Given the frequency of these borrowings and repayments, it is not practicable to give the details of each action. Funds were also made available under the Company’s \$300 million 364-day term loan facility, which was put in place on February 6, 2020. The Company’s borrowing activity in 2020 can be summarized as follows:

	<u>(\$Millions)</u>
Minimum Outstanding	\$ 300
Maximum Outstanding	\$ 775
Average Outstanding	\$ 478
Weighted Average Interest Cost	1.13%

## Statement of Capitalization

Statements of capitalization, pretax interest coverage, debt interest requirements and preferred stock dividend requirements of the Company for the year ending December 31, 2020 are as follows:

<u>Capital Structure</u>	<u>(\$Millions)</u>
Short-term Debt	\$775
Long-term Debt (including amounts due within one year)	2,872
Preferred Stock	-
Common Equity	<u>4,216</u>
Total Capitalization	<u>\$7,863</u>
<u>Pretax Interest Coverage</u>	
Including AFUDC	4.42 times
Excluding AFUDC	4.89 times
<u>Debt Interest Requirements</u>	\$144
<u>Preferred Stock Dividends</u>	-

Respectfully submitted this 31st day of  
March, 2021

TAMPA ELECTRIC COMPANY

By: *Jeffrey S. Chronister*  
jschronister@tecoenergy.com  
Jeffrey S. Chronister  
Vice President, Finance

**Consummation Report**  
**Exhibit List**

	<u><b>Page</b></u>
Sixth Amended and Restated Credit Agreement.....	4
Credit Agreement.....	142
TECO Energy, Inc. / Tampa Electric Company – SEC Form 10-K For the fiscal year ended December 31, 2020.....	231

EXECUTION VERSION

PUBLISHED CUSIP NUMBERS:  
DEAL CUSIP – 87512QAK6  
FACILITY CUSIP – 87512QAL4

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of December 18, 2020  
among

TAMPA ELECTRIC COMPANY,  
a Florida Corporation,  
as Borrower

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent  
and

THE LENDERS AND LC ISSUING BANKS PARTY HERETO

---

WELLS FARGO SECURITIES, LLC  
JPMORGAN CHASE BANK, N.A.,  
MUFG BANK, LTD., CANADA BRANCH  
THE BANK OF NOVA SCOTIA  
and  
ROYAL BANK OF CANADA  
as Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.  
as Syndication Agent

MUFG BANK, LTD., CANADA BRANCH,  
THE BANK OF NOVA SCOTIA  
and  
ROYAL BANK OF CANADA  
as Documentation Agents

TABLE OF CONTENTS

ARTICLE I DEFINITIONS ..... 1

    1.1 Definitions ..... 1

    1.2 Rules of Interpretation ..... 1

ARTICLE II THE FACILITY ..... 1

    2.1 The Facility ..... 1

        2.1.1 Revolving Credit Loans ..... 1

        2.1.2 Interest Provisions Applicable to all Loans ..... 3

        2.1.3 Conversion of Loans ..... 4

        2.1.4 Loan Principal Payment ..... 5

        2.1.5 Promissory Notes ..... 5

        2.1.6 Optional Prepayments ..... 5

    2.2 Letter of Credit Facility ..... 5

        2.2.1 Issuance of the Letter of Credit ..... 5

        2.2.2 Availability; Expiration Date of Letters of Credit ..... 6

        2.2.3 Notice of LC Activity ..... 6

        2.2.4 Reimbursement ..... 7

        2.2.5 Reimbursement Obligation Absolute ..... 7

        2.2.6 Reduction and Reinstatement of Stated Amount ..... 8

        2.2.7 Lender Participation ..... 8

        2.2.8 Commercial Practices ..... 9

        2.2.9 Liability of LC Issuing Banks ..... 10

        2.2.10 Cash Collateral ..... 10

    2.3 Total Commitment and Fees ..... 11

        2.3.1 Total Commitment ..... 11

        2.3.2 Reductions and Cancellations ..... 11

        2.3.3 Increase of Total Commitment ..... 11

        2.3.4 Extension of Maturity Date ..... 13

    2.4 Fees ..... 14

        2.4.1 Facility Fee ..... 14

        2.4.2 Letter of Credit Fees ..... 14

        2.4.3 Calculation of Fees ..... 14

    2.5 Other Payment Terms ..... 14

        2.5.1 Place and Manner ..... 15

        2.5.2 Date ..... 15

        2.5.3 Late Payments ..... 15

        2.5.4 Net of Taxes, Etc ..... 15

        2.5.5 Application of Payments ..... 17

        2.5.6 Failure to Pay Administrative Agent ..... 17

        2.5.7 Withholding Exemption Certificates ..... 17

        2.5.8 Certain Deductions by Administrative Agent ..... 18

    2.6 Pro Rata Treatment ..... 18

        2.6.1 Borrowings, Payments, Etc ..... 18

        2.6.2 Sharing of Payments, Etc ..... 19

    2.7 Change of Circumstances ..... 19

        2.7.1 LIBOR ..... 19

        2.7.2 Inability to Determine Rates ..... 22

2.7.3	Increased Costs.....	22
2.7.4	Capital Requirements.....	23
2.7.5	Delay in Request.....	23
2.8	Funding Losses .....	23
2.9	Alternate Office, Minimization of Costs .....	24
2.9.1	Minimization of Costs.....	24
2.9.2	Replacement Rights .....	24
2.9.3	Alternate Office .....	25
2.10	Swingline Loans.....	25
2.10.1	Agreement to Make Swingline Loans.....	25
2.10.2	Notice of Swingline Loans by Borrower.....	25
2.10.3	Refinancing of Swingline Loans.....	26
2.10.4	Repayment of Participations.....	27
2.10.5	Interest for Account of Swingline Lenders .....	27
2.11	Defaulting Lenders .....	27
2.12	Retiring Lenders.....	29
ARTICLE III CONDITIONS PRECEDENT .....		29
3.1	Conditions Precedent to Effectiveness .....	29
3.1.1	Credit Facility Documents.....	29
3.1.2	Resolutions.....	29
3.1.3	Incumbency .....	30
3.1.4	Legal Opinions .....	30
3.1.5	Financial Statements .....	30
3.1.6	Accuracy of Representations and Warranties; No Defaults .....	30
3.1.7	Certificate of Borrower .....	30
3.1.8	Payment of Fees.....	30
3.1.9	Replacement of Retiring Lenders under Existing Credit Agreement .....	30
3.1.10	Beneficial Ownership Certification .....	30
3.2	Conditions Precedent to Each Extension of Credit .....	31
3.2.1	Accuracy of Representations and Warranties.....	31
3.2.2	No Defaults .....	31
3.2.3	Notice of Borrowing.....	31
ARTICLE IV REPRESENTATIONS AND WARRANTIES.....		31
4.1	Corporate Existence and Business .....	31
4.2	Power and Authorization; Enforceable Obligations.....	31
4.3	No Legal Bar.....	32
4.4	No Proceeding, Litigation or Investigation.....	32
4.5	Governmental Approvals.....	32
4.6	Financial Statements.....	32
4.7	True and Complete Disclosure.....	32
4.7.1	Beneficial Ownership Certification .....	33
4.8	Investment Company Act .....	33
4.9	Compliance with Law.....	33
4.10	ERISA.....	33
4.11	Solvency .....	33
4.12	Taxes .....	33
4.13	Use of Credit.....	33
4.14	FCPA; OFAC; Anti-Money Laundering .....	33
4.14.1	No Unlawful Contributions or Other Payments .....	33

4.14.2 OFAC..... 34

4.14.3 No Conflict with Money Laundering Laws..... 34

ARTICLE V COVENANTS OF BORROWER ..... 34

5.1 Existence..... 34

5.2 Consents, Legal Compliance..... 34

5.3 Prohibition of Certain Transfers..... 35

5.4 Payment and Performance of Material Obligations ..... 35

5.5 Taxes ..... 36

5.6 Maintenance of Property, Insurance ..... 36

5.7 Compliance with Laws, Instruments, Etc ..... 36

5.8 No Change in Business..... 36

5.9 Financial Statements..... 36

5.10 Notices ..... 37

5.11 Financial Covenants ..... 38

5.12 Indemnification ..... 38

5.13 Federal Regulations..... 40

5.14 Use of Proceeds..... 40

5.15 Transactions with Affiliates ..... 40

ARTICLE VI EVENTS OF DEFAULT; REMEDIES..... 40

6.1 Events of Default..... 40

6.1.1 Payments ..... 40

6.1.2 Debt Cross Default..... 40

6.1.3 Bankruptcy; Insolvency ..... 41

6.1.4 Misstatements..... 41

6.1.5 Breach of Terms of Agreement ..... 41

6.1.6 Judgments..... 41

6.1.7 Change in Control..... 41

6.1.8 ERISA Violations ..... 41

6.1.9 Lack of Validity, Etc..... 42

6.2 Remedies ..... 42

6.2.1 No Further Loans ..... 42

6.2.2 Cure by Administrative Agent..... 42

6.2.3 Acceleration..... 42

6.2.4 Cash Collateralization of Letters of Credit..... 43

ARTICLE VII ADMINISTRATIVE AGENT, SUBSTITUTION, AMENDMENTS, ETC. .... 43

7.1 Appointment, Powers and Immunities ..... 43

7.2 Reliance ..... 44

7.3 Non-Reliance ..... 45

7.4 Defaults..... 45

7.5 Indemnification ..... 45

7.6 Successor Administrative Agent ..... 46

7.7 Authorization ..... 46

7.8 Administrative Agent’s Other Roles; Other Agents..... 46

7.9 Amendments; Waivers ..... 47

7.10 Withholding Tax ..... 48

7.11 General Provisions as to Payments..... 48

7.12 Participations..... 48

7.13 Transfer of Commitments..... 50

7.13.1	Assignments .....	50
7.13.2	Register .....	51
7.13.3	No Assignments to Certain Persons.....	51
7.13.4	Assignability as to Collateral.....	51
ARTICLE VIII MISCELLANEOUS .....		52
8.1	Addresses.....	52
8.2	Additional Security; Right to Set-Off.....	54
8.3	Delay and Waiver.....	55
8.4	Costs, Expenses and Attorneys' Fees .....	55
8.5	Entire Agreement .....	55
8.6	Governing Law .....	55
8.7	Severability .....	56
8.8	Headings .....	56
8.9	Accounting Terms .....	56
8.10	No Partnership, Etc.....	56
8.11	Limitation on Liability.....	57
8.12	Waiver of Jury Trial .....	57
8.13	Consent to Jurisdiction .....	57
8.14	Knowledge and Attribution.....	57
8.15	Successors and Assigns .....	57
8.16	Counterparts; Electronic Execution.....	57
8.17	Patriot Act Notice.....	58
8.18	Payments Set Aside.....	59
8.19	No Advisory or Fiduciary Responsibility.....	59
8.20	Acknowledgement and Consent to Bail-In of EEA Financial Institutions .....	59
8.21	Acknowledgement Regarding Any Supported QFCs.....	60
8.22	Divisions.....	61
8.23	Certain ERISA Matters.....	61

SCHEDULES

Schedule 1	Lenders and Commitments
Schedule 2.2.1.2	Existing Letters of Credit
Schedule 5.3.3	Existing Liens

EXHIBITS

Exhibit A	Definitions
Exhibit B	Form of Assignment and Assumption
Exhibit C	Form of Revolving Note
Exhibit D	Form of Swingline Note
Exhibit E-1	Form of Notice of Revolving Borrowing
Exhibit E-2	Form of Notice of Conversion of Loan Type
Exhibit E-3	Form of Confirmation of Interest Period Selection
Exhibit E-4	Form of Notice of LC Activity
Exhibit F	Form of Notice of Swingline Borrowing
Exhibit G	Form of Borrower's Closing Certificate
Exhibit H-1	Form of Opinion of Assistant General Counsel to the Obligors

Exhibit H-2  
Exhibit H-3

Form of Opinion of Locke Lord LLP, counsel to the Obligors  
Form of Opinion of Milbank LLP, counsel to the Administrative Agent

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) dated as of December 18, 2020 among TAMPA ELECTRIC COMPANY, a Florida corporation (“Borrower”), the LENDERS party hereto, each LC ISSUING BANK party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent.

## RECITALS

Borrower, certain of the Lenders and Wells Fargo Bank, National Association, as administrative agent thereunder, are parties to the Fifth Amended and Restated Credit Agreement dated as of March 22, 2017 (amended and in effect immediately prior to the effectiveness of this Agreement, the “Existing Credit Agreement”).

Borrower has requested certain amendments to the provisions of the Existing Credit Agreement, including the extension of the availability of the commitments and an increase in the aggregate amount of commitments, and the Lenders are willing to make such amendments on the terms and conditions hereof, and, accordingly, the parties hereto agree to amend and restate the Existing Credit Agreement as follows:

## ARTICLE I DEFINITIONS

1.1 Definitions. Except as otherwise expressly provided, capitalized terms used in this Agreement and its exhibits shall have the meanings given in Exhibit A.

1.2 Rules of Interpretation. Except as otherwise expressly provided, the Rules of Interpretation set forth in Exhibit A shall apply to this Agreement and the other Credit Facility Documents.

## ARTICLE II THE FACILITY

2.1 The Facility.

2.1.1 Revolving Credit Loans.

2.1.1.1 Availability. Subject to the terms and conditions set forth in this Agreement, each Lender severally agrees to make loans in Dollars to Borrower from time to time during the Availability Period (each, a “Revolving Loan”) in an aggregate principal amount that will not result, after giving effect thereto and the use of proceeds thereof, in (i) such Lender’s Revolving Credit Exposure exceeding such Lender’s Commitment or (ii) the total Revolving Credit Exposures of all the Lenders exceeding the Total Commitment. Subject to the provisions of this Agreement, each Revolving Loan shall be funded by the Lenders as described in Section 2.1.1.3. Within the foregoing limits and subject to the terms and conditions set forth herein, Borrower may borrow, prepay and reborrow Revolving Loans.

2.1.1.2 Notice of Revolving Borrowing. Borrower shall request Revolving Loans by delivering to Administrative Agent a written notice in the form of Exhibit E-1, appropriately completed (a “Notice of Revolving Borrowing”) which specifies, among other things:

Loan; (a) whether such Borrowing will be a Base Rate Loan or a LIBOR

(b) in the case of any LIBOR Loan, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of "Interest Period"

(c) the amount of the requested Borrowing, which shall be in the minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (except in the case of a Revolving Loan of all remaining undrawn amounts under the Total Commitment);

Day; and (d) the date of the requested Borrowing, which shall be a Banking

(e) the account(s) to which the proceeds of the Borrowing are to be credited, as contemplated by Section 2.1.1.3(d).

Borrower shall deliver each such Notice of Revolving Borrowing so as to provide not less than the Minimum Notice Period. Any Notice of Revolving Borrowing may be modified or revoked by Borrower through the Banking Day prior to the applicable Minimum Notice Period, and thereafter shall be irrevocable.

#### 2.1.1.3 Revolving Loan Funding.

(a) Notice. The Notice of Revolving Borrowing shall be delivered to Administrative Agent in accordance with Section 8.1. Administrative Agent shall promptly notify each Lender of the contents of each Notice of Revolving Borrowing.

(b) Pro Rata Loans. Each Revolving Loan shall be made on a pro rata basis by the Lenders in accordance with their respective Proportionate Shares, with each Revolving Borrowing to consist of a Revolving Loan by each Lender equal to such Lender's Proportionate Share of such Borrowing.

(c) Lender Funding. Each Lender shall, before 12:00 noon in the case of LIBOR Loans and 2:00 p.m. in the case of Base Rate Loans, in each case, on the date of each Borrowing, make available to Administrative Agent at the Administrative Agent's Office, in same day funds, such Lender's Proportionate Share of such Borrowing. The failure of any Lender to make the Revolving Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation hereunder to make its Revolving Loan on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Revolving Loan to be made by such other Lender on the date of any Borrowing.

(d) Funding of Revolving Loans. No later than 2:00 p.m. in the case of LIBOR Loans and 3:00 p.m. in the case of Base Rate Loans, in each case, on the date specified in each Notice of Revolving Borrowing, if the applicable conditions precedent listed in Article III have been satisfied or waived and to the extent Administrative Agent shall have received the appropriate funds from the Lenders, Administrative Agent shall make available the Revolving Loans requested in such Notice of Revolving Borrowing in Dollars and in immediately available funds, at Administrative Agent's Office, and shall transfer such funds to the bank account(s) specified by Borrower in the Notice of Revolving Borrowing delivered in respect of such Borrowing.

2.1.2 Interest Provisions Applicable to all Loans.

2.1.2.1 Loan Interest Rates. Borrower shall pay interest on the unpaid principal amount of each Loan from the date of such Loan until the maturity or prepayment thereof at one of the following rates per annum:

(a) With respect to the principal portion of each Revolving Loan that is, and during such periods as such Revolving Loan is, a Base Rate Loan, at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate;

(b) With respect to the principal portion of each Revolving Loan that is, and during such periods as such Revolving Loan is, a LIBOR Loan, at a rate per annum during each Interest Period for such LIBOR Loan equal to the LIBO Rate for such Interest Period plus the Applicable Rate; and

(c) With respect to the principal portion of each Swingline Loan, prior to the applicable Swingline Loan Maturity Date, at the applicable rate per annum as agreed in writing between Borrower and the relevant Swingline Lender prior to the making of such Swingline Loan.

2.1.2.2 Interest Provisions. Unless otherwise specified by Borrower in a Notice of Revolving Borrowing or Notice of Conversion of Loan Type and except as otherwise provided for herein, all Revolving Loans shall be Base Rate Loans. Subject to the applicable limitations set forth herein, Revolving Loans shall bear interest based upon the LIBO Rate as specified by Borrower in the applicable Notice of Revolving Borrowing or Notice of Conversion of Loan Type. Borrower shall not request, and the Lenders shall not be obligated to make, LIBOR Loans at any time an Inchoate Default or Event of Default exists. If an Event of Default exists at the end of an Interest Period, the LIBOR Loans whose Interest Period is then ending shall automatically convert to Base Rate Loans at such time (notwithstanding the delivery of a Confirmation of Interest Period Selection with respect to such Loans).

2.1.2.3 Interest Payment Dates. Borrower shall pay accrued interest on the unpaid principal amount of each Loan (i) in the case of each Base Rate Loan, on the last Banking Day of each calendar quarter, (ii) in the case of each LIBOR Loan, on the last day of each Interest Period related to each LIBOR Loan and, with respect to Interest Periods longer than three months, on each successive date three months after the first day of such Interest Period, (iii) in the case of each Swingline Loan, on the last Banking Day of each calendar quarter and (iv) in all cases, upon prepayment (to the extent thereof and including any optional prepayments), upon conversion from one Type of Loan to another Type (in the case of a Revolving Loan), and at maturity (whether by acceleration or otherwise).

2.1.2.4 Interest Periods and Selection.

(a) Notwithstanding anything herein to the contrary, (i) Borrower may not at any time have outstanding more than eight different Interest Periods relating to LIBOR Loans; and (ii) LIBOR Loans for each Interest Period shall be in the amount of at least \$5,000,000.

(b) Borrower may contact Administrative Agent at any time prior to the end of an Interest Period for a quotation of interest rates in effect at such time for given Interest Periods and Administrative Agent shall promptly provide such quotation. Borrower may select an Interest Period telephonically within the time periods specified in Section 2.1.1.2, which selection shall be irrevocable on and after commencement of the applicable Minimum Notice Period. Borrower shall confirm such telephonic notice to Administrative Agent by telecopy on the day such notice is given (in substantially the form of Exhibit E-3, a "Confirmation of Interest Period Selection") and Administrative Agent shall promptly forward the same to the Lenders. Borrower shall promptly deliver to Administrative Agent the

original of the Confirmation of Interest Period Selection initially delivered by telecopy. If Borrower fails to notify Administrative Agent of the next Interest Period for any LIBOR Loans in accordance with this Section 2.1.2.4(b), such Loans shall automatically convert to Base Rate Loans on the last day of the current Interest Period therefor. Administrative Agent shall as soon as practicable (and, in any case, within two Banking Days after delivery of the Confirmation of Interest Period Selection by telecopy as provided for above) notify Borrower of each determination of the interest rate applicable to each Revolving Loan.

2.1.2.5 Interest Account and Interest Computations. Borrower authorizes Administrative Agent to record in an account or accounts maintained by Administrative Agent on its books (i) the interest rates applicable to all Loans and the effective dates of all changes thereto, (ii) the Interest Period for each LIBOR Loan, (iii) the date and amount of each principal and interest payment on each Loan and (iv) such other information as Administrative Agent may determine is necessary for the computation of interest payable by Borrower hereunder. Borrower agrees that all computations by Administrative Agent of interest shall be conclusive in the absence of demonstrable error. All computations of interest on Loans shall be based upon a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by Administrative Agent, and such determination shall be conclusive absent manifest error.

2.1.3 Conversion of Loans. Borrower may convert any Revolving Loan from one Type of Revolving Loan to another Type; provided, however, that (i) any conversion of LIBOR Loans into Base Rate Loans shall be made on, and only on, the first day after the last day of an Interest Period for such LIBOR Loans, and (ii) Loans shall be converted only in amounts of \$5,000,000 and increments of \$1,000,000 in excess thereof. Borrower shall request such a conversion by a written notice to Administrative Agent in the form of Exhibit E-2, appropriately completed (a "Notice of Conversion of Loan Type"), which specifies:

- (a) the Revolving Loans, or portion thereof, which are to be converted;
- (b) the Type into which such Revolving Loans, or portion thereof, are to be converted;
- (c) if such Revolving Loans are to be converted into LIBOR Loans, the initial Interest Period selected by Borrower for such Loans in accordance with Section 2.1.2.4(b); and
- (d) the date of the requested conversion, which shall be a Banking Day.

Borrower shall give each Notice of Conversion of Loan Type to Administrative Agent so as to provide at least the applicable Minimum Notice Period. Any Notice of Conversion of Loan Type may be modified or revoked by Borrower through the Banking Day prior to the Minimum Notice Period, and shall thereafter be irrevocable. Each Notice of Conversion of Loan Type shall be delivered by first-class mail or telecopy to Administrative Agent at the office or to the telecopy number and as otherwise specified in Section 8.1; provided, however, that Borrower shall promptly deliver to Administrative Agent the original of any Notice of Conversion of Loan Type initially delivered by telecopy. Administrative Agent shall promptly notify each Lender of the contents of each Notice of Conversion of Loan Type.

2.1.4 Loan Principal Payment. Borrower shall repay to Administrative Agent, for the account of each Lender on the Maturity Date the unpaid principal amount of each Revolving Loan made by such Lender. Borrower shall repay to Administrative Agent, for the account of the relevant Swingline Lender, on the relevant Swingline Loan on the earlier of the Maturity Date and the Swingline Loan Maturity Date the unpaid principal amount of each Swingline Loan made by such Swingline Lender. From and after the Maturity Date, upon payment in full of the aggregate principal amount of the Loans, all accrued and unpaid interest thereon and all other amounts owed by Borrower to Administrative Agent or the Lenders hereunder and under the other Credit Facility Documents, the Lenders shall promptly mark any Notes cancelled and return such cancelled Notes to Borrower.

2.1.5 Promissory Notes. The obligation of Borrower to repay the Loans made by each Lender and to pay interest thereon at the rates provided herein shall, upon the written request of any Lender, be evidenced by promissory notes in the form of Exhibit C (each, a “Revolving Note”), payable to such Lender and in the principal amount of such Lender’s Commitment. The obligation of Borrower to repay the Swingline Loans made by each Swingline Lender and to pay interest thereon at the rates provided herein shall, upon the written request of any Swingline Lender, be evidenced by a promissory note in the form of Exhibit D (each, a “Swingline Note”; and each Revolving Note and Swingline Note, a “Note”), payable to such Swingline Lender and in the principal amount of the Swingline Sublimit. Borrower authorizes each Lender to record on the schedule annexed to such Lender’s Note, and/or in such Lender’s internal records, the date and amount of each Loan made by such Lender, and each payment or prepayment of principal thereunder and agrees that all such notations shall constitute prima facie evidence of the matters noted. Borrower further authorizes each Lender to attach to and make a part of such Lender’s Note continuations of the schedule attached thereto as necessary. No failure to make any such notations, nor any errors in making any such notations shall affect the validity of Borrower’s obligation to repay the full unpaid principal amount of the Loans or the duties of Borrower hereunder or thereunder.

2.1.6 Optional Prepayments. Borrower may, at its option and without penalty, upon notice to Administrative Agent before 12:00 noon on the date of prepayment (which shall be a Banking Day), in the case of Base Rate Loans or Swingline Loans, or upon at least three Banking Days’ notice to Administrative Agent, in the case of LIBOR Loans, prepay any Loans in whole or in part in an amount of (a) in the case of Revolving Loans, \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (except in the case of a prepayment of all the Revolving Loans) or (b) in the case of Swingline Loans, \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof (except in the case of a prepayment of all the Swingline Loans). Upon the prepayment of any Revolving Loan, Borrower shall pay to Administrative Agent for the account of the Lender which made such Loan (i) all accrued interest to the date of such prepayment on the amount prepaid and (ii) if such prepayment is the prepayment of a LIBOR Loan on a day other than the last day of an Interest Period for such LIBOR Loan, all Liquidation Costs incurred by such Lender as a result of such prepayment (pursuant to the terms of Section 2.8).

## 2.2 Letter of Credit Facility.

### 2.2.1 Issuance of the Letter of Credit.

2.2.1.1 Subject to the terms and conditions set forth in this Agreement and the applicable LC Application, each LC Issuing Bank shall, during the Availability Period on each Banking

Day specified in a Notice of LC Activity described in Section 2.2.3, issue Letters of Credit, extend the expiry date of any Letter of Credit or increase the Stated Amount of any Letter of Credit (as applicable), for the account of Borrower, of the Letter(s) of Credit to which such Notice of LC Activity relates, and deliver each such Letter of Credit (or a notice of extension of the expiry date thereof or increase in the Stated Amount thereof) to the applicable LC Beneficiary. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of the applicable LC Application, the terms and conditions of this Agreement shall control.

2.2.1.2 Subject to the terms and conditions hereof, all letters of credit outstanding on the Closing Date under the Existing Credit Agreement and issued by an entity that is a Lender under this Agreement which, by its execution of this Agreement, has agreed to act as an LC Issuing Bank hereunder and listed on Schedule 2.2.1.2 (each, an “Existing Letter of Credit”) shall automatically be continued hereunder on the Closing Date by such LC Issuing Bank, and as of the Closing Date the Lenders shall acquire a participation therein as if such Existing Letter of Credit were issued hereunder, and each such Existing Letter of Credit shall be deemed a Letter of Credit for all purposes of this Agreement as of the Closing Date.

2.2.2 Availability; Expiration Date of Letters of Credit. The LC Issuing Banks shall have no obligation to issue any Letter of Credit, extend the expiry date of any Letter of Credit or increase the Stated Amount of any Letter of Credit if, after giving effect to such issuance, extension or increase, (a) the total Revolving Credit Exposures of all the Lenders then outstanding would exceed the Total Commitment, (b) the total LC Exposure then outstanding would exceed \$50,000,000 (c) the total Stated Amount of all Letters of Credit issued by an LC Issuing Bank does not exceed its LC Commitment or (d) in the event at the time of such issuance, extension or increase there shall be different Maturity Dates for the Lenders, the aggregate Stated Amount of all Letters of Credit then outstanding which have an expiry date after the then earliest Maturity Date of any Lender would exceed the aggregate Commitments as to which the Maturity Date has been extended to a date after such earliest Maturity Date. Notwithstanding anything herein to the contrary, each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Banking Days prior to the Maturity Date (or, if at any time there shall be different Maturity Dates for the Lenders, subject to clause (d) of the immediately preceding sentence).

2.2.3 Notice of LC Activity. Borrower may from time to time request the issuance of a Letter of Credit, the extension of the expiry date of any Letter of Credit or the increase in the Stated Amount of any Letter of Credit by delivering to Administrative Agent and the relevant LC Issuing Bank an irrevocable written notice in the form of Exhibit E-4, appropriately completed (a “Notice of LC Activity”), which specifies, among other things:

- (i) the particulars of the Letter of Credit to be issued or the specific Letter of Credit to be extended or the Stated Amount of which is to be increased;
- (ii) the name of the LC Issuing Bank for such Letter of Credit;
- (iii) the issue date and expiration date of the Letter of Credit to be issued or extended (which shall be subject to the last sentence of Section 2.2.2); and
- (iv) the Stated Amount of such Letter of Credit.

Borrower shall give the Notice of LC Activity to Administrative Agent and the relevant LC Issuing Bank at least two Banking Days before the requested date of issuance of any Letter of Credit, and at least two Banking Days before the requested date of extension, or increase in the Stated Amount, of any Letter of Credit. Any Notice of LC Activity, once given by Borrower, may not be modified or revoked.

2.2.4 Reimbursement. Each LC Issuing Bank shall notify Borrower of any Drawing Payment under any Letter of Credit issued by such LC Issuing Bank within one Banking Day after the date that such Drawing Payment is made (the date such Drawing Payment is made, the “Drawing Date”); provided, however, that such LC Issuing Bank’s failure to provide such notification shall not relieve Borrower of its Reimbursement Obligation. No later than 12:00 noon on the Banking Day next following receipt of such notice, Borrower shall either make or cause to be made to such LC Issuing Bank a payment, or Borrower shall deliver a Notice of Revolving Borrowing for a Base Rate Loan to be made to Borrower on such Banking Day, or a combination of a payment and delivery of such a Notice of Revolving Borrowing, as applicable, in an aggregate amount (the “Reimbursement Payment”) equal to the sum of (a) the full amount of such Drawing Payment and (b) interest thereon for each day or portion thereof until such Drawing Payment is paid in full made at a rate equal to (i) from the Drawing Date through such next following Banking Day, the Alternate Base Rate plus the Applicable Rate then applicable to Base Rate Loans and (ii) thereafter, the Default Rate; provided that (x) such Reimbursement Payment shall be for the benefit of each Lender (in proportion to its Proportionate Share) to the extent that, prior to the time such Reimbursement Payment is made, such Lender has, pursuant to Section 2.2.7, paid such LC Issuing Bank its respective Proportionate Share of the Drawing Payment made by such LC Issuing Bank; (y) the proceeds of any Base Rate Loans shall be applied by Administrative Agent to the extent required to make the respective Reimbursement Payment, and (z) in the event Borrower shall fail to obtain any such Base Rate Loans, Borrower shall forthwith make such Reimbursement Payment. If a Reimbursement Payment is made in the full amount of such Drawing Payment by 3:00 p.m. on the applicable Drawing Date, no interest shall be payable on such Drawing Payment.

2.2.5 Reimbursement Obligation Absolute. The Reimbursement Obligation of Borrower for each Drawing Payment shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under and without regard to any circumstances, including (a) any lack of validity or enforceability of any Letter of Credit, this Agreement or any of the other Credit Facility Documents; (b) any amendment or waiver of or any consent to departure from all or any terms of any of the Letters of Credit, this Agreement or any of the other Credit Facility Documents; (c) the existence of any claim, setoff, defense or other right which Borrower may have at any time against any LC Beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such LC Beneficiary or transferee may be acting), any LC Issuing Bank, Administrative Agent, any Lender or any other Person, whether in connection with any Letter of Credit, this Agreement, the transactions contemplated herein or in the other Credit Facility Documents, or in any unrelated transactions; (d) any breach of contract or dispute among or between Borrower, any LC Issuing Bank, Administrative Agent, any Lender, or any other Person; (e) any demand, statement, certificate, draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (f) payment by any LC Issuing Bank under any Letter of Credit against presentation of any demand, statement, certificate, draft or other document which does not comply with the terms of such Letter of Credit; (g) any non-application or misapplication by an LC Beneficiary of

the proceeds of any Drawing Payment under a Letter of Credit or any other act or omission of an LC Beneficiary in connection with a Letter of Credit; (h) any extension of time for or delay, renewal or compromise of or other indulgence or modification to the Drawing Payment granted or agreed to by any LC Issuing Bank, Administrative Agent or any Lender, with or without notice to or approval by Borrower; (i) any failure to preserve or protect any collateral, any failure to perfect or preserve the perfection of any lien thereon, or the release of any of the collateral securing the performance or observance of the terms of this Agreement or any of the other Credit Facility Documents; (j) the solvency or financial responsibility of any party issuing any documents in connection with the Letter of Credit; (k) any error in the transmission of any message relating to a Letter of Credit not caused by the LC Issuing Bank thereof, or any delay or interruption in any such message; (l) any error, neglect or default of any correspondent of any LC Issuing Bank in connection with a Letter of Credit; (m) any consequence arising from acts of God, war, insurrection, civil unrest, disturbances, labor disputes, emergency conditions or other causes beyond the control of any LC Issuing Bank; (n) so long as an LC Issuing Bank in good faith determines that the contract or document appears substantially to comply with the terms of the Letter of Credit, the form, accuracy, genuineness or legal effect of any contract or document referred to in any document submitted to such LC Issuing Bank in connection with a Letter of Credit except to the extent such LC Issuing Bank's actions are judicially determined to have constituted gross negligence; or (o) any other circumstances or happenings whatsoever relating to Borrower or such Reimbursement Obligation, whether or not similar to any of the foregoing, including any commercial frustration of purpose, any Change of Law, any failure of an LC Beneficiary or any other Person to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Credit Facility Documents to which each is a party; provided, however, that nothing in this Section 2.2.5 shall relieve any LC Issuing Bank, Administrative Agent or any Lender from liability for its gross negligence or willful misconduct. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the LC Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

2.2.6 Reduction and Reinstatement of Stated Amount. The Stated Amount of each Letter of Credit shall be reduced by the amount of Drawing Payments made in respect thereof. Notwithstanding anything to the contrary contained in this Section 2.2.6, once so reduced, the Stated Amount of any Letter of Credit shall not be reinstated except upon payment by Borrower of the Reimbursement Obligation corresponding to such Drawing Payment and satisfaction of the conditions for an increase in the Stated Amount of a Letter of Credit set forth in Section 3.2.

2.2.7 Lender Participation. By the issuance of a Letter of Credit by an LC Issuing Bank (and an amendment to a Letter of Credit increasing the amount thereof) and without further action on the part of such LC Issuing Bank or the Lenders, such LC Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such LC Issuing Bank, a participation in such Letter of Credit in an amount equal to such Lender's Proportionate Share of the Stated Amount of such Letter of Credit, and the issuance of a Letter of Credit shall be deemed a confirmation to the LC Issuing Banks of such participation in such amount. In consideration and in furtherance of the foregoing, each Lender hereby

absolutely and unconditionally agrees to pay to Administrative Agent, for the account of the relevant LC Issuing Bank, such Lender's Proportionate Share of each Reimbursement Obligation made by such LC Issuing Bank and not reimbursed by Borrower on the date due as provided in Section 2.2.4, or of any Reimbursement Payment required to be refunded to Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 2.2.7 in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever. Each LC Issuing Bank may request the Lenders to pay to such LC Issuing Bank their respective Proportionate Shares of all or any portion of any Drawing Payment made or to be made by such LC Issuing Bank under any Letter of Credit by contacting each Lender and Administrative Agent telephonically (promptly confirmed in writing) within two Banking Days after such LC Issuing Bank has received notice of or request for such Drawing Payment, and specifying the amount of such Drawing Payment, such Lender's Proportionate Share thereof, and the date on which such Drawing Payment is to be made or was made; provided, however, that such LC Issuing Bank shall not request the Lenders to make any payment under this Section 2.2.7 in connection with any portion of a Drawing Payment for which such LC Issuing Bank has been reimbursed through a Reimbursement Payment by Borrower (unless such Reimbursement Payment has been thereafter recovered by Borrower). Upon receipt of any such request for payment from such LC Issuing Bank, each Lender shall pay to such LC Issuing Bank such Lender's Proportionate Share of the unreimbursed portion of such Drawing Payment, together with interest thereon at a per annum rate equal to the greater of the Federal Funds Effective Rate from time to time in effect and a rate determined by such LC Issuing Bank in accordance with banking industry rules on interbank compensation, from the date of such Drawing Payment to the date on which such Lender makes payment. Each Lender's obligation to make each such payment to such LC Issuing Bank shall be absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including the occurrence or continuance of any Inchoate Default or Event of Default, or the failure of any other Lender to make any payment under this Section 2.2.7, and each Lender further agrees that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. If any Reimbursement Payment is made to Administrative Agent or any LC Issuing Bank, Administrative Agent or such LC Issuing Bank, as applicable, shall pay to each Lender which has paid its Proportionate Share of the Drawing Payment such Lender's Proportionate Share of the Reimbursement Payment and shall, in the case of Administrative Agent, pay to such LC Issuing Bank and, in the case of such LC Issuing Bank, retain, the balance of such Reimbursement Payment.

2.2.8 Commercial Practices. Borrower assumes all risks of the acts or omissions of any LC Beneficiary or transferees of any Letter of Credit with respect to the use of such Letter of Credit. Borrower agrees that neither any LC Issuing Bank, Administrative Agent nor any Lender (nor any of their respective directors, officers, or employees) shall be liable or responsible for: (a) the use which may be made of any Letter of Credit or for any acts or omissions of any LC Beneficiary or transferee in connection therewith; (b) any reference which may be made to this Agreement or to any Letter of Credit in any agreements, instruments or other documents; (c) the validity, sufficiency or genuineness of documents other than the Letters of Credit, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged or any statement therein proved to be untrue or inaccurate in any respect whatsoever; (d) payment by any LC Issuing Bank against presentation of documents which do not strictly comply with the terms of the applicable Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (e) any other

circumstances whatsoever in making or failing to make payment under any Letter of Credit, except only that an LC Issuing Bank shall be liable to Borrower for acts or events described in clauses (a) through (e) above, to the extent, but only to the extent, of any direct damages, as opposed to indirect, special or consequential damages, suffered by Borrower which Borrower proves were caused by any LC Issuing Bank's willful misconduct or gross negligence in determining whether a drawing made under the applicable Letter of Credit complies with the terms and conditions therefor stated in such Letter of Credit. Without limiting the foregoing, any LC Issuing Bank may accept any document that appears on its face to be in order, without responsibility for further investigation. Borrower hereby waives any right to object to any payment made under a Letter of Credit with regard to a drawing that is in the form provided in such Letter of Credit but which varies with respect to punctuation (except punctuation with respect to any Dollar amount specified therein), capitalization, spelling or similar matters of form.

2.2.9 Liability of LC Issuing Banks. Each LC Issuing Bank shall be entitled to the protection accorded to Administrative Agent pursuant to Section 7.1.2 with such conforming changes thereto as may necessary to make such provisions applicable to each LC Issuing Bank.

2.2.10 Cash Collateral. Upon the occurrence and during the continuation of an Event of Default under Section 6.1 or at such time as, pursuant to the terms hereof, Administrative Agent and the Lenders have accelerated the Obligations and upon the request of Administrative Agent (acting at the direction of the relevant LC Issuing Bank or Required Lenders) or at such other times as Borrower shall, or shall be required, by the terms hereof to provide Cash Collateral, Borrower shall immediately Cash Collateralize the LC Exposure in an amount not less than total LC Exposure. At any time that there shall exist a Defaulting Lender, immediately upon the written request of Administrative Agent or any applicable LC Issuing Bank or Swingline Lender (in each case, with a copy to Administrative Agent), Borrower shall Cash Collateralize the relevant LC Exposure of such LC Issuing Bank or the relevant Swingline Exposure of such Swingline Lender, as applicable, with respect to such Defaulting Lender (determined after giving effect to Section 2.11.3 and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the amount required by Section 2.11. All Cash Collateral shall be maintained in blocked deposit accounts at Administrative Agent. Borrower hereby grants to Administrative Agent, for the benefit of the applicable Lenders, LC Issuing Banks and Swingline Lenders, and agrees to maintain, a first priority security interest in all such Cash Collateral, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and all proceeds of the foregoing, as security for the Obligations for which such Cash Collateral has been provided hereunder. Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such accounts. Other than any interest earned on the investment of such deposits, such deposits shall not bear interest, and investments of such deposits shall be made by Administrative Agent at Borrower's direction, risk and expense; provided that, at any time a Default has occurred and is continuing, any such investment shall be made at the option of and sole discretion of Administrative Agent (but at Borrower's risk and expense). Interest or profits, if any, on such investments shall accumulate in such accounts. Moneys in such accounts shall be applied by Administrative Agent (i) in the case of Cash Collateral provided pursuant to the first sentence above, to reimburse the relevant LC Issuing Bank for Drawing Payments for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of any contingent Reimbursement Obligations with respect to outstanding Letters of Credit and (ii) in the case of Cash Collateral provided pursuant to the second sentence above, to the

obligations of the relevant Defaulting Lender for which such Cash Collateral has been provided. If Borrower is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid or to any other Obligations hereunder) shall be returned to Borrower, within three Banking Days after all Events of Default have been cured or waived and all amounts due and payable to Administrative Agent and the Lenders hereunder have been paid. If Borrower is required to provide an amount of Cash Collateral hereunder as a result of a Lender becoming a Defaulting Lender, so long as no Event of Default shall have occurred and be continuing, such amount (to the extent not applied as aforesaid or to any other Obligations hereunder) shall be returned to Borrower, within three Banking Days after such Lender ceases to be a Defaulting Lender (as provided in the last paragraph of Section 2.11) or such Lender has been replaced pursuant to Section 2.9.2. In addition, upon the occurrence and during the continuation of an Event of Default under Section 6.1.3, Administrative Agent (acting at the direction of the relevant LC Issuing Banks or Required Lenders) shall be entitled to cancel all outstanding Letters of Credit any time at least 30 days after delivery to the LC Beneficiary of each Letter of Credit that will be canceled a written notice of such intent to cancel, whereupon the LC Beneficiary shall be entitled to draw upon the applicable Letter of Credit in accordance with its terms.

### 2.3 Total Commitment and Fees.

2.3.1 Total Commitment. The total Revolving Credit Exposure of all the Lenders outstanding at any time shall not exceed \$800,000,000, which amount shall be subject to reductions or increases by Borrower pursuant to Section 2.3.2 or 2.3.3 (such amount as so reduced or increased from time to time, the “Total Commitment”).

2.3.2 Reductions and Cancellations. Borrower may, from time to time upon three Banking Days’ written notice to Administrative Agent (who shall promptly deliver such notice to the Lenders), permanently reduce, by an amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, or cancel in its entirety, the unused portion of the Total Commitment. Notwithstanding anything in this Section 2.3.2 to the contrary, Borrower may not reduce or cancel any portion of the Total Commitment if, after giving effect to such reduction or cancellation, (a) the aggregate Revolving Credit Exposure of all Lenders then outstanding would exceed the Total Commitment or (b) such reduction or cancellation would cause a violation of any provision of this Agreement or the other Credit Facility Documents. Borrower shall pay to Administrative Agent any Facility Fee then due on such cancelled amount upon any such reduction or cancellation. From the effective date of any such reduction, the Facility Fee shall be computed on the basis of the Total Commitment (whether used or unused) as so reduced. Once reduced or cancelled, the Total Commitment may not be increased or reinstated, provided that the reduction of the Total Commitment shall not preclude a subsequent increase thereof in accordance with Section 2.3.3. Any reductions pursuant to this Section 2.3.2 shall be applied ratably among the Lenders in accordance with their respective Commitments.

### 2.3.3 Increase of Total Commitment.

2.3.3.1 Requests for Commitment Increase. Borrower may, at any time after the Closing Date, propose that the Total Commitment hereunder be increased (each such proposed increase being a “Commitment Increase”) by having an existing Lender agree to increase its then existing Commitment (each an “Increasing Lender”) and/or by adding as a new Lender hereunder any Person which shall agree to provide a Commitment hereunder (each an “Assuming Lender”), in each case with the consent

of Administrative Agent, each LC Issuing Bank and each Swingline Lender (such consent, in each case, not to be unreasonably withheld), by notice to Administrative Agent specifying the amount of the relevant Commitment Increase, the Lender or Lenders providing for such Commitment Increase and the date on which such increase is to be effective (the "Commitment Increase Date"), which shall be a Banking Day at least three Banking Days after delivery of such notice and 30 days prior to the Maturity Date; provided that:

- (A) the minimum amount of the Commitment of any Assuming Lender, and the minimum amount of the increase of the Commitment of any Increasing Lender, as part of such Commitment Increase shall be \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof;
- (B) the Total Commitment shall be increased at any time in an aggregate minimum amount of \$10,000,000;
- (C) the aggregate amount of all Commitment Increases hereunder shall not exceed \$100,000,000;
- (D) no Inchoate Default or Event of Default shall have occurred and be continuing on such Commitment Increase Date or shall result from the proposed Commitment Increase; and
- (E) each representation and warranty set forth in Article IV shall be true and correct as if made on and as of the date of the Commitment Increase Date, before and after giving effect thereto and the application of the proceeds therefrom, unless such representation or warranty relates solely to another time, in which event such representation or warranty shall be true and correct as of such other time.

No Lender shall be obligated to become an Increasing Lender hereunder.

2.3.3.2 Effectiveness of Commitment Increase. Each Commitment Increase (and the increase of the Commitment of each Increasing Lender and/or the new Commitment of each Assuming Lender, as applicable, resulting therefrom) shall become effective as of the relevant Commitment Increase Date upon receipt by Administrative Agent, on or prior to 9:00 a.m. on such Commitment Increase Date, of (A) a certificate of a duly authorized officer of Borrower stating that the conditions with respect to such Commitment Increase under this Section 2.3.3.2 have been satisfied and (B) an agreement, in form and substance satisfactory to Borrower and Administrative Agent, pursuant to which, effective as of such Commitment Increase Date, the Commitment of each such Increasing Lender shall be increased or each such Assuming Lender, as applicable, shall undertake a Commitment, duly executed by such Increasing Lender or Assuming Lender, as the case may be, and Borrower and acknowledged by Administrative Agent. Upon Administrative Agent's receipt of a fully executed agreement from each Increasing Lender and/or Assuming Lender referred to in clause (B) above, together with the certificate referred to in clause (A) above, Administrative Agent shall record the information contained in each such agreement in the Register and give prompt notice of the relevant Commitment Increase to Borrower and the Lenders (including, if applicable, each Assuming Lender). On each Commitment Increase Date Borrower shall simultaneously (i) prepay in full the outstanding Revolving Loans (if any) held by the Lenders immediately prior to giving effect to the relevant Commitment Increase, (ii) if Borrower shall have so requested in accordance with this Agreement, borrow new Revolving Loans from all Lenders (including, if applicable, any Assuming Lender) such that, after giving effect thereto, the Revolving Loans are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment Increase) and (iii) pay to the Lenders the amounts, if any, payable under Section 2.7 in connection with such prepayment.

#### 2.3.4 Extension of Maturity Date.

2.3.4.1 Request for Extension. Borrower may, by notice to Administrative Agent (which shall promptly notify the Lenders) not more than 60 days and not less than 30 days prior to each anniversary of the Closing Date (such anniversary date, the “Extension Date”), request (each, an “Extension Request”) that the Lenders extend the Maturity Date then in effect (the “Existing Maturity Date”) for an additional one year, provided that (i) no more than two Extension Requests shall be permitted hereunder and (ii) for the avoidance of doubt, in no event shall any such extension request result in a final maturity date after the fifth (5<sup>th</sup>) anniversary of the Closing Date. Each Lender, acting in its sole discretion, shall, by notice to Borrower and Administrative Agent given not later than the 20<sup>th</sup> day (or such later day as shall be acceptable by Borrower) following the date of Borrower’s notice, advise Borrower whether or not such Lender agrees to such extension; provided that any Lender that does not so advise Borrower shall be deemed to have denied such Extension Request. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

2.3.4.2 Replacement of Non-extending Lenders. Borrower shall have the right at any time on, prior to or following the relevant Extension Date to replace any non-extending Lender with, and otherwise add to this Agreement, one or more other lenders (which may include any Lender) (each an “Additional Commitment Lender”) in each case with the consent of Administrative Agent, each LC Issuing Bank and each Swingline Lender (such consent, in each case, not to be unreasonably withheld). Each Additional Commitment Lender which has been so approved shall enter into an agreement in form and substance satisfactory to Borrower and Administrative Agent pursuant to which such Additional Commitment Lender shall, effective as of the Extension Date (or the effective date of such replacement if later), undertake a Commitment and (if not already a Lender under this Agreement) become a Lender hereunder (and, if such Additional Commitment Lender is already a Lender, agree to increase its Commitment hereunder) in the agreed amount as long as each Non-extending Lender being replaced is paid in full.

2.3.4.3 Effectiveness of Extension. If (and only if) the total Commitments of the Lenders that have agreed in connection with any Extension Request to extend the Existing Maturity Date and the additional Commitments of the Additional Commitment Lenders shall be at least 50% of the Total Commitment in effect immediately prior to the Extension Date, then, effective as of the Extension Date, the Maturity Date, with respect to the Commitment of each Lender that has agreed to so extend its Commitment and of each Additional Commitment Lender (if any) shall be extended to the date falling one year after the Existing Maturity Date (or, if such date is not a Banking Day, such Maturity Date as so extended shall be the next preceding Banking Day), and each Additional Commitment Lender which shall replace any non-extending Lender pursuant to Section 2.3.4.2 shall become a “Lender” for all purposes of this Agreement effective as of the date of such replacement.

Notwithstanding the foregoing, the extension of the Existing Maturity Date shall not be effective with respect to any Lender unless as of the relevant Extension Date (i) no Inchoate Default or Event of Default shall have occurred and be continuing and (ii) each representation and warranty set forth in Article IV shall be true and correct as if made on and as of such date, unless such representation or warranty relates solely to another time, in which event such representation or warranty shall be true and correct as of such other time (and Administrative Agent shall have received a certification to such effect from a Responsible Officer of Borrower, together with such evidence and other related documents as Administrative Agent may reasonably request with respect to Borrower’s authorization of the extension and their respective obligations hereunder).

Notwithstanding anything herein to the contrary, with respect to the Commitment of any Lender that has not approved any Extension Request and has not been replaced as a Lender hereunder

pursuant to Section 2.3.4.2, the Maturity Date for such Lender shall remain unchanged (and the Commitment of such Lender (including its obligations in respect of any participation in respect of any Letters of Credit) shall terminate, and the Revolving Loans made by such Lender shall mature and be payable by Borrower, and all other amounts owing to such Lender hereunder shall be payable, on such date).

## 2.4 Fees

2.4.1 Facility Fee. On the third Banking Day after the end of each calendar quarter (where all or any portion of such calendar quarter occurs on or after the Closing Date) and on the Maturity Date (or, if applicable, each Maturity Date) (or, if the Total Commitment is cancelled prior to such date, on the date of such cancellation), Borrower shall pay to Administrative Agent, for the benefit of the Lenders, accruing from the Closing Date or the first day of such quarter, as the case may be, a facility fee (the "Facility Fee") for such quarter (or portion thereof) then ending on the daily amount (whether used or unused) of the Total Commitment during such quarter (or portion thereof) which shall accrue at the Applicable Rate.

### 2.4.2 Letter of Credit Fees.

2.4.2.1 On the third Banking Day after the end of each calendar quarter (where all or any portion of such calendar quarter occurs on or after the Closing Date) commencing on the Closing Date and ending on the Maturity Date (or, if applicable, each Maturity Date) and on the expiration date of each Letter of Credit, Borrower shall pay to Administrative Agent for the benefit of the relevant LC Issuing Bank a Letter of Credit fronting fee for such quarter (or portion thereof) then ending on the average daily amount of the LC Exposure with respect to each Letter of Credit issued by such LC Issuing Bank (excluding any portion thereof attributable to unreimbursed Reimbursement Obligations, if any) which shall accrue at a rate per annum as agreed in writing between Borrower and such LC Issuing Bank, during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which there ceases to be any LC Exposure with respect to such Letter of Credit.

2.4.2.2 Borrower agrees to pay each LC Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder.

2.4.2.3 On the third Banking Day after the end of each calendar quarter (where all or any portion of such calendar quarter occurs on or after the Closing Date) commencing on the Closing Date and ending on the Maturity Date (or, if applicable, each Maturity Date), Borrower shall pay to Administrative Agent for the benefit of the Lenders, a Letter of Credit fee (the "Lenders Letter of Credit Fee") on the average daily amount of the LC Exposure with respect to each outstanding Letter of Credit (excluding any portion thereof attributable to unreimbursed Reimbursement Obligations, if any) for such quarter (or portion thereof) which shall accrue at the same Applicable Rate used to determine the interest rate applicable to LIBOR Loans.

2.4.3 Calculation of Fees. All fees payable under this Section 2.4 shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

## 2.5 Other Payment Terms.

2.5.1 Place and Manner. Borrower shall make all payments due to each Lender hereunder to the Administrative Agent's Office, for the account of such Lender, to an account specified by Administrative Agent to Borrower for such purpose, in lawful money of the United States and in immediately available funds not later than 12:00 noon on the date on which such payment is due, without set-off or counterclaim. Any payment received after such time on any day shall be deemed received on the Banking Day after such payment is received. Administrative Agent shall disburse to each Lender each such payment received by Administrative Agent for such Lender, such disbursement to occur on the day such payment is received if received by 12:00 noon, otherwise on the next Banking Day.

2.5.2 Date. Whenever any payment due hereunder shall fall due on a day other than a Banking Day, such payment shall be made on the next succeeding Banking Day, and such extension of time shall be included in the computation of interest or fees, as the case may be, without duplication of any interest or fees so paid in the next subsequent calculation of interest or fees payable.

2.5.3 Late Payments. If any amounts required to be paid by Borrower under this Agreement or the other Credit Facility Documents (including principal or interest payable on any Loan, and any fees or other amounts otherwise payable to Administrative Agent or any Lender) remain unpaid after such overdue amounts are due, Borrower shall pay interest (including following any Bankruptcy Event with respect to Borrower) on the aggregate, outstanding balance of such amounts from the date due until those amounts are paid in full at a per annum rate equal to the Default Rate.

2.5.4 Net of Taxes, Etc.

2.5.4.1 Taxes. Subject to each Lender's compliance with Section 2.5.7, any and all payments to or for the benefit of Administrative Agent or any Lender by Borrower hereunder or under any other Credit Facility Document shall be made free and clear of and without deduction, setoff or counterclaim of any kind whatsoever and in such amounts as may be necessary in order that all such payments, after deduction for or on account of any Indemnified Taxes or Other Taxes, shall be equal to the amounts otherwise specified to be paid under this Agreement and the other Credit Facility Documents. If Borrower shall be required by law to withhold or deduct any Indemnified Taxes or Other Taxes from or in respect of any sum payable hereunder or under any other Credit Facility Document to Administrative Agent or any Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions of Indemnified Taxes or Other Taxes, as applicable (including deductions applicable to additional sums payable under this Section 2.5.4), Administrative Agent or such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the Governmental Authority in accordance with applicable law, rule or regulation. In addition, Borrower agrees to pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, rule or regulation.

2.5.4.2 Indemnity. Borrower shall indemnify each Lender for and hold it harmless against the full amount of Indemnified Taxes and Other Taxes (including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.5.4) paid by any Lender, or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; provided that Borrower shall not be obligated to indemnify any Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from such Lender's gross negligence or willful misconduct. Each Lender agrees to give notice to Borrower of the assertion of any claim against such Lender relating to such Indemnified

Taxes or Other Taxes as promptly as is practicable after being notified of such assertion, and in no event later than 90 days after the principal officer of such Lender responsible for administering this Agreement obtains knowledge thereof; provided that any Lender's failure to notify Borrower of such assertion within such 90 day period shall not relieve Borrower of its obligation under this Section 2.5.4 with respect to Indemnified Taxes or Other Taxes, penalties, interest or expenses arising prior to the end of such period, but shall relieve Borrower of its obligations under this Section 2.5.4 with respect to Indemnified Taxes and Other Taxes, penalties, interest or expenses accruing between the end of such period and such time as Borrower receives notice from such Lender as provided herein. Payments by Borrower pursuant to this indemnification shall be made within 30 days from the date such Lender makes written demand therefor (submitted through Administrative Agent), which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof.

2.5.4.3 Notice. Within 30 days after the date of any payment of Taxes by Borrower, Borrower shall furnish to Administrative Agent, at its address referred to in Section 8.1, the original or a certified copy of a receipt evidencing payment thereof or if such receipt is not obtainable, other evidence of such payment by Borrower reasonably satisfactory to Administrative Agent. Borrower shall compensate each Lender for all reasonable losses and expenses sustained by such Lender as a result of any failure by Borrower to so furnish such copy of such receipt.

2.5.4.4 FATCA. If a payment made to a Lender under this Agreement or any other Credit Facility Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent (each, a "Withholding Agent"), at the time or times prescribed by law and at such time or times reasonably requested by any Withholding Agent, as the case may be, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Withholding Agent as may be necessary for such Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.5.4.4, FATCA shall include any amendments made to FATCA after the date of this Agreement.

2.5.4.5 Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.5.4 (including additional amounts paid pursuant to this Section 2.5.4), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnifying party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.5.4.5, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.5.4.5 if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.5.4.5 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

2.5.4.6 Survival of Obligations. The obligations of Borrower under this Section 2.5.4 shall survive the termination of this Agreement and the repayment of the Obligations.

2.5.5 Application of Payments. Payments made under this Agreement or the other Credit Facility Documents shall (a) first be applied to any fees, costs, charges or expenses due and payable to Administrative Agent and the Lenders hereunder or under the other Credit Facility Documents, (b) next to any accrued but unpaid interest then due and owing and (c) then to outstanding principal then due and payable or otherwise to be prepaid.

2.5.6 Failure to Pay Administrative Agent. Unless Administrative Agent shall have received notice from Borrower at least two Banking Days prior to the date on which any payment is due to the Lenders hereunder that Borrower will not make such payment in full, Administrative Agent may assume that Borrower has made such payment in full to Administrative Agent on such date and Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrower shall not have so made such payment in full to Administrative Agent, such Lender shall repay to Administrative Agent forthwith upon demand such amount distributed to such Lender, together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by Administrative Agent in accordance with banking industry rules for interbank compensation. A certificate of Administrative Agent submitted to any Lender with respect to any amounts owing by such Lender under this Section 2.5.6 shall be conclusive in the absence of demonstrable error.

2.5.7 Withholding Exemption Certificates. Each Lender that is not a United States person within the meaning of Section 7701(a)(30) of the Code upon becoming a Lender hereunder including any entity to which any Lender grants a participation or otherwise transfers its interest in this Agreement, agrees that it will deliver to Administrative Agent and Borrower two duly completed copies of United States Internal Revenue Service Form W-8IMY, W-8ECI or W-8BEN or successor applicable form, as the case may be, certifying in each case that such Lender is not a United States person and, to the extent applicable, is entitled to receive payments under this Agreement with an exemption or reduction of the deduction or withholding of any United States Federal income taxes. Each Lender which delivers to Borrower and Administrative Agent a Form W-8IMY, W-8ECI or W-8BEN pursuant to the preceding sentence further undertakes to deliver to Borrower and Administrative Agent further copies of the said letter and Form W-8IMY, W-8ECI or W-8BEN, or successor applicable forms, or other manner of certification or procedure, as the case may be, on or before the date that any such letter or form expires or becomes obsolete or within a reasonable time after gaining knowledge of the occurrence of any event requiring a change in the most recent letter and forms previously delivered by it to Borrower, and such extensions or renewals thereof as may reasonably be requested by Borrower, certifying in the case of a Form W-8IMY, W-8ECI or W-8BEN that such Lender is not a United States person and, to the extent applicable, is entitled to receive payments under this Agreement with an exemption or reduction of the deduction or withholding of any United States Federal income taxes, unless in any such cases an event (including any change in any treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would reasonably prevent a Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises Borrower that it is not capable of receiving payments with an exemption or reduction of any deduction or withholding of United States

Federal income tax, and in the case of Form W-8IMY, W-8ECI or W-8BEN, establishing an exemption from United States backup withholding tax. In the case of a Lender entitled to an exemption from the withholding of United States federal income tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest,” such Lender shall also deliver to Administrative Agent and Borrower with its Form W-8IMY, W-8ECI and W-8BEN or successor applicable form, as the case may be, a certificate, or certificates, to the effect that such Lender (or in the case of a Form W-8IMY, such Lender’s beneficial owners to the extent applicable) is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of Borrower within the meaning of Section 881(c)(3)(B) of the Code and (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code. Each Lender providing such a certificate shall provide a new certificate at any time thereafter when a change in such Lender’s circumstances renders an existing certificate obsolete or invalid or requires a new certificate to be provided, and within fifteen Banking Days after a reasonable written request of Administrative Agent or Borrower from time to time; provided that it shall not be a breach of this Section 2.5.7 if such Lender is unable to provide such certificate as a result of a Change of Law after the date it becomes a Lender hereunder. Each Lender that is a United States person within the meaning of Section 7701(a)(30) of the Code shall provide two duly completed copies of United States Internal Revenue Service Form W-9 or successor applicable form, as the case may be, at the times specified for the delivery of forms under this Section 2.5.7 with respect to Forms W-8IMY, W-8ECI and W-8BEN or successor applicable form, as the case may be. Borrower shall not be obligated, however, to pay any additional amounts in respect of United States Federal income tax pursuant to Section 2.5.4.1 (or make an indemnification payment pursuant to Section 2.5.4.2) to any Lender (including any entity to which any Lender sells, assigns, grants a participation in, or otherwise transfers its rights under this Agreement) if the obligation to pay such additional amounts (or such indemnification) would not have arisen but for a failure of such Lender to comply with its obligations under this Section 2.5.7.

2.5.8 Certain Deductions by Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.2.7, Section 2.5.6, Section 2.10.3 or Section 7.5, then Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (a) apply any amounts thereafter received by Administrative Agent for the account of such Lender for the benefit of Administrative Agent, the Swingline Lenders or the LC Issuing Banks to satisfy such Lender’s obligations to any of them, as applicable, under such Section until all such unsatisfied obligations are fully paid, and/or (b) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by Administrative Agent in its discretion.

## 2.6 Pro Rata Treatment.

2.6.1 Borrowings, Payments, Etc. Except as otherwise provided herein (including in Section 2.3.3), (a) each Revolving Borrowing shall be made or allocated among the Lenders *pro rata* according to their respective Proportionate Shares then in effect and (b) each payment of principal of or interest on the Revolving Loans, Facility Fees and Lenders Letter of Credit Fees shall be shared among the Lenders *pro rata* in accordance with the amounts of such principal, interest or fees, as the case may be, then due and payable to them.

2.6.2 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) hereunder in excess of its ratable share of payments in accordance with Section 2.6.1, such Lender shall forthwith purchase from the other Lenders to which such payments were required to be made such participations in the Loans or participations in unreimbursed Reimbursement Obligations as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.6.2 shall not be construed to apply to any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Letters of Credit to any assignee or participant, other than to Borrower or any subsidiary or Affiliate thereof (as to which the provisions of this Section 2.6.2 shall apply). Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.6.2 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation.

## 2.7 Change of Circumstances.

### 2.7.1 LIBOR

2.7.1.1 Interest Rates; LIBOR Notification. The interest rate on LIBOR Loans is determined by reference to the LIBO Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on LIBOR Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, Section 2.7.1.3(a) and (b) provide the mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.7.1.3(d), of any change to the reference rate upon which the interest rate on LIBOR Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.7.1.3(a) or (b), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.7.1.3(c)), including without limitation, whether the composition or characteristics of any

such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

2.7.1.2 Illegality. If any Change of Law shall make it unlawful or impossible for any Lender to make or maintain any LIBOR Loan, such Lender shall immediately notify Administrative Agent and Borrower of such Change of Law. Upon receipt of such notice, (a) Borrower's right to request the making of or conversion to, and the Lenders' obligations to make or convert to, LIBOR Loans, as the case may be, shall be suspended for so long as such condition shall exist, and (b) Borrower shall, at the request of such Lender, either (i) pursuant to Section 2.1.3, convert any then outstanding LIBOR Loans into Base Rate Loans at the end of the current Interest Periods for such Loans, or (ii) immediately repay or convert (at Borrower's option) LIBOR Loans into Base Rate Loans if such Lender shall notify Borrower that such Lender may not lawfully continue to fund and maintain such Loans as LIBOR Loans. Any conversion or prepayment of LIBOR Loans made pursuant to the preceding sentence prior to the last day of an Interest Period for such Loans shall be deemed a prepayment thereof for purposes of Section 2.8.

#### 2.7.1.3 Alternate Rate of Interest

(a) Notwithstanding anything to the contrary herein or in any other Credit Facility Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Facility Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Facility Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Facility Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Facility Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Notwithstanding anything to the contrary herein or in any other Credit Facility Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Credit Facility Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Facility Document; provided that, this clause (b) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of

doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Facility Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Facility Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.7.1.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Facility Document, except, in each case, as expressly required pursuant to this Section 2.7.1.3.

(e) Notwithstanding anything to the contrary herein or in any other Credit Facility Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a LIBOR Borrowing of, conversion to or continuation of LIBOR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any

time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

2.7.2 Inability to Determine Rates. Subject to Section 2.7.1 above, if for any reason in connection with any request for a LIBOR Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBOR Loan or in connection with an existing or proposed Base Rate Loan; provided that no Benchmark Transition Event shall have occurred at such time, or (ii) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for any requested Interest Period with respect to a proposed LIBOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent shall promptly so notify the Borrower and each Lender. Thereafter, (A) the obligation of the Lenders to make or maintain LIBOR Loans shall be suspended and (B) in the event of a determination described in the preceding sentence with respect to the LIBO Rate component of the Alternate Base Rate, the utilization of the LIBO Rate component in determining the Alternate Base Rate shall be suspended, in each case, until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR Loans or, failing that, shall be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

2.7.3 Increased Costs. If any Change of Law shall:

2.7.3.1 impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or any LC Issuing Bank (without duplication of any reserve requirement included within the applicable interest rate through the definition of "Reserve Requirement"); or

2.7.3.2 subject any Lender or any LC Issuing Bank to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any LIBOR Loan made by it, or change the basis of taxation of payments to such Lender or LC Issuing Bank in respect thereof (except for (A) Indemnified Taxes or Other Taxes covered by Section 2.5.4 and (B) the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or LC Issuing Bank); or

2.7.3.3 impose on any Lender or any LC Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or LIBOR Loans made by such Lender or any Letter of Credit or participation therein (without duplication of any reserve requirement included within the applicable interest rate through the definition of "Reserve Requirement");

and the result of any of the foregoing shall be to increase the cost to such Lender or LC Issuing Bank of making, converting to, continuing or maintaining any LIBOR Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or LC Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) other than any cost related to Taxes or to reduce the amount of any sum received or receivable by such Lender or LC Issuing Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or LC Issuing Bank to be material, then Borrower will pay to such Lender or LC Issuing Bank, as the case may be, within 30 days after its demand, such additional amount or amounts as

will compensate such Lender or LC Issuing Bank for such additional costs incurred or reduction suffered. A certificate setting forth in reasonable detail the amount of such increased costs or reduced amounts and the basis for determination of such amount, submitted by such Lender or LC Issuing Bank to Borrower, shall, in the absence of demonstrable error, be conclusive and binding on Borrower for purposes of this Agreement.

2.7.4 Capital Requirements. If any Lender or any LC Issuing Bank determines that any Change of Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or LC Issuing Bank's capital or on the capital of such Lender's or LC Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by any LC Issuing Bank, to a level below that which such Lender or LC Issuing Bank or such Lender's or LC Issuing Bank's holding company could have achieved but for such Change of Law (taking into consideration such Lender's or LC Issuing Bank's policies and the policies of such Lender's or LC Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrower shall pay to such Lender or LC Issuing Bank, as the case may be, within 30 days after its demand such additional amount or amounts as will compensate such Lender or LC Issuing Bank or such Lender's or LC Issuing Bank's holding company for any such reduction suffered. A certificate of such Lender or such LC Issuing Bank, setting forth in reasonable detail the computation of any such amount, submitted by such Lender or LC Issuing Bank to Borrower, shall, in the absence of demonstrable error, be conclusive and binding on Borrower for purposes of this Agreement.

2.7.5 Delay in Request. Failure or delay on the part of any Lender or LC Issuing Bank to demand compensation pursuant to this Section 2.7 shall not constitute a waiver of such Lender's or LC Issuing Bank's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender or an LC Issuing Bank pursuant to this Section 2.7 for any costs or reductions incurred more than 180 days prior to the date that such Lender or LC Issuing Bank notifies Borrower of the event giving rise to such costs or reductions and of such Lender's or LC Issuing Bank's intention to claim compensation therefor; provided further that, if the event giving rise to such costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.8 Funding Losses. If Borrower shall (a) repay or prepay any LIBOR Loans on any day other than the last day of an Interest Period for such Loans (including as a result of an assignment effected pursuant to Section 2.9.2), (b) fail to borrow any LIBOR Loans in accordance with a Notice of Revolving Borrowing delivered to Administrative Agent (whether as a result of the failure to satisfy any applicable conditions or otherwise) after such notice has become irrevocable, (c) fail to convert any Base Rate Loans into LIBOR Loans in accordance with a Notice of Conversion of Loan Type delivered to Administrative Agent (whether as a result of the failure to satisfy any applicable conditions or otherwise) after such notice has become irrevocable, (d) fail to continue a LIBOR Loan in accordance with a Confirmation of Interest Period Selection after such notice of confirmation has become irrevocable or (e) fail to make any prepayment in accordance with any notice of prepayment delivered to Administrative Agent, Borrower shall, within 30 days after demand by any Lender (other than in the case of the costs covered by the parenthetical clause under clause (a) above, which shall be paid in accordance with Section 2.9.2), reimburse such Lender for all reasonable costs and losses incurred by such Lender ("Liquidation Costs") due to such payment, prepayment or failure. Borrower understands that such costs and losses may include losses incurred

by a Lender as a result of funding and other contracts entered into by such Lender to fund LIBOR Loans (other than non-receipt of the Applicable Rate in respect of the interest rate on LIBOR Loans). Each Lender demanding payment under this Section 2.8 shall deliver to Borrower a certificate setting forth in reasonable detail the amount of costs and losses for which demand is made. Such a certificate so delivered to Borrower shall, in the absence of demonstrable error, be conclusive and binding as to the amount of such loss for purposes of this Agreement.

2.9 Alternate Office, Minimization of Costs.

2.9.1 Minimization of Costs. To the extent reasonably possible, each Lender shall designate an alternative Lending Office with respect to its LIBOR Loans and otherwise take any reasonable actions to reduce any liability of Borrower to any Lender under Sections 2.5.4, 2.7.3, 2.7.4 or 2.8, or to avoid the unavailability of any Type of Loans under Section 2.7.1.2 so long as (in the case of the designation of an alternative Lending Office) such Lender, in its sole discretion, does not determine that such designation is disadvantageous to such Lender.

2.9.2 Replacement Rights. If and with respect to each occasion that a Lender (i) makes a demand for compensation pursuant to Section 2.5.4, 2.7.3 or 2.7.4, (ii) is unable for a period of three consecutive months to fund LIBOR Loans pursuant to Section 2.7.1.2 or such Lender wrongfully fails to fund a Loan, (iii) becomes a Defaulting Lender or (iv) has failed to consent to any proposed waiver or amendment with respect to this Agreement that requires the consent of all the Lenders or all the Lenders directly affected and with respect to which the Required Lenders shall have granted their consent, Borrower may, at its sole expense, upon at least five Banking Days' prior irrevocable written notice to the affected Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 7.13.1), all its interests, rights and obligations under this Agreement to an eligible assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that Borrower shall have received the prior written consent of Administrative Agent, each Swingline Lender and each LC Issuing Bank with respect to such assignee to the extent consent would be required under the terms of Section 7.13.1 in connection with an assignment to such assignee (which consent, in each case, shall not be unreasonably withheld). Such replacement Lender shall upon the effective date of replacement purchase the Obligations owed to such replaced Lender for the aggregate amount thereof and shall thereupon and for all purposes become a "Lender" hereunder. Such notice from Borrower shall specify an effective date for the replacement of such Lender's Loans and Commitments, which date shall not be later than the 14<sup>th</sup> day after the day such notice is given. On the effective date of any replacement of a Lender's Loans and Commitments and Obligations pursuant to this Section 2.9.2, Borrower shall pay to Administrative Agent for the account of such Lender (a) any fees due to such Lender to the date of such replacement; (b) the principal of and accrued interest on the principal amount of outstanding Loans and any funded participations in Letters of Credit and Swingline Loans held by such Lender to the date of such replacement (such amount to be represented by the purchase of the Obligations of such replaced Lender by the replacing Lender and not as a prepayment of such Loans or other amounts), and (c) the amount or amounts due to such Lender pursuant to each of Sections 2.5.4, 2.7.3 or 2.7.4, as applicable, and any other amount then payable hereunder to such Lender. In addition, if the replacement Lender was not previously a "Lender" hereunder, Borrower shall pay to Administrative Agent an administrative fee of \$3,500. Borrower will remain liable to such replaced Lender for any Liquidation Costs that such Lender may sustain or incur as a consequence

of the purchase of such Lender's Loans (unless such Lender has defaulted on its obligation to fund a Loan hereunder). Upon the effective date of the purchase of any Lender's Loans and termination of such Lender's Commitments pursuant to this Section 2.9.2, such Lender shall cease to be a Lender hereunder. No such replacement of such Lender's Commitments and the purchase of such Lender's Loans pursuant to this Section 2.9.2 shall affect (i) any liability or obligation of Borrower or any other Lender to such replaced Lender, or any liability or obligation of such replaced Lender to Borrower or any other Lender, which accrued on or prior to the date of such replacement or (ii) such replaced Lender's rights hereunder in respect of any such liability or obligation. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

2.9.3 Alternate Office. Any Lender may designate a Lending Office other than that set forth in its Administrative Questionnaire and may assign all of its interests under the Credit Facility Documents to such Lending Office, provided that such designation and assignment do not at the time of such designation and assignment increase the reasonably foreseeable liability of Borrower under Sections 2.5.4, 2.7.3 or 2.7.4, or make an interest rate option unavailable pursuant to Section 2.7.1.2.

## 2.10 Swingline Loans.

2.10.1 Agreement to Make Swingline Loans. Subject to the terms and conditions set forth herein, each Swingline Lender severally agrees to make Swingline Loans to Borrower from time to time during the Availability Period in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding the Swingline Sublimit, (ii) such Swingline Lender's Revolving Credit Exposure exceeding its Commitment or (iii) the total Revolving Credit Exposure of all the Lenders exceeding the Total Commitment; provided that no Swingline Lender shall be required to make a Swingline Loan to refinance an outstanding Swingline Loan or to finance the reimbursement of a Reimbursement Obligation in respect of a Letter of Credit. Within the foregoing limits and subject to the terms and conditions set forth herein, Borrower may borrow, prepay and reborrow Swingline Loans. Immediately upon the making of a Swingline Loan by a Swingline Lender, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such Swingline Lender a participation in such Swingline Loan in an amount equal to such Lender's Proportionate Share of the amount of such Swingline Loan.

2.10.2 Notice of Swingline Loans by Borrower. Borrower shall request a Swingline Loan by delivering to Administrative Agent a written notice in the form of Exhibit F, appropriately completed (a "Notice of Swingline Borrowing") before 12:00 noon on the Banking Day of any Swingline Borrowing. Each Notice of Swingline Borrowing shall be irrevocable and shall specify the Swingline Lender from which such Swingline Borrowing shall be made, the requested date (which shall be a Banking Day) and the amount of the requested Swingline Loan. Each Swingline Loan shall be in the minimum amount of \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof. Administrative Agent will promptly advise the relevant Swingline Lender of a Notice of Swingline Borrowing received from Borrower. Subject to the terms and conditions set forth herein, each Swingline Lender shall make each Swingline Loan available to Borrower, in immediately available funds by wire transfer thereof in accordance with instructions provided to (and

reasonably acceptable to) such Swingline Lender, not later than 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

### 2.10.3 Refinancing of Swingline Loans.

2.10.3.1 Each Swingline Lender at any time in its sole and absolute discretion may request, on behalf of Borrower (which hereby irrevocably authorizes each Swingline Lender to so request on its behalf), that, subject to the terms and conditions set forth herein (including the conditions set forth in Section 3.2), each Lender make a Base Rate Loan in an amount equal to such Lender's Proportionate Share of the amount of Swingline Loans made by such Swingline Lender then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Notice of Revolving Borrowing for purposes hereof) and in accordance with the requirements of Section 2.1.1, without regard to the minimum and multiples specified therein; provided that such request shall in no event be made earlier than the Swingline Loan Maturity Date for the relevant Swingline Loan. Each Swingline Lender shall furnish Borrower with a copy of such Notice of Revolving Borrowing promptly after delivering such notice to Administrative Agent. Each Lender shall make an amount equal to its Proportionate Share of the amount specified in such Notice of Revolving Borrowing available to Administrative Agent in immediately available funds for the account of such Swingline Lender at Administrative Agent's Office not later than 2:00 p.m. (New York City time) on the day specified in such Notice of Revolving Borrowing, whereupon, subject to Section 2.10.3.2, each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to Borrower in such amount.

2.10.3.2 If for any reason any Swingline Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.10.3.1, the request for Base Rate Loans submitted by such Swingline Lender as set forth herein shall be deemed to be a request by such Swingline Lender that each of the Lenders fund its participation in the relevant Swingline Loan and each Lender's payment to Administrative Agent for the account of such Swingline Lender pursuant to Section 2.10.3.1 shall be deemed payment in respect of such participation. Administrative Agent shall notify Borrower of any participations in any Swingline Loan funded pursuant to this Section 2.10.3.2, and thereafter payments in respect of such Swingline Loan (to the extent of such funded participations) shall be made to Administrative Agent for the account of the relevant Lenders.

2.10.3.3 If any Lender fails to make available to Administrative Agent for the account of any Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.10.3 by the time specified in this Section 2.10.3.3, such Swingline Lender shall be entitled to recover from such Lender (acting through Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Swingline Lender at a rate per annum equal to the greater of the Federal Funds Effective Rate from time to time in effect and a rate determined by such Swingline Lender in accordance with banking industry rules on interbank compensation, plus any reasonable administrative, processing or similar fees customarily charged by such Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or funded participation in the relevant Swingline Loan, as the case may be. A certificate of a Swingline Lender submitted to any Lender (through Administrative Agent) with respect to any amounts owing under this Section 2.10.3.3 shall be conclusive absent manifest error.

2.10.3.4 Each Lender's obligation to purchase and fund participations in Swingline Loans pursuant to this Section 2.10.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against any Swingline Lender, Borrower or any other Person for any reason

whatsoever, (B) the occurrence or continuance of a Default, (C) any adverse change in the condition (financial or otherwise) of Borrower, (D) any breach of this Agreement or any other Credit Facility Document by Borrower or any other Lender or (E) any other occurrence, event or condition, whether or not similar to any of the foregoing, and the payment of each such obligation shall be made without any offset, abatement, withholding or reduction whatsoever. No such funding of participations shall relieve or otherwise impair the obligation of Borrower to repay Swingline Loans, together with interest as provided herein.

#### 2.10.4 Repayment of Participations.

2.10.4.1 At any time after any Lender has purchased and funded a participation in a Swingline Loan, if any Swingline Lender receives any payment on account of such Swingline Loan, such Swingline Lender will promptly remit such Lender's Proportionate Share of such payment to Administrative Agent (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participation was funded) in like funds as received by such Swingline Lender, and any such amounts received by Administrative Agent will be remitted by Administrative Agent to the Lenders that shall have funded their participations pursuant to Section 2.10.3.2 to the extent of their interests therein.

2.10.4.2 If any payment received by any Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by such Swingline Lender under any of the circumstances described in Section 8.18 (including pursuant to any settlement entered into by such Swingline Lender in its discretion), each Lender shall pay to Administrative Agent for the account of such Swingline Lender its Proportionate Share thereof on demand of Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. Administrative Agent will make such demand upon the request of such Swingline Lender. The obligations of the Lenders under this Section 2.10.4.2 shall survive the payment in full of the Obligations and the termination of this Agreement.

2.10.5 Interest for Account of Swingline Lenders. Until each Lender funds its Base Rate Loan or participation pursuant to this Section to refinance such Lender's Proportionate Share of any Swingline Loan made by any Swingline Lender, interest in respect of such Lender's share thereof shall be solely for the account of such Swingline Lender.

2.11 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

2.11.1 Facility Fees shall cease to accrue on the Commitment of such Defaulting Lender pursuant to Section 2.4.1 (except to the extent allocable to (i) the outstanding principal amount of the Revolving Loans funded by it and (ii) its outstanding Swingline Exposure and/or LC Exposure for which such Defaulting Lender has provided Cash Collateral to the relevant Swingline Lender or LC Issuing Bank hereunder);

2.11.2 the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 7.9), except that (i) the Commitment(s) of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (ii) any amendment, waiver or consent requiring the consent of all the Lenders or

each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender;

2.11.3 if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Proportionate Shares but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments; provided that each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Inchoate Default or Event of Default exists;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, Borrower shall within one Banking Day following notice by Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, Cash Collateralize for the benefit of the LC Issuing Banks only Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.2.10 for so long as such LC Exposure is outstanding;

(iii) if Borrower Cash Collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, Borrower shall not be required to pay any Letter of Credit fees to such Defaulting Lender pursuant to Section 2.4.2 with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is Cash Collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the Letter of Credit fees payable to the Lenders pursuant to Section 2.4.2 shall be adjusted in accordance with such non-Defaulting Lenders' Proportionate Shares; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any LC Issuing Bank or any Lender hereunder, all Facility Fees that otherwise would have been payable to such Defaulting Lender pursuant to Section 2.4.1 (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and Letter of Credit fees payable under Section 2.4.2 with respect to such Defaulting Lender's LC Exposure shall be payable to the relevant LC Issuing Bank until and to the extent that such LC Exposure is reallocated and/or Cash Collateralized; and

2.11.4 so long as such Lender is a Defaulting Lender, no Swingline Lender shall be required to fund any Swingline Loan and no LC Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless such Swingline Lender or LC Issuing Bank, as the case may be, is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by Borrower in accordance with Section 2.2.10, and participating interests in any newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.2.7 (and such Defaulting Lender shall not participate therein).

If (i) a bankruptcy event (as such term is defined in clause (d) of the definition of "Defaulting Lender") with respect to any Person as to which any Lender is, directly or indirectly, a Subsidiary shall occur following the date hereof and for so long as such event shall continue or (ii) any

Swingline Lender or any LC Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Swingline Lender shall be required to fund any Swingline Loan and no LC Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless Borrower shall have Cash Collateralized such Lender's Swingline Exposure or LC Exposure, as the case may be, pursuant to Section 2.11.3 or otherwise such Swingline Lender or such LC Issuing Bank, as the case may be, shall have entered into arrangements with Borrower or such Lender, satisfactory to such Swingline Lender or such LC Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that Administrative Agent, Borrower, the Swingline Lenders and the LC Issuing Banks each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Proportionate Share.

2.12 Retiring Lenders. In accordance with Section 2.9.2 of the Existing Credit Agreement, the loans and commitments (the "Retired Loans and Commitments") of each Retiring Lender are hereby replaced on the Closing Date by the Lenders party hereto and (i) each Lender party hereto hereby accepts any such Retired Loans and Commitments that constitute any portion of their Loans and Commitments set forth on Schedule 1, (ii) the Administrative Agent hereby waives any \$3,500 assignment fee that would otherwise be payable on the Closing Date relating to any Retired Loans and Commitments and their placement with Lenders hereunder, (iii) each Lender party hereto that was a Lender under the Existing Credit Agreement immediately prior to the occurrence of the Closing Date, collectively constitute the Required Lenders under the Existing Credit Agreement, and by their signature page hereto hereby waives any deviations from the requirements of Section 2.9.2 under the Existing Credit Agreement with respect to the placement of the Retired Loans and Commitments with the Lenders (including with respect to notice) and (iv) each of the Administrative Agent, the Swingline Lenders and the LC Issuing Banks hereby acknowledges and consents to the foregoing clauses (i) through (iii) (including such placement of the Retired Loans and Commitments with the Lenders party hereto as set forth on Schedule 1).

### ARTICLE III CONDITIONS PRECEDENT

3.1 Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

3.1.1 Credit Facility Documents. Delivery to Administrative Agent of executed originals of each Credit Facility Document (or written evidence satisfactory to Administrative Agent of the execution thereof by the parties thereto (which may include fax or electronic transmission of a signed signature page thereto)).

3.1.2 Resolutions. Delivery to Administrative Agent of a copy of one or more resolutions or other authorizations of Borrower in form and substance reasonably satisfactory to Administrative Agent and certified by an appropriate authorized officer of Borrower as being in full force and effect on the Closing Date, authorizing the execution, delivery and performance of this Agreement and the other Credit Facility Documents and any instruments or agreements required hereunder or thereunder to which Borrower is a party.

3.1.3 Incumbency. Delivery to Administrative Agent of a certificate in form and substance reasonably satisfactory to Administrative Agent, from Borrower signed by the appropriate authorized officer and dated the Closing Date, as to the incumbency of the natural persons authorized to execute and deliver this Agreement and each other Credit Facility Document and any instruments or agreements required hereunder or thereunder to which Borrower is a party.

3.1.4 Legal Opinions. Delivery to Administrative Agent of legal opinions of in-house and external counsel to Borrower and counsel to Administrative Agent, in the form of Exhibits H-1, H-2 and H-3, respectively.

3.1.5 Financial Statements. The Lenders shall have received the most recent annual audited financial statements or Form 10-K from Borrower and, to the extent obtainable, the most recent quarterly financial statements or Form 10-Q of Borrower, with certificates from the appropriate Responsible Officer thereof, stating that no material adverse change in the consolidated assets, liabilities, operations or financial condition of Borrower has occurred from those set forth in the most recent financial statements or the balance sheet, as the case may be, so provided to Administrative Agent.

3.1.6 Accuracy of Representations and Warranties; No Defaults. As of the Closing Date, the conditions set forth in Sections 3.2.1 and 3.2.2 shall be satisfied.

3.1.7 Certificate of Borrower. Administrative Agent shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of Borrower, in substantially the form of Exhibit G.

3.1.8 Payment of Fees. All amounts required to be paid by Borrower to the Lenders, Administrative Agent and the Arrangers in connection with the execution and delivery of the Credit Facility Documents, and all taxes, fees and other costs payable in connection with the execution and delivery of the documents and instruments referred to in this Section 3.1 (or incorporated herein by reference) shall have been paid in full.

3.1.9 Replacement of Retiring Lenders under Existing Credit Agreement. Administrative Agent shall have received evidence, in form and substance satisfactory to Administrative Agent, that (i) all amounts due and payable under the Existing Credit Agreement to the Retiring Lenders shall have been (or shall be simultaneously) paid in full, (ii) all Retired Loans and Commitments of Retiring Lenders shall have been replaced (and the Lenders of such replaced Retired Loans and Commitments shall have been deemed to have consented to this Agreement on behalf of each such Retiring Lender (and on behalf of the Retired Loans and Commitments previously held by such Retiring Lender)); and (iii) all letters of credit outstanding under the Existing Credit Agreement shall have been either continued and deemed issued under this Agreement as provided in Section 2.2.1.2 or otherwise canceled; provided that, by its execution hereof, each Lender that is a lender party to the Existing Credit Agreement hereby waives and amends the provisions of the Existing Credit Agreement requiring prior notice by Borrower with respect to the prepayment of loans and/or the termination of the commitments thereunder as of the Closing Date.

3.1.10 Beneficial Ownership Certification. To the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at

least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause 3.1.10 shall be deemed to be satisfied).

Administrative Agent shall notify Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

3.2 Conditions Precedent to Each Extension of Credit. The obligation of the Lenders to make each Loan and the obligation of any LC Issuing Bank to issue, extend or increase the Stated Amount of any Letter of Credit is subject to the prior satisfaction of each of the following conditions:

3.2.1 Accuracy of Representations and Warranties. Each representation and warranty set forth in Article IV (excluding, for any Loan made or any Letter of Credit issued, extended or increased after the Closing Date, Section 4.4 and the last sentence of Section 4.6) shall be true and correct as if made on and as of the date of such Borrowing or issuance, extension or increase in the Stated Amount of a Letter of Credit, as the case may be, before and after giving effect thereto and the application of the proceeds therefrom, unless such representation or warranty relates solely to another time, in which event such representation or warranty shall be true and correct as of such other time.

3.2.2 No Defaults. No Event of Default or Inchoate Default shall have occurred and is continuing or will result from such Borrowing or issuance, extension or increase in the Stated Amount of a Letter of Credit, as the case may be.

3.2.3 Notice of Borrowing. Borrower shall have delivered to Administrative Agent a Notice of Revolving Borrowing meeting the requirements of Section 2.1.1.2, a Notice of LC Activity meeting the requirements of Section 2.2.3 or a Notice of Swingline Borrowing meeting the requirements of Section 2.10.2, as applicable.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

Borrower makes the following representations and warranties to and in favor of Administrative Agent and the Lenders as of the Closing Date and, unless otherwise expressly limited to the Closing Date, as of the date of each Borrowing and each issuance, extension or increase in the Stated Amount of a Letter of Credit (and all of these representations and warranties shall survive the Closing Date, the issuance of any Letters of Credit and the making of the Loans):

4.1 Corporate Existence and Business. Borrower is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of incorporation and is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is necessary to execute, deliver and perform this Agreement and each other Credit Facility Document to which it is or is to become a party.

4.2 Power and Authorization; Enforceable Obligations. Borrower has full power and authority and the legal right to execute, deliver and perform this Agreement and each other Credit Facility Document to which it is or is to become a party and to take all action as may be necessary to complete the transactions contemplated hereunder and thereunder. Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each other Credit Facility Document to which it is or is to become a party to complete the

transactions contemplated hereby. No consent or authorization of, filing with, or other act by or in respect of any other Person or Governmental Authority is required in connection with the execution, delivery or performance by Borrower, or the validity or enforceability as to Borrower, of this Agreement and each other Credit Facility Document to which it is or is to become a party, except such consents or authorizations or filings or other acts as have already been obtained or where the failure to obtain such consent or authorization could not reasonably be expected to have a Material Adverse Effect. This Agreement and each other Credit Facility Document to which Borrower is a party have been duly executed and delivered by Borrower and constitute, and each other Credit Facility Document to which it is to become a party will upon execution and delivery thereof by Borrower and the other parties thereto (if any) constitute, a legal, valid and binding obligation of Borrower enforceable against it in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the right of creditors generally and by general principles of equity.

4.3 No Legal Bar. The execution, delivery and performance by Borrower of this Agreement and each other Credit Facility Document to which it is or is to become a party to complete the transactions contemplated hereby and the making by Borrower of any payments hereunder or under any other Credit Facility Document to which it is a party will not violate any applicable law or any material contractual obligation of Borrower and its subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of the properties or revenues of Borrower pursuant to any applicable law or any such contractual obligation except, in each case, where such violation, creation or imposition could not reasonably be expected to have a Material Adverse Effect.

4.4 No Proceeding, Litigation or Investigation. No litigation, proceeding or to the knowledge of Borrower, investigation of or before any Governmental Authority is pending or, to the knowledge of Borrower, threatened in writing against Borrower or any of its subsidiaries, except where such litigation, proceeding or investigation could not reasonably be expected to have a Material Adverse Effect.

4.5 Governmental Approvals. All governmental authorizations and actions necessary in connection with the execution and delivery by Borrower of this Agreement and the other Credit Facility Documents and the performance of its obligations hereunder and thereunder have been obtained or performed and remain valid and in full force and effect.

4.6 Financial Statements. All quarterly and annual financial statements of Borrower and its consolidated subsidiaries heretofore delivered by Borrower to Administrative Agent did not fail to disclose any material liabilities, whether direct or contingent, and fairly presented in all material respects the financial condition of Borrower and its consolidated subsidiaries, as the case may be, in each case as of the date delivered and were prepared in accordance with GAAP. Since December 31, 2019, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.7 True and Complete Disclosure. All factual information heretofore or contemporaneously furnished by Borrower or its representatives in writing to Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated herein was true and accurate in all material respects on the date as of which such information was dated or certified and at such date did not omit to state any fact necessary to make such information not misleading at such time in light of the circumstances under which such information was provided. The information referred to in the immediately preceding sentence furnished to Administrative Agent or any Lender on or prior to the Closing Date, taken as a whole, as updated or supplemented from time to time, is true and correct in all material respects as of the Closing Date, and as of the Closing

Date all such information does not omit to state any fact which could reasonably be expected to have a Material Adverse Effect.

4.7.1 Beneficial Ownership Certification. As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

4.8 Investment Company Act. Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

4.9 Compliance with Law. There is no violation by Borrower or any Significant Subsidiary of any Governmental Rule which could reasonably be expected to have a Material Adverse Effect. Except as have been delivered to Administrative Agent, no notices of any such violation of any Governmental Rule have been issued, entered or received by Borrower or any Significant Subsidiary.

4.10 ERISA. Borrower and any other Person which is under common control (within the meaning of Section 414(b) or (c) of the Code) with Borrower have fulfilled their obligations (if any) under the minimum funding standards of ERISA and the Code for each ERISA Plan in compliance in all material respects with the currently applicable provisions of ERISA and the Code and have not incurred any material liability to the PBGC or an ERISA Plan under Title IV of ERISA (other than liability for premiums due in the ordinary course). Assuming that the credit extended hereunder does not involve the assets of any employee benefit plan subject to ERISA, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will involve a Prohibited Transaction.

4.11 Solvency. Borrower and each Significant Subsidiary is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection with this Agreement and the other Credit Facility Documents, will be and will continue to be, Solvent.

4.12 Taxes. Each of Borrower and its subsidiaries has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except (a) taxes that are being contested in good faith by appropriate proceedings and for which such Person has established adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

4.13 Use of Credit. Neither Borrower or any of its subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (as defined in Regulations T, U or X of the Federal Reserve Board), and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any such margin stock.

4.14 FCPA; OFAC; Anti-Money Laundering.

4.14.1 No Unlawful Contributions or Other Payments. Neither Borrower nor any of its subsidiaries, nor, to Borrower’s knowledge, any director, officer, agent, employee or Affiliate of Borrower or any of its subsidiaries has taken or will take any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”),

including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to pay or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office.

#### 4.14.2 OFAC.

(i) Neither Borrower nor any of its subsidiaries nor, to Borrower’s knowledge, any officer or director of Borrower or any of its subsidiaries, nor any agent, employee or Affiliate of Borrower or any of its subsidiaries is (i) a Person that is, or is owned or controlled by Persons that are currently the subject of any sanctions imposed by the U.S. government, including those administered by OFAC (“Sanctions”), nor (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Crimea, Iran, North Korea and Syria).

(ii) Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person to fund any activities or business of or with any Person or in any country or territory that, at the time of such funding, is the subject of Sanctions or would be in violation of Money Laundering Laws.

4.14.3 No Conflict with Money Laundering Laws. To Borrower’s knowledge, the operations of Borrower and its subsidiaries are and have been conducted at all times in material compliance with (i) applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the rules and regulations promulgated thereunder, (ii) the money laundering statutes of all jurisdictions where Borrower and its subsidiaries conduct business, and the rules and regulations thereunder and (iii) any related or similar rules, regulations or guidelines issued, administered or enforced by any court, arbitrator, regulatory body, administrative agency, governmental body or other authority or agency (collectively, the “Money Laundering Laws”). No action, suit or proceeding by or before any court, arbitrator, regulatory body, administrative agency, governmental body or other authority or agency involving Borrower or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to Borrower’s knowledge, threatened.

## ARTICLE V COVENANTS OF BORROWER

Borrower covenants and agrees that until the repayment in full of the Obligations (other than those contingent obligations that are intended to survive the termination of this Agreement or the other Credit Facility Documents) and the expiration and termination of all Commitments, unless Administrative Agent on behalf of the Lenders waives compliance in writing:

5.1 Existence. Borrower shall, and shall cause each Significant Subsidiary to, maintain and preserve its existence in good standing in the state of its formation and its qualification to do business in each other jurisdiction where such qualification is necessary and all material rights, privileges and franchises necessary in the normal conduct of its business, except as permitted under Section 5.3.1.

5.2 Consents, Legal Compliance. Borrower shall maintain in full force and effect all consents of any Governmental Authority that are required to be obtained by it in order for it to perform its

obligations under this Agreement and the other Credit Facility Documents and will obtain any that may become necessary in the future.

### 5.3 Prohibition of Certain Transfers.

5.3.1 Borrower shall not, and shall not permit any Significant Subsidiary to, liquidate or dissolve, or combine, consolidate or merge with or into another Person (other than any consolidation or mergers between or among Borrower and its Significant Subsidiaries); except that Borrower or any Significant Subsidiary may combine, consolidate or merge with another Person if (i) Borrower or a Significant Subsidiary, as the case may be, is the surviving corporation of such merger, consolidation or combination; (ii) after giving effect thereto, Borrower's ratings for the Index Debt from Moody's and S&P are at least Baa2 and BBB-, respectively, or Baa3 and BBB, respectively; (iii) prior to such merger, consolidation or combination, and after giving effect thereto, no Inchoate Default or Event of Default shall have occurred and be continuing; (iv) Borrower shall have provided pro forma calculations to Administrative Agent demonstrating that, to the reasonable satisfaction of Administrative Agent, after giving effect to such merger, consolidation or combination, the projected ratio of Total Debt to Capitalization for the next succeeding fiscal quarter will be less than or equal to 0.65 to 1.00; and (v) Borrower's rights and obligations, and Administrative Agent's and the Lenders' rights and remedies, under this Agreement and the other Credit Facility Documents shall not be diminished in any manner as a result of such merger, consolidation or combination.

5.3.2 Except as set forth in this Section 5.3 or sales that are in the nature of financing leases, Borrower shall not, and shall not permit any Significant Subsidiary to, sell, lease, assign or otherwise transfer or dispose of, directly or indirectly, all or any substantial part of its or such Significant Subsidiary's property, business or assets; provided that (i) Borrower or any Significant Subsidiary may sell, lease or otherwise transfer or dispose of, directly or indirectly, assets to Borrower or any Significant Subsidiary, (ii) Borrower may sell, contribute or otherwise transfer its transmission and transmission-related assets for fair value to a regional transmission organization or conduct sales that are in the nature of financing leases, and (iii) the foregoing shall not limit Borrower's ability to enter into securitization transactions secured by a transfer of Borrower's receivables.

5.3.3 Except as set forth in this Section 5.3 or on Schedule 5.3.3, Borrower shall not, and shall not permit any Significant Subsidiary to, mortgage, pledge or encumber all or substantially all of its assets; provided that Borrower and any Significant Subsidiary of Borrower may enter into limited recourse project financing transactions (including in the form of synthetic leases) in the ordinary course of Borrower's or such subsidiary's business.

5.3.4 Except as set forth in this Section 5.3, Borrower shall not sell, assign or otherwise transfer, by way of collateral assignment or otherwise, or dispose of, directly or indirectly (by way of collateral assignment or otherwise) any Equity Interests in any Significant Subsidiary; provided that Borrower or any subsidiary of Borrower may engage in limited recourse project financing transactions as provided in Section 5.3.3; and provided further that the foregoing shall not limit Borrower's ability to enter into securitization transactions secured by a transfer of Borrower's receivables.

5.4 Payment and Performance of Material Obligations. Borrower shall, and shall cause each Significant Subsidiary to, pay and perform all its material obligations, howsoever arising, as and when due and payable or required to be performed, except (a) such as may be contested in good faith or as to which a bona fide dispute may exist; provided that adequate reserves have been established in accordance with GAAP, and (b) trade payables which shall be paid in the ordinary course of business.

5.5 Taxes. Borrower shall, and shall cause each Significant Subsidiary to, file all tax returns and pay, or cause to be paid, as and when due and prior to delinquency, all material taxes, assessments and governmental charges of any kind that may at any time be lawfully assessed or levied against or with respect to it; provided that Borrower or any Significant Subsidiary may contest in good faith any such taxes, assessments and other charges and, in such event, may permit the taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when such Person is in good faith contesting the same, so long as (a) adequate reserves have been established in accordance with GAAP, (b) enforcement of the contested tax, assessment or other charge is effectively stayed for the entire duration of such contest if such enforcement could reasonably be expected to have a Material Adverse Effect, and (c) any tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is promptly paid as required after final resolution of such contest.

5.6 Maintenance of Property, Insurance. Borrower shall, and shall cause each Significant Subsidiary to, (a) keep all property useful and necessary in its business in good working order and condition except where the failure to so maintain could not reasonably be expected to have a Material Adverse Effect, (b) maintain proper books and records in accordance with GAAP, (c) permit Administrative Agent to visit and inspect its properties at reasonable times and upon reasonable notice, (d) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks, and/or make provisions for self-insurance, in accordance with normal industry practice, and (e) furnish to Administrative Agent, upon written request, full information as to the insurance carried.

5.7 Compliance with Laws, Instruments, Etc. Borrower shall, and shall cause each Significant Subsidiary to, promptly comply, or cause compliance, with all Governmental Rules (except where the failure to comply could not reasonably be expected to have a Material Adverse Effect) including Sanctions administered by OFAC and Governmental Rules relating to pollution control, environmental protection, equal employment opportunity or employee benefit plans, ERISA Plans and employee safety.

5.8 No Change in Business. Borrower shall maintain a substantial part of its business in the utility industry and businesses reasonably related thereto and Borrower shall, and shall cause each Significant Subsidiary to, maintain as a substantial part of its business the general type of business now conducted by Borrower or such Significant Subsidiary, as the case may be.

5.9 Financial Statements. Borrower shall furnish or cause to be furnished to Administrative Agent:

5.9.1 As soon as practicable and in any event within 60 days after the end of the first, second and third quarterly accounting periods of its fiscal year (commencing with the fiscal quarter ended March 31, 2021), an unaudited consolidated balance sheet of Borrower and its consolidated subsidiaries as of the last day of such quarterly period and the related statements of income, cash flow, and shareholder's equity (where applicable) for such quarterly period and (in the case of the second and third quarterly periods) for the portion of the fiscal year ending with the last day of such quarterly period, setting forth in each case in comparative form corresponding unaudited figures from the preceding fiscal year.

5.9.2 As soon as practicable and in any event within 120 days after the close of each applicable fiscal year, audited consolidated financial statements of Borrower and its consolidated subsidiaries. Such financial statements shall include a statement of equity, a balance sheet as of the close of such year, an income and expense statement, reconciliation of capital accounts (where applicable) and a statement of cash flow, all prepared in accordance with GAAP, certified by an independent certified public

accountant of recognized national standing selected by Borrower. Such certificate shall not be qualified or limited because of restricted or limited examination by such accountant of any material portion of the records of Borrower.

5.9.3 Each time the financial statements are delivered under Sections 5.9.1 or 5.9.2, deliver, along with such financial statements, a certificate signed by a Responsible Officer of Borrower (i) setting forth reasonably detailed calculations demonstrating compliance with Section 5.11 and including a schedule describing all Contingent Obligations of Borrower, and (ii) certifying that (A) such Responsible Officer has made or caused to be made a review of the transactions and financial condition of Borrower during the relevant fiscal period and that, to such Responsible Officer's knowledge, Borrower is in compliance with all applicable material provisions of each Credit Facility Document to which Borrower is a party or, if such is not the case, stating the nature of such non-compliance and the corrective actions which Borrower has taken or proposes to take with respect thereto, and (B) such financial statements are true and correct in all material respects and that no material adverse change in the consolidated assets, liabilities, operations, or financial condition of Borrower has occurred since the date of the immediately preceding financial statements provided to Administrative Agent or, if a material adverse change has occurred, the nature of such change.

5.9.4 As long as Borrower is required or permitted to file reports under the Securities Exchange Act of 1934, as amended, filing its report on Form 10-Q with a notice of such filing to Administrative Agent shall satisfy the requirements of Section 5.9.1 and Section 5.9.3(ii)(B), and filing Borrower's report on Form 10-K with a notice of such filing to Administrative Agent shall satisfy the requirements of Section 5.9.2 and Section 5.9.3(ii)(B).

5.9.5 Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Borrower or any Significant Subsidiary, or compliance with the terms of this Agreement and the other Credit Facility Documents, as Administrative Agent or any Lender may reasonably request.

5.10 Notices. Borrower shall promptly, upon acquiring notice or giving notice, as the case may be, or obtaining knowledge thereof, deliver written notice to Administrative Agent of:

5.10.1 Any litigation or investigation pending or threatened in writing against Borrower or any Significant Subsidiary involving claims against Borrower or such Significant Subsidiary that could reasonably be expected to have a Material Adverse Effect, such notice to include copies of all papers filed in such litigation or investigation and to be given monthly if any such papers have been filed since the last notice given;

5.10.2 Any dispute or disputes which may exist between Borrower or any Significant Subsidiary and any Governmental Authority and which involve (i) claims against Borrower or such Significant Subsidiary, (ii) injunctive or declaratory relief, (iii) revocation or material modification or the like of any applicable material permit or imposition of additional material conditions with respect thereto, or (iv) any liens for any material amount of taxes due but not paid, in each case that could reasonably be expected to have a Material Adverse Effect;

5.10.3 (i) Any Inchoate Default or Event of Default or (ii) any default under any agreement (other than this Agreement) with respect to any Indebtedness (other than Non-Recourse Indebtedness) of Borrower or any Significant Subsidiary outstanding in an amount equal to or in excess of \$50,000,000 or the acceleration of Indebtedness of Borrower for borrowed money in an amount equal to or in excess of \$10,000,000;

5.10.4 Borrower being placed on watch or review for possible rating down-grade by S&P or Moody's, or any negative change, from the date hereof, from the rating given to Borrower's Index Debt by either S&P or Moody's;

5.10.5 Any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification; and

5.10.6 Any event or circumstance which could reasonably be expected to have a Material Adverse Effect.

#### 5.11 Financial Covenants.

5.11.1 Borrower shall maintain, as of the last day of each fiscal quarter (commencing with the fiscal quarter ended December 31, 2020), a ratio of Total Debt to Capitalization, for such fiscal quarter then ended, of less than or equal to 0.65 to 1.00.

5.11.2 Borrower shall comply with the limitation on short-term indebtedness imposed on Borrower by the Florida Public Service Commission.

#### 5.12 Indemnification.

5.12.1 Borrower shall indemnify, defend and hold harmless Administrative Agent, each LC Issuing Bank, each Swingline Lender and each Lender, each of their Affiliates and their respective officers, directors, shareholders, controlling persons, employees, agents and servants (collectively, the "Indemnitees") from and against and reimburse the Indemnitees for any and all penalties, claims, damages, losses, liabilities and obligations, of any kind or nature whatsoever (including any refusal by an LC Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), that may be imposed upon, incurred by or asserted or awarded against any Indemnitee in any way relating to or arising out of or in connection with this Agreement, the other Credit Facility Documents, the use by Borrower of the proceeds hereof, or any related claim or investigation, litigation or proceeding, or the preparation of any defense with respect thereto, and will reimburse each Indemnitee for all reasonable expenses (including all reasonable costs and expenses of a single legal counsel, together with a single legal counsel in each applicable jurisdiction, and all reasonable costs and expenses of multiple legal counsels to the extent necessary in the event that (i) the circumstances giving rise to such indemnification create an ethical conflict for such single counsel or (ii) the Indemnitees have inconsistent or conflicting defenses) incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim, investigation, litigation or proceeding, whether or not such investigation, litigation or proceeding is brought by Borrower, or an Indemnitee is otherwise a party thereto (but not in respect of any claim or action brought by Borrower against any Indemnitee to enforce its rights hereunder or under any other Credit Facility Document), and whether or not the transactions contemplated by the Credit Facility Documents are consummated (collectively, "Subject Claims").

5.12.2 The foregoing indemnities shall not apply with respect to an Indemnitee, to the extent any such claim, penalty, damage, loss, liability, obligation, cost, disbursement or expense incurred by or asserted or awarded against such Indemnitee is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee, but shall continue to apply to other Indemnitees. Without limiting the generality of the foregoing, Borrower shall not be liable for any special, indirect, consequential or punitive damages suffered by an Indemnitee, including any loss of profits, business or anticipated savings of such Indemnitee, other

than any such damages or losses imposed upon or asserted or awarded against any Indemnitee by a third party. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed through electronic, telecommunications or other information transmission systems in connection with this Agreement or the other Credit Facility Documents or the transactions contemplated hereby or thereby.

5.12.3 If for any reason the foregoing indemnification is unavailable to any Indemnitee or is insufficient to hold it harmless, then Borrower shall contribute to the amount paid or payable by such Indemnitee as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of Borrower and its equity holders on the one hand and such Indemnitee on the other hand in the matters contemplated by this Agreement and the other Credit Facility Documents as well as the relative fault of Borrower and such Indemnitee with respect to such loss, claim, damage or liability and any other relevant equitable considerations.

5.12.4 The provisions of this Section 5.12 shall survive the satisfaction or discharge of Borrower's obligations hereunder, and shall be in addition to any other rights and remedies of the Lenders.

5.12.5 In case any action, suit or proceeding shall be brought against any Indemnitee, such Indemnitee shall promptly notify Borrower of the commencement thereof, and Borrower shall be entitled, at its expense, acting through counsel reasonably acceptable to such Indemnitee, to participate in, and, to the extent that Borrower desires, to assume and control the defense thereof. Such Indemnitee shall be entitled, at its expense, to participate in any action, suit or proceeding the defense of which has been assumed by Borrower. Notwithstanding the foregoing, Borrower shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the reasonable opinion of such Indemnitee and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability upon such Indemnitee or a conflict of interest between such Indemnitee and Borrower (unless such conflict of interest is waived in writing by the affected Indemnitees), and in such event (other than with respect to disputes between such Indemnitee and another Indemnitee) Borrower shall pay the reasonable expenses of such Indemnitee in such defense to the extent provided in Sections 5.12.1 and 5.12.2.

5.12.6 Borrower shall promptly report to the relevant Indemnitee(s) on the status of such action, investigation, suit or proceeding the defense of which is assumed by Borrower in accordance with Section 5.12.5, as material developments shall occur and from time to time as requested by such Indemnitee (but not more frequently than every 60 days). Borrower shall deliver to such Indemnitee a copy of each document filed or served on any party in such action, investigation, suit or proceeding, and each material document which Borrower possesses relating to such action, investigation, suit or proceeding.

5.12.7 Notwithstanding Borrower's rights hereunder to control certain actions, investigations, suits or proceedings, if any Indemnitee reasonably determines that failure to compromise or settle any Subject Claim made against such Indemnitee is reasonably likely to have an imminent and material adverse effect on such Indemnitee or such Indemnitee's interest in Borrower, such Indemnitee shall be entitled to compromise or settle such Subject Claim; provided that such Indemnitee consults with and coordinates such compromise or settlement with Borrower (although no prior consent by Borrower to any such compromise or settlement shall be required); and provided further that with respect to any Indemnitee other than a Lender, such right may be exercised only with the consent of the Lender or Lenders which such Indemnitee is affiliated with or engaged by. Any such compromise or settlement shall be binding upon Borrower for the purposes of this Section 5.12. Notwithstanding Borrower's rights hereunder, Borrower shall not be entitled to settle any Subject Claim of an Indemnitee without the prior written consent of such Indemnitee or a full release of such Indemnitee, in form and substance satisfactory to such Indemnitee. Upon payment of any Subject Claim by Borrower pursuant to this Section 5.12 or other similar

indemnity provisions contained herein to or on behalf of an Indemnitee, Borrower, without any further action, shall be subrogated to any and all claims that such Indemnitee may have relating thereto, and such Indemnitee shall cooperate with Borrower and Borrower's insurance carrier, and give such further assurances as are necessary or advisable to enable Borrower vigorously to pursue such claims.

5.12.8 Any amounts payable by Borrower pursuant to this Section 5.12 shall be regularly payable within 30 days after Borrower receives an invoice for such amounts from any applicable Indemnitee, and if not paid within such 30-day period, shall bear interest at the Default Rate.

5.12.9 Notwithstanding anything to the contrary set forth herein, except as provided in Section 5.12.1 or 5.12.5, Borrower shall not, in connection with any one legal proceeding or claim, or separate but related proceedings or claims arising out of the same general allegations or circumstances, in which the interests of the Indemnitees do not materially differ, be liable to the Indemnitees (or any of them) under any of the provisions set forth in this Section 5.12 for the fees and expenses of more than one separate firm of attorneys (which firm shall be selected by the affected Indemnitees, or upon failure to so select, by Administrative Agent).

5.13 Federal Regulations. Borrower shall not use any part of the proceeds of the Loans to purchase or carry any "margin stock" (within the meaning of Regulation U) or to purchase, carry or trade in any securities under such circumstances as to involve Borrower in a violation of Regulation X or to involve any broker or dealer in Regulation T.

5.14 Use of Proceeds. Borrower shall use, and cause its Subsidiaries to use, the proceeds of the Loans hereunder and/or the Letters of Credit for general corporate purposes.

5.15 Transactions with Affiliates. Borrower shall not, and shall not permit any subsidiary to, enter into any transaction with any of its Affiliates (other than Borrower or any subsidiary) unless such transaction is on terms no less favorable to Borrower or such subsidiary than if the transaction had been negotiated in good faith on an arm's-length basis with a non-Affiliate.

## ARTICLE VI EVENTS OF DEFAULT; REMEDIES

6.1 Events of Default. The occurrence of any of the following events shall constitute an event of default ("Event of Default") hereunder:

6.1.1 Payments. Borrower shall fail to pay, in accordance with the terms of this Agreement or any other Credit Facility Document, (i) any principal on any Loan or any Reimbursement Obligation in respect of any Drawing Payment on the date such sum is due, (ii) any interest on any Loan or Reimbursement Obligation or any scheduled fee, cost, charge or sum due hereunder or under any other Credit Facility Document, (in the case of clause (ii)) within three Banking Days after the date that such sum is due, or (iii) any other fee, cost, charge or other sum due under this Agreement or any other Credit Facility Document, within 30 days after written notice that such sum is due and has not been paid.

6.1.2 Debt Cross Default. (i) Borrower or any Significant Subsidiary shall default for a period beyond any applicable grace period (a) in the payment of any principal, interest or other amount due under any Indebtedness (other than trade payables or non-recourse indebtedness), or (b) any other event shall occur or condition shall exist under an agreement, or related agreements, under which Borrower or any Significant Subsidiary has outstanding Indebtedness (other than trade payables or non-recourse indebtedness), if the

effect of such event or condition is to permit the acceleration of the maturity of such Indebtedness (other than trade payables or non-recourse indebtedness), and the outstanding amount or amounts payable under all such Indebtedness under clauses (a) and (b) equals or exceeds \$50,000,000 or (ii) an event of default shall have occurred and be continuing under an agreement, or related agreements, under which Borrower or any Significant Subsidiary has outstanding Indebtedness (other than trade payables or non-recourse indebtedness) of \$10,000,000 or more and, in the case of this clause (ii), such debt has been accelerated by the holder of such debt, or the holder of such debt has attempted to accelerate but such acceleration was prevented by applicable Governmental Rule.

6.1.3 Bankruptcy; Insolvency. Borrower or any Significant Subsidiary shall become subject to a Bankruptcy Event.

6.1.4 Misstatements. Any representation or warranty of Borrower set forth in this Agreement or any other Credit Facility Document or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, shall be untrue or misleading in any material respect as of the time made.

6.1.5 Breach of Terms of Agreement. Borrower shall fail to perform or observe any of the covenants set forth in this Agreement and (except with respect to any covenants set forth in Section 5.1 (with respect to its obligation to maintain its existence), 5.3, 5.8, 5.11 or 5.14) such failure shall continue unremedied for 30 days after Borrower becomes aware thereof or receives written notice with respect thereto from Administrative Agent.

6.1.6 Judgments. A final judgment or judgments shall be entered against Borrower or any Significant Subsidiary in the amount of \$50,000,000 or more (net of amounts covered by insurance) individually or in the aggregate (other than (i) a judgment which is fully discharged within 30 days after its entry, or (ii) a judgment, the execution of which is effectively stayed within 30 days after its entry but only for 30 days after the date on which such stay is terminated or expires) or, in the case of injunctive relief, which if left unstayed could reasonably be expected to have a Material Adverse Effect.

6.1.7 Change in Control. TECO shall cease to directly or indirectly own and control at least 80% of (i) the economic interests and (ii) the voting interests (whether by committee, contract or otherwise) in Borrower.

6.1.8 ERISA Violations. If Borrower or any ERISA Affiliate should establish, maintain, contribute to or become obligated to contribute to any ERISA Plan and (a) a Reportable Event shall have occurred with respect to any ERISA Plan; or (b) a trustee shall be appointed by a United States District Court to administer any ERISA Plan; or (c) the PBGC shall institute proceedings to terminate any ERISA Plan; or (d) a complete or partial withdrawal by Borrower or any ERISA Affiliate from any Multiemployer Plan shall have occurred, or any Multiemployer Plan shall become insolvent, or terminate (or notify Borrower or any ERISA Affiliate of its intent to terminate) under Section 4041A of ERISA; or (e) any ERISA Plan fails to satisfy the “minimum funding standard” under Code Section 412; or (f) Borrower or any ERISA Affiliate incurs any liability for a Prohibited Transaction under ERISA Section 502; provided that any of the events described in this Section 6.1.8 shall result in joint liability of Borrower and all ERISA Affiliates in excess of \$5,000,000.

6.1.9 Lack of Validity, Etc. Any of the Credit Facility Documents, once executed and delivered, shall, except as the result of acts or omissions of Administrative Agent or the Lenders, fail to provide Administrative Agent and the Lenders the liens, security interest, rights, titles, interest, remedies permitted by law, powers or privileges intended to be created thereby or cease to be in full force and effect (except as expressly contemplated by the terms thereof), or the validity thereof or the applicability thereof to the Loans, Reimbursement Obligations in respect of any Drawing Payment or other obligations purported to be secured or guaranteed thereby or any part thereof shall be disaffirmed by or on behalf of Borrower or any other party thereto (other than Administrative Agent or the Lenders).

6.2 Remedies. Upon the occurrence and during the continuation of an Event of Default, Administrative Agent and the Lenders may, at the election of the Required Lenders, without further notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind, all such notices and demands other than notices required by this Agreement or any of the other Credit Facility Documents being waived (to the extent permitted by Governmental Rule), exercise any or all of the following rights and remedies, in any combination or order that the Required Lenders may elect, in addition to such other rights or remedies as the Lenders may have hereunder, under the other Credit Facility Documents or at law or in equity, as follows:

6.2.1 No Further Loans. Administrative Agent and the Lenders may refuse and shall not be obligated, to continue any Loans or to make any additional Loans, the LC Issuing Banks shall not be obligated to issue, extend or increase the Stated Amount of any Letter of Credit and the Commitments may be terminated; provided that in the event of an Event of Default occurring under Section 6.1.3 with respect to Borrower, the foregoing shall take effect immediately and without further act of Administrative Agent or the Lenders.

6.2.2 Cure by Administrative Agent. Without any obligation to do so but only during any time when a Loan, Letter of Credit or Reimbursement Obligation is outstanding or any other amounts are due and owing hereunder to Administrative Agent or the Lenders, Administrative Agent may make disbursements or Loans in respect of which any amounts are outstanding to or on behalf of Borrower to cure any Event of Default or Inchoate Default hereunder as the Required Lenders in their sole discretion may consider necessary or appropriate, whether to preserve and protect the Lenders' interests under this Agreement or any Credit Facility Documents or for any other reason, and all sums so expended, together with interest on such total amount at the Default Rate (but in no event shall the rate exceed the maximum lawful rate, if applicable), shall be repaid by Borrower to Administrative Agent on demand and shall be secured by this Agreement and the other Credit Facility Documents and shall constitute an Obligation, notwithstanding that such expenditures may, together with amounts advanced under this Agreement, exceed the amount of the Total Commitment.

6.2.3 Acceleration. Declare and make all sums of accrued and outstanding principal and accrued but unpaid interest remaining under this Agreement together with all unpaid fees, costs (including Liquidation Costs) and charges due hereunder or under any other Credit Facility Document, immediately due and payable and require Borrower immediately, without presentment, demand, protest or other notice of any kind, all of which Borrower hereby expressly waives, to pay Administrative Agent or the Lenders an amount in immediately available funds equal to the aggregate amount of any outstanding Loans; provided that in the event of an Event of Default occurring under Section 6.1.3 with respect

to Borrower, all such amounts shall become immediately due and payable without further act of Administrative Agent or the Lenders.

6.2.4 Cash Collateralization of Letters of Credit. Demand from Borrower payment in an amount equal to the aggregate Stated Amount of all Letters of Credit issued hereunder (including increases in such Stated Amount) to be used as security for any Reimbursement Obligations which may arise in accordance with Section 2.2.10.

## ARTICLE VII

### ADMINISTRATIVE AGENT, SUBSTITUTION, AMENDMENTS, ETC.

#### 7.1 Appointment, Powers and Immunities.

7.1.1 Each Lender and each LC Issuing Bank hereby irrevocably appoints Administrative Agent to act on its behalf as Administrative Agent hereunder and under the other Credit Facility Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms of this Agreement and the other Credit Facility Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Administrative Agent, the Lenders and the LC Issuing Banks, and Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Credit Facility Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement or in any other Credit Facility Document, and its duties hereunder shall be administrative in nature. Notwithstanding anything to the contrary contained herein, Administrative Agent: (i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Inchoate Default has occurred and is continuing; (ii) shall not have any duty to take any action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Facility Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Facility Documents); provided Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to this Agreement or any other Credit Facility Document or any Governmental Rule, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Bankruptcy Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Bankruptcy Law; and (iii) shall not, except as expressly set forth herein and in the other Credit Facility Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Each of Administrative Agent, the Lenders, the LC Issuing Banks and any of their respective Affiliates shall not be responsible to any other Lender for or have any duty to ascertain or inquire into (i) any statement, representation or warranty made by Borrower or its Affiliates made in or in connection with this Agreement or any other Credit Facility Document, (ii) the contents of any certificate, report or other document referred to or provided for in, or received by Administrative Agent, or any Lender under this Agreement or any Credit Facility Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, effectiveness, genuineness or enforceability of this Agreement, any other Credit Facility Document or any other agreement, instrument or document, or (v) for any failure by Borrower, its Affiliates to perform their respective obligations hereunder or

thereunder. Administrative Agent may employ agents and attorneys in fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys in fact selected by it with reasonable care.

7.1.2 Administrative Agent and its directors, officers, employees or agents shall not be responsible for any action taken or omitted to be taken by it or them hereunder or under any other Credit Facility Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Without limiting the generality of the foregoing, Administrative Agent (a) may treat the payee of any Note as the holder thereof until Administrative Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to Administrative Agent; (b) may consult with legal counsel (including counsel for Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender for any statements, warranties or representations made in or in connection with any Credit Facility Document; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Credit Facility Document on the part of any party thereto or to inspect the property (including the books and records) of Borrower or any other Person; and (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Credit Facility Document or any other instrument or document furnished pursuant hereto. Except as otherwise provided under this Agreement and the other Credit Facility Documents, Administrative Agent shall take such action with respect to the Credit Facility Documents as shall be directed by the Required Lenders.

7.1.3 Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Facility Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for in this Agreement as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

7.2 Reliance. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet, website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. As to any other matters not expressly provided for by this Agreement, Administrative Agent shall not be required to take any action or exercise any discretion, but shall be required to act or to refrain from acting upon instructions of the Required Lenders (except that Administrative Agent shall not be required to take any action which exposes Administrative Agent to personal liability or which is contrary to this Agreement, any other Credit Facility Document or any Governmental Rule). Administrative Agent shall in all cases (including when any action by Administrative Agent alone is authorized hereunder, if Administrative Agent elects in its sole discretion to obtain instructions from the Required Lenders) be fully protected in acting, or in refraining from acting, hereunder or under any other Credit Facility Document in accordance with

the instructions of the Required Lenders, and such instructions of the Required Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

7.3 Non-Reliance. Each Lender and each LC Issuing Bank acknowledges that it has, independently and without reliance on Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender and their respective Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and LC Issuing Bank also acknowledges that it will, independently and without reliance upon Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender and their respective Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its decisions in taking or not taking actions under this Agreement or the other Credit Facility Documents or any related agreement or any document furnished hereunder or thereunder. Each of Administrative Agent and any Lender shall not be required to keep informed as to the performance or observance by Borrower or its Affiliates under this Agreement or any other document referred to or provided for herein or to make inquiry of, or to inspect the properties or books of Borrower or its Affiliates.

7.4 Defaults. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Inchoate Default or Event of Default, unless such default relates to the payment of principal, interest and fees required to be paid to Administrative Agent for the account of the Lenders, or Administrative Agent has received a written notice from a Lender, LC Issuing Bank or Borrower, referring to this Agreement, describing such Inchoate Default or Event of Default and indicating that such notice is a notice of default. If Administrative Agent receives such a notice of the occurrence of an Inchoate Default or Event of Default, Administrative Agent shall give notice thereof to the Lenders. Administrative Agent shall take such action with respect to such Inchoate Default or Event of Default as is provided in Article VI or if not provided for in Article VI, as Administrative Agent shall be reasonably directed by the Required Lenders; provided, however, that unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Inchoate Default or Event of Default as it shall deem advisable in the best interest of the Lenders.

7.5 Indemnification. Without limiting the Obligations of Borrower hereunder, each Lender agrees to indemnify Administrative Agent, ratably in accordance with its Proportionate Share for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against Administrative Agent in any way relating to or arising out of this Agreement or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, however, that no Lender shall be liable for any of the foregoing to the extent they arise from Administrative Agent's gross negligence or willful misconduct. Administrative Agent shall be fully justified in refusing to take or to continue to take any action hereunder or under any other Credit Facility Document unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limitation of the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its Proportionate Share of any out-of-pocket expenses (including counsel fees) incurred by Administrative Agent in connection with the preparation, execution, administration or enforcement of, or legal advice in respect of rights or responsibilities under, the Credit Facility Documents, to the extent that Administrative Agent is not reimbursed for such expenses by Borrower.

Notwithstanding the foregoing, Administrative Agent shall not be entitled to indemnification or reimbursement of its expenses under this Section 7.5 if it would not be entitled to indemnification or reimbursement under Sections 5.12 and 8.4, respectively.

7.6 Successor Administrative Agent. Administrative Agent may resign hereunder at any time by giving written notice thereof to the Lenders, the LC Issuing Banks and Borrower. Upon any such resignation, the Required Lenders, shall have the right to appoint the successor Administrative Agent hereunder with the consent of Borrower, which consent shall not be unreasonably withheld or delayed; provided that Borrower's consent shall not be required if an Event of Default shall have occurred and be continuing at such time hereunder. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation (or such earlier day as shall be agreed by the Required Lenders), the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the LC Issuing Banks with the consent of Borrower (such consent not to be unreasonably withheld or delayed) appoint the successor Administrative Agent hereunder which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be a commercial bank having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent only under the Credit Facility Documents. Except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender and LC Issuing Bank directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent. The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Credit Facility Documents.

7.7 Authorization. Administrative Agent is hereby authorized by the Lenders to execute, deliver and perform each of the Credit Facility Documents to which Administrative Agent is or is intended to be a party and each Lender agrees to be bound by all of the agreements of Administrative Agent contained in the Credit Facility Documents. Administrative Agent is further authorized by the Lenders to enter into agreements supplemental hereto for the purpose of curing any formal defect, inconsistency, omission or ambiguity in this Agreement or any Credit Facility Document to which it is a party.

7.8 Administrative Agent's Other Roles; Other Agents. With respect to its Commitments, the Loans made by it and any Notes issued to it, Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not Administrative Agent. The term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include Administrative Agent in its individual capacity. Administrative Agent and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial adviser or in any other advisory capacity for, and generally engage in any kind of business with Borrower or any other Person, without any duty to account therefor to the Lenders. Notwithstanding anything herein to the contrary, the Arrangers, the Syndication Agents and the Documentation Agents named on the cover page of this Agreement shall not have any powers, duties or liabilities under this Agreement or any other Credit

Facility Document, except in their capacity, if any, as Administrative Agent, Lenders or LC Issuing Banks.

7.9 Amendments; Waivers. Subject to the provisions of this Section 7.9, unless otherwise specified in this Agreement or another Credit Facility Document, the Required Lenders (or Administrative Agent with the consent in writing of the Required Lenders) and Borrower may enter into agreements supplemental hereto for the purpose of adding, modifying or waiving any provisions to the Credit Facility Documents or changing in any manner the rights of the Lenders or Borrower hereunder or waiving any Inchoate Default or Event of Default; provided, however, that no such supplemental agreement shall:

(a) Modify Section 2.1.4, 2.5.1, 2.5.2, 2.5.3 or 2.6.1 without the written consent of each Lender affected thereby; or

(b) Reduce the percentage specified in the definition of Required Lenders, without the written consent of each Lender; or

(c) Permit Borrower to assign its rights under this Agreement, without the written consent of each Lender; or

(d) Amend this Section 7.9 or amend any defined term set forth herein, in any Credit Facility Document or in Exhibit A, to the extent such amendment would have the effect of violating the effect of the provisions of this Section 7.9, without the written consent of each Lender; or

(e) Release any collateral from a lien securing the Obligations of Borrower hereunder or release any funds from any account otherwise than in accordance with the terms hereof, without the written consent of each Lender; or

(f) Extend the maturity of any Loans or Reimbursement Obligations (including any extension of any Maturity Date) or any Notes or reduce the principal amount thereof, without the written consent of each Lender affected thereby; or

(g) Reduce the rate or change the time of payment of interest due on any Loan, Reimbursement Obligation or any Note, without the written consent of each Lender affected thereby; or

(h) Reduce the amount or change the time of payment of any fee or other amount due or payable without the written consent of each Lender affected thereby; or

(i) Increase the amount of the Commitment of any Lender without the written consent of such Lender.

provided that the Administrative Agent (and, if applicable, the Borrower) may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Credit Facility Documents or to enter into additional Credit Facility Documents in order to implement any Benchmark Replacement or any Benchmark Replacement Conforming Changes or otherwise effectuate the terms of Section 2.7.1.3 in accordance with the terms of Section 2.7.1.3.

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of Administrative Agent, any LC Issuing Bank or any Swingline Lender hereunder without the prior written consent of Administrative Agent, such LC Issuing Bank or such Swingline Lender, as the case may be.

#### 7.10 Withholding Tax.

7.10.1 If the forms or other documentation required by Section 2.5.7 are not delivered to Administrative Agent, then Administrative Agent may withhold from any interest payment to any Lender not providing such forms or other documentation, an amount equivalent to the applicable withholding tax.

7.10.2 If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify Administrative Agent fully for all amounts paid, directly or indirectly, by Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs, and any out of pocket expenses. Borrower shall not be responsible for any amounts paid or required to be paid by a Lender under this Section 7.10.2.

7.10.3 If any Lender sells, assigns, grants participations in, or otherwise transfers its rights under this Agreement, the purchaser, assignee, transferee or participant shall comply with and be bound by the terms of Sections 2.5.7, 7.10.1 and 7.10.2 as though it were such Lender.

7.11 General Provisions as to Payments. Administrative Agent shall promptly distribute to each Lender its *pro rata* share of each payment of principal and interest payable to the Lenders on the Loans and of fees hereunder received by Administrative Agent for the account of the Lenders and of any other amounts owing under the Loans. The payments made for the account of each Lender shall be made, and distributed to it, for the account of (a) its domestic lending office in the case of payments of principal of, and interest on, its Base Rate Loans, (b) its domestic or foreign lending office, as each Lender may designate in writing to Administrative Agent, in the case of payments of principal of, and interest on, its LIBOR Loans and (c) its domestic lending office, or such other lending office as it may designate for the purpose from time to time, in the case of payments of fees and other amounts payable hereunder. Each Lender shall have the right to alter its designated domestic lending office upon notice to Administrative Agent and Borrower.

#### 7.12 Participations.

7.12.1 Nothing herein provided shall prevent any Lender from selling a participation in its Commitments (and/or Loans made thereunder) to one or more financial institutions or other entities (a "Participant"); provided that (a) no such sale of a participation shall alter such Lender's or Borrower's obligations hereunder and (b) any agreement pursuant to which any Lender may grant a participation in its rights with respect to its Commitments (and/or Loans) shall provide that, with respect to such Commitments (and/or Loans), subject to the following proviso, such Lender shall retain the sole right and responsibility to exercise the rights of such Lender, and enforce the obligations of Borrower relating to such Commitments (and/or Loans), including the right to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Facility Document and the right to take action to have the Notes declared due and payable pursuant to Article VI; provided, however, that such agreement may provide that such Lender will not, without the consent of the relevant Participant, agree to any amendment, modification or waiver described in the first proviso to Section 7.9 that affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.5.4, 2.7.3 and 2.7.4 to the same extent as if it were

a Lender and had acquired its interest by assignment pursuant to Section 7.13; provided that such Participant (1) shall be subject to the requirements and limitations therein, including the requirements under Section 2.5.7 (it being understood that the documentation required under Section 2.5.7 shall be delivered to the participating Lender); (2) agrees to be subject to the provisions of Sections 2.6.2 and 2.9 as if it were an assignee under Section 7.13; and (3) shall not be entitled to receive any greater payment under Sections 2.5.4, 2.7.3 and 2.7.4 with respect to any participation than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change of Law that occurs after such Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.2 as though it were a Lender, provided such Participant agrees to be subject to Section 2.6.2 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower (and such agency being solely for tax purposes), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitment, Loan, Letter of Credit, promissory note or other obligations under this Agreement or any other Credit Facility Document) except if additional payments under Sections 2.5.4, 2.7.3 and 2.7.4 are requested with respect to such Participant and except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit, promissory note or other obligation is at all times maintained in registered form within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any successor provisions). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

7.12.2 Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Lender to Administrative Agent and Borrower, the option to provide to Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to Borrower pursuant to this Agreement; provided that (a) nothing herein shall constitute a commitment by any SPC to make any Loan, and (b) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. In addition, notwithstanding anything to the contrary contained in this Section 7.12, any SPC may (x) with notice to, but without the prior written consent of, Borrower and Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by Borrower and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (y) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 7.12 may not be amended without the written consent of all SPCs having outstanding Loans or Commitments hereunder.

7.13 Transfer of Commitments.

7.13.1 Assignments. Notwithstanding anything else herein to the contrary (but subject to Section 7.12.2), any Lender may assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent, such consent, in each case, not to be unreasonably withheld or delayed, of:

(i) Borrower, provided that no consent of Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; provided, further, that Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to Administrative Agent within five Banking Days after having received notice thereof;

(ii) Administrative Agent; provided that no consent of Administrative Agent shall be required for an assignment to a Lender;

(iii) each LC Issuing Bank; and

(iv) each Swingline Lender.

Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent) shall not be less than \$5,000,000 unless each of Borrower and Administrative Agent otherwise consent; provided that no such consent of Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, except that this clause (B) shall not apply to a Swingline Lender's rights and obligations in respect of Swingline Loans;

(C) the parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof pursuant to this Section 7.13.1, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.5.4, 2.7.3, 2.8, 5.12 and 8.4). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 7.13.1 shall be treated

for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 7.12.

Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in this Section 7.13.1 and any written consent to such assignment required hereby, Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.2.7, 2.5.6, 2.10.3 or 7.5, Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 7.13.1.

7.13.2 Register. Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Borrower (and such agency being solely for tax purposes), shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and any Reimbursement Obligations owing to, each Lender and LC Issuing Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and Borrower, Administrative Agent, the LC Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower, any LC Issuing Bank and any Lender (with respect to its own interests only), at any reasonable time and from time to time upon reasonable prior notice. This Section 7.13 shall be construed so that the Commitments, Loans, Letter of Credits, promissory notes or other obligations are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any successor provisions).

7.13.3 No Assignments to Certain Persons. Anything in this Section 7.13 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to (i) Borrower or any of its Affiliates or Subsidiaries without the prior consent of each Lender, (ii) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) or (iii) a natural person.

7.13.4 Assignability as to Collateral. Notwithstanding any other provision contained in this Agreement or any other Credit Facility Document to the contrary, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank or any central bank having jurisdiction over such Lender; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

ARTICLE VIII  
MISCELLANEOUS

8.1 Addresses. Any communications between the parties hereto or notices provided herein to be given shall be given to the following addresses:

If to Wells Fargo as  
Administrative Agent,  
Swingline Lender or LC  
Issuing Bank:

Emily Shane  
Wells Fargo Bank, National Association  
1525 West W.T. Harris Blvd. 1B1  
Charlotte, NC 28262  
Attention of: Wholesale Loan Services  
Telephone No.: 704-427-0275  
Facsimile No.: 844-879-5899  
Contact Email: Emily.Shane@wellsfargo.com  
Group E-mail: AgencyServices.Requests@wellsfargo.com

If to JPMorgan as Swingline  
Lender:

JPMorgan Chase Bank, N.A.  
500 Stanton Christiana Road  
Ops 2 Floor 3  
Newark, DE 19713  
Attention: Christopher Bickert  
Email address: christopher.bickert@chase.com  
Telephone No.: (484) 889-2178  
Fax Number Mailing Address: 12012443630@tls.ldsprod.com

with copy to:  
JPMorgan Chase Bank, N.A.  
8181 Communications Parkway  
Building B, 6th Floor  
Plano, TX 75024  
Attention: Nancy Barwig  
Email address: nancy.r.barwig@jpmorgan.com

If to JPMorgan as LC Issuing  
Bank:

JPMorgan Chase Bank, N.A.  
10420 Highland Manor Dr. 4th Floor  
Tampa, FL 33610  
Attention: Standby LC Unit  
Tel: 800-364-1969  
Fax: 856-294-5267  
Email: gts.ib.standby@jpmchase.com

with copy to:  
JPMorgan Chase Bank, N.A.  
8181 Communications Parkway  
Building B, 6th Floor  
Plano, TX 75024  
Attention: Nancy Barwig  
Email address: nancy.r.barwig@jpmorgan.com

If to Borrower: Tampa Electric Company  
702 North Franklin Street  
Tampa, FL 33602  
Attention: Corporate Secretary  
Telephone No.: (813) 228-4723  
Telecopy No.: (813) 228-1328

with a copy to:  
Tampa Electric Company  
702 North Franklin Street  
Tampa, FL 33602  
Attention: Vice President – Finance  
Telephone No.: (813) 228-1609  
Telecopy No.: (813) 228-1328

If to any other Lender: To the address specified on such Lender’s Administrative  
Questionnaire.

8.1.1 All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by facsimile or e-mail. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a Banking Day and, if not, on the next following Banking Day) on which it is transmitted if transmitted before 4:00 p.m., recipient’s time, and, if transmitted after that time, on the next following Banking Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of 30 days’ notice to the other parties in the manner set forth above; provided, however, that a Lender shall have the right to change its address for notice hereunder by giving notice to Administrative Agent and Borrower only.

8.1.2 Borrower hereby agrees that it will provide to Administrative Agent all information, documents and other materials that it is obligated to furnish to Administrative Agent pursuant to this Agreement or any other Credit Facility Document, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (a) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (b) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (c) provides notice of any default or event of default under this Agreement or (d) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as “Communications”), by transmitting the Communications in an electronic/soft medium in a format acceptable to Administrative Agent to Emily.Shane@wellsfargo.com or AgencyServices.Requests@wellsfargo.com.

8.1.3 Borrower further agrees that Administrative Agent may make the Communications available to the Lenders by posting the Communications on IntraLinks or a substantially similar electronic transmission systems (the “Platform”). Borrower acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

8.1.4 THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, “AGENT PARTIES”) HAVE ANY LIABILITY TO BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF BORROWER’S OR ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

8.1.5 Administrative Agent agrees that the receipt of the Communications by Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to Administrative Agent for purposes of this Agreement and the other Credit Facility Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of this Agreement or any other Credit Facility Document. Each Lender agrees to notify Administrative Agent in writing (including by electronic communication) from time to time of such Lender’s e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

8.1.6 Nothing herein shall prejudice the right of Administrative Agent or any Lender to give any notice or other communication pursuant to this Agreement or under any other Credit Facility Document in any other manner specified in such document.

8.2 Additional Security; Right to Set-Off. Any deposits or other sums at any time credited or due from the Lenders (including the LC Issuing Banks) and any securities or other property of Borrower in the possession of Administrative Agent may at all times be treated as collateral security for the payment of the Loans and any Notes and all other obligations of Borrower to the Lenders (including the LC Issuing Banks) under this Agreement and the other Credit Facility Documents, and Borrower hereby pledges to Administrative Agent for the benefit of the Lenders (including the LC Issuing Banks) and grants Administrative Agent a security interest in and to all such deposits, sums, securities or other property. Regardless of the adequacy of any other collateral, Administrative Agent may execute or realize on the Lenders’ (including the LC Issuing Banks’) security interest in any such deposits or other sums credited by or due from the Lenders (including the LC Issuing Banks and their respective Affiliates) to Borrower, and may apply any such deposits or other sums to or set them off against Borrower’s obligations to the Lenders (including the LC Issuing Banks and their respective Affiliates) under any Notes and this Agreement at any time after the occurrence and during the continuance of any Event of Default.

8.3 Delay and Waiver. No delay or omission to exercise any right, power or remedy accruing to the Lenders upon the occurrence of any Event of Default, Inchoate Default or any breach or default of Borrower under this Agreement or any other Credit Facility Document shall impair any such right, power or remedy of the Lenders, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single Event of Default, Inchoate Default or other breach or default be deemed a waiver of any other Event of Default, Inchoate Default or other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Administrative Agent and/or the Lenders of any Event of Default, Inchoate Default or other breach or default under this Agreement or any other Credit Facility Document, or any waiver on the part of Administrative Agent and/or the Lenders of any provision or condition of this Agreement or any other Credit Facility Document, must be in writing and shall be effective only to the extent in such writing specifically set forth. All remedies, either under this Agreement or any other Credit Facility Document or by law or otherwise afforded to Administrative Agent and the Lenders, shall be cumulative and not alternative.

8.4 Costs, Expenses and Attorneys' Fees. Borrower will pay to each of Administrative Agent and the Arrangers all of its reasonable costs and expenses in connection with the preparation, negotiation, closing and administering of this Agreement and the documents contemplated hereby and any participation or syndication of the Loans or this Agreement, including the reasonable fees, expenses and disbursements of a single legal counsel, together with a single legal counsel in each applicable local jurisdiction, retained by the Arrangers and Administrative Agent in connection with the preparation of such documents and any amendments hereof. Borrower will reimburse (a) Administrative Agent for all costs and expenses, including attorneys' fees, expended or incurred by Administrative Agent, and the Lenders for their internal out-of-pocket expenses in enforcing this Agreement or the other Credit Facility Documents in connection with an Event of Default or Inchoate Default, in actions for declaratory relief in any way related to this Agreement or in collecting any sum which becomes due Administrative Agent, the LC Issuing Banks, the Swingline Lenders or the Lenders under the Credit Facility Documents and (b) Administrative Agent, the LC Issuing Banks, the Swingline Lenders and the Lenders for their reasonable out-of-pocket expenses, including reasonable attorney fees, in the enforcement or protection of their rights under the Credit Facility Documents including in the case of a restructuring or other workout or negotiation of the Loans or other extensions of credit hereunder in connection with the bankruptcy or insolvency of Borrower or any payment default requiring, among other things, amendments to the interest rates and/or repayment dates for the Loans. Borrower shall not be responsible for any counsel fees of Administrative Agent, the LC Issuing Banks or the Lenders other than as set forth above.

8.5 Entire Agreement. This Agreement and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

8.6 Governing Law. THIS AGREEMENT, AND ANY INSTRUMENT OR AGREEMENT REQUIRED HEREUNDER (TO THE EXTENT NOT OTHERWISE EXPRESSLY PROVIDED FOR THEREIN), SHALL BE GOVERNED BY, AND CONSTRUED UNDER, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

8.7 Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.8 Headings. Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only; such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

8.9 Accounting Terms.

(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP and practices consistent with those applied in the preparation of the financial statements submitted by Borrower to Administrative Agent, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles and practices, as in effect from time to time; provided that, if Borrower notifies Administrative Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if Administrative Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Indebtedness of the Obligors shall be deemed to be carried at one hundred percent of the outstanding principal amount thereof, and the effects of FASB ASC 805 and FASB ASC 825 shall be disregarded with respect to the reporting of the principal amount of Indebtedness.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Facility Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP; provided, further that (A) all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as Capital Lease Obligations in the financial statements and (B) all financial statements delivered to the Administrative Agent hereunder shall contain a schedule showing the modifications necessary to reconcile the adjustments made pursuant to clause (A) above with such financial statements.

8.10 No Partnership, Etc. The Lenders and Borrower intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Agreement, the Notes or in any of the other Credit Facility Documents shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between the Lenders and Borrower or any other Person.

8.11 Limitation on Liability. No claim shall be made by Borrower or any of its Affiliates against the Lenders or any of their Affiliates, directors, employees, attorneys or agents for any loss of profits, business or anticipated savings, special or punitive damages or any indirect or consequential loss whatsoever in respect of any breach or wrongful conduct (whether or not the claim therefor is based on contract, tort or duty imposed by law), in connection with, arising out of or in any way related to the transactions contemplated by this Agreement or the other Credit Facility Documents or any act or omission or event occurring in connection therewith; and Borrower hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

8.12 Waiver of Jury Trial. THE LENDERS, ADMINISTRATIVE AGENT AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER CREDIT FACILITY DOCUMENT, OR ANY COURSE OR CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ADMINISTRATIVE AGENT, THE LENDERS OR BORROWER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS AND ADMINISTRATIVE AGENT TO ENTER INTO THIS AGREEMENT.

8.13 Consent to Jurisdiction. The Lenders, Administrative Agent and Borrower agree that any legal action or proceeding by or against Borrower or with respect to or arising out of this Agreement, the Notes, or any other Credit Facility Document may be brought in or removed to the courts of the State of New York, in and for the County of New York, or of the United States of America for the Southern District of New York, or any appellate court thereof, as Administrative Agent may elect. By execution and delivery of this Agreement, the Lenders, Administrative Agent and Borrower accept, for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Lenders, Administrative Agent and Borrower irrevocably consent to the service of process out of any of the aforementioned courts in any manner permitted by law. Nothing herein shall affect the right of Administrative Agent to bring legal action or proceedings in any other competent jurisdiction. The Lenders, Administrative Agent and Borrower further agree that the aforesaid courts of the State of New York and of the United States of America shall have exclusive jurisdiction with respect to any claim or counterclaim of Borrower based upon the assertion that the rate of interest charged by the Lenders on or under this Agreement, the Loans and/or the other Credit Facility Documents is usurious. The Lenders, Administrative Agent and Borrower hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement or any other Credit Facility Document brought before the foregoing courts on the basis of forum non-conveniens.

8.14 Knowledge and Attribution. References in this Agreement and the other Credit Facility Documents to the “knowledge,” “best knowledge” or facts and circumstances “known to” Borrower, and all like references, mean facts or circumstances of which a Responsible Officer of Borrower has actual knowledge.

8.15 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Borrower may not assign or otherwise transfer any of their rights under this Agreement, and the Lenders may not assign or otherwise transfer any of their rights under this Agreement except as provided in Article VII.

8.16 Counterparts; Electronic Execution.

(a) This Agreement may be executed in one or more duplicate counterparts and when signed by all of the parties listed below shall constitute a single binding agreement. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Agreement, any other Credit Facility Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Credit Facility Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, electronic images of this Agreement or any other Credit Facility Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Credit Facility Documents based solely on the lack of paper original copies of any Credit Facility Documents, including with respect to any signature pages thereto.

#### 8.17 Patriot Act Notice.

Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrower in accordance with the Patriot Act. Borrower shall, and shall cause each of its Significant Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by Administrative Agent or any Lender in order to assist Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

8.18 Payments Set Aside. To the extent that any payment by or on behalf of Borrower is made to Administrative Agent, any LC Issuing Bank or any Lender, or Administrative Agent, any LC Issuing Bank or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent, such LC Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Bankruptcy Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each LC Issuing Bank severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

8.19 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Facility Document), Borrower acknowledges and agrees, and acknowledge its Affiliates' understanding, that (a) the arranging and other services regarding this Agreement provided by Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, and Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers, on the other hand, (b) Borrower has consulted their own legal, accounting, regulatory and tax advisors to the extent that they have deemed appropriate, (c) Borrower is are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Facility Documents, (d) Administrative Agent, LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower or any of its Affiliates, or any other Person, (e) none of Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers has any obligation to Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Facility Documents and (f) Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and none of Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers has any obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by law, Borrower hereby waives and releases any claims that they may have against Administrative Agent, the LC Issuing Banks, the Swingline Lenders, the Lenders, the Syndication Agents and the Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

8.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Credit Facility Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Facility Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the

application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Facility Document; or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

8.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Facility Documents provide support, through a guarantee or otherwise, for Hedge Transactions or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and, each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the FDIC under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Facility Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Facility Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Facility Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 8.21, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

8.22 Divisions. For all purposes under the Credit Facility Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

8.23 Certain ERISA Matters.

8.23.1 Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(a) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit or the Commitments or this Agreement;

(b) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(c) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with

respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(d) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

8.23.2 In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, any Arranger and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Facility Document or any documents related hereto or thereto).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the day and year first above written.

BORROWER:

TAMI  COMPANY

By: \_\_\_\_\_  
Name: Gregory W. Blunden  
Title: Treasurer and Chief Financial Officer

By: \_\_\_\_\_  
Name: Jeffrey S. Chronister  
Title: Vice President – Finance and Controller

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the day and year first above written.

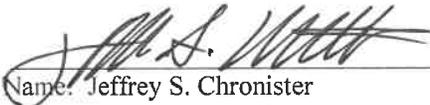
BORROWER:

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_

Name: Gregory W. Blunden

Title: Treasurer and Chief Financial Officer

By:  \_\_\_\_\_

Name: Jeffrey S. Chronister

Title: Vice President – Finance and Controller

[Tampa Credit Agreement]

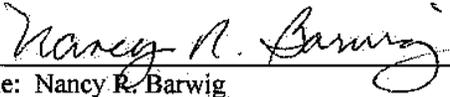
WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent, LC Issuing Bank, Swingline  
Lender and Lender

By: 

Name: Gregory R. Gredvig

Title: Director

JPMORGAN CHASE BANK, N.A.  
as LC Issuing Bank, Swingline Lender and Lender

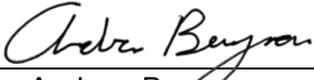
By:   
Name: Nancy R. Barwig  
Title: Executive Director

*[Signature Page to Tampa Credit Agreement]*

BANK OF AMERICA, N.A.,  
as Lender

By: James K.G. Campbell  
Name: James K.G. Campbell  
Title: Director

BANK OF MONTREAL,  
as Lender

By:   
Name: Andrew Berryman  
Title: Vice President

CANADIAN IMPERIAL BANK OF COMMERCE,  
NEW YORK BRANCH,  
as Lender



By: \_\_\_\_\_

Name: Anju Abraham

Title: Executive Director

MORGAN STANLEY BANK, N.A.,  
as Lender

By: Julie Lilienfeld  
Name: Julie Lilienfeld  
Title: Authorized Signatory

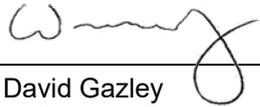
MUFG BANK, LTD., CANADA BRANCH,  
as Lender

By: 

Name: Nirushan Thambirajah

Title: Director

ROYAL BANK OF CANADA,  
as Lender

By:   
Name: David Gazley  
Title: Authorized Signatory

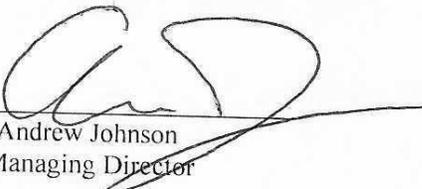
THE BANK OF NOVA SCOTIA,  
as Lender

By:   
Name: \_\_\_\_\_  
Title: David Dewar,  
Director

THE TORONTO-DOMINION BANK, NEW YORK  
BRANCH,  
as Lender

By:   
Name: Brian MacFarlane  
Title: Authorized Signatory

TRUIST BANK,  
as Lender

By:   
Name: Andrew Johnson  
Title: Managing Director

*[Signature Page to Tampa Credit Agreement]*

SCHEDULE 1

LENDERS AND COMMITMENTS

<u>Lender</u>	<u>Amount of Commitment</u>	<u>Swingline Commitment</u>	<u>LC Commitment</u>
JPMorgan Chase Bank, N.A.	\$87,878,787.86	\$35,000,000.00	\$25,000,000.00
Wells Fargo Bank, National Association	\$87,878,787.87	\$45,000,000.00	\$25,000,000.00
Morgan Stanley Bank, N.A.	\$87,878,787.88	\$0	\$0
MUFG Bank, Ltd., Canada Branch	\$87,878,787.88	\$0	\$0
Royal Bank of Canada	\$87,878,787.88	\$0	\$0
The Bank of Nova Scotia	\$87,878,787.88	\$0	\$0
Bank of America, N.A.	\$54,545,454.55	\$0	\$0
Bank of Montreal	\$54,545,454.55	\$0	\$0
Canadian Imperial Bank of Commerce, New York Branch	\$54,545,454.55	\$0	\$0
The Toronto-Dominion Bank, New York Branch	\$54,545,454.55	\$0	\$0
Truist Bank	\$54,545,454.55	\$0	\$0
	\$800,000,000.00	\$80,000,000	\$50,000,000

SCHEDULE 2.2.1.2

EXISTING LETTERS OF CREDIT

Issuing Bank	LC Type	Issuance Date	Expiration Date	Letter of Credit No.	Closing Balance
Wells Fargo	Standby	03/22/17	03/01/21	IS0496705U	\$500,000.00
Wells Fargo	Standby	11/01/18	11/01/21	IS000061310U	\$29,400.00
Wells Fargo	Standby	08/09/18	08/09/21	IS000051500U	\$105,000.00

SCHEDULE 5.3.3

EXISTING LIENS

Indenture of Mortgage dated as of August 1, 1946, between Tampa Electric Company and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as Trustee, as supplemented and amended from time to time so long as no such amendment expands the lien granted thereunder to cover additional assets (no bonds currently outstanding).

Schedule 5.3.3

EXHIBIT A  
to the Credit Agreement

DEFINITIONS

“Additional Commitment Lender” has the meaning given in Section 2.3.4 of the Credit Agreement.

“Administrative Agent” means Wells Fargo Bank, National Association, acting in its capacity as administrative agent for the Lenders under the Credit Agreement, or its successor appointed pursuant to the terms of the Credit Agreement.

“Administrative Agent’s Office” means Administrative Agent’s address and, as appropriate, account as set forth in Section 8.1 of the Credit Agreement, or such other address or account as Administrative Agent may from time to time notify to Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by Administrative Agent.

“Affiliates” of a specified Person means any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified, or who holds or beneficially owns 25% or more of the Equity Interest in the Person specified or 25% or more of any class of voting securities of the Person specified.

“Alternate Base Rate” means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the LIBO Rate for the offering of Dollar deposits for a one month Interest Period commencing on such day plus 1.00%. For purposes of clause (c) of this definition, such LIBO Rate for any day shall be determined by Administrative Agent based upon the rate appearing on Reuters LIBOR01 Page and otherwise in accordance with the definition of “LIBO Rate”, except that (i) if a given day is a Banking Day, such determination shall be made on such day (rather than two Banking Days prior to the commencement of an Interest Period) or (ii) if a given day is not a Banking Day, such rate for such day shall be the rate determined by Administrative Agent pursuant to the preceding clause (i) for the most recent Banking Day preceding such day. If for any reason Administrative Agent shall have determined that it is unable to ascertain the Federal Funds Effective Rate, the Base Rate shall be determined without regard to clause (b) hereof, until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate, as the case may be.

“Applicable Law” means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities and all orders and decrees of all courts and arbitrators.

“Applicable Rate” means, for any day, with respect to any Base Rate Loan or LIBOR Loan, or with respect to the Facility Fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Applicable LIBOR Margin”, “Applicable Base Rate Margin” or “Facility Fee Rate”, as the case may be, based upon the ratings by S&P and Moody’s, respectively, applicable on such date to the Index Debt:

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
S&P/ Moody's Ratings for Index Debt	A+/A1 or higher	Long Term Senior Unsecured Debt rated less than Level 1 but at least A by Standard & Poor's or A2 by Moody's.	Long Term Senior Unsecured Debt rated less than Level 2 but at Least A- by Standard & Poor's or A3 by Moody's.	Long Term Senior Unsecured Debt rated less than Level 3 but at Least BBB+ by Standard & Poor's or Baa1 by Moody's.	Long Term Senior Unsecured Debt rated less than Level 4 but at least BBB by Standard & Poor's or Baa2 by Moody's.	Long Term Senior Unsecured Debt rated below Level 5
Applicable Base Rate Margin	0.00%	0.00%	0.125%	0.20%	0.40%	0.60%
Applicable LIBOR Margin	0.80%	0.90%	1.125%	1.20%	1.40%	1.60%
Facility Fee Rate	0.075%	0.10%	0.125%	0.175%	0.225%	0.275%

For purposes of the foregoing, (i) if either Moody's or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Level 6; (ii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be determined by reference to the lower of the two Levels, provided that if one of the two ratings is two or more Levels lower than the other rating, the Applicable Rate shall be determined by reference to the Level one Level above the lower number Level; and (iii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by Borrower to Administrative Agent pursuant to Section 5.10 of the Credit Agreement or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means entities listed as Joint Lead Arrangers and Joint Bookrunners on the cover page of this Agreement.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 7.13 of the

Credit Agreement), and accepted by Administrative Agent, in the form of Exhibit B or any other form approved by Administrative Agent.

“Assuming Lender” has the meaning given in Section 2.3.3 of the Credit Agreement.

“Availability Period” means the period from and including the Closing Date to but excluding the Maturity Date.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.7.1.3.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Banking Day” means any day other than a Saturday, Sunday or other day on which banks are or are authorized to be closed in New York, New York or Toronto, Canada and, where such term is used in any respect relating to a LIBOR Loan, which is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

“Bankruptcy Event” shall be deemed to occur, with respect to any Person, if that Person shall institute a voluntary case seeking liquidation or reorganization under a Bankruptcy Law, or shall consent to the institution of an involuntary case thereunder against it; or such Person shall file a petition or consent or shall otherwise institute any similar proceeding under any other applicable Federal or state law, or shall consent thereto; or such Person shall apply for, or by consent or acquiescence there shall be an appointment of, a receiver, liquidator, sequestrator, trustee or other officer with similar powers for itself or any substantial part of its assets; or such Person shall make a general assignment for the benefit of its creditors; or such Person shall admit in writing its inability to pay its debts generally as they become due; or if an involuntary case shall be commenced seeking liquidation or reorganization of such Person under a Bankruptcy Law or any similar proceedings shall be commenced against such Person under any other applicable Federal or state law and (a) the petition commencing the involuntary case is not timely controverted, (b) the petition commencing the involuntary case is not dismissed within 60 days of its filing, (c) an interim trustee is appointed to take possession of all or a substantial portion of the property, and/or to operate all or any material part of the business of such Person and such appointment is not vacated within 60 days, or (d) an order for relief shall have been issued or entered therein; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee or other officer having similar powers, over such Person or all or a substantial part of its property shall have been entered; or any other similar relief shall be granted against such Person under any applicable Federal or state law.

“Bankruptcy Law” means Title 11, United States Code, and any other state or federal insolvency, reorganization, moratorium or similar law for the relief of debtors, or any successor statute.

“Base Rate”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Benchmark” means, initially, LIBO Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBO Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) or clause (b) of Section titled 2.7.1.3.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion.; provided further that, notwithstanding anything to the contrary in this Agreement or in any other Credit Facility Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Facility Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the

Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Facility Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to Section 2.7.1.3(b); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Facility Document in accordance with Section 2.7.1.3 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.7.1.3.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 CFR § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower” means Tampa Electric Company, a Florida corporation.

“Borrowing” means (a) Revolving Loans of the same Type or (b) a Swingline Loan.

“Capital Lease Obligations” of any Person means, subject to Section 8.9(b), the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Capitalization” means, as to Borrower, the sum of Total Debt and Consolidated Shareholders Equity, in each case, as of the date of any determination thereof.

“Cash Collateralize” means to pledge and deposit with or deliver to Administrative Agent, for the benefit of Administrative Agent, any LC Issuing Bank or any Swingline Lender (as applicable) and the Lenders, as collateral for LC Obligations, Obligations in respect of Swingline Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the relevant LC Issuing Bank or Swingline Lender, as applicable, benefitting from such collateral agrees in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) Administrative Agent and (b) the relevant LC Issuing Bank or Swingline Lender (as applicable) (which documents are hereby consented to by the Lenders). “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Change of Law” means the occurrence after the date of this Agreement or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority or (c) the compliance by any Lender or any LC Issuing Bank (or, for purposes of Section 2.7.4 of the Credit Agreement, by any lending office of such Lender or by such Lender’s or such LC Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change of Law”, regardless of the date enacted, adopted or issued.

“Closing Date” means the date (which shall not be later than December 31, 2020) when each of the conditions precedent listed in Section 3.1 of the Credit Agreement has been satisfied (or waived in accordance with the terms of the Credit Agreement).

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment” means, at any time with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.3.2 or Section 2.3.3 of the Credit Agreement, respectively, and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 7.13 of the Credit Agreement. The initial amount of each Lender’s Commitment is set forth on Schedule 1, or in the Assignment and Assumption or other instrument entered into pursuant to this Agreement by which such Lender shall have assumed its Commitment, as applicable.

“Commitment Increase” has the meaning given in Section 2.3.3 of the Credit Agreement.

“Commitment Increase Date” has the meaning given in Section 2.3.3 of the Credit Agreement.

“Confirmation of Interest Period Selection” has the meaning given in Section 2.1.2.4(b) of the Credit Agreement.

“Consolidated Shareholders Equity” means, as of the date of any determination, the consolidated net worth of Borrower and its subsidiaries, and including (without duplication) amounts attributable to (a) junior subordinated debentures that do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date at least 91 days after the latest applicable Maturity Date, (b) Hybrid Equity Securities and (c) preferred stock to the extent excluded from Total Debt, minus the value of minority interests in any of Borrower’s subsidiaries, and disregarding unearned compensation associated with Borrower’s employee stock ownership plan or other benefit plans, foreign currency translation adjustments and other comprehensive income adjustments and amounts attributable to the non-cash effects of pension and other post-retirement benefits, all determined in accordance with GAAP.

“Contingent Obligation” means, as to any Person, any obligation of such Person guaranteeing any Indebtedness or lease obligation (each a “primary obligation”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor or (c) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be the maximum probable liability in respect thereof (assuming such Person is required to perform thereunder) as determined in good faith by Borrower in accordance with GAAP.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Agreement” or “Agreement” means the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 among Borrower, the Lenders party hereto, the LC Issuing Banks party hereto and Administrative Agent, to which this Exhibit A is attached.

“Credit Facility Documents” means, collectively, the Credit Agreement, any Notes, the LC Documents and any other letter agreements or similar documents entered into by Administrative Agent (in

its capacity as administrative agent under the Credit Agreement) and Borrower in connection with the transactions contemplated by the Credit Facility Documents mentioned above.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in accordance with the Benchmark Replacement Conforming Changes.

“Default Rate” means (a) (i) with respect to principal of any LIBOR Loan, the interest rate per annum applicable to such LIBOR Loan, plus 2%, (ii) with respect to any Base Rate Loan or any Swingline Loan, the rate applicable to Base Rate Loans, plus 2% and (b) with respect to interest, fees and any other amounts, the interest rate then applicable to Base Rate Loans, plus 2%. Interest computed with reference to the Default Rate shall be adjusted and calculated in the same manner as interest computed with reference to the Alternate Base Rate or the LIBO Rate (as applicable).

“Defaulting Lender” means any Lender that (a) has failed, within two Banking Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to Administrative Agent, an LC Issuing Bank, a Swingline Lender or any other Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified Borrower or Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Banking Days after request by Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Revolving Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Administrative Agent’s receipt of such certification in form and substance satisfactory to it, or (d) has (i) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, (ii) in the good faith determination of Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, or (iii) become the subject of a Bail-In Action (each a “bankruptcy event”), provided that a bankruptcy event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Dollar” and “\$” means United States dollars or such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts in the United States of America.

“Drawing Date” has the meaning given in Section 2.2.4 of the Credit Agreement.

“Drawing Payment” means any payment by an LC Issuing Bank honoring a drawing under a Letter of Credit.

“Early Opt-in Election” means, if the then-current Benchmark is LIBO Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a Term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Record” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“Electronic Signature” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“Equity Interests” means (a) shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person or (b) any warrants, options or other rights to acquire such shares or interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means (a) a corporation which is a member of a controlled group of corporations with Borrower within the meaning of Section 414(b) of the Code, (b) a trade or business (including a sole proprietorship, partnership, trust, estate or corporation) which is under common control with Borrower within the meaning of Section 414(c) of the Code or Section 4001(b)(1) of ERISA, (c) a member of an affiliated service group with Borrower within the meaning of Section 414(m) of the Code, or (d) an entity treated as under common control with Borrower by reason of Section 414(o) of the Code.

“ERISA Plan” means any employee benefit plan (a) maintained by Borrower or any ERISA Affiliate, or to which any of them contributes or is obligated to contribute, for its employees and (b) covered by Title IV of ERISA or to which Section 412 of the Code applies.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning given in Section 6.1 of the Credit Agreement.

“Excluded Taxes” means, with respect to Administrative Agent, any Lender or any LC Issuing Bank, (a) income or franchise Taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized, of which it is a resident or in which it has an office or conducts business (other than a business which it is deemed to conduct solely by reason of such Lender’s executing, delivering or performing its obligations or receiving a payment under, or enforcing, the Credit Agreement or any other Credit Facility Document), (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction of which Borrower is organized, is a resident or in which it has an office or conducts business (other than a business which it is deemed to conduct solely by reason of such Lender’s executing, delivering or performing its obligations or receiving a payment under, or enforcing, this Agreement or any other Credit Facility Document), (c) in the case of any Lender or any LC Issuing Bank (other than an assignee pursuant to a request by Borrower under Section 2.9.2 of the Credit Agreement), any U.S. Federal withholding Tax that (i) is in effect and would apply to amounts payable to such Lender or such LC Issuing Bank at the time such Lender or such LC Issuing Bank becomes a party to this Agreement or (ii) is attributable to such Lender’s or such LC Issuing Bank’s failure or inability (other than as a result of a Change of Law after the date such Lender or such LC Issuing Bank becomes a party to this Agreement) to comply with Section 2.5.7 of the Credit Agreement and (d) any Taxes imposed under FATCA.

“Existing Credit Agreement” has the meaning given in the Recitals to the Credit Agreement.

“Existing Letter of Credit” has the meaning given in Section 2.2.1.2 of the Credit Agreement.

“Existing Maturity Date” has the meaning given in Section 2.3.4 of the Credit Agreement.

“Extension Date” has the meaning given in Section 2.3.4 of the Credit Agreement.

“Extension Request” has the meaning given in Section 2.3.4 of the Credit Agreement.

“Facility Fee” has the meaning given in Section 2.4.1 of the Credit Agreement.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any current or future regulations or official interpretations thereof.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System (or any successor thereto).

“FERC” means the Federal Energy Regulatory Commission and its successors.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBO Rate.

“GAAP” means generally accepted accounting principles in the United States consistently applied.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, regulatory, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, FERC, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party to the Credit Agreement at law.

“Governmental Rule” means any law, rule, regulation, ordinance, order, code interpretation, treaty, judgment, decree, directive, guidelines, policy or similar form of decision of any Governmental Authority.

“Granting Lender” has the meaning given in Section 7.12.2 of the Credit Agreement.

“Hedge Transactions” means transactions under any interest swap agreements, caps, collars or other interest rate hedging mechanisms.

“Hybrid Equity Securities” means securities issued by Borrower or any subsidiary that (a) are classified as possessing a minimum of (i) “intermediate equity content” by S&P and (ii) “Basket C equity credit” by Moody’s and (b) do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date that is at least 91 days after the latest applicable Maturity Date.

“Inchoate Default” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or the giving of notice, would constitute an Event of Default.

“Increasing Lender” has the meaning given in Section 2.3.3.1 of the Credit Agreement.

“Indebtedness” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) the deferred purchase price of assets or services which in accordance with GAAP would be shown on the liability side of the balance sheet of such Person, (c) the face amount of all letters of credit issued for the account of such Person (other than letters of credit issued to secure a financial obligation of such Person to the extent such obligation is not outstanding at the time) and all unreimbursed drafts drawn thereunder, (d) all Indebtedness of another Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person under any subscription or similar agreement, (g) the discounted present value of all obligations of such Person (other than Borrower) payable under agreements for the payment of a specified purchase price for the purchase and resale of power whether or not delivered or accepted, *i.e.*, take-or-pay and similar obligations, (h) any unfunded or underfunded obligation subject to the minimum funding standards of Section 412 of the Code of such Person to any “employee pension benefit plan” (as defined in Section 3(2) of ERISA) maintained at any time, or contributed to, by such Person or any other Person which is under common control (within the meaning of Section 414(b) or (c) of the Code) with such Person, (i) all Contingent Obligations of such Person and (j) all

obligations of such Person in respect of Hedge Transactions; provided, however, that Indebtedness shall specifically exclude accounts payable arising in the ordinary course of business.

“Indemnified Taxes” means (a) Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of Borrower under this Agreement or any other Credit Facility Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

“Indemnitees” has the meaning given in Section 5.12.1 of the Credit Agreement.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Interest Period” means, with respect to any LIBOR Borrowing, the period commencing on the date of such Borrowing and ending one week thereafter or on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Banking Day, (ii) any monthly Interest Period pertaining to a LIBOR Borrowing that commences on the last Banking Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Banking Day of the last calendar month of such Interest Period and (iii) no Interest Period for any LIBOR Loan may end after the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“JPMorgan” means JPMorgan Chase Bank, N.A.

“LC Application” means an application in such form as any LC Issuing Bank may specify from time to time pursuant to which Borrower requests the issuance of a Letter of Credit.

“LC Beneficiary” means the account beneficiary under a Letter of Credit, or any assignee or transferee of such beneficiary with respect to the rights of such beneficiary under such Letter of Credit.

“LC Commitment” means as to any LC Issuing Bank (i) the amount set forth opposite such LC Issuing Bank’s name on Schedule 1 hereof or (ii) if such LC Issuing Bank has entered into an Assignment and Assumption, the amount set forth for such LC Issuing Bank as its LC Commitment in the Register maintained by the Administrative Agent pursuant to Section 7.13.2.

“LC Documents” means, as to any Letter of Credit, each LC Application and any other document, agreement and instrument entered into by the relevant LC Issuing Bank and Borrower in favor of such LC Issuing Bank and relating to such Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate Stated Amounts of all outstanding Letters of Credit at such time and (b) the aggregate amount of all Drawing Payments made by the LC Issuing Banks that have not yet been reimbursed by or on behalf of Borrower at such time. The LC Exposure of any Lender at any time shall be its Proportionate Share of the total LC Exposure.

“LC Issuing Bank” means Wells Fargo and JPMorgan and/or any other Lender acceptable to Administrative Agent and Borrower that has agreed to issue Letters of Credit hereunder. An LC Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such LC Issuing Bank, in which case the term “LC Issuing Bank” shall include any such Affiliate with respect to any Letter of Credit issued by such Affiliate.

“Legal Requirements” means, as to any Person, the articles of incorporation, bylaws or other organizational or governing documents of such Person, and any requirement under a Permit, and any Governmental Rule in each case applicable to or binding upon such Person or any of its properties or to which such Person or any of its property is subject.

“Lender” or “Lenders” means the Persons listed on Schedule 1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or as an Assuming Lender pursuant to Section 2.3.3 of the Credit Agreement or as an Additional Commitment Lender pursuant to Section 2.3.4 of the Credit Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lenders.

“Lenders Letter of Credit Fee” has the meaning given in Section 2.4.2.3 of the Credit Agreement.

“Lending Office” means, with respect to any Lender, the office designated as such in such Lender’s Administrative Questionnaire or such other office of such Lender as such Lender may specify from time to time to Administrative Agent and Borrower.

“Letter of Credit” means a letter of credit issued by an LC Issuing Bank pursuant to Section 2.2.1 of the Credit Agreement in such form as may be accepted by such LC Issuing Bank, and shall include the Existing Letters of Credit.

“LIBO Rate” means, with respect to any LIBOR Loan for any Interest Period (rounded upwards if necessary, to the nearest 1/16<sup>th</sup> of 1%), the LIBOR Screen Rate as of approximately 11:00 a.m., London time, two Banking Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period.

“LIBOR” subject to the implementation of a Benchmark Replacement in accordance with Section 2.7.1.3, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate; provided that unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 2.7.1.3, in the event that a Benchmark Replacement with respect to LIBOR is implemented then all references herein to LIBOR shall be deemed references to such Benchmark Replacement.

“LIBOR Screen Rate” means the London interbank offered rate administered by the Intercontinental Exchange Benchmark Administration (or any other Person that takes over the administration of such rate) for dollar deposits for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion; provided that, if any LIBOR Screen Rate (including any Benchmark Replacement with respect thereto) shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Lien” on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, or easement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Liquidation Costs” has the meaning given in Section 2.8 of the Credit Agreement.

“Loans” means the loans made by the Lenders to Borrower pursuant to the Credit Agreement.

“Material Adverse Effect” means (a) a material adverse change in the business, property, results of operations, or financial condition of Borrower and any Significant Subsidiary thereof, taken as a whole or (b) any event or occurrence of whatever nature which materially and adversely (i) changes Borrower’s ability to perform its obligations under the Credit Facility Documents to which it is a party or (ii) impairs the legality, validity, binding effect or enforceability of the Credit Facility Documents.

“Maturity Date” means March 22, 2023 (or if such date is not a Banking Day, the immediately preceding Banking Day), subject to extension (in the case of each Lender consenting thereto) as provided in Section 2.3.4 of the Credit Agreement.

“Minimum Notice Period” means (a) at least three Banking Days before the date of any Revolving Borrowing, continuation or conversion of a Revolving Loan resulting in whole or in part in one or more LIBOR Loans and (b) before 12:00 noon on the Banking Day of any Revolving Borrowing or conversion of a Revolving Loan resulting in whole or in part in one or more Base Rate Loans.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means any ERISA Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA).

“Non-Recourse Indebtedness” means Indebtedness which is not an obligation of, and is otherwise without recourse to, the assets or revenues of Borrower or any subsidiary of Borrower.

“Note” has the meaning given in Section 2.1.5 of the Credit Agreement.

“Notice of Conversion of Loan Type” has the meaning given in Section 2.1.3 of the Credit Agreement.

“Notice of LC Activity” has the meaning given in Section 2.2.3 of the Credit Agreement.

“Notice of Revolving Borrowing” has the meaning given in Section 2.1.1.2 of the Credit Agreement.

“Notice of Swingline Borrowing” has the meaning given in Section 2.10.2 of the Credit Agreement.

“Obligations” means, collectively, all obligations of Borrower to Administrative Agent, the Lenders, the Swingline Lenders and/or the LC Issuing Banks arising under the Credit Agreement and the other Credit Facility Documents (including all reimbursement obligations in respect of Letters of Credit), in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, and whether before or after the occurrence of any Bankruptcy Event and including any obligation or liability in respect of any breach of any representation or warranty and all post-petition interest and funding losses, whether or not allowed as a claim in any proceeding arising in connection with such an event.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or similar levies arising from any payment made under this Agreement or any other Credit Facility Document from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Facility Document.

“Participant” has the meaning given in Section 7.12.1 of the Credit Agreement.

“Participant Register” has the meaning given in Section 7.12.1 of the Credit Agreement.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

“PBGC” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

“Permit” means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, right or license of or from a Governmental Authority.

“Person” means any natural person, corporation, partnership, limited liability company, firm, association, Governmental Authority, trust, trustee or any other entity whether acting in an individual, fiduciary or other capacity.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by Administrative Agent as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Administrative Agent in connection with extensions of credit to debtors).

“Prohibited Transaction” means any transaction set forth in Section 406 of ERISA or Section 4975 of the Code which is not exempt under Section 408 of ERISA or Section 4975(d) of the Code.

“Proportionate Share” means, with respect to each Lender at any time, the percentage of the Total Commitment represented by such Lender’s Commitment; provided that in the case of Section 2.11 of the Credit Agreement when a Defaulting Lender shall exist, “Proportionate Share” shall mean the percentage of the Total Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Proportionate Shares shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBO Rate, the time determined by the Administrative Agent in accordance with the Benchmark Replacement Conforming Changes.

“Register” has the meaning given it in Section 7.13.2 of the Credit Agreement.

“Regulation D” means Regulation D of the Federal Reserve Board as in effect from time to time.

“Regulation T” means Regulation T of the Federal Reserve Board as in effect from time to time.

“Regulation U” means Regulation U of the Federal Reserve Board as in effect from time to time.

“Regulation X” means Regulation X of the Federal Reserve Board as in effect from time to time.

“Reimbursement Obligation” means the obligation of Borrower to repay Drawing Payments under a Letter of Credit as provided in Sections 2.2.4 and 2.2.5 of the Credit Agreement.

“Reimbursement Payment” has the meaning given in Section 2.2.4 of the Credit Agreement.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA with respect to an ERISA Plan.

“Required Lenders” means, at any time, Lenders holding in excess of 50% of the Proportionate Shares.

“Reserve Requirement” means, for LIBOR Loans, the maximum rate (expressed as a percentage) at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during the Interest Period therefor under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding \$1,000,000,000 against “Eurocurrency liabilities” (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by such member banks by reason of any Change of Law against (i) any category of liabilities which includes deposits by reference to which the LIBO Rate or LIBOR Loans is to be determined, (ii) any category of liabilities or extensions of credit or other assets which include LIBOR Loans or (iii) any category of liabilities or extensions of credit which are considered irrevocable commitments to lend.

“Responsible Officer” means, as to any Person, its president, chief executive officer, any vice president, treasurer, or secretary or any managing general partner or manager or managing member of a limited liability company (or any of the preceding with regard to such managing general partner, manager or managing member).

“Retiring Lender” means a Person with an outstanding Loan or Commitment under (and as defined in) the Existing Credit Agreement that is not a Lender under this Agreement.

“Retired Loans and Commitments” has the meaning given in Section 2.12 of the Credit Agreement.

“Revolving”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are made pursuant to Section 2.1.1 of the Credit Agreement.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender’s Revolving Loans, (b) such Lender’s LC Exposure and (c) such Lender’s Swingline Exposure, in each case, at such time.

“Revolving Note” has the meaning given in Section 2.1.5 of the Credit Agreement.

“S&P” means Standard & Poor’s Financial Services LLC.

“Sanctions” has the meaning given in Section 4.14.2(a).

“Significant Subsidiary” means any subsidiary of Borrower formed or acquired after the Closing Date the total assets (after intercompany eliminations) of which exceed 10% of the total assets of Borrower and its subsidiaries (taken as a whole).

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 8:00 a.m. on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” means, when used with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, (d) such Person will be able to pay its debts as they mature, and (e) such Person is not insolvent within the meaning of any applicable Legal Requirements. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“SPC” has the meaning given in Section 7.12.2 of the Credit Agreement.

“Stated Amount” means, with respect to each Letter of Credit at any time, the total amount available to be drawn thereunder at such time in accordance with the terms of such Letter of Credit.

“Subject Claims” has the meaning given in Section 5.12.1 of the Credit Agreement.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in

the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, references herein to a “subsidiary” refer to a subsidiary of Borrower.

“Swingline”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are made by a Swingline Lender to Borrower pursuant to Section 2.10 of the Credit Agreement.

“Swingline Commitment” means as to any Lender (i) the amount set forth opposite such Lender’s name on Schedule 1 hereof or (ii) if such lender has entered into an Assignment and Assumption, the amount set forth for such lender as its Swingline Commitment in the Register maintained by the Administrative Agent pursuant to Section 7.13.2.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be the sum of (a) its Proportionate Share of the total Swingline Exposure at such time related to Swingline Loans other than any Swingline Loans made by such Lender in its capacity as a Swingline Lender and (b) if such Lender shall be a Swingline Lender, the aggregate principal amount of all Swingline Loans made by such Lender outstanding at such time (to the extent that the other Lenders shall not have funded their participations in such Swingline Loans).

“Swingline Lender” means each of Wells Fargo and JPMorgan, each in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan Maturity Date” means, with respect to any Swingline Loan made by a Swingline Lender, the fourth Banking Day after the date on which such Swingline Loan is made (but in no event later than the Maturity Date).

“Swingline Note” has the meaning given in Section 2.1.5 of the Credit Agreement.

“Swingline Sublimit” means \$80,000,000.

“Syndication Agents” means entities listed as Syndication Agents on the cover page of the Credit Agreement.

“Taxes” means any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto.

“TECO” means TECO Energy, Inc., a Florida corporation.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.7.1.3 that is not Term SOFR.

“Total Commitment” has the meaning given in Section 2.3.1 of the Credit Agreement.

“Total Debt” means, without duplication, Indebtedness of Borrower and its subsidiaries (taken as a whole) determined on a consolidated basis in accordance with GAAP outstanding at the date of any determination thereof, without regard to the effects of FASB ASC 805 and FASB ASC 825, but expressly excluding (a) Non-Recourse Indebtedness of Borrower and its subsidiaries, (b) junior subordinated debentures issued by Borrower and its subsidiaries that do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date at least 91 days after the latest applicable Maturity Date, (c) Hybrid Equity Securities and (d) preferred stock of Borrower and its subsidiaries in an amount not to exceed 10% of Borrower’s Capitalization on such date.

“Type” means the type of a Revolving Loan, whether a Base Rate Loan or LIBOR Loan.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Wells Fargo” means Wells Fargo Bank, National Association.

“Withholding Agent” has the meaning given in Section 2.5.4.4 of the Credit Agreement.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

RULES OF INTERPRETATION

1. The singular includes the plural and the plural includes the singular.
2. “or” is not exclusive.
3. A reference to a Governmental Rule or Legal Requirement includes any amendment or modification to such Governmental Rule or Legal Requirement, and all regulations, rulings and other Governmental Rules or Legal Requirement promulgated under such Governmental Rule.
4. A reference to a Person includes its permitted successors and permitted assigns.
5. Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.
6. The words “include,” “includes” and “including” are not limiting.
7. A reference in a document to an Article, Section, Exhibit, Schedule, Annex, Appendix or Attachment is to the Article, Section, Exhibit, Schedule, Annex, Appendix or Attachment of such document unless otherwise indicated. Exhibits, Schedules, Annexes, Appendices or Attachments to any document shall be deemed incorporated by reference in such document.
8. References to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time.
9. The words “hereof,” “herein” and “hereunder” and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.
10. References to “days” shall mean calendar days, unless the term “Banking Days” shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.
11. The Credit Facility Documents are the result of negotiations between, and have been reviewed by Borrower, Administrative Agent, each Lender and their respective counsel. Accordingly, the Credit Facility Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against Borrower, Administrative Agent or any Lender solely as a result of any such party having drafted or proposed the ambiguous provision.

EXHIBIT B  
to the Credit Agreement

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the facility identified below (including any letters of credit and guarantees included in the facility) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_
2. Assignee: \_\_\_\_\_  
[and is an Affiliate/Approved Fund of [*identify Lender*]<sup>1</sup>]
3. Borrower(s): \_\_\_\_\_
4. Administrative Agent: Wells Fargo Bank, National Association, as Administrative Agent under the Credit Agreement
5. Credit Agreement: Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 among Tampa Electric Company, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent
6. Assigned Interest:

---

<sup>1</sup> Select as applicable.

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans <sup>2</sup>
\$	\$	%
\$	\$	%
\$	\$	%

Effective Date: \_\_\_\_\_, 202\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

<sup>2</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

Consented to and Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION  
as Administrative Agent  
and a Swingline Lender

By \_\_\_\_\_  
Name:  
Title:]<sup>3</sup>

Consented to:

[OTHER LC ISSUING BANK,  
as an LC Issuing Bank

By \_\_\_\_\_  
Name:  
Title:]<sup>4</sup>

JPMORGAN CHASE BANK, N.A.  
as a Swingline Lender

By \_\_\_\_\_  
Name:  
Title:

[TAMPA ELECTRIC COMPANY

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:]<sup>5</sup>

---

<sup>3</sup> To be added only if the consent of Administrative Agent, LC Issuing Bank and/or Swingline Lender is required by the terms of the Credit Agreement.

<sup>4</sup> To be added for each other Issuing Bank and only if the consent of Issuing Banks is required by the terms of the Credit Agreement

<sup>5</sup> To be added only if the consent of Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Facility Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Credit Facility Document, (iii) the financial condition of Borrower, any of its subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement or any other Credit Facility Document or (iv) the performance or observance by Borrower, any of its subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement or any other Credit Facility Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement or any other Credit Facility Document, (ii) it satisfies the requirements, if any, specified in the Credit Agreement or any other Credit Facility Document that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement or any other Credit Facility Document as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement or any other Credit Facility Document, together with copies of the most recent financial statements delivered pursuant to Section 5.9 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on Administrative Agent or any other Lender, and (v) if it is a Lender not formed under the laws of the United States of America or any state thereof, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement or any other Credit Facility Document, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Credit Facility Document, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement or any other Credit Facility Document are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This

Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Annex 1-2 to Exhibit B

EXHIBIT C  
to the Credit Agreement

FORM OF REVOLVING NOTE

\$ \_\_\_\_\_  
Note No. \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 202\_

For value received, the undersigned TAMPA ELECTRIC COMPANY, a Florida corporation ("Borrower"), promises to pay to \_\_\_\_\_ ("Lender"), at the office of \_\_\_\_\_ located at \_\_\_\_\_, in lawful money of the United States of America and in immediately available funds, the principal amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or if less, the aggregate unpaid and outstanding principal amount of Revolving Loans advanced by Lender to Borrower pursuant to that certain Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrower, the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"), and all other amounts owed by Borrower to Lender hereunder.

This is one of the Revolving Notes referred to in the Credit Agreement and is entitled to the benefits thereof and is subject to all terms, provisions and conditions thereof. Capitalized terms used and not defined herein shall have the meanings set forth in the Credit Agreement.

The principal amount hereof is payable in accordance with the Credit Agreement, and such principal amount may be prepaid solely in accordance with the Credit Agreement.

Borrower further agrees to pay, in lawful money of the United States of America and in immediately available funds, interest from the date hereof on the unpaid and outstanding principal amount hereof until such unpaid and outstanding principal amount shall become due and payable (whether at stated maturity, by acceleration or otherwise) at the rates of interest and at the times set forth in the Credit Agreement and Borrower agrees to pay other fees and costs as stated in the Credit Agreement.

If any payment on this Note becomes due and payable on a date which is not a Banking Day, such payment shall be made on the first succeeding, or next preceding, Banking Day, in accordance with the terms of the Credit Agreement.

All Revolving Loans made by Lender pursuant to the Credit Agreement and other Credit Facility Documents, and all payments and prepayments made on account of the principal balance hereof shall be recorded by Lender on the grid attached hereto, provided that failure to make such a notation shall not affect or diminish Borrower's obligation to repay all amounts due on this Note as and when due.

Upon the occurrence and during the continuation of any one or more Events of Default, all amounts then remaining unpaid on this Note may become or be declared to be immediately due and payable as provided in the Credit Agreement and other Credit Facility Documents.

Borrower agrees to pay costs and expenses, including without limitation attorneys' fees, as set forth in Section 8.4 of the Credit Agreement.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Exhibit C-1

Exhibit C-2

#4844-9056-0978

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Exhibit C-3



EXHIBIT D  
to the Credit Agreement

FORM OF SWINGLINE NOTE

\$ \_\_\_\_\_  
Note No. \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 202\_

For value received, the undersigned TAMPA ELECTRIC COMPANY, a Florida corporation ("Borrower"), promises to pay to \_\_\_\_\_ ("Swingline Lender"), or order, at the office of \_\_\_\_\_ located at \_\_\_\_\_, in lawful money of the United States of America and in immediately available funds, the principal amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or if less, the aggregate unpaid and outstanding principal amount of Swingline Loans advanced by the Swingline Lender to Borrower pursuant to that certain Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrower, the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"), and all other amounts owed by Borrower to the Swingline Lender hereunder.

This is one of the Swingline Notes referred to in the Credit Agreement and is entitled to the benefits thereof and is subject to all terms, provisions and conditions thereof. Capitalized terms used and not defined herein shall have the meanings set forth in the Credit Agreement.

The principal amount hereof is payable in accordance with the Credit Agreement, and such principal amount may be prepaid solely in accordance with the Credit Agreement.

Borrower further agrees to pay, in lawful money of the United States of America and in immediately available funds, interest from the date hereof on the unpaid and outstanding principal amount hereof until such unpaid and outstanding principal amount shall become due and payable (whether at stated maturity, by acceleration or otherwise) at the rates of interest and at the times set forth in the Credit Agreement and Borrower agrees to pay other fees and costs as stated in the Credit Agreement.

If any payment on this Note becomes due and payable on a date which is not a Banking Day, such payment shall be made on the first succeeding, or next preceding, Banking Day, in accordance with the terms of the Credit Agreement.

All Swingline Loans made by the Swingline Lender pursuant to the Credit Agreement and other Credit Facility Documents, and all payments and prepayments made on account of the principal balance hereof shall be recorded by the Swingline Lender on the grid attached hereto, provided that failure to make such a notation shall not affect or diminish Borrower's obligation to repay all amounts due on this Note as and when due.

Upon the occurrence and during the continuation of any one or more Events of Default, all amounts then remaining unpaid on this Note may become or be declared to be immediately due and payable as provided in the Credit Agreement and other Credit Facility Documents.

Borrower agrees to pay costs and expenses, including without limitation attorneys' fees, as set forth in Section 8.4 of the Credit Agreement.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

Exhibit D-1

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Exhibit D-2

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Exhibit D-3



EXHIBIT E-1  
to the Credit Agreement

FORM OF NOTICE OF REVOLVING BORROWING  
(Delivered pursuant to Section 2.1.1.2)

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Sixth Amended and Restated Credit Agreement: Notice of Revolving Borrowing

This Notice of Revolving Borrowing is delivered to you pursuant to Section 2.1.1.2 of the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as administrative agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

This Notice of Revolving Borrowing constitutes a request for a Borrowing as set out below:

1. The requested date of the Borrowing is \_\_\_\_\_, 202\_, which is a Banking Day.
2. The total amount of the requested Loan is \$ \_\_\_\_\_
3. Borrower requests the following funding options:
  - a. Base Rate Loan amount: \$ \_\_\_\_\_
  - b. LIBOR Loan amount: \$ \_\_\_\_\_

Amount Requested	Initial Interest Period
\$ _____	_____ [week] [months]
\$ _____	_____ [week] [months]
\$ _____	_____ [week] [months]

- [4. The proceeds of the Loan should be sent as follows:  
[Insert wiring instructions]]

The undersigned further confirms and certifies to Administrative Agent and each Lender that (i) the requested Loan will not, when added to the total Revolving Credit Exposure of all the Lenders then outstanding, exceed the Total Commitment in effect on the date hereof, and (ii) the conditions set forth in Section 3.2 of the Credit Agreement have been satisfied or waived in accordance with the terms thereof.

[SIGNATURE PAGE FOLLOWS]

Exhibit E-1-1

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Exhibit E-1-2

EXHIBIT E-2  
to the Credit Agreement

FORM OF NOTICE OF CONVERSION OF LOAN TYPE  
(Delivered pursuant to Section 2.1.3)

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Sixth Amended and Restated Credit Agreement: Notice of Conversion of Loan Type

Reference is hereby made to that certain Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

Pursuant to Section 2.1.3 of the Credit Agreement, Borrower hereby requests conversion of the following Loans as set forth below [*include only those which are applicable*]:

1. Conversion of Revolving Base Rate Loans to LIBOR Loans:

Base Rate Loans in the  
following amount: \$ \_\_\_\_\_  
to be converted to LIBOR Loans  
as follows:

LIBOR Loan to expire \_\_\_\_\_, \_\_\_\_: \$ \_\_\_\_\_

LIBOR Loan to expire \_\_\_\_\_, \_\_\_\_: \$ \_\_\_\_\_

2. Conversion of LIBOR Loans to Base Rate Loans:

LIBOR Loans in the following amount: \$ \_\_\_\_\_  
to be converted to Base Rate Loans.

The effective date of the conversion shall be \_\_\_\_\_, \_\_\_\_\_ which is a Banking Day and which shall be the first day after the last day of an Interest Period if converting from LIBOR Loans.

IN WITNESS WHEREOF, Borrower has executed this Notice of Conversion of Loan Type on the date set forth above.

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

The undersigned acknowledges  
receipt of a copy of  
this Notice of Conversion of Loan Type:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

Date: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT E-3  
to the Credit Agreement

FORM OF CONFIRMATION OF INTEREST PERIOD SELECTION  
(Delivered pursuant to Section 2.1.2.4(b))

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Sixth Amended and Restated Credit Agreement: Confirmation of Interest Period Selection

This Confirmation of Interest Period Selection is delivered to you pursuant to Section 2.1.2.4(b) of the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

This Confirmation of Interest Period Selection relates to \$ \_\_\_\_\_ of the LIBOR Loans with an Interest Period ending on \_\_\_\_\_. This Confirmation of Interest Period Selection constitutes a confirmation that effective \_\_\_\_\_ (which shall be the last day of an Interest Period):

The requested Interest Period for \_\_\_\_\_ of such LIBOR Loans shall be [one week][\_\_ months].

This notice shall be effective only if delivered to Administrative Agent as a Confirmation of Interest Period Selection made pursuant to Section 2.1.2.4(b) of the Credit Agreement.

The undersigned confirms and certifies to each Lender that as of the date of this Confirmation of Interest Period Selection, no Event of Default or Inchoate Default exists under the Credit Agreement.

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

The undersigned acknowledges receipt  
of a copy of this Confirmation of  
Interest Period Selection:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

Date: \_\_\_\_\_, \_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT E-4  
to the Credit Agreement

FORM OF NOTICE OF LC ACTIVITY  
(Delivered pursuant to Section 2.2.3)

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Banks

with copy to:

Re: Tampa Electric Company: Notice of LC Activity

This Notice of LC Activity is delivered to you pursuant to Section 2.2.3 of that certain Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

1. We request that [a/the] [specify Letter of Credit] be [issued] [extended] [changed] by the LC Issuing Bank specified above, as provided below:

2. The issue date of the Letter of Credit is \_\_\_\_\_, and the [extended] expiration date of the Letter of Credit is \_\_\_\_\_, neither of which is later than the earlier of (a) one year after the issue date of such Letter of Credit and (b) five Banking Days prior to the Maturity Date.

3. The Stated Amount of the Letter of Credit to be issued is \$ \_\_\_\_\_ which, together with the total Revolving Credit Exposure of all the Lenders now outstanding, does not exceed the Total Commitment.  
[USE FOR INCREASING STATED AMOUNT OF LETTERS OF CREDIT] We request that the Stated Amount of the Letter of Credit in favor of \_\_\_\_\_ be changed from \$ \_\_\_\_\_ to \$ \_\_\_\_\_ which, together with the total Revolving Credit Exposure of all the Lenders now outstanding, does not exceed the Total Commitment.]

4. Administrative Agent is instructed to deliver the [Letter of Credit] [notice of extension] [notice of change in Stated Amount] to \_\_\_\_\_, [the LC Beneficiary] [Borrower], at [address].

The undersigned further confirms and certifies to Administrative Agent, the LC Issuing Bank and each Lender that the Letter of Credit requested or modified hereby shall only be used in the manner and for the purposes specified and permitted by the Credit Agreement, and that, as of the date of the issuance of such Letter of Credit, the conditions set forth in Section 3.2 of the Credit Agreement have all been satisfied or waived in accordance with the terms thereof.

Exhibit E-4-1

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Exhibit E-4-2

EXHIBIT F  
to the Credit Agreement

FORM OF NOTICE OF SWINGLINE BORROWING  
(Delivered pursuant to Section 2.10.2)

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Sixth Amended and Restated Credit Agreement: Notice of Swingline Borrowing

This Notice of Swingline Borrowing is delivered to you pursuant to Section 2.10.2 of the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as administrative agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

This Notice of Swingline Borrowing constitutes a request for a Swingline Borrowing as set out below:

1. The Swingline Lender[s] for the Swingline Borrowing are:
  - a. \_\_\_\_\_ for the requested Swingline Loan amount of \$ \_\_\_\_\_; and
  - b. \_\_\_\_\_ for the requested Swingline Loan amount of \$ \_\_\_\_\_.
2. The requested date of the Swingline Borrowing is \_\_\_\_\_, 202\_, which is a Banking Day.
- [3. The proceeds of the Swingline Loan should be sent as follows:  
[Insert wiring instructions]]

The undersigned further confirms and certifies to Administrative Agent and the Swingline Lender that (i) the requested Swingline Loan will not, when added to the total Revolving Credit Exposure of all the Lenders then outstanding, exceed the Total Commitment in effect on the date hereof, and (ii) the conditions set forth in Section 3.2 of the Credit Agreement have been satisfied or waived in accordance with the terms thereof.

[SIGNATURE PAGE FOLLOWS]

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT G  
to the Credit Agreement

BORROWER'S CLOSING CERTIFICATE

Pursuant to Section 3.1.7 of the Credit Agreement (as defined below), the undersigned hereby certifies on this \_\_th day of December, 2020 to Wells Fargo Bank, National Association, as administrative agent ("Administrative Agent") for the Lenders under that certain Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Administrative Agent, that:

1. Borrower is not or, but for the passage of time or the giving of notice or both will not be, in breach of any material obligation thereunder which is reasonably expected to have a Material Adverse Effect.

2. Each representation and warranty made in Article IV of the Credit Agreement is true and correct as of the Closing Date (unless such representation or warranty expressly relates to another time).

3. There exists no Event of Default or Inchoate Default as of the Closing Date.

4. The conditions precedent set forth in Section 3.1 of the Credit Agreement have been satisfied or have been waived in accordance with Section 7.9 of the Credit Agreement.

All capitalized terms used herein which are defined in the Credit Agreement shall have the meaning given to them in Exhibit A to the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

above. IN WITNESS WHEREOF, Borrower has executed this Certificate on the date set forth

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT H-1  
to the Credit Agreement

[\_\_\_\_\_, \_\_\_\_]

Wells Fargo Bank, National Association, as Administrative Agent for  
the Lenders under the Credit Agreement described below,  
and the Lenders under such Credit Agreement  
1525 West W.T. Harris Boulevard 1B1  
Charlotte, NC 28262

**Re: Sixth Amended and Restated Credit Agreement for Tampa Electric Company**

Ladies and Gentlemen:

As Associate General Counsel of Tampa Electric Company, a Florida corporation (the “Company”), I have acted as counsel to the Company in connection with the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 among the Company, Wells Fargo Bank, National Association, as Administrative Agent (the “Administrative Agent”) and the Lenders party thereto (the “Lenders”) (the “Credit Agreement”). This opinion is being delivered pursuant to Section 3.1.4 of the Credit Agreement. Capitalized terms not otherwise defined in this opinion that are defined in the Credit Agreement have the meanings assigned to them in the Credit Agreement.

In rendering the opinions set forth herein, I, or attorneys under my supervision, have examined and relied on originals or copies of the Credit Agreement and the form of Notes to be issued by the Company pursuant to Section 2.1.5 thereunder (collectively, the “Credit Documents”) and the governing documents, and such other documents and made such examination of law as I have deemed appropriate to give the opinions set forth below. I have relied, without independent verification, upon certificates of public officials and, as to matters of fact material to my opinions, on representations made in the Credit Agreement and certificates and other inquiries of officers of the Company. When used in this opinion, the phrase “to my knowledge” or equivalent words with respect to a matter means that nothing has come to my attention in the course of my representation of the Company which would lead me to question such matter but that, except as expressly stated, I have not made any special investigation with respect thereto.

In my examination I have assumed the genuineness of all signatures (other than signatures made on behalf of the Company), including endorsements, the legal capacity of natural persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such copies. Also, with your approval, I have relied as to certain legal matters on advice of other lawyers employed by the Company who are more familiar with such matters. This opinion speaks only as of its date, and I undertake no obligation to update it for any subsequent events or legal developments.

I am a member of the Florida Bar, and I express no opinion as to the laws of any other jurisdiction other than the applicable laws of the State of Florida. I do not express any opinion concerning matters governed by any securities laws of the State of Florida.

Based upon and subject to the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

1. The Company is validly existing as a corporation in good standing under the laws of the State of Florida, and has the corporate power to execute and deliver the Credit Documents and to perform its obligations thereunder.

2. The Company has duly authorized the Credit Documents to which it is a party and has executed and delivered the Credit Agreement.

3. All consents, governmental approvals, licenses or authorizations (including from the Florida Public Service Commission) required to be obtained by the Company before the date hereof for its execution, delivery and performance of the Credit Documents have been obtained and are in full force and effect. To my knowledge, there is no proceeding pending or threatened that seeks, or may reasonably be expected, to rescind, terminate, modify, suspend, or withhold any of the consents, approvals, licenses, or authorizations referred to in this paragraph.

This opinion is furnished to you as Administrative Agent and to the Lenders who may become parties to the Credit Agreement in connection with the transaction described above and may not be relied on without my prior written consent for any other purpose or by anyone else. I consent to reliance on the opinions expressed herein, solely in connection with the Credit Documents, by any successor Administrative Agent or party that becomes a Lender under the Credit Agreement after the date of this opinion in accordance with the provisions of the Credit Agreement as if this opinion were addressed and delivered to such additional successor Administrative Agent or Lender on the date hereof, on the condition and understanding that (a) any such reliance must be actual and reasonable under the circumstances existing at the time such successor Administrative Agent or Lender becomes an Administrative Agent or Lender, including any circumstances relating to changes in law, facts or any other developments known to or reasonably knowable by such successor Administrative Agent or Lender at such time, (b) my consent to such reliance shall not constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof, and (c) in no event shall any such successor Administrative Agent or Lender have any greater rights with respect hereto than the original addressees of this letter on the date hereof or than its assignor.

Very truly yours,

EXHIBIT H-2  
to the Credit Agreement

[ \_\_\_\_\_, \_\_\_\_\_ ]

Wells Fargo Bank, National Association, as Administrative Agent for  
the Lenders under the Credit Agreement described below,  
and the Lenders under such Credit Agreement  
1525 West W.T. Harris Boulevard 1B1  
Charlotte, NC 28262

Re: Sixth Amended and Restated Credit Agreement for Tampa Electric Company

Ladies and Gentlemen:

We are furnishing this opinion to you pursuant to Section 3.1.4 of the Sixth Amended and Restated Credit Agreement (the "Credit Agreement") dated as of the date hereof, among Tampa Electric Company (the "Company"), as borrower, Wells Fargo Bank, National Association, as Administrative Agent (the "Administrative Agent"), the Lenders party thereto (the "Lenders"), and each LC Issuing Bank party thereto. Capitalized terms used but not otherwise defined in this opinion have the meanings as assigned to them in the Credit Agreement.

We have acted as counsel to the Company in connection with the Credit Agreement. We have examined the Credit Agreement and the form of Notes to be issued by the Company pursuant to Section 2.1.5 of the Credit Agreement (collectively, the "Credit Documents"). We have also examined such other documents and certificates as we consider necessary to render this opinion. As to various questions of fact material to our opinion, we have relied, without independent verification, upon the representations made in or pursuant to the Credit Agreement and upon certificates of officers of the Company. We have also relied upon the certificates of public officials. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. We also have assumed that each Credit Document to which the Administrative Agent, any Lender, or any LC Issuing Bank is a party constitutes its valid and binding obligation.

The opinions rendered herein are limited solely to provisions of the following applicable laws, as currently in effect: (a) the federal laws of the United States of America, (b) the Florida Business Corporation Act, and (c) the laws of the State of New York, provided, however, that the opinions expressed herein are based upon a review of only those statutes, rules and regulations that, in our experience, are directly applicable to the transactions contemplated in the Credit Documents and in any event the laws described in clauses (a) through (c) above shall not include (and we express no opinion as to) the Employee Retirement Income Security Act of 1974, as amended, or any tax, antitrust, environmental, or unfair competition laws or any rules or regulations with respect thereto, any laws, regulations, executive orders or government programs designed to combat terrorism, money laundering or racketeering, any local or state laws governing licenses, permits and approvals necessary for the conduct of the Company's business, any zoning, land use, resource recovery laws or regulations, or, except as set forth in paragraph 5 below, any state or federal securities laws, and we express no opinion as to any other laws, statutes, rules or regulations not specifically identified above or otherwise excluded in this opinion letter.

References in this opinion to matters known to us limit the statement to the actual knowledge of the lawyers in this firm responsible for preparing this opinion after consultation with such other lawyers in the firm and review of such documents in our possession as they considered appropriate.

Based on the foregoing and subject to the additional qualifications set forth below, we are of opinion that:

Exhibit H-2-1

1. The Company is validly existing as a corporation in good standing under the laws of the State of Florida and has the corporate power to enter into and perform its obligations under the Credit Documents.

2. The Credit Agreement has been duly authorized, executed and delivered by the Company and constitutes its valid and binding obligations enforceable against it in accordance with their terms. The Notes have been duly authorized by the Company, and each Note, when executed and delivered for value, will constitute its valid and binding obligation enforceable against the Company in accordance with its terms.

3. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required under any New York or federal law of the United States in connection with the due authorization, execution, delivery and performance of the Credit Documents by the Company.

4. The execution and delivery of the Credit Documents by the Company do not and the performance by it of its obligations will not (i) constitute a breach of, or default under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any written contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument that is listed as an exhibit to the Company's Form 10-K for the year ended December 31, 2019, (ii) violate the charter or by-laws of the Company, (iii) violate any applicable New York or federal law, statute, rule or regulation (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System) or (iv) violate any judgment, order, writ or decree applicable to the Company and known to us.

5. The Company is not an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

Our opinions above are subject to bankruptcy, insolvency, voidable, preferential or fraudulent transfer, reorganization, restructuring, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity.

We express no opinion as to:

- (i) the enforceability of any provision of the Credit Documents that increases the rate of interest upon default or imposes a late fee to the extent either is determined to be a penalty;
- (ii) the enforceability of any provision of the Credit Documents purporting to grant a party conclusive rights of determination;
- (iii) the effect of any provision of the Credit Documents that purports to grant rights of set-off or similar rights (a) to any person other than the particular Lender, (b) other than in accordance with applicable law, (c) to the extent a Lender or other person is authorized to set off against funds on deposit in the Company's accounts that were accepted by such Lender or other person with the intent to apply such funds to a preexisting claim rather than to hold the funds subject to withdrawals in the ordinary course, (d) to the extent that the funds on deposit in said accounts are in any manner special accounts, which by the express terms on which they are created, are made subject to the rights of a third party, or (e) to the extent that a Lender or any other person is entitled to exercise rights of set-off or similar rights with respect to accounts at any other institution;
- (iv) the grant of powers of attorney to the extent they are against public policy;

- (v) any exculpation or indemnification to the extent they are against public policy;
- (vi) the enforceability of any grant of exclusive jurisdiction; and
- (vii) the enforceability of Section 8.20 or 8.21 of the Credit Agreement, the effects of any provision in the Credit Agreement relating to Bail-In Legislation, action by an EEA Resolution Authority, Write-Down and Conversion Powers or a Bail-In Action or the effect any such provision or of Bail-In Legislation generally on the obligations of the Company under the Credit Agreement or any other Credit Document, or whether any contract is or become or may be deemed to be a QFC or Supported QFC, in each case under any of the U.S. Special Resolution Regimes.

Our opinion is also subject to the applicability of forum non-conveniens doctrine or any other doctrine limiting the availability of the courts in a particular jurisdiction as a forum for the resolution of disputes not having a sufficient nexus to such jurisdiction.

Insofar as our opinions concern the enforceability of the choice of New York law and the permissive rather than exclusive choice of New York forum provisions of the Credit Agreement, such opinions are rendered in reliance upon New York General Obligations Law §§ 5-1401 and 5-1402 (the “GOL”) and New York Civil Practice Law and Rules 327(b) (collectively, with the GOL, the “Act”) and is subject to the qualifications that (i) such enforceability may be limited by public policy consideration of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought; (ii) the application of New York law pursuant to the Act to a transaction that has no contact or only insignificant contact with New York State may be subject to constitutional limitations and may not be given effect in jurisdictions other than New York; (iii) we express no opinion as to whether such provisions are effective to establish subject matter jurisdiction in any court, and (iv) without limitation to the foregoing, in connection with any provision of any Credit Document whereby the Company submits to the jurisdiction of any federal court of the United States of America sitting in the Southern District of New York, we note the limitations of and the possible effects of the application or 28 U.S.C. §§1331 and 1332 on federal court jurisdiction or venue.

This opinion is being furnished solely to the addressees hereof and to the Lenders who may become parties to the Credit Agreement in connection with the transaction described above and may not be relied on without our prior written consent for any other purpose or by anyone else. This opinion speaks only as of its date and we undertake no obligation to update it for subsequent events or legal developments. We consent to reliance on the opinions expressed herein, solely in connection with the Credit Documents, by any successor Administrative Agent or party that becomes a Lender under the Credit Agreement after the date of this opinion in accordance with the provisions of the Credit Agreement as if this opinion were addressed and delivered to such successor Administrative Agent or additional Lender on the date hereof, on the condition and understanding that (a) any such reliance must be actual and reasonable under the circumstances existing at the time such successor Administrative Agent or Lender becomes an Administrative Agent or Lender, including any circumstances relating to changes in law, facts or any other developments known to or reasonably knowable by such successor Administrative Agent or Lender at such time, (b) our consent to such reliance shall not constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof, and (c) in no event shall any such successor Administrative Agent or Lender have any greater rights with respect hereto than the original addressees of this letter on the date hereof or than its assignor.

Very truly yours,

LOCKE LORD LLP

Exhibit H-2-3

EXHIBIT H-3  
to the Credit Agreement

[\_\_\_\_\_, \_\_\_\_]

To the Lenders, the LC Issuing Banks  
and the Swingline Lenders party to the  
Sixth Amended and Restated Credit Agreement  
referred to below and  
Wells Fargo Bank, National Association, as Administrative Agent

Ladies and Gentlemen:

We have acted as special New York counsel to Wells Fargo Bank, National Association (“Wells Fargo”), as Administrative Agent, in connection with the Sixth Amended and Restated Credit Agreement dated as of December 18, 2020 (the “Credit Agreement”) among Tampa Electric Company (the “Borrower”), the lenders party thereto, the LC Issuing Banks party thereto and the Administrative Agent, amending and restating the Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among the Borrower, the lenders party thereto, the issuing banks party thereto and Wells Fargo, as administrative agent. Except as otherwise defined herein, terms defined in the Credit Agreement have the same defined meanings when used herein.

In rendering the opinions expressed below, we have examined an executed counterpart of the Credit Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon representations made in or pursuant to the Credit Agreement. We have also assumed that the Credit Agreement has been duly authorized, executed and delivered by, and (except, to the extent set forth below, as to the Borrower) constitutes legal, valid, binding and enforceable obligations of, all of the parties thereto, that all signatories thereto have been duly authorized and that all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the same. In addition, we have assumed that (i) all conditions required for the effectiveness of the Credit Agreement pursuant to Section 3.1 thereof shall have been satisfied and (ii) notification of the Closing Date pursuant to said Section 3.1 is being given by the Administrative Agent contemporaneously with the delivery of this opinion.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that the Credit Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, and except as the enforceability of the Credit Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

The foregoing opinions are also subject to the following comments and qualifications:

Exhibit H-3-1

(A) The enforceability of provisions in the Credit Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(B) The enforceability of Section 5.12 of the Credit Agreement may be limited by laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of or contribution to a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located (other than New York) that limits the interest, fees or other charges it may impose for the loan or use of money or other credit, (ii) the last sentence of Section 2.6.2 of the Credit Agreement, (iii) Section 8.2 of the Credit Agreement, (iv) the first sentence of Section 8.13 of the Credit Agreement, insofar as such sentence relates to the subject-matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement or (v) the waiver of inconvenient forum set forth in the last sentence of Section 8.13 of the Credit Agreement with respect to proceedings in the United States District Court for the Southern District of New York.

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the law of any other jurisdiction.

This opinion letter is provided to you by us as special New York counsel to Wells Fargo as the Administrative Agent pursuant to Section 3.1.4 of the Credit Agreement and may not be relied upon by any other person or for any purpose other than in connection with the transactions contemplated by the Credit Agreement without our prior written consent in each instance.

Very truly yours,

BT/JB

EXECUTION VERSION

PUBLISHED CUSIP NUMBERS:  
DEAL CUSIP – 87512QAJ9  
FACILITY CUSIP – 87512QAH3

CREDIT AGREEMENT

dated as of February 6, 2020  
among

TAMPA ELECTRIC COMPANY,  
a Florida Corporation,  
as Borrower

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent  
and

THE LENDERS PARTY HERETO

---

TABLE OF CONTENTS

ARTICLE I DEFINITIONS ..... 1

    1.1 Definitions ..... 1

    1.2 Rules of Interpretation ..... 1

ARTICLE II THE FACILITY ..... 1

    2.1 The Facility ..... 1

        2.1.1 Loans..... 1

        2.1.2 Interest Provisions Applicable to all Loans ..... 2

        2.1.3 Conversion of Loans ..... 3

        2.1.4 Loan Principal Payment..... 4

        2.1.5 Promissory Notes ..... 4

        2.1.6 Optional Prepayments ..... 4

    2.2 [Reserved] ..... 4

    2.3 [Reserved] ..... 4

    2.4 Fees ..... 4

    2.5 Other Payment Terms ..... 4

        2.5.1 Place and Manner..... 4

        2.5.2 Date..... 4

        2.5.3 Late Payments..... 5

        2.5.4 Net of Taxes, Etc ..... 5

        2.5.5 Application of Payments..... 6

        2.5.6 Failure to Pay Administrative Agent ..... 6

        2.5.7 Withholding Exemption Certificates ..... 7

        2.5.8 Certain Deductions by Administrative Agent..... 8

    2.6 Pro Rata Treatment ..... 8

        2.6.1 Borrowings, Payments, Etc..... 8

        2.6.2 Sharing of Payments, Etc..... 8

    2.7 Change of Circumstances ..... 8

        2.7.1 Inability to Determine Rates ..... 8

        2.7.2 Illegality ..... 9

        2.7.3 Increased Costs ..... 9

        2.7.4 Capital Requirements..... 9

        2.7.5 Delay in Request..... 10

    2.8 Funding Losses ..... 10

    2.9 Alternate Office, Minimization of Costs..... 10

        2.9.1 Minimization of Costs ..... 10

        2.9.2 Replacement Rights ..... 10

        2.9.3 Alternate Office ..... 11

    2.10 [Reserved] ..... 11

    2.11 Defaulting Lenders..... 11

ARTICLE III CONDITIONS PRECEDENT ..... 11

    3.1 Conditions Precedent to Obligation to Make Loans ..... 12

        3.1.1 Credit Facility Documents ..... 12

        3.1.2 Resolutions..... 12

        3.1.3 Incumbency..... 12

        3.1.4 Legal Opinions..... 12

3.1.5	Financial Statements .....	12
3.1.6	Accuracy of Representations and Warranties; No Defaults.....	12
3.1.7	Certificate of Borrower.....	12
3.1.8	Payment of Fees.....	12
3.2	Conditions Precedent to Borrowing.....	12
3.2.1	Accuracy of Representations and Warranties .....	13
3.2.2	No Defaults.....	13
3.2.3	Notice of Borrowing .....	13
ARTICLE IV	REPRESENTATIONS AND WARRANTIES.....	13
4.1	Corporate Existence and Business .....	13
4.2	Power and Authorization; Enforceable Obligations .....	13
4.3	No Legal Bar.....	13
4.4	No Proceeding, Litigation or Investigation.....	14
4.5	Governmental Approvals.....	14
4.6	Financial Statements .....	14
4.7	True and Complete Disclosure.....	14
4.8	Investment Company Act .....	14
4.9	Compliance with Law .....	14
4.10	ERISA.....	14
4.11	Solvency.....	14
4.12	Taxes.....	15
4.13	Use of Credit.....	15
4.14	FCPA; OFAC; Anti-Money Laundering.....	15
4.14.1	No Unlawful Contributions or Other Payments.....	15
4.14.2	OFAC.....	15
4.14.3	No Conflict with Money Laundering Laws .....	15
ARTICLE V	COVENANTS OF BORROWER.....	16
5.1	Existence.....	16
5.2	Consents, Legal Compliance .....	16
5.3	Prohibition of Certain Transfers .....	16
5.4	Payment and Performance of Material Obligations.....	17
5.5	Taxes.....	17
5.6	Maintenance of Property, Insurance .....	17
5.7	Compliance with Laws, Instruments, Etc .....	17
5.8	No Change in Business .....	17
5.9	Financial Statements .....	17
5.10	Notices .....	18
5.11	Financial Covenants.....	19
5.12	Indemnification.....	19
5.13	Federal Regulations .....	21
5.14	Use of Proceeds .....	21
5.15	Transactions with Affiliates.....	21
ARTICLE VI	EVENTS OF DEFAULT; REMEDIES.....	21
6.1	Events of Default .....	21
6.1.1	Payments.....	21
6.1.2	Debt Cross Default.....	21
6.1.3	Bankruptcy; Insolvency .....	22
6.1.4	Misstatements .....	22

6.1.5	Breach of Terms of Agreement.....	22
6.1.6	Judgments .....	22
6.1.7	Change in Control.....	22
6.1.8	ERISA Violations .....	22
6.1.9	Lack of Validity, Etc.....	22
6.2	Remedies.....	23
6.2.1	No Further Loans .....	23
6.2.2	Cure by Administrative Agent.....	23
6.2.3	Acceleration.....	23
ARTICLE VII ADMINISTRATIVE AGENT, SUBSTITUTION, AMENDMENTS, ETC. ....		23
7.1	Appointment, Powers and Immunities.....	23
7.2	Reliance .....	25
7.3	Non-Reliance .....	25
7.4	Defaults.....	25
7.5	Indemnification.....	26
7.6	Successor Administrative Agent.....	26
7.7	Authorization .....	27
7.8	Administrative Agent’s Other Roles; Other Agents .....	27
7.9	Amendments; Waivers.....	27
7.10	Withholding Tax .....	28
7.11	General Provisions as to Payments .....	28
7.12	Participations .....	28
7.13	Transfer of Commitments .....	30
7.13.1	Assignments.....	30
7.13.2	Register.....	31
7.13.3	No Assignments to Certain Persons.....	31
7.13.4	Assignability as to Collateral.....	31
ARTICLE VIII MISCELLANEOUS.....		31
8.1	Addresses.....	31
8.2	Additional Security; Right to Set-Off.....	33
8.3	Delay and Waiver .....	34
8.4	Costs, Expenses and Attorneys’ Fees .....	34
8.5	Entire Agreement.....	34
8.6	Governing Law .....	34
8.7	Severability .....	35
8.8	Headings .....	35
8.9	Accounting Terms.....	35
8.10	No Partnership, Etc .....	35
8.11	Limitation on Liability.....	35
8.12	Waiver of Jury Trial.....	35
8.13	Consent to Jurisdiction.....	35
8.14	Knowledge and Attribution.....	36
8.15	Successors and Assigns.....	36
8.16	Counterparts.....	36
8.17	Patriot Act Notice .....	36
8.18	Payments Set Aside.....	36
8.19	No Advisory or Fiduciary Responsibility .....	37
8.20	Acknowledgement and Consent to Bail-In of EEA Financial Institutions .....	37

SCHEDULES

Schedule 1 Lenders and Commitments  
Schedule 5.3.3 Existing Liens

EXHIBITS

Exhibit A Definitions  
Exhibit B Form of Assignment and Assumption  
Exhibit C Form of Note  
Exhibit D [Reserved]  
Exhibit E-1 [Reserved]  
Exhibit E-2 Form of Notice of Conversion of Loan Type  
Exhibit E-3 Form of Confirmation of Interest Period Selection  
Exhibit E-4 [Reserved]  
Exhibit F [Reserved]  
Exhibit G Form of Borrower's Closing Certificate  
Exhibit H-1 Form of Opinion of Assistant General Counsel to Borrower  
Exhibit H-2 Form of Opinion of Locke Lord LLP, counsel to Borrower  
Exhibit H-3 Form of Opinion of Milbank LLP, counsel to the Administrative Agent

CREDIT AGREEMENT (this "Agreement") dated as of February 6, 2020 among TAMPA ELECTRIC COMPANY, a Florida corporation ("Borrower"), the LENDERS party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent.

## RECITALS

Borrower desire to enter into, and the Lenders are willing to provide, the 364-day senior unsecured term loan credit facility set forth herein and, accordingly, the parties hereto agree as follows:

## ARTICLE I DEFINITIONS

1.1 Definitions. Except as otherwise expressly provided, capitalized terms used in this Agreement and its exhibits shall have the meanings given in Exhibit A.

1.2 Rules of Interpretation. Except as otherwise expressly provided, the Rules of Interpretation set forth in Exhibit A shall apply to this Agreement and the other Credit Facility Documents.

## ARTICLE II THE FACILITY

### 2.1 The Facility.

#### 2.1.1 Loans.

2.1.1.1 Commitments. Subject to the terms and conditions set forth in this Agreement, each Lender severally agrees to make Loans in a single drawing on the Closing Date to Borrower in the full amount of such Lender's Commitment. Amounts borrowed under this Section 2.1.1.1 and prepaid or repaid under Section 2.1.6 may not be reborrowed. The Commitments of all the Lenders shall be automatically and permanently terminated on the Closing Date after giving effect to the borrowing to be made on the Closing Date.

2.1.1.2 The Borrowing. The Loans shall be made initially as LIBOR Loans with an initial Interest Period of one week in the aggregate amount of \$300,000,000 on the Closing Date to the account(s) to which the proceeds of the Borrowing are to be credited, as contemplated by Section 2.1.1.3(d).

#### 2.1.1.3 Loan Funding.

(a) [Reserved]

(b) Pro Rata Loans. Each Loan shall be made on a *pro rata* basis by the Lenders in accordance with their respective Proportionate Shares, with each Borrowing to consist of a Loan by each Lender equal to such Lender's Proportionate Share of such Borrowing.

(c) Lender Funding. Each Lender shall, before 12:00 noon on the date of the Borrowing, make available to Administrative Agent at the Administrative Agent's Office, in same day funds, such Lender's Proportionate Share of the Borrowing. The failure of any Lender to make the Loan to be made by it as part of the Borrowing shall not relieve any other Lender of its obligation hereunder to make its Loan on the date of the Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of the Borrowing.

(d) Funding of Loans. No later than 2:00 p.m. on the Closing Date, if the applicable conditions precedent listed in Article III have been satisfied or waived and to the extent Administrative Agent shall have received the appropriate funds from the Lenders, Administrative Agent shall make available the Loans in Dollars and in immediately available funds, at Administrative Agent's Office, and shall transfer such funds to the bank account(s) specified by Borrower in writing to Administrative Agent before the Closing Date in accordance with Section 3.2.3.

2.1.2 Interest Provisions Applicable to all Loans.

2.1.2.1 Loan Interest Rates. Borrower shall pay interest on the unpaid principal amount of each Loan from the date of such Loan until the maturity or prepayment thereof at one of the following rates per annum:

(a) With respect to the principal portion of each Loan that is, and during such periods as such Loan is, a Base Rate Loan, at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate; and

(b) With respect to the principal portion of each Loan that is, and during such periods as such Loan is, a LIBOR Loan, at a rate per annum during each Interest Period for such LIBOR Loan equal to the LIBO Rate for such Interest Period plus the Applicable Rate.

2.1.2.2 Interest Provisions. Unless otherwise specified by Borrower in a Notice of Conversion of Loan Type and except as otherwise provided for herein, all Loans shall bear interest based on the LIBO Rate with a one week Interest Period, and subject to the applicable limitations set forth herein, Loans shall bear interest based upon the LIBO Rate or Alternate Base Rate as specified by Borrower in a Notice of Conversion of Loan Type. Borrower shall not request, and the Lenders shall not be obligated to make, LIBOR Loans at any time an Inchoate Default or Event of Default exists. If an Event of Default exists at the end of an Interest Period, the LIBOR Loans whose Interest Period is then ending shall automatically convert to Base Rate Loans at such time (notwithstanding the delivery of a Confirmation of Interest Period Selection with respect to such Loans).

2.1.2.3 Interest Payment Dates. Borrower shall pay accrued interest on the unpaid principal amount of each Loan (i) in the case of each Base Rate Loan, on the last Banking Day of each calendar quarter, (ii) in the case of each LIBOR Loan, on the last day of each Interest Period related to each LIBOR Loan and, with respect to Interest Periods longer than three months, on each successive date three months after the first day of such Interest Period, and (iii) in all cases, upon prepayment (to the extent thereof and including any optional prepayments), upon conversion from one Type of Loan to another Type, and at maturity (whether by acceleration or otherwise).

2.1.2.4 Interest Periods and Selection.

(a) Notwithstanding anything herein to the contrary, (i) Borrower may not at any time have outstanding more than eight different Interest Periods relating to LIBOR Loans; and (ii) LIBOR Loans for each Interest Period shall be in the amount of at least \$5,000,000.

(b) Borrower may contact Administrative Agent at any time prior to the end of an Interest Period for a quotation of interest rates in effect at such time for given Interest Periods and Administrative Agent shall promptly provide such quotation. Borrower may select an Interest Period telephonically within the time periods specified in Section 2.1.1.2, which selection shall be irrevocable on and after commencement of the applicable Minimum Notice Period. Borrower shall confirm such telephonic notice to Administrative Agent by telecopy on the day such notice is given (in substantially the

form of Exhibit E-3, a “Confirmation of Interest Period Selection”) and Administrative Agent shall promptly forward the same to the Lenders. Borrower shall promptly deliver to Administrative Agent the original of the Confirmation of Interest Period Selection initially delivered by telecopy. If Borrower fails to notify Administrative Agent of the next Interest Period for any LIBOR Loans in accordance with this Section 2.1.2.4(b), such Loans shall automatically convert to Base Rate Loans on the last day of the current Interest Period therefor. Administrative Agent shall as soon as practicable (and, in any case, within two Banking Days after delivery of the Confirmation of Interest Period Selection by telecopy as provided for above) notify Borrower of each determination of the interest rate applicable to each Loan.

2.1.2.5 Interest Account and Interest Computations. Borrower authorizes Administrative Agent to record in an account or accounts maintained by Administrative Agent on its books (i) the interest rates applicable to all Loans and the effective dates of all changes thereto, (ii) the Interest Period for each LIBOR Loan, (iii) the date and amount of each principal and interest payment on each Loan and (iv) such other information as Administrative Agent may determine is necessary for the computation of interest payable by Borrower hereunder. Borrower agrees that all computations by Administrative Agent of interest shall be conclusive in the absence of demonstrable error. All computations of interest on Loans shall be based upon a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by Administrative Agent, and such determination shall be conclusive absent manifest error.

2.1.3 Conversion of Loans. Borrower may convert any Loan from one Type of Loan to another Type; provided, however, that (i) any conversion of LIBOR Loans into Base Rate Loans shall be made on, and only on, the first day after the last day of an Interest Period for such LIBOR Loans, and (ii) Loans shall be converted only in amounts of \$5,000,000 and increments of \$1,000,000 in excess thereof. Borrower shall request such a conversion by a written notice to Administrative Agent in the form of Exhibit E-2, appropriately completed (a “Notice of Conversion of Loan Type”), which specifies:

- (a) the Loans, or portion thereof, which are to be converted;
- (b) the Type into which such Loans, or portion thereof, are to be converted;
- (c) if such Loans are to be converted into LIBOR Loans, the initial Interest Period selected by Borrower for such Loans in accordance with Section 2.1.2.4(b); and
- (d) the date of the requested conversion, which shall be a Banking Day.

Borrower shall give each Notice of Conversion of Loan Type to Administrative Agent so as to provide at least the applicable Minimum Notice Period. Any Notice of Conversion of Loan Type may be modified or revoked by Borrower through the Banking Day prior to the Minimum Notice Period, and shall thereafter be irrevocable. Each Notice of Conversion of Loan Type shall be delivered by first-class mail or telecopy to Administrative Agent at the office or to the telecopy number and as otherwise specified in Section 8.1; provided, however, that Borrower shall promptly deliver to Administrative Agent the original of any Notice of Conversion of Loan Type initially delivered by telecopy. Administrative Agent shall promptly notify each Lender of the contents of each Notice of Conversion of Loan Type.

2.1.4 Loan Principal Payment. Borrower shall repay to Administrative Agent, for the account of each Lender on the Maturity Date the unpaid principal amount of each Loan made by such Lender. Upon payment in full of the aggregate principal amount of the Loans, all accrued and unpaid interest thereon and all other amounts owed by Borrower to Administrative Agent or the Lenders hereunder and under the other Credit Facility Documents, the Lenders shall promptly mark any Notes cancelled and return such cancelled Notes to Borrower.

2.1.5 Promissory Notes. The obligation of Borrower to repay the Loans made by each Lender and to pay interest thereon at the rates provided herein shall, upon the written request of any Lender, be evidenced by promissory notes in the form of Exhibit C (each, a “Note”), payable to such Lender and in the principal amount of such Lender’s Commitment. Borrower authorizes each Lender to record on the schedule annexed to such Lender’s Note, and/or in such Lender’s internal records, the date and amount of each Loan made by such Lender, and each payment or prepayment of principal thereunder and agrees that all such notations shall constitute prima facie evidence of the matters noted. Borrower further authorizes each Lender to attach to and make a part of such Lender’s Note continuations of the schedule attached thereto as necessary. No failure to make any such notations, nor any errors in making any such notations shall affect the validity of Borrower’s obligation to repay the full unpaid principal amount of the Loans or the duties of Borrower hereunder or thereunder.

2.1.6 Optional Prepayments. Borrower may, at its option and without penalty, upon notice to Administrative Agent before 12:00 noon on the date of prepayment (which shall be a Banking Day), in the case of Base Rate Loans, or upon at least three Banking Days’ notice to Administrative Agent, in the case of LIBOR Loans, prepay any Loans in whole or in part in an amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (except in the case of a prepayment of all the Loans). Upon the prepayment of any Loan, Borrower shall pay to Administrative Agent for the account of the Lender which made such Loan (i) all accrued interest and fees to the date of such prepayment on the amount prepaid and (ii) if such prepayment is the prepayment of a LIBOR Loan on a day other than the last day of an Interest Period for such LIBOR Loan, all Liquidation Costs incurred by such Lender as a result of such prepayment (pursuant to the terms of Section 2.8).

2.2 [Reserved]

2.3 [Reserved]

2.4 Fees. Borrower agrees to pay to the Administrative Agent the fees in the amounts previously agreed with the Administrative Agent, at the times when due and payable, in accordance with the terms thereof.

2.5 Other Payment Terms.

2.5.1 Place and Manner. Borrower shall make all payments due to each Lender hereunder to the Administrative Agent’s Office, for the account of such Lender, to an account specified by Administrative Agent to Borrower for such purpose, in lawful money of the United States and in immediately available funds not later than 12:00 noon on the date on which such payment is due, without set-off or counterclaim. Any payment received after such time on any day shall be deemed received on the Banking Day after such payment is received. Administrative Agent shall disburse to each Lender each such payment received by Administrative Agent for such Lender, such disbursement to occur on the day such payment is received if received by 12:00 noon, otherwise on the next Banking Day.

2.5.2 Date. Whenever any payment due hereunder shall fall due on a day other than a Banking Day, such payment shall be made on the next succeeding Banking Day, and such extension of time

shall be included in the computation of interest or fees, as the case may be, without duplication of any interest or fees so paid in the next subsequent calculation of interest or fees payable.

2.5.3 Late Payments. If any amounts required to be paid by Borrower under this Agreement or the other Credit Facility Documents (including principal or interest payable on any Loan, and any fees or other amounts otherwise payable to Administrative Agent or any Lender) remain unpaid after such overdue amounts are due, Borrower shall pay interest (including following any Bankruptcy Event with respect to Borrower) on the aggregate, outstanding balance of such amounts from the date due until those amounts are paid in full at a per annum rate equal to the Default Rate.

2.5.4 Net of Taxes, Etc.

2.5.4.1 Taxes. Subject to each Lender's compliance with Section 2.5.7, any and all payments to or for the benefit of Administrative Agent or any Lender by Borrower hereunder or under any other Credit Facility Document shall be made free and clear of and without deduction, setoff or counterclaim of any kind whatsoever and in such amounts as may be necessary in order that all such payments, after deduction for or on account of any Indemnified Taxes or Other Taxes, shall be equal to the amounts otherwise specified to be paid under this Agreement and the other Credit Facility Documents. If Borrower shall be required by law to withhold or deduct any Indemnified Taxes or Other Taxes from or in respect of any sum payable hereunder or under any other Credit Facility Document to Administrative Agent or any Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions of Indemnified Taxes or Other Taxes, as applicable (including deductions applicable to additional sums payable under this Section 2.5.4), Administrative Agent or such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the Governmental Authority in accordance with applicable law, rule or regulation. In addition, Borrower agrees to pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, rule or regulation.

2.5.4.2 Indemnity. Borrower shall indemnify each Lender for and hold it harmless against the full amount of Indemnified Taxes and Other Taxes (including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.5.4) paid by any Lender, or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; provided that Borrower shall not be obligated to indemnify any Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from such Lender's gross negligence or willful misconduct. Each Lender agrees to give notice to Borrower of the assertion of any claim against such Lender relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion, and in no event later than 90 days after the principal officer of such Lender responsible for administering this Agreement obtains knowledge thereof; provided that any Lender's failure to notify Borrower of such assertion within such 90 day period shall not relieve Borrower of its obligation under this Section 2.5.4 with respect to Indemnified Taxes or Other Taxes, penalties, interest or expenses arising prior to the end of such period, but shall relieve Borrower of its obligations under this Section 2.5.4 with respect to Indemnified Taxes and Other Taxes, penalties, interest or expenses accruing between the end of such period and such time as Borrower receives notice from such Lender as provided herein. Payments by Borrower pursuant to this indemnification shall be made within 30 days from the date such Lender makes written demand therefor (submitted through Administrative Agent), which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof.

2.5.4.3 Notice. Within 30 days after the date of any payment of Taxes by Borrower, Borrower shall furnish to Administrative Agent, at its address referred to in Section 8.1, the original or a certified copy of a receipt evidencing payment thereof or if such receipt is not obtainable, other

evidence of such payment by Borrower reasonably satisfactory to Administrative Agent. Borrower shall compensate each Lender for all reasonable losses and expenses sustained by such Lender as a result of any failure by Borrower to so furnish such copy of such receipt.

2.5.4.4 FATCA. If a payment made to a Lender under this Agreement or any other Credit Facility Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent (each, a “Withholding Agent”), at the time or times prescribed by law and at such time or times reasonably requested by any Withholding Agent, as the case may be, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Withholding Agent as may be necessary for such Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.5.4.4, FATCA shall include any amendments made to FATCA after the date of this Agreement.

2.5.4.5 Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.5.4 (including additional amounts paid pursuant to this Section 2.5.4), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnifying party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.5.4.5, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.5.4.5 if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.5.4.5 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

2.5.4.6 Survival of Obligations. The obligations of Borrower under this Section 2.5.4 shall survive the termination of this Agreement and the repayment of the Obligations.

2.5.5 Application of Payments. Payments made under this Agreement or the other Credit Facility Documents shall (a) first be applied to any fees, costs, charges or expenses due and payable to Administrative Agent and the Lenders hereunder or under the other Credit Facility Documents, (b) next to any accrued but unpaid interest then due and owing and (c) then to outstanding principal then due and payable or otherwise to be prepaid.

2.5.6 Failure to Pay Administrative Agent. Unless Administrative Agent shall have received notice from Borrower at least two Banking Days prior to the date on which any payment is due to the Lenders hereunder that Borrower will not make such payment in full, Administrative Agent may assume that Borrower has made such payment in full to Administrative Agent on such date and Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrower shall not have so made

such payment in full to Administrative Agent, such Lender shall repay to Administrative Agent forthwith upon demand such amount distributed to such Lender, together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by Administrative Agent in accordance with banking industry rules for interbank compensation. A certificate of Administrative Agent submitted to any Lender with respect to any amounts owing by such Lender under this Section 2.5.6 shall be conclusive in the absence of demonstrable error.

2.5.7 Withholding Exemption Certificates. Each Lender that is not a United States person within the meaning of Section 7701(a)(30) of the Code upon becoming a Lender hereunder including any entity to which any Lender grants a participation or otherwise transfers its interest in this Agreement, agrees that it will deliver to Administrative Agent and Borrower two duly completed copies of United States Internal Revenue Service Form W-8IMY, W-8ECI or W-8BEN or successor applicable form, as the case may be, certifying in each case that such Lender is not a United States person and, to the extent applicable, is entitled to receive payments under this Agreement with an exemption or reduction of the deduction or withholding of any United States Federal income taxes. Each Lender which delivers to Borrower and Administrative Agent a Form W-8IMY, W-8ECI or W-8BEN pursuant to the preceding sentence further undertakes to deliver to Borrower and Administrative Agent further copies of the said letter and Form W-8IMY, W-8ECI or W-8BEN, or successor applicable forms, or other manner of certification or procedure, as the case may be, on or before the date that any such letter or form expires or becomes obsolete or within a reasonable time after gaining knowledge of the occurrence of any event requiring a change in the most recent letter and forms previously delivered by it to Borrower, and such extensions or renewals thereof as may reasonably be requested by Borrower, certifying in the case of a Form W-8IMY, W-8ECI or W-8BEN that such Lender is not a United States person and, to the extent applicable, is entitled to receive payments under this Agreement with an exemption or reduction of the deduction or withholding of any United States Federal income taxes, unless in any such cases an event (including any change in any treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would reasonably prevent a Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises Borrower that it is not capable of receiving payments with an exemption or reduction of any deduction or withholding of United States Federal income tax, and in the case of Form W-8IMY, W-8ECI or W-8BEN, establishing an exemption from United States backup withholding tax. In the case of a Lender entitled to an exemption from the withholding of United States federal income tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," such Lender shall also deliver to Administrative Agent and Borrower with its Form W-8IMY, W-8ECI and W-8BEN or successor applicable form, as the case may be, a certificate, or certificates, to the effect that such Lender (or in the case of a Form W-8IMY, such Lender's beneficial owners to the extent applicable) is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code and (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code. Each Lender providing such a certificate shall provide a new certificate at any time thereafter when a change in such Lender's circumstances renders an existing certificate obsolete or invalid or requires a new certificate to be provided, and within fifteen Banking Days after a reasonable written request of Administrative Agent or Borrower from time to time; provided that it shall not be a breach of this Section 2.5.7 if such Lender is unable to provide such certificate as a result of a Change of Law after the date it becomes a Lender hereunder. Each Lender that is a United States person within the meaning of Section 7701(a)(30) of the Code shall provide two duly completed copies of United States Internal Revenue Service Form W-9 or successor applicable form, as the case may be, at the times specified for the delivery of forms under this Section 2.5.7 with respect to Forms W-8IMY, W-8ECI and W-8BEN or successor applicable form, as the case may be. Borrower shall not be obligated, however, to pay any additional amounts in respect of United States Federal income tax pursuant to Section 2.5.4.1 (or make an indemnification payment pursuant to Section 2.5.4.2) to any Lender (including any entity to which any Lender sells, assigns, grants a

participation in, or otherwise transfers its rights under this Agreement) if the obligation to pay such additional amounts (or such indemnification) would not have arisen but for a failure of such Lender to comply with its obligations under this Section 2.5.7.

2.5.8 Certain Deductions by Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.5.6 or Section 7.5, then Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (a) apply any amounts thereafter received by Administrative Agent for the account of such Lender for the benefit of Administrative Agent to satisfy such Lender's obligations to Administrative Agent under such Section until all such unsatisfied obligations are fully paid, and/or (b) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (a) and (b) above, in any order as determined by Administrative Agent in its discretion.

## 2.6 Pro Rata Treatment.

2.6.1 Borrowings, Payments, Etc. Except as otherwise provided herein, (a) each Borrowing shall be made or allocated among the Lenders *pro rata* according to their respective Proportionate Shares then in effect and (b) each payment of principal of or interest on the Loans shall be shared among the Lenders *pro rata* in accordance with the amounts of such principal, interest or fees, as the case may be, then due and payable to them.

2.6.2 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) hereunder in excess of its ratable share of payments in accordance with Section 2.6.1, such Lender shall forthwith purchase from the other Lenders to which such payments were required to be made such participations in the Loans as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.6.2 shall not be construed to apply to any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to Borrower or any subsidiary or Affiliate thereof (as to which the provisions of this Section 2.6.2 shall apply). Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.6.2 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation.

## 2.7 Change of Circumstances.

2.7.1 Inability to Determine Rates. If, on or before the first day of any Interest Period for any LIBOR Loans, (a) Administrative Agent determines that the LIBO Rate for such Interest Period cannot be adequately and reasonably determined due to the unavailability of funds in or other circumstances affecting the London interbank market, or (b) the Required Lenders shall advise Administrative Agent that (i) the rates of interest for such LIBOR Loans do not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans or (ii) deposits in Dollars in the London interbank market are not available to such Lenders (as conclusively certified by each such Lender in good faith in writing to Administrative Agent and to Borrower) in the ordinary course of business in sufficient amounts to make and/or maintain its LIBOR Loans, Administrative Agent shall immediately give notice of such condition to Borrower. After the giving of any such notice and until Administrative Agent shall otherwise notify Borrower that the circumstances giving rise to such condition no longer exist, Borrower's right to request the making of or conversion to, and the Lenders' obligations to make or convert to, LIBOR Loans shall be

suspended. Any LIBOR Loans outstanding at the commencement of any suspension shall be converted at the end of the then current Interest Period for such Loans into Base Rate Loans, as applicable, unless such suspension has then ended.

2.7.2 Illegality. If any Change of Law shall make it unlawful or impossible for any Lender to make or maintain any LIBOR Loan, such Lender shall immediately notify Administrative Agent and Borrower of such Change of Law. Upon receipt of such notice, (a) Borrower's right to request the making of or conversion to, and the Lenders' obligations to make or convert to, LIBOR Loans, as the case may be, shall be suspended for so long as such condition shall exist, and (b) Borrower shall, at the request of such Lender, either (i) pursuant to Section 2.1.3, convert any then outstanding LIBOR Loans into Base Rate Loans at the end of the current Interest Periods for such Loans, or (ii) immediately repay or convert (at Borrower's option) LIBOR Loans into Base Rate Loans if such Lender shall notify Borrower that such Lender may not lawfully continue to fund and maintain such Loans as LIBOR Loans. Any conversion or prepayment of LIBOR Loans made pursuant to the preceding sentence prior to the last day of an Interest Period for such Loans shall be deemed a prepayment thereof for purposes of Section 2.8.

2.7.3 Increased Costs. If any Change of Law shall:

2.7.3.1 impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (without duplication of any reserve requirement included within the applicable interest rate through the definition of "Reserve Requirement"); or

2.7.3.2 subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any LIBOR Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for (A) Indemnified Taxes or Other Taxes covered by Section 2.5.4 and (B) the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or

2.7.3.3 impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or LIBOR Loans made by such Lender (without duplication of any reserve requirement included within the applicable interest rate through the definition of "Reserve Requirement");

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any LIBOR Loan or of maintaining its obligation to make any such Loan other than any cost related to Taxes or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender to be material, then Borrower will pay to such Lender within 30 days after its demand, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered. A certificate setting forth in reasonable detail the amount of such increased costs or reduced amounts and the basis for determination of such amount, submitted by such Lender to Borrower, shall, in the absence of demonstrable error, be conclusive and binding on Borrower for purposes of this Agreement.

2.7.4 Capital Requirements. If any Lender determines that any Change of Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change of Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time Borrower shall pay to such Lender, within 30 days after its demand such additional amount or amounts as will compensate such Lender or such Lender's holding

company for any such reduction suffered. A certificate of such Lender, setting forth in reasonable detail the computation of any such amount, submitted by such Lender to Borrower, shall, in the absence of demonstrable error, be conclusive and binding on Borrower for purposes of this Agreement.

2.7.5 Delay in Request. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.7 shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section 2.7 for any costs or reductions incurred more than 180 days prior to the date that such Lender notifies Borrower of the event giving rise to such costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the event giving rise to such costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.8 Funding Losses. If Borrower shall (a) repay or prepay any LIBOR Loans on any day other than the last day of an Interest Period for such Loans (including as a result of an assignment effected pursuant to Section 2.9.2), (b) fail to satisfy the applicable conditions for the Borrowing on the date of this Agreement, (c) fail to convert any Base Rate Loans into LIBOR Loans in accordance with a Notice of Conversion of Loan Type delivered to Administrative Agent (whether as a result of the failure to satisfy any applicable conditions or otherwise) after such notice has become irrevocable, (d) fail to continue a LIBOR Loan in accordance with a Confirmation of Interest Period Selection after such notice of confirmation has become irrevocable or (e) fail to make any prepayment in accordance with any notice of prepayment delivered to Administrative Agent, Borrower shall, within 30 days after demand by any Lender (other than in the case of the costs covered by the parenthetical clause under clause (a) above, which shall be paid in accordance with Section 2.9.2), reimburse such Lender for all reasonable costs and losses incurred by such Lender ("Liquidation Costs") due to such payment, prepayment or failure. Borrower understands that such costs and losses may include losses incurred by a Lender as a result of funding and other contracts entered into by such Lender to fund LIBOR Loans (other than non-receipt of the Applicable Rate in respect of the interest rate on LIBOR Loans). Each Lender demanding payment under this Section 2.8 shall deliver to Borrower a certificate setting forth in reasonable detail the amount of costs and losses for which demand is made. Such a certificate so delivered to Borrower shall, in the absence of demonstrable error, be conclusive and binding as to the amount of such loss for purposes of this Agreement.

## 2.9 Alternate Office, Minimization of Costs.

2.9.1 Minimization of Costs. To the extent reasonably possible, each Lender shall designate an alternative Lending Office with respect to its LIBOR Loans and otherwise take any reasonable actions to reduce any liability of Borrower to any Lender under Sections 2.5.4, 2.7.3, 2.7.4 or 2.8, or to avoid the unavailability of any Type of Loans under Section 2.7.2 so long as (in the case of the designation of an alternative Lending Office) such Lender, in its sole discretion, does not determine that such designation is disadvantageous to such Lender.

2.9.2 Replacement Rights. If and with respect to each occasion that a Lender (i) makes a demand for compensation pursuant to Section 2.5.4, 2.7.3 or 2.7.4, (ii) is unable for a period of three consecutive months to fund LIBOR Loans pursuant to Section 2.7.2 or such Lender wrongfully fails to fund a Loan, (iii) becomes a Defaulting Lender or (iv) has failed to consent to any proposed waiver or amendment with respect to this Agreement that requires the consent of all the Lenders or all the Lenders directly affected and with respect to which the Required Lenders shall have granted their consent, Borrower may, at its sole expense, upon at least five Banking Days' prior irrevocable written notice to the affected Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 7.13.1), all its interests, rights and obligations under this Agreement to an eligible assignee that shall assume such obligations (which assignee may be another

Lender, if a Lender accepts such assignment); provided that Borrower shall have received the prior written consent of Administrative Agent with respect to such assignee to the extent consent would be required under the terms of Section 7.13.1 in connection with an assignment to such assignee (which consent, in each case, shall not be unreasonably withheld). Such replacement Lender shall upon the effective date of replacement purchase the Obligations owed to such replaced Lender for the aggregate amount thereof and shall thereupon and for all purposes become a “Lender” hereunder. Such notice from Borrower shall specify an effective date for the replacement of such Lender’s Loans and Commitments, which date shall not be later than the 14<sup>th</sup> day after the day such notice is given. On the effective date of any replacement of a Lender’s Loans and Commitments and Obligations pursuant to this Section 2.9.2, Borrower shall pay to Administrative Agent for the account of such Lender (a) any fees due to such Lender to the date of such replacement; (b) the principal of and accrued interest on the principal amount of outstanding Loans held by such Lender to the date of such replacement (such amount to be represented by the purchase of the Obligations of such replaced Lender by the replacing Lender and not as a prepayment of such Loans or other amounts), and (c) the amount or amounts due to such Lender pursuant to each of Sections 2.5.4, 2.7.3 or 2.7.4, as applicable, and any other amount then payable hereunder to such Lender. In addition, if the replacement Lender was not previously a “Lender” hereunder, Borrower shall pay to Administrative Agent an administrative fee of \$3,500. Borrower will remain liable to such replaced Lender for any Liquidation Costs that such Lender may sustain or incur as a consequence of the purchase of such Lender’s Loans (unless such Lender has defaulted on its obligation to fund a Loan hereunder). Upon the effective date of the purchase of any Lender’s Loans and termination of such Lender’s Commitments pursuant to this Section 2.9.2, such Lender shall cease to be a Lender hereunder. No such replacement of such Lender’s Commitments and the purchase of such Lender’s Loans pursuant to this Section 2.9.2 shall affect (i) any liability or obligation of Borrower or any other Lender to such replaced Lender, or any liability or obligation of such replaced Lender to Borrower or any other Lender, which accrued on or prior to the date of such replacement or (ii) such replaced Lender’s rights hereunder in respect of any such liability or obligation. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

2.9.3 Alternate Office. Any Lender may designate a Lending Office other than that set forth in its Administrative Questionnaire and may assign all of its interests under the Credit Facility Documents to such Lending Office, provided that such designation and assignment do not at the time of such designation and assignment increase the reasonably foreseeable liability of Borrower under Sections 2.5.4, 2.7.3 or 2.7.4, or make an interest rate option unavailable pursuant to Section 2.7.2.

2.10 [Reserved]

2.11 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then for so long as such Lender is a Defaulting Lender the Commitment and Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 7.9), except that (i) the Commitment(s) of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (ii) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender.

ARTICLE III  
CONDITIONS PRECEDENT

3.1 Conditions Precedent to Obligation to Make Loans. Each Lender's obligation to make Loans pursuant to this Agreement is subject to the satisfaction of the following conditions precedent:

3.1.1 Credit Facility Documents. Delivery to Administrative Agent of executed originals of each Credit Facility Document (or written evidence satisfactory to Administrative Agent of the execution thereof by the parties thereto (which may include fax or electronic transmission of a signed signature page thereto)).

3.1.2 Resolutions. Delivery to Administrative Agent of a copy of one or more resolutions or other authorizations of Borrower in form and substance reasonably satisfactory to Administrative Agent and certified by an appropriate authorized officer of Borrower as being in full force and effect on the Closing Date, authorizing the execution, delivery and performance of this Agreement and the other Credit Facility Documents and any instruments or agreements required hereunder or thereunder to which Borrower is a party.

3.1.3 Incumbency. Delivery to Administrative Agent of a certificate in form and substance reasonably satisfactory to Administrative Agent, from Borrower signed by the appropriate authorized officer and dated the Closing Date, as to the incumbency of the natural persons authorized to execute and deliver this Agreement and each other Credit Facility Document and any instruments or agreements required hereunder or thereunder to which Borrower is a party.

3.1.4 Legal Opinions. Delivery to Administrative Agent of legal opinions of in-house and external counsel to Borrower and counsel to Administrative Agent, in the form of Exhibits H-1, H-2 and H-3, respectively.

3.1.5 Financial Statements. The Lenders shall have received the most recent annual audited financial statements or Form 10-K from Borrower and, to the extent obtainable, the most recent quarterly financial statements or Form 10-Q of Borrower, with certificates from the appropriate Responsible Officer thereof, stating that no material adverse change in the consolidated assets, liabilities, operations or financial condition of Borrower has occurred from those set forth in the most recent financial statements or the balance sheet, as the case may be, so provided to Administrative Agent.

3.1.6 Accuracy of Representations and Warranties; No Defaults. As of the Closing Date, the conditions set forth in Sections 3.2.1 and 3.2.2 shall be satisfied.

3.1.7 Certificate of Borrower. Administrative Agent shall have received a certificate, dated as of the Closing Date, signed by a Responsible Officer of Borrower, in substantially the form of Exhibit G.

3.1.8 Payment of Fees. All amounts required to be paid by Borrower to the Administrative Agent in connection with the execution and delivery of the Credit Facility Documents, and all taxes, fees and other costs payable in connection with the execution and delivery of the documents and instruments referred to in this Section 3.1 (or incorporated herein by reference) shall have been paid in full.

Administrative Agent shall notify Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

3.2 Conditions Precedent to Borrowing. The obligation of the Lenders to make each Loan is subject to the prior satisfaction of each of the following conditions:

3.2.1 Accuracy of Representations and Warranties. Each representation and warranty set forth in Article IV shall be true and correct as if made on and as of the date of such Borrowing, before and after giving effect thereto and the application of the proceeds therefrom, unless such representation or warranty relates solely to another time, in which event such representation or warranty shall be true and correct as of such other time.

3.2.2 No Defaults. No Event of Default or Inchoate Default shall have occurred and is continuing or will result from such Borrowing.

3.2.3 Notice of Borrowing. Borrower shall have delivered to Administrative Agent a notification of the account or accounts to which the proceeds of the Loans shall be deposited, at least one Business Day prior to the Closing Date.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

Borrower makes the following representations and warranties to and in favor of Administrative Agent and the Lenders as of the Closing Date and, unless otherwise expressly limited to the Closing Date, as of the date of the Borrowing (and all of these representations and warranties shall survive the Closing Date and the making of the Loans):

4.1 Corporate Existence and Business. Borrower is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of incorporation and is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is necessary to execute, deliver and perform this Agreement and each other Credit Facility Document to which it is or is to become a party.

4.2 Power and Authorization; Enforceable Obligations. Borrower has full power and authority and the legal right to execute, deliver and perform this Agreement and each other Credit Facility Document to which it is or is to become a party and to take all action as may be necessary to complete the transactions contemplated hereunder and thereunder. Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each other Credit Facility Document to which it is or is to become a party to complete the transactions contemplated hereby. No consent or authorization of, filing with, or other act by or in respect of any other Person or Governmental Authority is required in connection with the execution, delivery or performance by Borrower, or the validity or enforceability as to Borrower, of this Agreement and each other Credit Facility Document to which it is or is to become a party, except such consents or authorizations or filings or other acts as have already been obtained or where the failure to obtain such consent or authorization could not reasonably be expected to have a Material Adverse Effect. This Agreement and each other Credit Facility Document to which Borrower is a party have been duly executed and delivered by Borrower and constitute, and each other Credit Facility Document to which it is to become a party will upon execution and delivery thereof by Borrower and the other parties thereto (if any) constitute, a legal, valid and binding obligation of Borrower enforceable against it in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the right of creditors generally and by general principles of equity.

4.3 No Legal Bar. The execution, delivery and performance by Borrower of this Agreement and each other Credit Facility Document to which it is or is to become a party to complete the transactions contemplated hereby and the making by Borrower of any payments hereunder or under any other Credit Facility Document to which it is a party will not violate any applicable law or any material contractual obligation of Borrower and its subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of the properties or revenues of Borrower pursuant to any applicable law or any such

contractual obligation except, in each case, where such violation, creation or imposition could not reasonably be expected to have a Material Adverse Effect.

4.4 No Proceeding, Litigation or Investigation. No litigation, proceeding or to the knowledge of Borrower, investigation of or before any Governmental Authority is pending or, to the knowledge of Borrower, threatened in writing against Borrower or any of its subsidiaries, except where such litigation, proceeding or investigation could not reasonably be expected to have a Material Adverse Effect.

4.5 Governmental Approvals. All governmental authorizations and actions necessary in connection with the execution and delivery by Borrower of this Agreement and the other Credit Facility Documents and the performance of its obligations hereunder and thereunder have been obtained or performed and remain valid and in full force and effect.

4.6 Financial Statements. All quarterly and annual financial statements of Borrower and its consolidated subsidiaries heretofore delivered by Borrower to Administrative Agent did not fail to disclose any material liabilities, whether direct or contingent, and fairly presented in all material respects the financial condition of Borrower and its consolidated subsidiaries, as the case may be, in each case as of the date delivered and were prepared in accordance with GAAP. Since December 31, 2018, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.7 True and Complete Disclosure. All factual information heretofore or contemporaneously furnished by Borrower or its representatives in writing to Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated herein was true and accurate in all material respects on the date as of which such information was dated or certified and at such date did not omit to state any fact necessary to make such information not misleading at such time in light of the circumstances under which such information was provided. The information referred to in the immediately preceding sentence furnished to Administrative Agent or any Lender on or prior to the Closing Date, taken as a whole, as updated or supplemented from time to time, is true and correct in all material respects as of the Closing Date, and as of the Closing Date all such information does not omit to state any fact which could reasonably be expected to have a Material Adverse Effect.

4.8 Investment Company Act. Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

4.9 Compliance with Law. There is no violation by Borrower or any Significant Subsidiary of any Governmental Rule which could reasonably be expected to have a Material Adverse Effect. Except as have been delivered to Administrative Agent, no notices of any such violation of any Governmental Rule have been issued, entered or received by Borrower or any Significant Subsidiary.

4.10 ERISA. Borrower and any other Person which is under common control (within the meaning of Section 414(b) or (c) of the Code) with Borrower have fulfilled their obligations (if any) under the minimum funding standards of ERISA and the Code for each ERISA Plan in compliance in all material respects with the currently applicable provisions of ERISA and the Code and have not incurred any material liability to the PBGC or an ERISA Plan under Title IV of ERISA (other than liability for premiums due in the ordinary course). Assuming that the credit extended hereunder does not involve the assets of any employee benefit plan subject to ERISA, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will involve a Prohibited Transaction.

4.11 Solvency. Borrower and each Significant Subsidiary is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection with this Agreement and the other Credit Facility Documents, will be and will continue to be, Solvent.

4.12 Taxes. Each of Borrower and its subsidiaries has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except (a) taxes that are being contested in good faith by appropriate proceedings and for which such Person has established adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

4.13 Use of Credit. Neither Borrower or any of its subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (as defined in Regulations T, U or X of the Federal Reserve Board), and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any such margin stock.

4.14 FCPA; OFAC; Anti-Money Laundering.

4.14.1 No Unlawful Contributions or Other Payments. Neither Borrower nor any of its subsidiaries, nor, to Borrower's knowledge, any director, officer, agent, employee or Affiliate of Borrower or any of its subsidiaries has taken or will take any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to pay or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office.

4.14.2 OFAC.

(a) Neither Borrower nor any of its subsidiaries nor, to Borrower's knowledge, any officer or director of Borrower or any of its subsidiaries, nor any agent, employee or Affiliate of Borrower or any of its subsidiaries is (i) a Person that is, or is owned or controlled by a Person that is currently the subject of any U.S. sanctions administered by OFAC ("Sanctions"), nor (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Crimea, Iran, North Korea, Sudan and Syria).

(b) Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person to fund any activities or business of or with any Person or in any country or territory that, at the time of such funding, is the subject of Sanctions or would be in violation of Money Laundering Laws.

4.14.3 No Conflict with Money Laundering Laws. To Borrower's knowledge, the operations of Borrower and its subsidiaries are and have been conducted at all times in material compliance with (i) applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the rules and regulations promulgated thereunder, (ii) the money laundering statutes of all jurisdictions where Borrower and its subsidiaries conduct business, and the rules and regulations thereunder and (iii) any related or similar rules, regulations or guidelines issued, administered or enforced by any court, arbitrator, regulatory body, administrative agency, governmental body or other authority or agency (collectively, the "Money Laundering Laws"). No action, suit or proceeding by or before any court, arbitrator, regulatory body, administrative agency, governmental body or other authority or agency involving Borrower or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to Borrower's knowledge, threatened.

ARTICLE V  
COVENANTS OF BORROWER

Borrower covenants and agrees that until the repayment in full of the Obligations (other than those contingent obligations that are intended to survive the termination of this Agreement or the other Credit Facility Documents) and the expiration and termination of all Commitments, unless Administrative Agent on behalf of the Lenders waives compliance in writing:

5.1 Existence. Borrower shall, and shall cause each Significant Subsidiary to, maintain and preserve its existence in good standing in the state of its formation and its qualification to do business in each other jurisdiction where such qualification is necessary and all material rights, privileges and franchises necessary in the normal conduct of its business, except as permitted under Section 5.3.1.

5.2 Consents, Legal Compliance. Borrower shall maintain in full force and effect all consents of any Governmental Authority that are required to be obtained by it in order for it to perform its obligations under this Agreement and the other Credit Facility Documents and will obtain any that may become necessary in the future.

5.3 Prohibition of Certain Transfers.

5.3.1 Borrower shall not, and shall not permit any Significant Subsidiary to, liquidate or dissolve, or combine, consolidate or merge with or into another Person (other than any consolidation or mergers between or among Borrower and its Significant Subsidiaries); except that Borrower or any Significant Subsidiary may combine, consolidate or merge with another Person if (i) Borrower or a Significant Subsidiary, as the case may be, is the surviving corporation of such merger, consolidation or combination; (ii) after giving effect thereto, Borrower's ratings for the Index Debt from Moody's and S&P are at least Baa2 and BBB-, respectively, or Baa3 and BBB, respectively; (iii) prior to such merger, consolidation or combination, and after giving effect thereto, no Inchoate Default or Event of Default shall have occurred and be continuing; (iv) Borrower shall have provided pro forma calculations to Administrative Agent demonstrating that, to the reasonable satisfaction of Administrative Agent, after giving effect to such merger, consolidation or combination, the projected ratio of Total Debt to Capitalization for the next succeeding fiscal quarter will be less than or equal to 0.65 to 1.00; and (v) Borrower's rights and obligations, and Administrative Agent's and the Lenders' rights and remedies, under this Agreement and the other Credit Facility Documents shall not be diminished in any manner as a result of such merger, consolidation or combination.

5.3.2 Except as set forth in this Section 5.3 or sales that are in the nature of financing leases, Borrower shall not, and shall not permit any Significant Subsidiary to, sell, lease, assign or otherwise transfer or dispose of, directly or indirectly, all or any substantial part of its or such Significant Subsidiary's property, business or assets; provided that (i) Borrower or any Significant Subsidiary may sell, lease or otherwise transfer or dispose of, directly or indirectly, assets to Borrower or any Significant Subsidiary, (ii) Borrower may sell, contribute or otherwise transfer its transmission and transmission-related assets for fair value to a regional transmission organization or conduct sales that are in the nature of financing leases, and (iii) the foregoing shall not limit Borrower's ability to enter into securitization transactions secured by a transfer of Borrower's receivables.

5.3.3 Except as set forth in this Section 5.3 or on Schedule 5.3.3, Borrower shall not, and shall not permit any Significant Subsidiary to, mortgage, pledge or encumber all or substantially all of its assets; provided that Borrower and any subsidiary of Borrower may enter into limited recourse project financing transactions (including in the form of synthetic leases) in the ordinary course of Borrower's or such subsidiary's business.

5.3.4 Except as set forth in this Section 5.3, Borrower shall not sell, assign or otherwise transfer, by way of collateral assignment or otherwise, or dispose of, directly or indirectly (by way of collateral assignment or otherwise) any Equity Interests in any Significant Subsidiary; provided that Borrower or any subsidiary of Borrower may engage in limited recourse project financing transactions as provided in Section 5.3.3; and provided further that the foregoing shall not limit Borrower's ability to enter into securitization transactions secured by a transfer of Borrower's receivables.

5.4 Payment and Performance of Material Obligations. Borrower shall, and shall cause each Significant Subsidiary to, pay and perform all its material obligations, howsoever arising, as and when due and payable or required to be performed, except (a) such as may be contested in good faith or as to which a bona fide dispute may exist; provided that adequate reserves have been established in accordance with GAAP, and (b) trade payables which shall be paid in the ordinary course of business.

5.5 Taxes. Borrower shall, and shall cause each Significant Subsidiary to, file all tax returns and pay, or cause to be paid, as and when due and prior to delinquency, all material taxes, assessments and governmental charges of any kind that may at any time be lawfully assessed or levied against or with respect to it; provided that Borrower or any Significant Subsidiary may contest in good faith any such taxes, assessments and other charges and, in such event, may permit the taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when such Person is in good faith contesting the same, so long as (a) adequate reserves have been established in accordance with GAAP, (b) enforcement of the contested tax, assessment or other charge is effectively stayed for the entire duration of such contest if such enforcement could reasonably be expected to have a Material Adverse Effect, and (c) any tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is promptly paid as required after final resolution of such contest.

5.6 Maintenance of Property, Insurance. Borrower shall, and shall cause each Significant Subsidiary to, (a) keep all property useful and necessary in its business in good working order and condition except where the failure to so maintain could not reasonably be expected to have a Material Adverse Effect, (b) maintain proper books and records in accordance with GAAP, (c) permit Administrative Agent to visit and inspect its properties at reasonable times and upon reasonable notice, (d) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks, and/or make provisions for self-insurance, in accordance with normal industry practice, and (e) furnish to Administrative Agent, upon written request, full information as to the insurance carried.

5.7 Compliance with Laws, Instruments, Etc. Borrower shall, and shall cause each Significant Subsidiary to, promptly comply, or cause compliance, with all Governmental Rules (except where the failure to comply could not reasonably be expected to have a Material Adverse Effect) including Sanctions administered by OFAC and Governmental Rules relating to pollution control, environmental protection, equal employment opportunity or employee benefit plans, ERISA Plans and employee safety.

5.8 No Change in Business. Borrower shall maintain a substantial part of its business in the utility industry and businesses reasonably related thereto and Borrower shall, and shall cause each Significant Subsidiary to, maintain as a substantial part of its business the general type of business now conducted by Borrower or such Significant Subsidiary, as the case may be.

5.9 Financial Statements. Borrower shall furnish or cause to be furnished to Administrative Agent:

5.9.1 As soon as practicable and in any event within 60 days after the end of the first, second and third quarterly accounting periods of its fiscal year (commencing with the fiscal quarter ended March 31, 2020), an unaudited consolidated balance sheet of Borrower and its consolidated subsidiaries as

of the last day of such quarterly period and the related statements of income, cash flow, and shareholder's equity (where applicable) for such quarterly period and (in the case of the second and third quarterly periods) for the portion of the fiscal year ending with the last day of such quarterly period, setting forth in each case in comparative form corresponding unaudited figures from the preceding fiscal year.

5.9.2 As soon as practicable and in any event within 120 days after the close of each applicable fiscal year, audited consolidated financial statements of Borrower and its consolidated subsidiaries. Such financial statements shall include a statement of equity, a balance sheet as of the close of such year, an income and expense statement, reconciliation of capital accounts (where applicable) and a statement of cash flow, all prepared in accordance with GAAP, certified by an independent certified public accountant of recognized national standing selected by Borrower. Such certificate shall not be qualified or limited because of restricted or limited examination by such accountant of any material portion of the records of Borrower.

5.9.3 Each time the financial statements are delivered under Sections 5.9.1 or 5.9.2, deliver, along with such financial statements, a certificate signed by a Responsible Officer of Borrower (i) setting forth reasonably detailed calculations demonstrating compliance with Section 5.11 and including a schedule describing all Contingent Obligations of Borrower, and (ii) certifying that (A) such Responsible Officer has made or caused to be made a review of the transactions and financial condition of Borrower during the relevant fiscal period and that, to such Responsible Officer's knowledge, Borrower is in compliance with all applicable material provisions of each Credit Facility Document to which Borrower is a party or, if such is not the case, stating the nature of such non-compliance and the corrective actions which Borrower has taken or proposes to take with respect thereto, and (B) such financial statements are true and correct in all material respects and that no material adverse change in the consolidated assets, liabilities, operations, or financial condition of Borrower has occurred since the date of the immediately preceding financial statements provided to Administrative Agent or, if a material adverse change has occurred, the nature of such change.

5.9.4 As long as Borrower is required or permitted to file reports under the Securities Exchange Act of 1934, as amended, filing its report on Form 10-Q with a notice of such filing to Administrative Agent shall satisfy the requirements of Section 5.9.1 and Section 5.9.3(ii)(B), and filing Borrower's report on Form 10-K with a notice of such filing to Administrative Agent shall satisfy the requirements of Section 5.9.2 and Section 5.9.3(ii)(B).

5.9.5 Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Borrower or any Significant Subsidiary, or compliance with the terms of this Agreement and the other Credit Facility Documents, as Administrative Agent or any Lender may reasonably request.

5.10 Notices. Borrower shall promptly, upon acquiring notice or giving notice, as the case may be, or obtaining knowledge thereof, deliver written notice to Administrative Agent of:

5.10.1 Any litigation or investigation pending or threatened in writing against Borrower or any Significant Subsidiary involving claims against Borrower or such Significant Subsidiary that could reasonably be expected to have a Material Adverse Effect, such notice to include copies of all papers filed in such litigation or investigation and to be given monthly if any such papers have been filed since the last notice given;

5.10.2 Any dispute or disputes which may exist between Borrower or any Significant Subsidiary and any Governmental Authority and which involve (i) claims against Borrower or such Significant Subsidiary, (ii) injunctive or declaratory relief, (iii) revocation or material modification or the

like of any applicable material permit or imposition of additional material conditions with respect thereto, or (iv) any liens for any material amount of taxes due but not paid, in each case that could reasonably be expected to have a Material Adverse Effect;

5.10.3 (i) Any Inchoate Default or Event of Default or (ii) any default under any agreement (other than this Agreement) with respect to any Indebtedness (other than Non-Recourse Indebtedness) of Borrower or any Significant Subsidiary outstanding in an amount equal to or in excess of \$50,000,000 or the acceleration of Indebtedness of Borrower for borrowed money in an amount equal to or in excess of \$10,000,000;

5.10.4 Borrower being placed on watch or review for possible rating down-grade by S&P or Moody's, or any negative change, from the date hereof, from the rating given to Borrower's Index Debt by either S&P or Moody's; and

5.10.5 Any event or circumstance which could reasonably be expected to have a Material Adverse Effect.

#### 5.11 Financial Covenants.

5.11.1 Borrower shall maintain, as of the last day of each fiscal quarter (commencing with the fiscal quarter ended March 31, 2020), a ratio of Total Debt to Capitalization, for such fiscal quarter then ended, of less than or equal to 0.65 to 1.00.

5.11.2 Borrower shall comply with the limitation on short-term indebtedness imposed on Borrower by the Florida Public Service Commission.

#### 5.12 Indemnification.

5.12.1 Borrower shall indemnify, defend and hold harmless Administrative Agent and each Lender, each of their Affiliates and their respective officers, directors, shareholders, controlling persons, employees, agents and servants (collectively, the "Indemnitees") from and against and reimburse the Indemnitees for any and all penalties, claims, damages, losses, liabilities and obligations, of any kind or nature whatsoever, that may be imposed upon, incurred by or asserted or awarded against any Indemnitee in any way relating to or arising out of or in connection with this Agreement, the other Credit Facility Documents, the use by Borrower of the proceeds hereof, or any related claim or investigation, litigation or proceeding, or the preparation of any defense with respect thereto, and will reimburse each Indemnitee for all reasonable expenses (including all reasonable costs and expenses of a single legal counsel, together with a single legal counsel in each applicable jurisdiction, and all reasonable costs and expenses of multiple legal counsels to the extent necessary in the event that (i) the circumstances giving rise to such indemnification create an ethical conflict for such single counsel or (ii) the Indemnitees have inconsistent or conflicting defenses) incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim, investigation, litigation or proceeding, whether or not such investigation, litigation or proceeding is brought by Borrower, or an Indemnitee is otherwise a party thereto (but not in respect of any claim or action brought by Borrower against any Indemnitee to enforce its rights hereunder or under any other Credit Facility Document), and whether or not the transactions contemplated by the Credit Facility Documents are consummated (collectively, "Subject Claims").

5.12.2 The foregoing indemnities shall not apply with respect to an Indemnitee, to the extent any such claim, penalty, damage, loss, liability, obligation, cost, disbursement or expense incurred by or asserted or awarded against such Indemnitee is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such

Indemnitee, but shall continue to apply to other Indemnitees. Without limiting the generality of the foregoing, Borrower shall not be liable for any special, indirect, consequential or punitive damages suffered by an Indemnitee, including any loss of profits, business or anticipated savings of such Indemnitee, other than any such damages or losses imposed upon or asserted or awarded against any Indemnitee by a third party. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed through electronic, telecommunications or other information transmission systems in connection with this Agreement or the other Credit Facility Documents or the transactions contemplated hereby or thereby.

5.12.3 If for any reason the foregoing indemnification is unavailable to any Indemnitee or is insufficient to hold it harmless, then Borrower shall contribute to the amount paid or payable by such Indemnitee as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of Borrower and its equity holders on the one hand and such Indemnitee on the other hand in the matters contemplated by this Agreement and the other Credit Facility Documents as well as the relative fault of Borrower and such Indemnitee with respect to such loss, claim, damage or liability and any other relevant equitable considerations.

5.12.4 The provisions of this Section 5.12 shall survive the satisfaction or discharge of Borrower's obligations hereunder, and shall be in addition to any other rights and remedies of the Lenders.

5.12.5 In case any action, suit or proceeding shall be brought against any Indemnitee, such Indemnitee shall promptly notify Borrower of the commencement thereof, and Borrower shall be entitled, at its expense, acting through counsel reasonably acceptable to such Indemnitee, to participate in, and, to the extent that Borrower desires, to assume and control the defense thereof. Such Indemnitee shall be entitled, at its expense, to participate in any action, suit or proceeding the defense of which has been assumed by Borrower. Notwithstanding the foregoing, Borrower shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the reasonable opinion of such Indemnitee and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability upon such Indemnitee or a conflict of interest between such Indemnitee and Borrower (unless such conflict of interest is waived in writing by the affected Indemnitees), and in such event (other than with respect to disputes between such Indemnitee and another Indemnitee) Borrower shall pay the reasonable expenses of such Indemnitee in such defense to the extent provided in Sections 5.12.1 and 5.12.2.

5.12.6 Borrower shall promptly report to the relevant Indemnitee(s) on the status of such action, investigation, suit or proceeding the defense of which is assumed by Borrower in accordance with Section 5.12.5, as material developments shall occur and from time to time as requested by such Indemnitee (but not more frequently than every 60 days). Borrower shall deliver to such Indemnitee a copy of each document filed or served on any party in such action, investigation, suit or proceeding, and each material document which Borrower possesses relating to such action, investigation, suit or proceeding.

5.12.7 Notwithstanding Borrower's rights hereunder to control certain actions, investigations, suits or proceedings, if any Indemnitee reasonably determines that failure to compromise or settle any Subject Claim made against such Indemnitee is reasonably likely to have an imminent and material adverse effect on such Indemnitee or such Indemnitee's interest in Borrower, such Indemnitee shall be entitled to compromise or settle such Subject Claim; provided that such Indemnitee consults with and coordinates such compromise or settlement with Borrower (although no prior consent by Borrower to any such compromise or settlement shall be required); and provided further that with respect to any Indemnitee other than a Lender, such right may be exercised only with the consent of the Lender or Lenders which such Indemnitee is affiliated with or engaged by. Any such compromise or settlement shall be binding upon Borrower for the purposes of this Section 5.12. Notwithstanding Borrower's rights hereunder,

Borrower shall not be entitled to settle any Subject Claim of an Indemnitee without the prior written consent of such Indemnitee or a full release of such Indemnitee, in form and substance satisfactory to such Indemnitee. Upon payment of any Subject Claim by Borrower pursuant to this Section 5.12 or other similar indemnity provisions contained herein to or on behalf of an Indemnitee, Borrower, without any further action, shall be subrogated to any and all claims that such Indemnitee may have relating thereto, and such Indemnitee shall cooperate with Borrower and Borrower's insurance carrier, and give such further assurances as are necessary or advisable to enable Borrower vigorously to pursue such claims.

5.12.8 Any amounts payable by Borrower pursuant to this Section 5.12 shall be regularly payable within 30 days after Borrower receives an invoice for such amounts from any applicable Indemnitee, and if not paid within such 30-day period, shall bear interest at the Default Rate.

5.12.9 Notwithstanding anything to the contrary set forth herein, except as provided in Section 5.12.1 or 5.12.5, Borrower shall not, in connection with any one legal proceeding or claim, or separate but related proceedings or claims arising out of the same general allegations or circumstances, in which the interests of the Indemnitees do not materially differ, be liable to the Indemnitees (or any of them) under any of the provisions set forth in this Section 5.12 for the fees and expenses of more than one separate firm of attorneys (which firm shall be selected by the affected Indemnitees, or upon failure to so select, by Administrative Agent).

5.13 Federal Regulations. Borrower shall not use any part of the proceeds of the Loans to purchase or carry any "margin stock" (within the meaning of Regulation U) or to purchase, carry or trade in any securities under such circumstances as to involve Borrower in a violation of Regulation X or to involve any broker or dealer in Regulation T.

5.14 Use of Proceeds. Borrower shall use, and cause its subsidiaries to use, the proceeds of the Loans hereunder for general corporate purposes.

5.15 Transactions with Affiliates. Borrower shall not, and shall not permit any subsidiary to, enter into any transaction with any of its Affiliates (other than Borrower or any subsidiary) unless such transaction is on terms no less favorable to Borrower or such subsidiary than if the transaction had been negotiated in good faith on an arm's-length basis with a non-Affiliate.

## ARTICLE VI EVENTS OF DEFAULT; REMEDIES

6.1 Events of Default. The occurrence of any of the following events shall constitute an event of default ("Event of Default") hereunder:

6.1.1 Payments. Borrower shall fail to pay, in accordance with the terms of this Agreement or any other Credit Facility Document, (i) any principal on any Loan on the date such sum is due, (ii) any interest on any Loan or any scheduled fee, cost, charge or sum due hereunder or under any other Credit Facility Document, (in the case of clause (ii)) within three Banking Days after the date that such sum is due, or (iii) any other fee, cost, charge or other sum due under this Agreement or any other Credit Facility Document, within 30 days after written notice that such sum is due and has not been paid.

6.1.2 Debt Cross Default. (i) Borrower or any Significant Subsidiary shall default for a period beyond any applicable grace period (a) in the payment of any principal, interest or other amount due under any Indebtedness (other than trade payables or non-recourse indebtedness), or (b) any other event shall occur or condition shall exist under an agreement, or related agreements, under which Borrower or any Significant Subsidiary has outstanding Indebtedness (other than trade payables or non-recourse

indebtedness), if the effect of such event or condition is to permit the acceleration of the maturity of such Indebtedness (other than trade payables or non-recourse indebtedness), and the outstanding amount or amounts payable under all such Indebtedness under clauses (a) and (b) equals or exceeds \$50,000,000 or (ii) an event of default shall have occurred and be continuing under an agreement, or related agreements, under which Borrower or any Significant Subsidiary has outstanding Indebtedness (other than trade payables or non-recourse indebtedness) of \$10,000,000 or more and, in the case of this clause (ii), such debt has been accelerated by the holder of such debt, or the holder of such debt has attempted to accelerate but such acceleration was prevented by applicable Governmental Rule.

6.1.3 Bankruptcy; Insolvency. Borrower or any Significant Subsidiary shall become subject to a Bankruptcy Event.

6.1.4 Misstatements. Any representation or warranty of Borrower set forth in this Agreement or any other Credit Facility Document or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, shall be untrue or misleading in any material respect as of the time made.

6.1.5 Breach of Terms of Agreement. Borrower shall fail to perform or observe any of the covenants set forth in this Agreement and (except with respect to any covenants set forth in Section 5.1 (with respect to its obligation to maintain its existence), 5.3, 5.8, 5.11 or 5.14) such failure shall continue unremedied for 30 days after Borrower becomes aware thereof or receives written notice with respect thereto from Administrative Agent.

6.1.6 Judgments. A final judgment or judgments shall be entered against Borrower or any Significant Subsidiary in the amount of \$50,000,000 or more (net of amounts covered by insurance) individually or in the aggregate (other than (i) a judgment which is fully discharged within 30 days after its entry, or (ii) a judgment, the execution of which is effectively stayed within 30 days after its entry but only for 30 days after the date on which such stay is terminated or expires) or, in the case of injunctive relief, which if left unstayed could reasonably be expected to have a Material Adverse Effect.

6.1.7 Change in Control. TECO shall cease to directly or indirectly own and control at least 80% of (i) the economic interests and (ii) the voting interests (whether by committee, contract or otherwise) in Borrower.

6.1.8 ERISA Violations. If Borrower or any ERISA Affiliate should establish, maintain, contribute to or become obligated to contribute to any ERISA Plan and (a) a Reportable Event shall have occurred with respect to any ERISA Plan; or (b) a trustee shall be appointed by a United States District Court to administer any ERISA Plan; or (c) the PBGC shall institute proceedings to terminate any ERISA Plan; or (d) a complete or partial withdrawal by Borrower or any ERISA Affiliate from any Multiemployer Plan shall have occurred, or any Multiemployer Plan shall become insolvent, or terminate (or notify Borrower or any ERISA Affiliate of its intent to terminate) under Section 4041A of ERISA; or (e) any ERISA Plan fails to satisfy the "minimum funding standard" under Code Section 412; or (f) Borrower or any ERISA Affiliate incurs any liability for a Prohibited Transaction under ERISA Section 502; provided that any of the events described in this Section 6.1.8 shall result in joint liability of Borrower and all ERISA Affiliates in excess of \$5,000,000.

6.1.9 Lack of Validity, Etc. Any of the Credit Facility Documents, once executed and delivered, shall, except as the result of acts or omissions of Administrative Agent or the Lenders, fail to provide Administrative Agent and the Lenders the liens, security interest, rights, titles, interest, remedies permitted by law, powers or privileges intended to be created thereby or cease to be in full force and effect (except as expressly contemplated by the terms thereof), or the validity thereof or the applicability thereof

to the Loans or other obligations purported to be secured or guaranteed thereby or any part thereof shall be disaffirmed by or on behalf of Borrower or any other party thereto (other than Administrative Agent or the Lenders).

6.2 Remedies. Upon the occurrence and during the continuation of an Event of Default, Administrative Agent and the Lenders may, at the election of the Required Lenders, without further notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind, all such notices and demands other than notices required by this Agreement or any of the other Credit Facility Documents being waived (to the extent permitted by Governmental Rule), exercise any or all of the following rights and remedies, in any combination or order that the Required Lenders may elect, in addition to such other rights or remedies as the Lenders may have hereunder, under the other Credit Facility Documents or at law or in equity, as follows:

6.2.1 No Further Loans. Administrative Agent and the Lenders may refuse and shall not be obligated to continue any Loans or to make any additional Loans and the Commitments may be terminated; provided that in the event of an Event of Default occurring under Section 6.1.3 with respect to Borrower, the foregoing shall take effect immediately and without further act of Administrative Agent or the Lenders.

6.2.2 Cure by Administrative Agent. Without any obligation to do so but only during any time when a Loan is outstanding or any other amounts are due and owing hereunder to Administrative Agent or the Lenders, Administrative Agent may make disbursements or Loans in respect of which any amounts are outstanding to or on behalf of Borrower to cure any Event of Default or Inchoate Default hereunder as the Required Lenders in their sole discretion may consider necessary or appropriate, whether to preserve and protect the Lenders' interests under this Agreement or any Credit Facility Documents or for any other reason, and all sums so expended, together with interest on such total amount at the Default Rate (but in no event shall the rate exceed the maximum lawful rate, if applicable), shall be repaid by Borrower to Administrative Agent on demand and shall be secured by this Agreement and the other Credit Facility Documents and shall constitute an Obligation.

6.2.3 Acceleration. Declare and make all sums of accrued and outstanding principal and accrued but unpaid interest remaining under this Agreement together with all unpaid fees, costs (including Liquidation Costs) and charges due hereunder or under any other Credit Facility Document, immediately due and payable and require Borrower immediately, without presentment, demand, protest or other notice of any kind, all of which Borrower hereby expressly waives, to pay Administrative Agent or the Lenders an amount in immediately available funds equal to the aggregate amount of any outstanding Loans; provided that in the event of an Event of Default occurring under Section 6.1.3 with respect to Borrower, all such amounts shall become immediately due and payable without further act of Administrative Agent or the Lenders.

ARTICLE VII  
ADMINISTRATIVE AGENT, SUBSTITUTION, AMENDMENTS, ETC.

7.1 Appointment, Powers and Immunities.

7.1.1 Each Lender hereby irrevocably appoints Administrative Agent to act on its behalf as Administrative Agent hereunder and under the other Credit Facility Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms of this Agreement and the other Credit Facility Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Administrative Agent and the Lenders, and Borrower shall not have rights as a third-party

beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Credit Facility Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement or in any other Credit Facility Document, and its duties hereunder shall be administrative in nature. Notwithstanding anything to the contrary contained herein, Administrative Agent: (i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Inchoate Default has occurred and is continuing; (ii) shall not have any duty to take any action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Facility Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Facility Documents); provided Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to this Agreement or any other Credit Facility Document or any Governmental Rule, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Bankruptcy Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Bankruptcy Law; and (iii) shall not, except as expressly set forth herein and in the other Credit Facility Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Each of Administrative Agent and the Lenders and any of their respective Affiliates shall not be responsible to any other Lender for or have any duty to ascertain or inquire into (i) any statement, representation or warranty made by Borrower or its Affiliates made in or in connection with this Agreement or any other Credit Facility Document, (ii) the contents of any certificate, report or other document referred to or provided for in, or received by Administrative Agent, or any Lender under this Agreement or any Credit Facility Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, effectiveness, genuineness or enforceability of this Agreement, any other Credit Facility Document or any other agreement, instrument or document, or (v) for any failure by Borrower, its Affiliates to perform their respective obligations hereunder or thereunder. Administrative Agent may employ agents and attorneys in fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys in fact selected by it with reasonable care.

7.1.2 Administrative Agent and its directors, officers, employees or agents shall not be responsible for any action taken or omitted to be taken by it or them hereunder or under any other Credit Facility Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Without limiting the generality of the foregoing, Administrative Agent (a) may treat the payee of any Note as the holder thereof until Administrative Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to Administrative Agent; (b) may consult with legal counsel (including counsel for Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender for any statements, warranties or representations made in or in connection with any Credit Facility Document; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Credit Facility Document on the part of any party thereto or to inspect the property (including the books and records) of Borrower or any other Person; and (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Credit Facility Document or any other instrument or document furnished pursuant hereto. Except as otherwise provided under this Agreement and the other Credit Facility Documents, Administrative Agent

shall take such action with respect to the Credit Facility Documents as shall be directed by the Required Lenders.

7.1.3 Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Facility Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for in this Agreement as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

7.2 Reliance. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet, website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. As to any other matters not expressly provided for by this Agreement, Administrative Agent shall not be required to take any action or exercise any discretion, but shall be required to act or to refrain from acting upon instructions of the Required Lenders (except that Administrative Agent shall not be required to take any action which exposes Administrative Agent to personal liability or which is contrary to this Agreement, any other Credit Facility Document or any Governmental Rule). Administrative Agent shall in all cases (including when any action by Administrative Agent alone is authorized hereunder, if Administrative Agent elects in its sole discretion to obtain instructions from the Required Lenders) be fully protected in acting, or in refraining from acting, hereunder or under any other Credit Facility Document in accordance with the instructions of the Required Lenders, and such instructions of the Required Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

7.3 Non-Reliance. Each Lender acknowledges that it has, independently and without reliance on Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender and their respective Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender and their respective Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its decisions in taking or not taking actions under this Agreement or the other Credit Facility Documents or any related agreement or any document furnished hereunder or thereunder. Each of Administrative Agent and any Lender shall not be required to keep informed as to the performance or observance by Borrower or its Affiliates under this Agreement or any other document referred to or provided for herein or to make inquiry of, or to inspect the properties or books of Borrower or its Affiliates.

7.4 Defaults. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Inchoate Default or Event of Default, unless such default relates to the payment of principal, interest and fees required to be paid to Administrative Agent for the account of the Lenders, or Administrative Agent has received a written notice from a Lender or Borrower, referring to this Agreement, describing such Inchoate Default or Event of Default and indicating that such notice is a notice of default. If Administrative Agent receives such a notice of the occurrence of an Inchoate Default or Event of Default,

Administrative Agent shall give notice thereof to the Lenders. Administrative Agent shall take such action with respect to such Inchoate Default or Event of Default as is provided in Article VI or if not provided for in Article VI, as Administrative Agent shall be reasonably directed by the Required Lenders; provided, however, that unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Inchoate Default or Event of Default as it shall deem advisable in the best interest of the Lenders.

7.5 Indemnification. Without limiting the Obligations of Borrower hereunder, each Lender agrees to indemnify Administrative Agent, ratably in accordance with its Proportionate Share for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against Administrative Agent in any way relating to or arising out of this Agreement or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, however, that no Lender shall be liable for any of the foregoing to the extent they arise from Administrative Agent's gross negligence or willful misconduct. Administrative Agent shall be fully justified in refusing to take or to continue to take any action hereunder or under any other Credit Facility Document unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limitation of the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its Proportionate Share of any out-of-pocket expenses (including counsel fees) incurred by Administrative Agent in connection with the preparation, execution, administration or enforcement of, or legal advice in respect of rights or responsibilities under, the Credit Facility Documents, to the extent that Administrative Agent is not reimbursed for such expenses by Borrower. Notwithstanding the foregoing, Administrative Agent shall not be entitled to indemnification or reimbursement of its expenses under this Section 7.5 if it would not be entitled to indemnification or reimbursement under Sections 5.12 and 8.4, respectively.

7.6 Successor Administrative Agent. Administrative Agent may resign hereunder at any time by giving written notice thereof to the Lenders and Borrower. Upon any such resignation, the Required Lenders, shall have the right to appoint the successor Administrative Agent hereunder with the consent of Borrower, which consent shall not be unreasonably withheld or delayed; provided that Borrower's consent shall not be required if an Event of Default shall have occurred and be continuing at such time hereunder. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation (or such earlier day as shall be agreed by the Required Lenders), the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders with the consent of Borrower (such consent not to be unreasonably withheld or delayed) appoint the successor Administrative Agent hereunder which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be a commercial bank having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent only under the Credit Facility Documents. Except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent. The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Credit Facility Documents.

7.7 Authorization. Administrative Agent is hereby authorized by the Lenders to execute, deliver and perform each of the Credit Facility Documents to which Administrative Agent is or is intended to be a party and each Lender agrees to be bound by all of the agreements of Administrative Agent contained in the Credit Facility Documents. Administrative Agent is further authorized by the Lenders to enter into agreements supplemental hereto for the purpose of curing any formal defect, inconsistency, omission or ambiguity in this Agreement or any Credit Facility Document to which it is a party.

7.8 Administrative Agent's Other Roles; Other Agents. With respect to its Commitments, the Loans made by it and any Notes issued to it, Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not Administrative Agent. The term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include Administrative Agent in its individual capacity. Administrative Agent and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial adviser or in any other advisory capacity for, and generally engage in any kind of business with Borrower or any other Person, without any duty to account therefor to the Lenders.

7.9 Amendments; Waivers. Subject to the provisions of this Section 7.9, unless otherwise specified in this Agreement or another Credit Facility Document, the Required Lenders (or Administrative Agent with the consent in writing of the Required Lenders) and Borrower may enter into agreements supplemental hereto for the purpose of adding, modifying or waiving any provisions to the Credit Facility Documents or changing in any manner the rights of the Lenders or Borrower hereunder or waiving any Inchoate Default or Event of Default; provided, however, that no such supplemental agreement shall:

(a) Modify Section 2.1.4, 2.5.1, 2.5.2, 2.5.3 or 2.6.1 without the written consent of each Lender affected thereby; or

(b) Reduce the percentage specified in the definition of Required Lenders, without the written consent of each Lender; or

(c) Permit Borrower to assign its rights under this Agreement, without the written consent of each Lender; or

(d) Amend this Section 7.9 or amend any defined term set forth herein, in any Credit Facility Document or in Exhibit A, to the extent such amendment would have the effect of violating the effect of the provisions of this Section 7.9, without the written consent of each Lender; or

(e) Release any collateral from a lien securing the Obligations of Borrower hereunder or release any funds from any account otherwise than in accordance with the terms hereof, without the written consent of each Lender; or

(f) Extend the maturity of any Loans (including any extension of any Maturity Date) or any Notes or reduce the principal amount thereof, without the written consent of each Lender affected thereby; or

(g) Reduce the rate or change the time of payment of interest due on any Loan or any Note, without the written consent of each Lender affected thereby; or

(h) Reduce the amount or change the time of payment of any fee or other amount due or payable without the written consent of each Lender affected thereby; or

(i) Increase the amount of the Commitment of any Lender without the written consent of such Lender.

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of Administrative Agent without the prior written consent of Administrative Agent.

#### 7.10 Withholding Tax.

7.10.1 If the forms or other documentation required by Section 2.5.7 are not delivered to Administrative Agent, then Administrative Agent may withhold from any interest payment to any Lender not providing such forms or other documentation, an amount equivalent to the applicable withholding tax.

7.10.2 If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify Administrative Agent fully for all amounts paid, directly or indirectly, by Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs, and any out of pocket expenses. Borrower shall not be responsible for any amounts paid or required to be paid by a Lender under this Section 7.10.2.

7.10.3 If any Lender sells, assigns, grants participations in, or otherwise transfers its rights under this Agreement, the purchaser, assignee, transferee or participant shall comply with and be bound by the terms of Sections 2.5.7, 7.10.1 and 7.10.2 as though it were such Lender.

7.11 General Provisions as to Payments. Administrative Agent shall promptly distribute to each Lender its *pro rata* share of each payment of principal and interest payable to the Lenders on the Loans and of fees hereunder received by Administrative Agent for the account of the Lenders and of any other amounts owing under the Loans. The payments made for the account of each Lender shall be made, and distributed to it, for the account of (a) its domestic lending office in the case of payments of principal of, and interest on, its Base Rate Loans, (b) its domestic or foreign lending office, as each Lender may designate in writing to Administrative Agent, in the case of payments of principal of, and interest on, its LIBOR Loans and (c) its domestic lending office, or such other lending office as it may designate for the purpose from time to time, in the case of payments of fees and other amounts payable hereunder. Each Lender shall have the right to alter its designated domestic lending office upon notice to Administrative Agent and Borrower.

#### 7.12 Participations.

7.12.1 Nothing herein provided shall prevent any Lender from selling a participation in its Commitments (and/or Loans made thereunder) to one or more financial institutions or other entities (a "Participant"); provided that (a) no such sale of a participation shall alter such Lender's or Borrower's obligations hereunder and (b) any agreement pursuant to which any Lender may grant a participation in its rights with respect to its Commitments (and/or Loans) shall provide that, with respect to such Commitments (and/or Loans), subject to the following proviso, such Lender shall retain the sole right and responsibility to exercise the rights of such Lender, and enforce the obligations of Borrower relating to such Commitments (and/or Loans), including the right to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Facility Document and the right to take action to have the Notes declared due and payable pursuant to Article VI; provided, however, that such agreement may provide that such Lender will not, without the consent of the relevant Participant, agree to any amendment, modification or waiver described in the first proviso to Section 7.9 that affects such Participant. Borrower agrees that each

Participant shall be entitled to the benefits of Sections 2.5.4, 2.7.3 and 2.7.4 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 7.13; provided that such Participant (1) shall be subject to the requirements and limitations therein, including the requirements under Section 2.5.7 (it being understood that the documentation required under Section 2.5.7 shall be delivered to the participating Lender); (2) agrees to be subject to the provisions of Sections 2.6.2 and 2.9 as if it were an assignee under Section 7.13; and (3) shall not be entitled to receive any greater payment under Sections 2.5.4, 2.7.3 and 2.7.4 with respect to any participation than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change of Law that occurs after such Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.2 as though it were a Lender, provided such Participant agrees to be subject to Section 2.6.2 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower (and such agency being solely for tax purposes), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitment, Loan, promissory note or other obligations under this Agreement or any other Credit Facility Document) except if additional payments under Sections 2.5.4, 2.7.3 and 2.7.4 are requested with respect to such Participant and except to the extent that such disclosure is necessary to establish that such Commitment, Loan, promissory note or other obligation is at all times maintained in registered form within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any successor provisions). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

7.12.2 Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to Administrative Agent and Borrower, the option to provide to Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to Borrower pursuant to this Agreement; provided that (a) nothing herein shall constitute a commitment by any SPC to make any Loan, and (b) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. In addition, notwithstanding anything to the contrary contained in this Section 7.12, any SPC may (x) with notice to, but without the prior written consent of, Borrower and Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by Borrower and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (y) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of

any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 7.12 may not be amended without the written consent of all SPCs having outstanding Loans or Commitments hereunder.

7.13 Transfer of Commitments.

7.13.1 Assignments. Notwithstanding anything else herein to the contrary (but subject to Section 7.12.2), any Lender may assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent, such consent, in each case, not to be unreasonably withheld or delayed, of:

(a) Borrower, provided that no consent of Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; provided, further, that Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to Administrative Agent within five Banking Days after having received notice thereof; and

(b) Administrative Agent; provided that no consent of Administrative Agent shall be required for an assignment to a Lender.

Assignments shall be subject to the following additional conditions:

(i) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent) shall not be less than \$5,000,000 unless each of Borrower and Administrative Agent otherwise consent; provided that no such consent of Borrower shall be required if an Event of Default has occurred and is continuing;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(iii) the parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(iv) the assignee, if it shall not be a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof pursuant to this Section 7.13.1, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.5.4, 2.7.3, 2.8, 5.12 and 8.4). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 7.13.1 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 7.12.

Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in this Section 7.13.1 and any written consent to such assignment required hereby, Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.5.6 or 7.5, Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 7.13.1.

7.13.2 Register. Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Borrower (and such agency being solely for tax purposes), shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and Borrower, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower and any Lender (with respect to its own interests only), at any reasonable time and from time to time upon reasonable prior notice. This Section 7.13 shall be construed so that the Commitments, Loans, promissory notes or other obligations are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any successor provisions).

7.13.3 No Assignments to Certain Persons. Anything in this Section 7.13 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to (i) Borrower or any of its Affiliates or subsidiaries without the prior consent of each Lender, (ii) any Defaulting Lender or any of its subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) or (iii) a natural person.

7.13.4 Assignability as to Collateral. Notwithstanding any other provision contained in this Agreement or any other Credit Facility Document to the contrary, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank or any central bank having jurisdiction over such Lender; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

## ARTICLE VIII MISCELLANEOUS

8.1 Addresses. Any communications between the parties hereto or notices provided herein to be given shall be given to the following addresses:

If to Wells Fargo as Administrative Agent:	Nicole Prebeck Loan Servicing Specialist WLS Charlotte Agency Services Wholesale Loan Services   1525 West W.T. Harris Blvd. 1B1   Charlotte, NC 28262 MAC D1109-019 Tel 704-590-9003  Fax 844-879-5899 Nicole.Prebeck@wellsfargo.com
If to Borrower:	Tampa Electric Company 702 North Franklin Street Tampa, FL 33602 Attention: Corporate Secretary Telephone No.: (813) 228-4723 Telecopy No.: (813) 228-1328  with a copy to: Tampa Electric Company 702 North Franklin Street Tampa, FL 33602 Attention: Vice President-Finance Telephone No.: 813-228-1809
If to any other Lender:	To the address specified on such Lender’s Administrative Questionnaire.

8.1.1 All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by facsimile or e-mail. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a Banking Day and, if not, on the next following Banking Day) on which it is transmitted if transmitted before 4:00 p.m., recipient’s time, and, if transmitted after that time, on the next following Banking Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving of 30 days’ notice to the other parties in the manner set forth above; provided, however, that a Lender shall have the right to change its address for notice hereunder by giving notice to Administrative Agent and Borrower only.

8.1.2 Borrower hereby agrees that it will provide to Administrative Agent all information, documents and other materials that it is obligated to furnish to Administrative Agent pursuant to this Agreement or any other Credit Facility Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (a) relates to a request for a new, or a conversion of an existing, borrowing (including any election of an interest rate or interest period relating thereto), (b) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (c) provides notice of any default or event of default under this Agreement or (d) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing hereunder (all such non-excluded communications being referred to herein collectively as “Communications”), by transmitting the

Communications in an electronic/soft medium in a format acceptable to Administrative Agent to Nicole.Prebeck@wellsfargo.com or AgencyServices.Requests@wellsfargo.com.

8.1.3 Borrower further agrees that Administrative Agent may make the Communications available to the Lenders by posting the Communications on IntraLinks or a substantially similar electronic transmission systems (the “Platform”). Borrower acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

8.1.4 THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, “AGENT PARTIES”) HAVE ANY LIABILITY TO BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF BORROWER’S OR ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

8.1.5 Administrative Agent agrees that the receipt of the Communications by Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to Administrative Agent for purposes of this Agreement and the other Credit Facility Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of this Agreement or any other Credit Facility Document. Each Lender agrees to notify Administrative Agent in writing (including by electronic communication) from time to time of such Lender’s e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

8.1.6 Nothing herein shall prejudice the right of Administrative Agent or any Lender to give any notice or other communication pursuant to this Agreement or under any other Credit Facility Document in any other manner specified in such document.

8.2 Additional Security; Right to Set-Off. Any deposits or other sums at any time credited or due from the Lenders and any securities or other property of Borrower in the possession of Administrative Agent may at all times be treated as collateral security for the payment of the Loans and any Notes and all other obligations of Borrower to the Lenders under this Agreement and the other Credit Facility Documents, and Borrower hereby pledges to Administrative Agent for the benefit of the Lenders and grants Administrative Agent a security interest in and to all such deposits, sums, securities or other property. Regardless of the adequacy of any other collateral, Administrative Agent may execute or realize on the

Lenders' security interest in any such deposits or other sums credited by or due from the Lenders to Borrower, and may apply any such deposits or other sums to or set them off against Borrower's obligations to the Lenders under any Notes and this Agreement at any time after the occurrence and during the continuance of any Event of Default.

8.3 Delay and Waiver. No delay or omission to exercise any right, power or remedy accruing to the Lenders upon the occurrence of any Event of Default, Inchoate Default or any breach or default of Borrower under this Agreement or any other Credit Facility Document shall impair any such right, power or remedy of the Lenders, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single Event of Default, Inchoate Default or other breach or default be deemed a waiver of any other Event of Default, Inchoate Default or other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Administrative Agent and/or the Lenders of any Event of Default, Inchoate Default or other breach or default under this Agreement or any other Credit Facility Document, or any waiver on the part of Administrative Agent and/or the Lenders of any provision or condition of this Agreement or any other Credit Facility Document, must be in writing and shall be effective only to the extent in such writing specifically set forth. All remedies, either under this Agreement or any other Credit Facility Document or by law or otherwise afforded to Administrative Agent and the Lenders, shall be cumulative and not alternative.

8.4 Costs, Expenses and Attorneys' Fees. Borrower will pay to the Administrative Agent all of its reasonable costs and expenses in connection with the preparation, negotiation, closing and administering of this Agreement and the documents contemplated hereby or this Agreement, including the reasonable fees, expenses and disbursements of a single legal counsel, together with a single legal counsel in each applicable local jurisdiction, retained by the Administrative Agent in connection with the preparation of such documents and any amendments hereof. Borrower will reimburse (a) Administrative Agent for all costs and expenses, including attorneys' fees, expended or incurred by Administrative Agent, and the Lenders for their internal out-of-pocket expenses in enforcing this Agreement or the other Credit Facility Documents in connection with an Event of Default or Inchoate Default, in actions for declaratory relief in any way related to this Agreement or in collecting any sum which becomes due Administrative Agent or the Lenders under the Credit Facility Documents and (b) Administrative Agent and the Lenders for their reasonable out-of-pocket expenses, including reasonable attorney fees, in the enforcement or protection of their rights under the Credit Facility Documents including in the case of a restructuring or other workout or negotiation of the Loans in connection with the bankruptcy or insolvency of Borrower or any payment default requiring, among other things, amendments to the interest rates and/or repayment dates for the Loans. Borrower shall not be responsible for any counsel fees of Administrative Agent or the Lenders other than as set forth above.

8.5 Entire Agreement. This Agreement and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.

8.6 Governing Law. THIS AGREEMENT, AND ANY INSTRUMENT OR AGREEMENT REQUIRED HEREUNDER (TO THE EXTENT NOT OTHERWISE EXPRESSLY PROVIDED FOR THEREIN), SHALL BE GOVERNED BY, AND CONSTRUED UNDER, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

8.7 Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.8 Headings. Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only; such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

8.9 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP and practices consistent with those applied in the preparation of the financial statements submitted by Borrower to Administrative Agent, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles and practices, as in effect from time to time; provided that, if Borrower notifies Administrative Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if Administrative Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Indebtedness of Borrower shall be deemed to be carried at one hundred percent of the outstanding principal amount thereof, and the effects of FASB ASC 805 and FASB ASC 825 shall be disregarded with respect to the reporting of the principal amount of Indebtedness.

8.10 No Partnership, Etc. The Lenders and Borrower intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Agreement, the Notes or in any of the other Credit Facility Documents shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between the Lenders and Borrower or any other Person.

8.11 Limitation on Liability. No claim shall be made by Borrower or any of its Affiliates against the Lenders or any of their Affiliates, directors, employees, attorneys or agents for any loss of profits, business or anticipated savings, special or punitive damages or any indirect or consequential loss whatsoever in respect of any breach or wrongful conduct (whether or not the claim therefor is based on contract, tort or duty imposed by law), in connection with, arising out of or in any way related to the transactions contemplated by this Agreement or the other Credit Facility Documents or any act or omission or event occurring in connection therewith; and Borrower hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

8.12 Waiver of Jury Trial. THE LENDERS, ADMINISTRATIVE AGENT AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER CREDIT FACILITY DOCUMENT, OR ANY COURSE OR CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ADMINISTRATIVE AGENT, THE LENDERS OR BORROWER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS AND ADMINISTRATIVE AGENT TO ENTER INTO THIS AGREEMENT.

8.13 Consent to Jurisdiction. The Lenders, Administrative Agent and Borrower agree that any legal action or proceeding by or against Borrower or with respect to or arising out of this Agreement, the Notes, or any other Credit Facility Document may be brought in or removed to the courts of the State of

New York, in and for the County of New York, or of the United States of America for the Southern District of New York, or any appellate court thereof, as Administrative Agent may elect. By execution and delivery of this Agreement, the Lenders, Administrative Agent and Borrower accept, for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Lenders, Administrative Agent and Borrower irrevocably consent to the service of process out of any of the aforementioned courts in any manner permitted by law. Nothing herein shall affect the right of Administrative Agent to bring legal action or proceedings in any other competent jurisdiction. The Lenders, Administrative Agent and Borrower further agree that the aforesaid courts of the State of New York and of the United States of America shall have exclusive jurisdiction with respect to any claim or counterclaim of Borrower based upon the assertion that the rate of interest charged by the Lenders on or under this Agreement, the Loans and/or the other Credit Facility Documents is usurious. The Lenders, Administrative Agent and Borrower hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement or any other Credit Facility Document brought before the foregoing courts on the basis of forum non-conveniens.

8.14 Knowledge and Attribution. References in this Agreement and the other Credit Facility Documents to the “knowledge,” “best knowledge” or facts and circumstances “known to” Borrower, and all like references, mean facts or circumstances of which a Responsible Officer of Borrower has actual knowledge.

8.15 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Borrower may not assign or otherwise transfer any of their rights under this Agreement, and the Lenders may not assign or otherwise transfer any of their rights under this Agreement except as provided in Article VII.

8.16 Counterparts. This Agreement may be executed in one or more duplicate counterparts and when signed by all of the parties listed below shall constitute a single binding agreement. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

8.17 Patriot Act Notice. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrower in accordance with the Patriot Act. Borrower shall, and shall cause each of its Significant Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by Administrative Agent or any Lender in order to assist Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

8.18 Payments Set Aside. To the extent that any payment by or on behalf of Borrower is made to Administrative Agent or any Lender, or Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Bankruptcy Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

8.19 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Facility Document), Borrower acknowledges and agrees, and acknowledge its Affiliates' understanding, that (a) the services regarding this Agreement provided by Administrative Agent and the Lenders are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, and Administrative Agent and the Lenders on the other hand, (b) Borrower has consulted their own legal, accounting, regulatory and tax advisors to the extent that they have deemed appropriate, (c) Borrower is are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Facility Documents, (d) each of the Administrative Agent and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower or any of its Affiliates, or any other Person, (e) none of Administrative Agent or the Lenders has any obligation to Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Facility Documents and (f) the Administrative Agent, the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and none of Administrative Agent or the Lenders has any obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by law, Borrower hereby waives and releases any claims that they may have against Administrative Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

8.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Credit Facility Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Facility Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Facility Document; or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

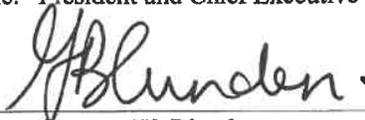
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the day and year first above written.

BORROWER:

TAMPA ELECTRIC COMPANY

By:   
Name: Nancy Tower

Title: President and Chief Executive Officer

By:   
Name: Gregory W. Blunden

Title: Senior Vice President of Finance and  
Accounting and Chief Financial Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent and Lender

By: \_\_\_\_\_

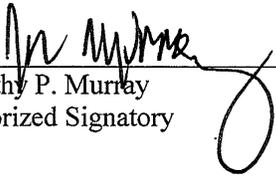
  
Name: Gregory R. Gredvig  
Title: Director

JPMORGAN CHASE BANK, N.A.  
as Lender

By:   
Name: Tom Martin  
Title: Vice President

[Signature Page to Tampa Credit Agreement]

ROYAL BANK OF CANADA,  
as Lender

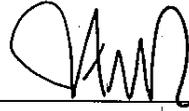
By:  \_\_\_\_\_  
Timothy P. Murray  
Authorized Signatory

MUFG BANK, LTD., CANADA BRANCH, as Lender

By:   
Name: Nirushan Thambirajah  
Title: Authorized Signatory

THE BANK OF NOVA SCOTIA,  
as Lender

By: \_\_\_\_\_



Name: **David Dewar**  
Title: **Director**

*[Signature Page to Tampa Credit Agreement]*

SCHEDULE 1

LENDERS AND COMMITMENTS

<u>Lender</u>	<u>Amount of Commitment</u>
Wells Fargo Bank, National Association	\$60,000,000
JPMorgan Chase Bank, N.A.	\$60,000,000
Royal Bank of Canada	\$60,000,000
MUFG Bank, Ltd., Canada Branch	\$60,000,000
The Bank of Nova Scotia	\$60,000,000
	\$300,000,000

SCHEDULE 5.3.3

EXISTING LIENS

Indenture of Mortgage dated as of August 1, 1946, between Tampa Electric Company and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as Trustee, as supplemented and amended from time to time so long as no such amendment expands the lien granted thereunder to cover additional assets (no bonds currently outstanding).

EXHIBIT A  
to the Credit Agreement

DEFINITIONS

“Administrative Agent” means Wells Fargo Bank, National Association, acting in its capacity as administrative agent for the Lenders under the Credit Agreement, or its successor appointed pursuant to the terms of the Credit Agreement.

“Administrative Agent’s Office” means Administrative Agent’s address and, as appropriate, account as set forth in Section 8.1 of the Credit Agreement, or such other address or account as Administrative Agent may from time to time notify to Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by Administrative Agent.

“Affiliates” of a specified Person means any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified, or who holds or beneficially owns 25% or more of the Equity Interest in the Person specified or 25% or more of any class of voting securities of the Person specified.

“Alternate Base Rate” means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the LIBO Rate for the offering of Dollar deposits for a one month Interest Period commencing on such day plus 1.00%; provided that, for the avoidance of doubt, in no event shall the Alternate Base Rate be less than 1.00%. For purposes of clause (c) of this definition, such LIBO Rate for any day shall be determined by Administrative Agent based upon the rate appearing on Reuters LIBOR01 Page and otherwise in accordance with the definition of “LIBO Rate”, except that (i) if a given day is a Banking Day, such determination shall be made on such day (rather than two Banking Days prior to the commencement of an Interest Period) or (ii) if a given day is not a Banking Day, such rate for such day shall be the rate determined by Administrative Agent pursuant to the preceding clause (i) for the most recent Banking Day preceding such day. If for any reason Administrative Agent shall have determined that it is unable to ascertain the Federal Funds Effective Rate, the Base Rate shall be determined without regard to clause (b) hereof, until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate, as the case may be.

“Applicable Rate” means a percentage per annum equal to (a) with respect to Base Rate Loans, 0.00% and (b) with respect to LIBOR Loans, 0.55%.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 7.13 of the Credit Agreement), and accepted by Administrative Agent, in the form of Exhibit B or any other form approved by Administrative Agent.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Banking Day” means any day other than a Saturday, Sunday or other day on which banks are or are authorized to be closed in New York, New York or Ontario, Canada and, where such term is used in any respect relating to a LIBOR Loan, which is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

“Bankruptcy Event” shall be deemed to occur, with respect to any Person, if that Person shall institute a voluntary case seeking liquidation or reorganization under a Bankruptcy Law, or shall consent to the institution of an involuntary case thereunder against it; or such Person shall file a petition or consent or shall otherwise institute any similar proceeding under any other applicable Federal or state law, or shall consent thereto; or such Person shall apply for, or by consent or acquiescence there shall be an appointment of, a receiver, liquidator, sequestrator, trustee or other officer with similar powers for itself or any substantial part of its assets; or such Person shall make a general assignment for the benefit of its creditors; or such Person shall admit in writing its inability to pay its debts generally as they become due; or if an involuntary case shall be commenced seeking liquidation or reorganization of such Person under a Bankruptcy Law or any similar proceedings shall be commenced against such Person under any other applicable Federal or state law and (a) the petition commencing the involuntary case is not timely controverted, (b) the petition commencing the involuntary case is not dismissed within 60 days of its filing, (c) an interim trustee is appointed to take possession of all or a substantial portion of the property, and/or to operate all or any material part of the business of such Person and such appointment is not vacated within 60 days, or (d) an order for relief shall have been issued or entered therein; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee or other officer having similar powers, over such Person or all or a substantial part of its property shall have been entered; or any other similar relief shall be granted against such Person under any applicable Federal or state law.

“Bankruptcy Law” means Title 11, United States Code, and any other state or federal insolvency, reorganization, moratorium or similar law for the relief of debtors, or any successor statute.

“Base Rate”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Borrower” means Tampa Electric Company, a Florida corporation.

“Borrowing” means Loans of the same Type.

“Capitalization” means, as to Borrower, the sum of Total Debt and Consolidated Shareholders Equity, in each case, as of the date of any determination thereof.

“Capitalized Lease Obligations” means, as to any Person, all rental obligations as lessee which, under GAAP, are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with GAAP.

“Change of Law” means the occurrence after the date of this Agreement or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority or (c) the compliance by any Lender (or, for purposes of Section 2.7.4 of the Credit Agreement, by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change of Law”, regardless of the date enacted, adopted or issued.

“Closing Date” means the date (which shall not be later than February 6, 2020 when each of the conditions precedent listed in Section 3.1 of the Credit Agreement has been satisfied (or waived in accordance with the terms of the Credit Agreement)).

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans hereunder on the Closing Date. The amount of each Lender’s Commitment is set forth on Schedule 1, or in the Assignment and Assumption or other instrument entered into pursuant to this Agreement by which such Lender shall have assumed its Commitment, as applicable.

“Confirmation of Interest Period Selection” has the meaning given in Section 2.1.2.4(b) of the Credit Agreement.

“Consolidated Shareholders Equity” means, as of the date of any determination, the consolidated net worth of Borrower and its subsidiaries, and including (without duplication) amounts attributable to (a) junior subordinated debentures that do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date at least 91 days after the Maturity Date, (b) Hybrid Equity Securities and (c) preferred stock to the extent excluded from Total Debt, minus the value of minority interests in any of Borrower’s subsidiaries, and disregarding unearned compensation associated with Borrower’s employee stock ownership plan or other benefit plans, foreign currency translation adjustments and other comprehensive income adjustments and amounts attributable to the non-cash effects of pension and other post-retirement benefits, all determined in accordance with GAAP.

“Contingent Obligation” means, as to any Person, any obligation of such Person guaranteeing any Indebtedness or lease obligation (each a “primary obligation”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor or (c) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be the maximum probable liability in respect thereof (assuming such Person is required to perform thereunder) as determined in good faith by Borrower in accordance with GAAP.

“Credit Agreement” or “Agreement” means this Credit Agreement dated as of February 6, 2020 among Borrower, the Lenders party hereto and Administrative Agent, to which this Exhibit A is attached.

“Credit Facility Documents” means, collectively, the Credit Agreement, any Notes and any other letter agreements or similar documents entered into by Administrative Agent (in its capacity as administrative agent under the Credit Agreement) and Borrower in connection with the transactions contemplated by the Credit Facility Documents mentioned above.

“Default Rate” means (a) (i) with respect to principal of any LIBOR Loan, the interest rate per annum applicable to such LIBOR Loan, plus 2.00%, (ii) with respect to any Base Rate Loan, the rate applicable to Base Rate Loans, plus 2.00% and (b) with respect to interest, fees and any other amounts, the interest rate then applicable to Base Rate Loans, plus 2.00%. Interest computed with reference to the Default Rate shall be adjusted and calculated in the same manner as interest computed with reference to the Alternate Base Rate or the LIBO Rate (as applicable).

“Defaulting Lender” means any Lender that (a) has failed, within two Banking Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to Administrative Agent or any other Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified Borrower or Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Banking Days after request by Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Administrative Agent’s receipt of such certification in form and substance satisfactory to it, or (d) has (i) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, (ii) in the good faith determination of Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, or (iii) become the subject of a Bail-In Action (each a “bankruptcy event”), provided that a bankruptcy event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Dollar” and “\$” means United States dollars or such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts in the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution

described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Equity Interests” means (a) shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person or (b) any warrants, options or other rights to acquire such shares or interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means (a) a corporation which is a member of a controlled group of corporations with Borrower within the meaning of Section 414(b) of the Code, (b) a trade or business (including a sole proprietorship, partnership, trust, estate or corporation) which is under common control with Borrower within the meaning of Section 414(c) of the Code or Section 4001(b)(1) of ERISA, (c) a member of an affiliated service group with Borrower within the meaning of Section 414(m) of the Code, or (d) an entity treated as under common control with Borrower by reason of Section 414(o) of the Code.

“ERISA Plan” means any employee benefit plan (a) maintained by Borrower or any ERISA Affiliate, or to which any of them contributes or is obligated to contribute, for its employees and (b) covered by Title IV of ERISA or to which Section 412 of the Code applies.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning given in Section 6.1 of the Credit Agreement.

“Excluded Taxes” means, with respect to Administrative Agent or any Lender, (a) income or franchise Taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized, of which it is a resident or in which it has an office or conducts business (other than a business which it is deemed to conduct solely by reason of such Lender’s executing, delivering or performing its obligations or receiving a payment under, or enforcing, the Credit Agreement or any other Credit Facility Document), (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction of which Borrower is organized, is a resident or in which it has an office or conducts business (other than a business which it is deemed to conduct solely by reason of such Lender’s executing, delivering or performing its obligations or receiving a payment under, or enforcing, this Agreement or any other Credit Facility Document), (c) in the case of any Lender (other than an assignee pursuant to a request by Borrower under Section 2.9.2 of the Credit Agreement), any U.S. Federal withholding Tax that (i) is in effect and would apply to amounts payable to such Lender at the time such Lender becomes a party to this Agreement or (ii) is attributable to such Lender’s failure or inability (other than as a result of a Change of Law after the date such Lender becomes a party to this Agreement) to comply with Section 2.5.7 of the Credit Agreement and (d) any Taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any current or future regulations or official interpretations thereof.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System (or any successor thereto).

“FERC” means the Federal Energy Regulatory Commission and its successors.

“GAAP” means generally accepted accounting principles in the United States consistently applied.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, regulatory, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, FERC, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party to the Credit Agreement at law.

“Governmental Rule” means any law, rule, regulation, ordinance, order, code interpretation, treaty, judgment, decree, directive, guidelines, policy or similar form of decision of any Governmental Authority.

“Granting Lender” has the meaning given in Section 7.12.2 of the Credit Agreement.

“Hedge Transactions” means transactions under any interest swap agreements, caps, collars or other interest rate hedging mechanisms.

“Hybrid Equity Securities” means securities issued by Borrower or any subsidiary that (a) are classified as possessing a minimum of (i) “intermediate equity content” by S&P and (ii) “Basket C equity credit” by Moody’s and (b) do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date that is at least 91 days after the Maturity Date.

“Inchoate Default” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or the giving of notice, would constitute an Event of Default.

“Indebtedness” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) the deferred purchase price of assets or services which in accordance with GAAP would be shown on the liability side of the balance sheet of such Person, (c) the face amount of all letters of credit issued for the account of such Person (other than letters of credit issued to secure a financial obligation of such Person to the extent such obligation is not outstanding at the time) and all unreimbursed

drafts drawn thereunder, (d) all Indebtedness of another Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (e) all Capitalized Lease Obligations of such Person, (f) all obligations of such Person under any subscription or similar agreement, (g) the discounted present value of all obligations of such Person (other than Borrower) payable under agreements for the payment of a specified purchase price for the purchase and resale of power whether or not delivered or accepted, *i.e.*, take-or-pay and similar obligations, (h) any unfunded or underfunded obligation subject to the minimum funding standards of Section 412 of the Code of such Person to any “employee pension benefit plan” (as defined in Section 3(2) of ERISA) maintained at any time, or contributed to, by such Person or any other Person which is under common control (within the meaning of Section 414(b) or (c) of the Code) with such Person, (i) all Contingent Obligations of such Person and (j) all obligations of such Person in respect of Hedge Transactions; provided, however, that Indebtedness shall specifically exclude accounts payable arising in the ordinary course of business.

“Indemnified Taxes” means (a) Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of Borrower under this Agreement or any other Credit Facility Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

“Indemnitees” has the meaning given in Section 5.12.1 of the Credit Agreement.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Interest Period” means, with respect to any LIBOR Borrowing, the period commencing on the date of such Borrowing and ending one week thereafter or on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Banking Day, (ii) any monthly Interest Period pertaining to a LIBOR Borrowing that commences on the last Banking Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Banking Day of the last calendar month of such Interest Period and (iii) no Interest Period for any LIBOR Loan may end after the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Legal Requirements” means, as to any Person, the articles of incorporation, bylaws or other organizational or governing documents of such Person, and any requirement under a Permit, and any Governmental Rule in each case applicable to or binding upon such Person or any of its properties or to which such Person or any of its property is subject.

“Lender” or “Lenders” means the Persons listed on Schedule 1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lending Office” means, with respect to any Lender, the office designated as such in such Lender’s Administrative Questionnaire or such other office of such Lender as such Lender may specify from time to time to Administrative Agent and Borrower.

“LIBO Rate” means, with respect to any LIBOR Loan for any Interest Period (rounded upwards if necessary, to the nearest 1/16<sup>th</sup> of 1%), the LIBOR Screen Rate as of approximately

11:00 a.m., London time, two Banking Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period, provided that if the LIBOR Screen Rate shall not be available for such Interest Period with respect to such LIBOR Borrowing for any reason, then the applicable Reference Bank Rate shall be the LIBO Rate for such Interest Period for such LIBOR Borrowing.

“LIBOR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

“LIBOR Screen Rate” means the London interbank offered rate administered by the Intercontinental Exchange Benchmark Administration (or any other Person that takes over the administration of such rate) for dollar deposits for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion; provided that, if any LIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Lien” on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, or easement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Liquidation Costs” has the meaning given in Section 2.8 of the Credit Agreement.

“Loans” means the loans made by the Lenders to Borrower pursuant to the Credit Agreement.

“Material Adverse Effect” means (a) a material adverse change in the business, property, results of operations, or financial condition of Borrower and any Significant Subsidiary thereof, taken as a whole or (b) any event or occurrence of whatever nature which materially and adversely (i) changes Borrower’s ability to perform its obligations under the Credit Facility Documents to which it is a party or (ii) impairs the legality, validity, binding effect or enforceability of the Credit Facility Documents.

“Maturity Date” means the date that is 364 days after the Closing Date (or if such date is not a Banking Day, the immediately preceding Banking Day).

“Minimum Notice Period” means (a) at least three Banking Days before the date of any continuation or conversion of a Loan resulting in whole or in part in one or more LIBOR Loans and (b) before 12:00 noon on the Banking Day of any conversion of a Loan resulting in whole or in part in one or more Base Rate Loans.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means any ERISA Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA).

“Non-Recourse Indebtedness” means Indebtedness which is not an obligation of, and is otherwise without recourse to, the assets or revenues of Borrower or any subsidiary of Borrower.

“Note” has the meaning given in Section 2.1.5 of the Credit Agreement.

“Notice of Conversion of Loan Type” has the meaning given in Section 2.1.3 of the Credit Agreement.

“Obligations” means, collectively, all obligations of Borrower to Administrative Agent and/or the Lenders arising under the Credit Agreement and the other Credit Facility Documents, in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, and whether before or after the occurrence of any Bankruptcy Event and including any obligation or liability in respect of any breach of any representation or warranty and all post-petition interest and funding losses, whether or not allowed as a claim in any proceeding arising in connection with such an event.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or similar levies arising from any payment made under this Agreement or any other Credit Facility Document from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Facility Document.

“Participant” has the meaning given in Section 7.12.1 of the Credit Agreement.

“Participant Register” has the meaning given in Section 7.12.1 of the Credit Agreement.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

“PBGC” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

“Permit” means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, right or license of or from a Governmental Authority.

“Person” means any natural person, corporation, partnership, limited liability company, firm, association, Governmental Authority, trust, trustee or any other entity whether acting in an individual, fiduciary or other capacity.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by Administrative Agent as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Administrative Agent in connection with extensions of credit to debtors).

“Prohibited Transaction” means any transaction set forth in Section 406 of ERISA or Section 4975 of the Code which is not exempt under Section 408 of ERISA or Section 4975(d) of the Code.

“Proportionate Share” means, with respect to each Lender (i) at any time prior to the Closing Date, the percentage of the Commitments represented by such Lender’s Commitment and (ii) at any time after the Closing Date, the percentage of the aggregate amount of Loans represented by such Lender’s Loans; provided that in the case of Section 2.11 when a Defaulting Lender shall exist, “Proportionate Share” shall mean the percentage of the Commitments or the aggregate amount of Loans

(disregarding any Defaulting Lender's Commitment or Loans) represented by such Lender's Commitment or Loans.

“Reference Bank” means the three major banks in the London market that consent to provide rates and are selected by the Administrative Agent in consultation with Borrower.

“Reference Bank Rate” means the arithmetic means of the rates (rounded upwards to four decimal places) supplied to the Administrative Agent at its request by the Reference Banks as of approximately 11:00 am, London Time, two Banking Days prior to the commencement of such Interest Period at which the Administrative Agent could borrow funds in the London interbank market for the relevant period, provided that if any Reference Bank Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Register” has the meaning given it in Section 7.13.2 of the Credit Agreement.

“Regulation D” means Regulation D of the Federal Reserve Board as in effect from time to time.

“Regulation T” means Regulation T of the Federal Reserve Board as in effect from time to time.

“Regulation U” means Regulation U of the Federal Reserve Board as in effect from time to time.

“Regulation X” means Regulation X of the Federal Reserve Board as in effect from time to time.

“Related Parties” means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA with respect to an ERISA Plan.

“Required Lenders” means, at any time, Lenders holding in excess of 50% of the Proportionate Shares.

“Reserve Requirement” means, for LIBOR Loans, the maximum rate (expressed as a percentage) at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during the Interest Period therefor under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding \$1,000,000,000 against “Eurocurrency liabilities” (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by such member banks by reason of any Change of Law against (i) any category of liabilities which includes deposits by reference to which the LIBO Rate or LIBOR Loans is to be determined, (ii) any category of liabilities or extensions of credit or other assets which include LIBOR Loans or (iii) any category of liabilities or extensions of credit which are considered irrevocable commitments to lend.

“Responsible Officer” means, as to any Person, its president, chief executive officer, any vice president, treasurer, or secretary or any managing general partner or manager or managing member of

a limited liability company (or any of the preceding with regard to such managing general partner, manager or managing member).

“S&P” means Standard & Poor’s Financial Services LLC.

“Sanctions” has the meaning given in Section 4.14.2(a).

“Significant Subsidiary” means any subsidiary of Borrower formed or acquired after the Closing Date the total assets (after intercompany eliminations) of which exceed 10% of the total assets of Borrower and its subsidiaries (taken as a whole).

“Solvent” means, when used with respect to any Person, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, (d) such Person will be able to pay its debts as they mature, and (e) such Person is not insolvent within the meaning of any applicable Legal Requirements. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“SPC” has the meaning given in Section 7.12.2 of the Credit Agreement.

“Subject Claims” has the meaning given in Section 5.12.1 of the Credit Agreement.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, references herein to a “subsidiary” refer to a subsidiary of Borrower.

“Taxes” means any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto.

“TECO” means TECO Energy, Inc., a Florida corporation.

“Total Debt” means, without duplication, Indebtedness of Borrower and its subsidiaries (taken as a whole) determined on a consolidated basis in accordance with GAAP outstanding at the date of any determination thereof, without regard to the effects of FASB ASC 805 and FASB ASC 825, but expressly excluding (a) Non-Recourse Indebtedness of Borrower and its subsidiaries, (b) junior

subordinated debentures issued by Borrower and its subsidiaries that do not contain any scheduled principal payments or prepayments or any mandatory redemptions or mandatory repurchases prior to the date at least 91 days after the Maturity Date, (c) Hybrid Equity Securities and (d) preferred stock of Borrower and its subsidiaries in an amount not to exceed 10% of Borrower's Capitalization on such date.

“Type” means the type of a Loan, whether a Base Rate Loan or LIBOR Loan.

“Wells Fargo” means Wells Fargo Bank, National Association.

“Withholding Agent” has the meaning given in Section 2.5.4.4 of the Credit Agreement.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

RULES OF INTERPRETATION

1. The singular includes the plural and the plural includes the singular.
2. “or” is not exclusive.
3. A reference to a Governmental Rule or Legal Requirement includes any amendment or modification to such Governmental Rule or Legal Requirement, and all regulations, rulings and other Governmental Rules or Legal Requirement promulgated under such Governmental Rule.
4. A reference to a Person includes its permitted successors and permitted assigns.
5. Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.
6. The words “include,” “includes” and “including” are not limiting.
7. A reference in a document to an Article, Section, Exhibit, Schedule, Annex, Appendix or Attachment is to the Article, Section, Exhibit, Schedule, Annex, Appendix or Attachment of such document unless otherwise indicated. Exhibits, Schedules, Annexes, Appendices or Attachments to any document shall be deemed incorporated by reference in such document.
8. References to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time.
9. The words “hereof,” “herein” and “hereunder” and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.
10. References to “days” shall mean calendar days, unless the term “Banking Days” shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.
11. The Credit Facility Documents are the result of negotiations between, and have been reviewed by Borrower, Administrative Agent, each Lender and their respective counsel. Accordingly, the Credit Facility Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against Borrower, Administrative Agent or any Lender solely as a result of any such party having drafted or proposed the ambiguous provision.

EXHIBIT B  
to the Credit Agreement

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the facility identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_
2. Assignee: \_\_\_\_\_  
[and is an Affiliate/Approved Fund of [*identify Lender*]<sup>1</sup>]
3. Borrower(s): \_\_\_\_\_
4. Administrative Agent: Wells Fargo Bank, National Association, as Administrative Agent under the Credit Agreement
5. Credit Agreement: Credit Agreement dated as of February 6, 2020 among Tampa Electric Company, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent
6. Assigned Interest: \_\_\_\_\_

<sup>1</sup> Select as applicable.

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans <sup>2</sup>
\$[_____]	\$[_____]	[_____]%
\$[_____]	\$[_____]	[_____]%
\$[_____]	\$[_____]	[_____]%

Effective Date: \_\_\_\_\_, 202\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

<sup>2</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

Consented to and Accepted:

[WELLS FARGO BANK, NATIONAL ASSOCIATION  
as Administrative Agent

By \_\_\_\_\_  
Title:]<sup>3</sup>

Consented to:

[TAMPA ELECTRIC COMPANY

By \_\_\_\_\_  
Title:]<sup>4</sup>

---

<sup>3</sup> To be added only if the consent of Administrative Agent is required by the terms of the Credit Agreement.

<sup>4</sup> To be added only if the consent of Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Facility Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Credit Facility Document, (iii) the financial condition of Borrower, any of its subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement or any other Credit Facility Document or (iv) the performance or observance by Borrower, any of its subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement or any other Credit Facility Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement or any other Credit Facility Document, (ii) it satisfies the requirements, if any, specified in the Credit Agreement or any other Credit Facility Document that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement or any other Credit Facility Document as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement or any other Credit Facility Document, together with copies of the most recent financial statements delivered pursuant to Section 5.9 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on Administrative Agent or any other Lender, and (v) if it is a Lender not formed under the laws of the United States of America or any state thereof, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement or any other Credit Facility Document, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Credit Facility Document, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement or any other Credit Facility Document are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy

shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C  
to the Credit Agreement

FORM OF NOTE

\$ \_\_\_\_\_  
Note No. \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 20\_\_

For value received, the undersigned TAMPA ELECTRIC COMPANY, a Florida corporation ("Borrower"), promises to pay to \_\_\_\_\_ ("Lender"), at the office of \_\_\_\_\_ located at \_\_\_\_\_, in lawful money of the United States of America and in immediately available funds, the principal amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or if less, the aggregate unpaid and outstanding principal amount of Loans made by Lender to Borrower pursuant to that certain Credit Agreement dated as of February 6, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrower, the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"), and all other amounts owed by Borrower to Lender hereunder.

This is one of the Notes referred to in the Credit Agreement and is entitled to the benefits thereof and is subject to all terms, provisions and conditions thereof. Capitalized terms used and not defined herein shall have the meanings set forth in the Credit Agreement.

The principal amount hereof is payable in accordance with the Credit Agreement, and such principal amount may be prepaid solely in accordance with the Credit Agreement.

Borrower further agrees to pay, in lawful money of the United States of America and in immediately available funds, interest from the date hereof on the unpaid and outstanding principal amount hereof until such unpaid and outstanding principal amount shall become due and payable (whether at stated maturity, by acceleration or otherwise) at the rates of interest and at the times set forth in the Credit Agreement and Borrower agrees to pay other fees and costs as stated in the Credit Agreement.

If any payment on this Note becomes due and payable on a date which is not a Banking Day, such payment shall be made on the first succeeding, or next preceding, Banking Day, in accordance with the terms of the Credit Agreement.

All Loans made by Lender pursuant to the Credit Agreement and other Credit Facility Documents, and all payments and prepayments made on account of the principal balance hereof shall be recorded by Lender on the grid attached hereto, provided that failure to make such a notation shall not affect or diminish Borrower's obligation to repay all amounts due on this Note as and when due.

Upon the occurrence and during the continuation of any one or more Events of Default, all amounts then remaining unpaid on this Note may become or be declared to be immediately due and payable as provided in the Credit Agreement and other Credit Facility Documents.

Borrower agrees to pay costs and expenses, including without limitation attorneys' fees, as set forth in Section 8.4 of the Credit Agreement.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

TAMPA ELECTRIC COMPANY

Exhibit C-1

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT D  
to the Credit Agreement

[Reserved]

EXHIBIT E-1  
to the Credit Agreement

[Reserved]

EXHIBIT E-2  
to the Credit Agreement

FORM OF NOTICE OF CONVERSION OF LOAN TYPE  
(Delivered pursuant to Section 2.1.3)

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Credit Agreement: Notice of Conversion of Loan Type

Reference is hereby made to that certain Credit Agreement dated as of February 6, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

Pursuant to Section 2.1.3 of the Credit Agreement, Borrower hereby requests conversion of the following Loans as set forth below [*include only those which are applicable*]:

1. Conversion of Base Rate Loans to LIBOR Loans:

Base Rate Loans in the  
following amount: \$ \_\_\_\_\_  
to be converted to LIBOR Loans  
as follows:

LIBOR Loan to expire \_\_\_\_\_, \_\_\_\_: \$ \_\_\_\_\_

LIBOR Loan to expire \_\_\_\_\_, \_\_\_\_: \$ \_\_\_\_\_

2. Conversion of LIBOR Loans to Base Rate Loans:

LIBOR Loans in the following amount: \$ \_\_\_\_\_  
to be converted to Base Rate Loans.

The effective date of the conversion shall be \_\_\_\_\_, \_\_\_\_\_ which is a Banking Day and which shall be the first day after the last day of an Interest Period if converting from LIBOR Loans.

IN WITNESS WHEREOF, Borrower has executed this Notice of Conversion of Loan Type on the date set forth above.

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

The undersigned acknowledges receipt of a copy of this Notice of Conversion of Loan Type:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

Date: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT E-3  
to the Credit Agreement

FORM OF CONFIRMATION OF INTEREST PERIOD SELECTION  
(Delivered pursuant to Section 2.1.2.4(b))

[Date]

Wells Fargo Bank, National Association,  
as Administrative Agent for the Lenders

with copy to:

Re: Tampa Electric Company Credit Agreement: Confirmation of Interest Period Selection

This Confirmation of Interest Period Selection is delivered to you pursuant to Section 2.1.2.4(b) of the Credit Agreement dated as of February 6, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders ("Administrative Agent"). All capitalized terms used herein shall have the respective meanings specified in Exhibit A to the Credit Agreement unless otherwise defined herein or unless the context requires otherwise.

This Confirmation of Interest Period Selection relates to \$ \_\_\_\_\_ of the LIBOR Loans with an Interest Period ending on \_\_\_\_\_. This Confirmation of Interest Period Selection constitutes a confirmation that effective \_\_\_\_\_ (which shall be the last day of an Interest Period):

The requested Interest Period for \_\_\_\_\_ of such LIBOR Loans shall be [one week][\_\_ months].

This notice shall be effective only if delivered to Administrative Agent as a Confirmation of Interest Period Selection made pursuant to Section 2.1.2.4(b) of the Credit Agreement.

The undersigned confirms and certifies to each Lender that as of the date of this Confirmation of Interest Period Selection, no Event of Default or Inchoate Default exists under the Credit Agreement.

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

The undersigned acknowledges receipt  
of a copy of this Confirmation of  
Interest Period Selection:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

Date: \_\_\_\_\_, \_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT E-4  
to the Credit Agreement

[Reserved]

EXHIBIT F  
to the Credit Agreement

[Reserved]

EXHIBIT G  
to the Credit Agreement

BORROWER'S CLOSING CERTIFICATE

Pursuant to Section 3.1.7 of the Credit Agreement (as defined below), the undersigned hereby certifies on this sixth day of February, 2020 to Wells Fargo Bank, National Association, as administrative agent ("Administrative Agent") for the Lenders under that certain Credit Agreement dated as of February 6, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Tampa Electric Company, a Florida corporation ("Borrower"), the lenders party thereto (the "Lenders") and Administrative Agent, that:

1. Borrower is not or, but for the passage of time or the giving of notice or both will not be, in breach of any material obligation thereunder which is reasonably expected to have a Material Adverse Effect.
2. Each representation and warranty made in Article IV of the Credit Agreement is true and correct as of the Closing Date (unless such representation or warranty expressly relates to another time).
3. There exists no Event of Default or Inchoate Default as of the Closing Date.
4. The conditions precedent set forth in Section 3.1 of the Credit Agreement have been satisfied or have been waived in accordance with Section 7.9 of the Credit Agreement.

All capitalized terms used herein which are defined in the Credit Agreement shall have the meaning given to them in Exhibit A to the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

above. IN WITNESS WHEREOF, Borrower has executed this Certificate on the date set forth

TAMPA ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT H-1  
to the Credit Agreement

February 6, 2020

Wells Fargo Bank, National Association, as Administrative Agent for  
the Lenders under the Credit Agreement described below,  
and the Lenders under such Credit Agreement  
1525 West W.T. Harris Boulevard  
Charlotte, NC 28262

**Re: Credit Agreement for Tampa Electric Company**

Ladies and Gentlemen:

As Associate General Counsel of Tampa Electric Company, a Florida corporation (the “Company”), I have acted as counsel to the Company in connection with the Credit Agreement dated as of the date hereof among the Company, Wells Fargo Bank, National Association, as Administrative Agent (the “Administrative Agent”) and the Lenders party thereto (the “Lenders”) (the “Credit Agreement”). This opinion is being delivered pursuant to Section 3.1.4 of the Credit Agreement. Capitalized terms not otherwise defined in this opinion that are defined in the Credit Agreement have the meanings assigned to them in the Credit Agreement.

In rendering the opinions set forth herein, I, or attorneys under my supervision, have examined and relied on originals or copies of the Credit Agreement and the form of Notes to be issued by the Company pursuant to Section 2.1.5 thereunder (collectively, the “Credit Documents”) and the governing documents, and such other documents and made such examination of law as I have deemed appropriate to give the opinions set forth below. I have relied, without independent verification, upon certificates of public officials and, as to matters of fact material to my opinions, on representations made in the Credit Agreement and certificates and other inquiries of officers of the Company. When used in this opinion, the phrase “to my knowledge” or equivalent words with respect to a matter means that nothing has come to my attention in the course of my representation of the Company which would lead me to question such matter but that, except as expressly stated, I have not made any special investigation with respect thereto.

In my examination I have assumed the genuineness of all signatures (other than signatures made on behalf of the Company), including endorsements, the legal capacity of natural persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such copies. Also, with your approval, I have relied as to certain legal matters on advice of other lawyers employed by TECO Services, Inc. who are more familiar with such matters. This opinion speaks only as of its date, and I undertake no obligation to update it for any subsequent events or legal developments.

I am a member of the Florida Bar, and I express no opinion as to the laws of any other jurisdiction other than the applicable laws of the State of Florida. I do not express any opinion concerning matters governed by any securities laws of the State of Florida.

Based upon and subject to the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

1. The Company is validly existing as a corporation in good standing under the laws of the State of Florida, and has the corporate power to execute and deliver the Credit Documents and to perform its obligations thereunder.

2. The Company has duly authorized the Credit Documents to which it is a party and has executed and delivered the Credit Agreement.

3. All consents, governmental approvals, licenses or authorizations (including from the Florida Public Service Commission) required to be obtained by the Company before the date hereof for its execution, delivery and performance of the Credit Documents have been obtained and are in full force and effect. To my knowledge, there is no proceeding pending or threatened that seeks, or may reasonably be expected, to rescind, terminate, modify, suspend, or withhold any of the consents, approvals, licenses, or authorizations referred to in this paragraph.

This opinion is furnished to you as Administrative Agent and to the Lenders who may become parties to the Credit Agreement in connection with the transaction described above and may not be relied on without my prior written consent for any other purpose or by anyone else. I consent to reliance on the opinions expressed herein, solely in connection with the Credit Documents, by any successor Administrative Agent or party that becomes a Lender under the Credit Agreement after the date of this opinion in accordance with the provisions of the Credit Agreement as if this opinion were addressed and delivered to such additional successor Administrative Agent or Lender on the date hereof, on the condition and understanding that (a) any such reliance must be actual and reasonable under the circumstances existing at the time such successor Administrative Agent or Lender becomes an Administrative Agent or Lender, including any circumstances relating to changes in law, facts or any other developments known to or reasonably knowable by such successor Administrative Agent or Lender at such time, (b) my consent to such reliance shall not constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof, and (c) in no event shall any such successor Administrative Agent or Lender have any greater rights with respect hereto than the original addressees of this letter on the date hereof or than its assignor.

Very truly yours,

Michelle V. Szekeres  
Associate General Counsel

EXHIBIT H-2  
to the Credit Agreement

February 6, 2020

Wells Fargo Bank, National Association, as Administrative Agent for  
the Lenders under the Credit Agreement described below,  
and the Lenders under such Credit Agreement  
1525 West W.T. Harris Boulevard  
Charlotte, NC 28262

Re: Credit Agreement for Tampa Electric Company

Ladies and Gentlemen:

We are furnishing this opinion to you pursuant to Section 3.1.4 of the Credit Agreement (the “Credit Agreement”) dated as of the date hereof, among Tampa Electric Company (the “Company”), as borrower, Wells Fargo Bank, National Association, as Administrative Agent (the “Administrative Agent”), and the Lenders party thereto (the “Lenders”). Capitalized terms used but not otherwise defined in this opinion have the meanings as assigned to them in the Credit Agreement.

We have acted as counsel to the Company in connection with the Credit Agreement. We have examined the Credit Agreement and the form of Notes to be issued by the Company pursuant to Section 2.1.5 of the Credit Agreement (collectively, the “Credit Documents”). We have also examined such other documents and certificates as we consider necessary to render this opinion. As to various questions of fact material to our opinion, we have relied, without independent verification, upon the representations made in or pursuant to the Credit Agreement and upon certificates of officers of the Company. We have also relied upon the certificates of public officials. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. We also have assumed that each Credit Document to which the Administrative Agent, or any of the Lenders is a party constitutes its valid and binding obligation.

The opinions rendered herein are limited solely to provisions of the following applicable laws, as currently in effect: (a) the federal laws of the United States of America, (b) the Florida Business Corporation Act, and (c) the laws of the State of New York, provided, however, that the opinions expressed herein are based upon a review of only those statutes, rules and regulations that, in our experience, are directly applicable to the transactions contemplated in the Credit Documents and in any event the laws described in clauses (a) through (c) above shall not include (and we express no opinion as to) the Employee Retirement Income Security Act of 1974, as amended, or any tax, antitrust, environmental, or unfair competition laws or any rules or regulations with respect thereto, any laws, regulations, executive orders or government programs designed to combat terrorism, money laundering or racketeering, any local or state laws governing licenses, permits and approvals necessary for the conduct of the Company’s business, any zoning, land use, resource recovery laws or regulations, or, except as set forth in paragraph 5 below, any state or federal securities laws, and we express no opinion as to any other laws, statutes, rules or regulations not specifically identified above or otherwise excluded in this opinion letter.

References in this opinion to matters known to us limit the statement to the actual knowledge of the lawyers in this firm responsible for preparing this opinion after consultation with such other lawyers in the firm and review of such documents in our possession as they considered appropriate.

Based on the foregoing and subject to the additional qualifications set forth below, we are of opinion that:

1. The Company is validly existing as a corporation in good standing under the laws of the State of Florida and has the corporate power to enter into and perform its obligations under the Credit Documents.

2. The Credit Agreement has been duly authorized, executed and delivered by the Company and constitutes its valid and binding obligations enforceable against it in accordance with their terms. The Notes have been duly authorized by the Company, and each Note, when executed and delivered for value, will constitute its valid and binding obligation enforceable against the Company in accordance with its terms.

3. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required under any New York or federal law of the United States in connection with the due authorization, execution, delivery and performance of the Credit Documents by the Company.

4. The execution and delivery of the Credit Documents by the Company do not and the performance by it of its obligations will not (i) constitute a breach of, or default under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any written contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument that is listed as an exhibit to the Company's Form 10-K for the year ended December 31, 2018, (ii) violate the charter or by-laws of the Company, (iii) violate any applicable New York or federal law, statute, rule or regulation (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System) or (iv) violate any judgment, order, writ or decree applicable to the Company and known to us.

5. The Company is not an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

Our opinions above are subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity.

We express no opinion as to:

- (i) the enforceability of any provision of the Credit Documents that increases the rate of interest upon default or imposes a late fee to the extent either is determined to be a penalty;
- (ii) the enforceability of any provision of the Credit Documents purporting to grant a party conclusive rights of determination;
- (iii) the effect of any provision of the Credit Documents that purports to grant rights of set-off or similar rights (a) to any person other than the particular Lender, (b) other than in accordance with applicable law, (c) to the extent a Lender or other person is authorized to set off against funds on deposit in the Company's accounts that were accepted by such Lender or other person with the intent to apply such funds to a preexisting claim rather than to hold the funds subject to withdrawals in the ordinary course, (d) to the extent that the funds on deposit in said accounts are in any manner special accounts, which by the express terms on which they are created, are made subject to the rights of a third party, or (e) to the

extent that a Lender or any other person is entitled to exercise rights of set-off or similar rights with respect to accounts at any other institution;

- (iv) the grant of powers of attorney to the extent they are against public policy;
- (v) any exculpation or indemnification to the extent they are against public policy;
- (vi) the enforceability of any grant of exclusive jurisdiction; and
- (vii) the enforceability of Section 8.20 of the Credit Agreement or the effects of any provision in the Credit Agreement relating to Bail-In Legislation, action by an EEA Resolution Authority, Write-Down and Conversion Powers or a Bail-In Action or the effect any such provision or of Bail-In Legislation generally on the obligations of the Company under the Credit Agreement or any other Credit Document.

Our opinion is also subject to the applicability of forum non-conveniens doctrine or any other doctrine limiting the availability of the courts in a particular jurisdiction as a forum for the resolution of disputes not having a sufficient nexus to such jurisdiction.

Insofar as our opinions concern the enforceability of the choice of New York law and the permissive rather than exclusive choice of New York forum provisions of the Credit Agreement, such opinions are rendered in reliance upon New York General Obligations Law §§ 5-1401 and 5-1402 (the “GOL”) and New York Civil Practice Law and Rules 327(b) (collectively, with the GOL, the “Act”) and is subject to the qualifications that (i) such enforceability may be limited by public policy consideration of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought; (ii) the application of New York law pursuant to the Act to a transaction that has no contact or only insignificant contact with New York State may be subject to constitutional limitations and may not be given effect in jurisdictions other than New York; (iii) we express no opinion as to whether such provisions are effective to establish subject matter jurisdiction in any court, and (iv) without limitation to the foregoing, in connection with any provision of any Credit Document whereby the Company submits to the jurisdiction of any federal court of the United States of America sitting in the Southern District of New York, we note the limitations of and the possible effects of the application of 28 U.S.C. §§1331 and 1332 on federal court jurisdiction or venue.

This opinion is being furnished solely to the addressees hereof and to the Lenders who may become parties to the Credit Agreement in connection with the transaction described above and may not be relied on without our prior written consent for any other purpose or by anyone else. This opinion speaks only as of its date and we undertake no obligation to update it for subsequent events or legal developments. We consent to reliance on the opinions expressed herein, solely in connection with the Credit Documents, by any successor Administrative Agent or party that becomes a Lender under the Credit Agreement after the date of this opinion in accordance with the provisions of the Credit Agreement as if this opinion were addressed and delivered to such additional successor Administrative Agent or Lender on the date hereof, on the condition and understanding that (a) any such reliance must be actual and reasonable under the circumstances existing at the time such successor Administrative Agent or Lender becomes an Administrative Agent or Lender, including any circumstances relating to changes in law, facts or any other developments known to or reasonably knowable by such successor Administrative Agent or Lender at such time, (b) our consent to such reliance shall not constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof, and (c) in no event shall any such successor Administrative Agent or Lender have any greater rights with respect hereto than the original addressees of this letter on the date hereof or than its assignor.

Very truly yours,

LOCKE LORD LLP

EXHIBIT H-3  
to the Credit Agreement

February 6, 2020

To the Lenders party to the  
Credit Agreement referred to below and  
Wells Fargo Bank, National Association, as Administrative Agent

Ladies and Gentlemen:

We have acted as special New York counsel to Wells Fargo Bank, National Association (“Wells Fargo”), as Administrative Agent, in connection with the Credit Agreement dated as of February 6, 2020 (the “Credit Agreement”) among Tampa Electric Company (the “Borrower”), the lenders party thereto and the Administrative Agent. Except as otherwise defined herein, terms defined in the Credit Agreement have the same defined meanings when used herein.

In rendering the opinions expressed below, we have examined an executed counterpart of the Credit Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon representations made in or pursuant to the Credit Agreement. We have also assumed that the Credit Agreement has been duly authorized, executed and delivered by, and (except, to the extent set forth below, as to the Borrower) constitutes legal, valid, binding and enforceable obligations of, all of the parties thereto, that all signatories thereto have been duly authorized and that all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the same.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that the Credit Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, and except as the enforceability of the Credit Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

The foregoing opinions are also subject to the following comments and qualifications:

(A) The enforceability of provisions in the Credit Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(B) We express no opinion as to any provision, however expressed, providing for (i) a limitation on reliance, exculpation, disclaimer, limitation or extension of liability, limitation or exclusion of remedies, contribution, indemnification, or waiver, or (ii) the shortening or lengthening the period suit otherwise could be brought under the applicable statute of limitations.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located (other than New York) that limits the interest, fees or other charges it may

impose for the loan or use of money or other credit, (ii) the last sentence of Section 2.6.2 of the Credit Agreement, (iii) Section 8.2 of the Credit Agreement, (iv) the first sentence of Section 8.13 of the Credit Agreement, insofar as such sentence relates to the subject-matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement or (iv) the waiver of inconvenient forum set forth in the last sentence of Section 8.13 of the Credit Agreement with respect to proceedings in the United States District Court for the Southern District of New York.

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the law of any other jurisdiction.

This opinion letter is provided to you by us as special New York counsel to Wells Fargo as the Administrative Agent pursuant to Section 3.1.4 of the Credit Agreement and may not be relied upon by any other person or for any purpose other than in connection with the transactions contemplated by the Credit Agreement without our prior written consent in each instance.

Very truly yours,

BT/EKM

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

**Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended **December 31, 2020**

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone number	I.R.S. Employer Identification Number
<b>1-5007</b>	<b>TAMPA ELECTRIC COMPANY</b> (a Florida corporation) TECO Plaza 702 N. Franklin Street Tampa, Florida 33602 (813) 228-1111	<b>59-0475140</b>

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None		

Securities registered pursuant to Section 12(g) of the Act:

None  
(Title of class)

Indicate by check mark if Tampa Electric Company is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
YES  NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.  
YES  NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
YES  NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  
YES  NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether Tampa Electric Company is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark whether Tampa Electric Company has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether Tampa Electric Company is a shell company (as defined in Rule 12b-2 of the Act).  
YES  NO

The aggregate market value of Tampa Electric Company's common stock held by non-affiliates of the registrant as of June 30, 2020 was zero.

As of February 12, 2021, there were 10 shares of Tampa Electric Company's common stock issued and outstanding, all of which were held, beneficially and of record, by TECO Energy, Inc., an indirect wholly-owned subsidiary of Emera Inc.

Tampa Electric Company meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format specified in General Instruction I(2) of Form 10-K.

---

---

**DEFINITIONS**

Acronyms and defined terms used in this and other filings with the U.S. Securities and Exchange Commission include the following:

<b>Term</b>	<b>Meaning</b>
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
BCF	billion cubic feet
CAIR	Clean Air Interstate Rule
CCRs	coal combustion residuals
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CO <sub>2</sub>	carbon dioxide
COVID-19	coronavirus disease 2019
CPI	consumer price index
CSAPR	Cross State Air Pollution Rule
CT	combustion turbine
ECRC	environmental cost recovery clause
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EROA	expected return on plan assets
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Energy's common stock
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IGCC	integrated gasification combined-cycle
IOU	investor owned utility
IRS	Internal Revenue Service
ITCs	investment tax credits
kWac	kilowatt on an alternating current basis
LNG	liquefied natural gas
MBS	mortgage-backed securities
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger of Merger Sub Company with and into TECO Energy, with TECO Energy as the surviving corporation
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MRV	market-related value
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPC	Office of Public Counsel
OPEB	other postemployment benefits
Parent	TECO Energy, Inc., the direct parent company of Tampa Electric Company
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGA	purchased gas adjustment

<u>Term</u>	<u>Meaning</u>
PGS	Peoples Gas System, the gas division of Tampa Electric Company
PPA	power purchase agreement
PRP	potentially responsible party
R&D	research and development
REIT	real estate investment trust
RFP	request for proposal
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor's
SCR	selective catalytic reduction
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SoBRAs	solar base rate adjustments
SPP	storm protection plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric, the electric division of Tampa Electric Company
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company
TSI	TECO Services, Inc.
U.S. GAAP	generally accepted accounting principles in the United States

#### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This Form 10-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by TEC include those factors discussed herein, including those factors discussed with respect to TEC discussed in (a) Part I, Item 1A. Risk Factors, (b) Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part II, Item 8. Financial Statements: Note 8, Commitments and Contingencies; and (d) other factors discussed in filings with the SEC by TEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. TEC does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Form 10-K.

All references to "dollars" and "\$" in this and other filings with the U.S. Securities and Exchange Commission are references to U.S. dollars, unless specifically indicated otherwise.

## PART I

### Item 1. BUSINESS

Tampa Electric Company, referred to as TEC, was incorporated in Florida in 1899 and was reincorporated in 1949. TEC is a public utility operating within the State of Florida. TEC has two operating segments. Its electric division, referred to as Tampa Electric, provides retail electric service to approximately 792,500 customers in West Central Florida with a net winter system generating capacity of 5,790 MW at December 31, 2020. The gas division of TEC, referred to as PGS, is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. With approximately 426,000 customers, PGS has operations in Florida's major metropolitan areas. Annual natural gas throughput (the amount of gas delivered to its customers, including transportation-only service) in 2020 was approximately 2.1 billion therms. All of TEC's common stock is owned by TECO Energy, a holding company. TECO Energy is an indirect, wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

TEC makes its SEC filings available free of charge on Tampa Electric's website ([www.tampaelectric.com/company/about/](http://www.tampaelectric.com/company/about/)) as soon as reasonably practicable after they are filed with the SEC. TEC's electronic SEC filings are also available on the SEC's website ([www.sec.gov](http://www.sec.gov)).

#### TEC Revenues

TEC's revenues consist of sales to residential, commercial, industrial and other customers. TEC's residential load generally comprises individual homes, apartments and condominiums. Commercial customers include small retail operations, large office and commercial complexes, universities and hospitals. Industrial customers include manufacturing facilities, power generation customers and other large volume operations. Other sales volumes consist primarily of off-system sales to other utilities and revenues from street lighting.

For TEC's revenue and other financial information by operating segments, see **Note 11** to the **2020 Annual TEC Consolidated Financial Statements**.

#### TEC Human Capital

TEC had approximately 3,100 employees as of December 31, 2020, substantially all of whom are located in Florida.

Tampa Electric had approximately 2,420 employees as of December 31, 2020, of which 710 were represented by the International Brotherhood of Electrical Workers and 190 were represented by the Office and Professional Employees International Union. In December 2019, 370 TSI employees were transferred to Tampa Electric. The transfer of these employees to Tampa Electric created operational synergies in the organization but did not materially impact shared service costs or the TEC Consolidated Statement of Income.

PGS had approximately 680 employees as of December 31, 2020. Approximately 90 employees in four of PGS's 14 service areas and call center are represented by various union organizations.

TEC initiated a plan in March 2020 to manage the critical safety, operational and business risks associated with the COVID-19 pandemic. On March 19, 2020 TEC launched a work-from-home plan for approximately 70% of the workforce and implemented policies and revised work practices to promote safe operations for the remaining field-based employees.

In alignment with our efforts to promote inclusion and diversity, TEC has in place a company-wide I&D initiative, which provides the organizational blueprint for achieving greater diversity and uniqueness of individuals and cultures and the varied perspectives they provide. Maintaining a robust pipeline of talent is crucial to TEC's ongoing success and is a key aspect of succession planning efforts across the organization.

TEC is committed to investing in its employees through training and development programs as well as a tuition assistance program to promote continued professional growth. TEC provides a competitive compensation package that includes base pay, annual short-term incentives based on the achievement of corporate goals and performance, long-term incentives (applicable to eligible employee population), and health and retirement benefits.

#### TAMPA ELECTRIC – Electric Operations

TEC's Tampa Electric division is engaged in the generation, purchase, transmission, distribution and sale of electric energy. The retail territory served comprises an area of about 2,000 square miles in West Central Florida, including Hillsborough County and parts

of Polk, Pasco and Pinellas Counties. The principal communities served are Tampa, Temple Terrace, Winter Haven, Plant City and Dade City. Tampa Electric engages in wholesale sales to utilities and other resellers of electricity. It has two generating stations in or near Tampa, one generating station in southwestern Polk County, and fourteen photovoltaic power stations, eight in Hillsborough County and six in Polk County (one of which was completed in 2021).

The sources of Tampa Electric's operating revenue and MWH sales were as follows:

### Tampa Electric Operating Revenue

<i>(millions)</i>	2020	2019	2018
Residential	\$ 1,018	\$ 1,046	\$ 1,067
Commercial	506	562	582
Industrial	133	156	161
Other sales of electricity	165	183	187
Regulatory deferrals and unbilled revenue	(25)	(49)	(2)
Total energy sales	1,797	1,898	1,995
Off system sales	3	6	11
Other	49	61	60
Total revenues	<u>\$ 1,849</u>	<u>\$ 1,965</u>	<u>\$ 2,066</u>

### Megawatt-hour Sales

<i>(thousands)</i>	2020	2019	2018
Residential	10,122	9,584	9,418
Commercial	6,058	6,240	6,266
Industrial	1,891	2,021	2,014
Other sales of electricity	1,883	1,939	1,933
Total retail	19,954	19,784	19,631
Off system sales	75	155	286
Total energy sold	<u>20,029</u>	<u>19,939</u>	<u>19,917</u>

No significant part of Tampa Electric's business is dependent upon a single or limited number of customers where the loss of any one or more would have a significant adverse effect on Tampa Electric. Tampa Electric experiences summer peak loads due to the use of air conditioning and other cooling equipment and winter peak loads due to electric space heating, fewer daylight hours and colder temperatures.

### Regulation

#### Base Rates

Tampa Electric's retail operations are regulated by the FPSC. The FPSC's objective is to set rates at a level that provides an opportunity for the utility to collect revenues (revenue requirements) equal to its prudently incurred costs of providing service to customers, plus a reasonable return on invested capital.

The costs of owning, operating and maintaining the utility systems, excluding fuel, conservation costs, purchased power, storm protection plan projects and certain environmental costs, are recovered through base rates. These costs include O&M expenses, depreciation, taxes, and a return on investment in assets providing electric service (rate base). The rate of return on rate base, which is intended to approximate a company's weighted cost of capital, primarily includes its costs for debt, deferred income taxes (at a zero cost rate) and an allowed ROE. Base rates are determined in FPSC rate setting hearings which occur at the initiative of Tampa Electric, the FPSC or other interested parties.

Tampa Electric's 2020, 2019 and 2018 results reflect an amended and restated settlement agreement approved by the FPSC on November 6, 2017. See **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for information regarding Tampa Electric's base rates, ROE and other regulatory matters.

#### Other Cost Recovery

Tampa Electric has five cost recovery clauses.

- (1) Tampa Electric has a fuel recovery clause allowing recovery of actual fuel costs from customers through annual fuel rate adjustments. Differences between actual prudently incurred fuel costs and amounts recovered from customers in a year are recovered from or returned to customers in a subsequent period.
- (2) Tampa Electric has a capacity recovery clause allowing recovery of firm demand payments associated with purchased power agreements.
- (3) Tampa Electric has an environmental cost recovery clause which allows it to earn a return on investments in new facilities to comply with new environmental regulations and to recover the costs to operate and maintain these facilities.
- (4) Through its conservation cost recovery clause, Tampa Electric offers its customers a comprehensive array of residential and commercial programs that have enabled it to meet its required demand side management goals, reduce weather-sensitive peak demand and conserve energy.
- (5) Tampa Electric has a Storm Protection Plan cost recovery clause allowing recovery of prudent transmission and distribution storm hardening costs for incremental activities not already included in base rates as outlined in the programs in its approved Storm Protection Plan.

During November 2020, the FPSC approved cost-recovery rates for the above clauses for 2021. See **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for further information.

#### *FERC and Other Regulations*

Tampa Electric is subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices.

Tampa Electric is subject to federal, state and local environmental laws and regulations pertaining to air and water quality, land use, power plant, substation and transmission line siting, noise and aesthetics, solid waste and other environmental matters (see the **Environmental Compliance** section of the **MD&A**).

#### **Competition**

Tampa Electric's retail electric business is substantially free from direct competition with other electric utilities, municipalities and public agencies. The principal form of competition at the retail level consists of self-generation available to larger users of electric energy. Such users may seek to expand their alternatives through various initiatives, including legislative and/or regulatory changes that would permit competition at the retail level. Tampa Electric intends to retain and expand its retail business by managing costs and providing quality service to retail customers.

Unlike in the retail electric business, Tampa Electric competes in the wholesale power market with other energy providers in Florida, including approximately 30 other utilities and other power generators. Entities compete to provide energy on a short-term basis (i.e., hourly or daily) and on a long-term basis. Tampa Electric is not a major participant in the wholesale market because it uses its lower-cost generation primarily to serve its retail customers rather than the wholesale market.

FPSC rules promote cost-competitiveness in the building of new steam generating capacity or solar capacity by requiring IOUs, such as Tampa Electric, to issue RFPs prior to filing a petition for Determination of Need for construction of a power plant with a steam cycle or solar capacity greater than 75 MWs. These rules allow independent power producers and others to bid to supply the new generating capacity.

In many areas of the country, there is growing use of rooftop solar panels, small wind turbines and other small-scale methods of power generation, known as distributed generation, by individual residential, commercial and industrial customers, or by third-party developers. Distributed generation is encouraged and supported by special interest groups, tax incentives, renewable portfolio standards and special rates designed to support such generation. Developers offer attractive financing and leasing arrangements to encourage project development. In Florida, third parties that are not subject to regulation by the FPSC are currently not permitted to make direct sales of electricity to end-use customers.

#### **Generation Sources**

In 2020 and 2019, approximately 89% and 90%, respectively, of Tampa Electric's generation of electricity was natural gas-fired, with solar representing 6% and 4%, respectively, and coal representing 5% and 6%, respectively. In 2020 and 2019, Tampa Electric used its generating units to meet approximately 88% and 93%, respectively, of the total system load requirements, with the remaining 12% and 7%, respectively, coming from purchased power. Tampa Electric is required to maintain a generation capacity greater than firm peak demand. Tampa Electric meets the planning criteria for reserve capacity established by the FPSC, which is a

20% reserve margin over firm peak demand. See **MD&A - Capital Investments** for information regarding TEC's forecasted capital investments in generation sources, including solar projects and the modernization of the Big Bend Power Station.

The table below presents Tampa Electric's average delivered fuel cost per MMBTU, excluding solar production which has no fuel cost.

<i>Average cost per MMBTU</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Natural Gas <sup>(1)</sup>	\$ 3.31	\$ 3.40	\$ 4.07
Coal <sup>(2)</sup>	3.69	3.66	3.37
Oil/petroleum coke <sup>(3)</sup>	25.16	22.01	3.10
Average generation cost per MWh <sup>(4)</sup>	20.27	27.81	30.40

(1) Represents the cost of natural gas, transportation, storage, balancing, and fuel losses for delivery to the energy center.

(2) Represents the cost of coal and transportation.

(3) In 2020 and 2019, the cost per MMBTU represents 100% oil.

(4) Represents the average generation cost per MWh including solar.

Tampa Electric's fuel costs are affected by commodity prices and generation mix that is largely dependent on economic dispatch of the generating fleet, dispatching the lowest fuel cost options first (solar renewable energy being zero fuel costs), such that the incremental cost of generation increases as sales volumes increase. Generation mix may also be affected by plant outages, plant performance, availability of lower priced short-term purchased power, compliance with environmental standards and regulations, and availability of solar resources.

**Natural Gas.** Tampa Electric maintains gas commodity, pipeline transportation and storage contracts. As of December 31, 2020, approximately 84% of Tampa Electric's 2.0 million BCF of gas storage capacity was full. Tampa Electric has contracted for 70% of its expected gas needs for the January through December 2021 period. Tampa Electric expects to issue RFPs to meet its remaining 2021 gas needs and begin contracting for its 2022 requirements. Additional volume requirements are purchased in the short-term spot market.

**Coal.** Tampa Electric burned under 0.5 million tons of coal during 2020 and estimates that its coal consumption will be similar in 2021. Consistent with 2020, Tampa Electric will be purchasing its coal in 2021 under a contract with two different commodity suppliers. Tampa Electric takes coal deliveries primarily by water and uses transportation agreements with a rail provider if spot coal supplies are needed.

**Oil.** Tampa Electric purchases low sulfur No. 2 fuel oil and petroleum coke for its Polk Power station on a spot basis.

## Franchises and Other Rights

Florida utilities must obtain franchises to operate in certain municipalities. Tampa Electric holds franchises and other rights that, together with its charter powers, govern the placement of Tampa Electric's facilities on the public rights-of-way that it carries for its retail business in the localities it serves. The franchises specify the negotiated terms and conditions governing Tampa Electric's use of public rights-of-way and other public property within the municipalities it serves during the term of the franchise agreement. The franchises are irrevocable and not subject to amendment without the consent of Tampa Electric (except to the extent certain city ordinances relating to permitting and like matters are modified from time to time), although, in certain events, they are subject to forfeiture. Florida municipalities are prohibited from granting any franchise for a term exceeding 30 years.

Tampa Electric has franchise agreements with 13 incorporated municipalities within its retail service area. These agreements have various expiration dates ranging through 2049 and are expected to be renewed under similar terms and conditions.

Franchise fees expense totaled \$42 million and \$45 million in 2020 and 2019, respectively. Franchise fees are calculated using a formula based primarily on electric revenues and are recovered from customers.

Utility operations in Hillsborough, Pinellas and Polk Counties outside of incorporated municipalities are conducted in each case under one or more permits granted by the Florida Department of Transportation or the County Commissioners of such counties. There is no law limiting the time for which such permits may be granted. There are no fixed expiration dates for the Hillsborough County, Pinellas County and Polk County agreements.

## Environmental Matters

Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on environmental matters. TEC, through its Tampa Electric and PGS divisions, is a PRP for certain superfund sites and, through its PGS division, for certain former manufactured gas plant sites. See **Environmental Compliance** section of the **MD&A** for additional information.

## PEOPLES GAS SYSTEM – Gas Operations

PGS is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in the state of Florida.

Gas is delivered to the PGS distribution system through three interstate pipelines. PGS does not engage in the exploration for or production of natural gas. PGS operates a natural gas distribution system that serves approximately 426,000 customers. The system includes approximately 13,800 miles of gas mains and 7,800 miles of service lines (see PGS's **Franchises and Other Rights** section below).

In 2020, the total throughput for PGS was approximately 2.1 billion therms. Of this total throughput, 5% was gas purchased and resold to customers by PGS, 89% was third-party supplied gas that was delivered to transportation-only customers and 6% was gas sold off-system (i.e., to customers not connected to PGS's distribution system).

PGS provides transportation service to customers utilizing gas-fired technology in the production of electric power. In addition, PGS provides gas transportation service to large LNG facilities located in Jacksonville, Florida. PGS has seen continuing interest and development in natural gas vehicles. There are 53 compressed natural gas filling stations connected to the PGS distribution system. See the **PGS Operating Results** section of the **MD&A** for information on the impact of natural gas vehicles on PGS's operations.

Revenues and therms for PGS for the years ended December 31 were as follows:

(millions)	Revenues			Therms		
	2020	2019	2018	2020	2019	2018
Residential	\$ 158	\$ 154	\$ 157	91	85	87
Commercial	135	146	151	476	517	510
Industrial	17	16	16	460	430	361
Off-system sales	30	55	78	126	188	217
Power generation	6	5	5	955	853	791
Other revenues	75	72	69	-	-	-
<b>Total</b>	<b>\$ 421</b>	<b>\$ 448</b>	<b>\$ 476</b>	<b>2,108</b>	<b>2,073</b>	<b>1,966</b>

No significant part of PGS's business is dependent upon a single or limited number of customers where the loss of any one customer would have a significant adverse effect on PGS. PGS experiences winter peak throughputs due to higher therm usage for heating during colder temperatures.

## Regulation

### Base Rates

The operations of PGS are regulated by the FPSC separately from the regulation of Tampa Electric. The FPSC seeks to set rates at a level that provides an opportunity for a utility to collect revenues (revenue requirements) equal to its prudently incurred costs of providing service to customers, plus a reasonable return on invested capital.

The costs of providing natural gas service, other than the costs of purchased gas and interstate pipeline capacity, are recovered through base rates. Base rates are designed to recover the costs of owning, operating and maintaining the utility system. The rate of return on rate base, which is intended to approximate PGS's weighted cost of capital, primarily includes its cost for debt, deferred income taxes (at a zero cost rate), and an allowed ROE. Base rates are determined in FPSC rate setting hearings which occur at irregular intervals at the initiative of PGS, the FPSC or other parties.

See **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for further information regarding PGS's base rates, ROE and other regulatory matters.

### Cost Recovery Clauses and Riders

PGS recovers the costs it pays for gas supply and interstate transportation for system supply through a PGA clause. This clause is designed to recover the actual costs incurred by PGS for purchased gas, gas storage services, interstate pipeline capacity, and other related items associated with the purchase, distribution, and sale of natural gas to its customers. These charges may be adjusted monthly based on a cap approved annually in an FPSC hearing. The cap is based on estimated costs of purchased gas and pipeline capacity, and estimated customer usage for a calendar year recovery period, with a true-up adjustment to reflect the variance of actual costs and usage from the projected charges for prior periods. The current PGA cap rate, effective January 2021, was approved by the FPSC in November 2020.

In addition to its base rates and PGA clause charges, PGS customers (except interruptible customers) also pay a per-therm charge for energy conservation and pipeline replacement programs. The conservation charge is intended to permit PGS to recover prudently incurred expenditures in developing and implementing cost effective energy conservation programs which are mandated by Florida law and approved and monitored by the FPSC. PGS is also permitted to recover the return on, depreciation expenses and applicable taxes associated with the replacement of cast iron/bare steel infrastructure. The FPSC approved a replacement program of approximately 5%, or 500 miles, of the PGS system over a 10-year period beginning in 2013. In February 2017, the FPSC approved an amendment to the cast iron bare steel rider to include certain plastic materials and pipe deemed obsolete by Pipeline and Hazardous Materials Safety Administration, totaling approximately 550 miles. PGS estimates that all cast iron and bare steel pipe will be removed from its system by 2022, with the replacement of obsolete plastic pipe continuing under the rider until 2028.

#### *FPSC and Other Regulation*

The FPSC requires natural gas utilities to offer transportation-only service to all non-residential customers. In addition to economic regulation, PGS is subject to the FPSC's safety jurisdiction, pursuant to which the FPSC regulates the construction, operation and maintenance of PGS's distribution system.

PGS is subject to federal, state and local environmental laws and regulations pertaining to air and water quality, land use, noise and aesthetics, solid waste and other environmental matters (see the **Environmental Compliance** section of the **MD&A**).

#### **Competition**

Although PGS is not in direct competition with any other regulated local distributors of natural gas for customers within its service areas, there are other forms of competition. The principal form of competition for residential and small commercial customers is from companies providing other sources of energy, including electricity, propane and fuel oil. There is also competition from other local distributors of natural gas to establish service territories in unserved areas of Florida.

Competition is most prevalent in the large commercial and industrial markets. These classes of customers have the option to contract with companies that sell gas directly by transporting gas through other facilities and thereby bypassing the PGS system. In response to this competition, PGS has developed various programs, including the provision of transportation-only services at discounted rates.

In Florida, gas service is unbundled for all non-residential customers. PGS offers unbundled transportation service to all non-residential customers, and residential customers consuming in excess of 1,999 therms annually, allowing these customers to purchase commodity gas from a third party but continue to pay PGS for the transportation. Because the commodity portion of bundled sales is included in operating revenues at the cost of the gas on a pass-through basis, there is no net earnings effect when a customer shifts to transportation-only sales. As a result, PGS receives its base rate for distribution regardless of whether a customer decides to opt for transportation-only service or continue bundled service. As of December 31, 2020, PGS had approximately 26,000 transportation-only customers out of approximately 40,100 eligible customers.

#### **Gas Supplies**

PGS purchases gas from various suppliers depending on the needs of its customers. The gas is delivered to the PGS distribution system through three interstate pipelines on which PGS has reserved firm transportation capacity for delivery by PGS to its customers. In addition, PGS has reserved firm transportation capacity through intrastate pipelines owned by PGS's affiliate, SeaCoast Gas Transmission, LLC.

Companies with firm pipeline capacity receive priority in scheduling deliveries during times when the pipeline is operating at its maximum capacity. PGS presently holds sufficient firm capacity to meet the gas requirements of its system commodity customers, except during certain weather events and localized emergencies affecting the PGS distribution system.

Firm transportation rights on an interstate pipeline represent a right to use the amount of the capacity reserved for transportation of gas on any given day. PGS pays reservation charges on the full amount of the reserved capacity whether or not it actually uses such capacity on any given day. When the capacity is actually used, PGS pays a volumetrically-based usage charge for the amount of the

capacity actually used. The levels of the reservation and usage charges are regulated by the FERC. PGS actively markets any excess capacity available to partially offset costs recovered through the PGA clause.

PGS procures natural gas supplies using base-load contracts and swing-supply contracts (i.e., short-term contracts without a specified volume) with various suppliers along with spot market purchases. Pricing generally takes the form of either a variable price based on published indices or a fixed price for the contract term.

### **Franchises and Other Rights**

PGS holds franchise and other rights with 117 municipalities and districts throughout Florida. These franchises govern the placement of PGS's facilities on the public rights-of-way as it carries on its retail business in the localities it serves. The franchises are irrevocable and are not subject to amendment without the consent of PGS.

Municipalities are prohibited from granting any franchise for a term exceeding 30 years. Several franchises contain purchase options with respect to the purchase of PGS's property located in the franchise area, if the franchise is not renewed. Otherwise, based on judicial precedent, PGS is able to keep its facilities in place subject to reasonable rules and regulations imposed by the municipalities.

PGS's franchise agreements have various expiration dates through 2050. PGS expects to negotiate up to 17 franchise renewals in 2021 under similar terms, in addition to those franchise agreements that have auto renewals effective during 2021. Franchise fees expense totaled \$10 million in 2020 and 2019. Franchise fees are calculated using various formulas which are based principally on natural gas revenues. Franchise fees are recovered on a dollar-for-dollar basis from the respective customers within each franchise area.

Utility operations in areas outside of incorporated municipalities and districts are conducted in each case under one or more permits to use state or county rights-of-way granted by the Florida Department of Transportation or the county commission of such counties. There is no law limiting the time for which such permits may be granted by counties. There are no fixed expiration dates, and these rights are, therefore, considered perpetual.

### **Environmental Matters**

PGS's operations are subject to federal, state and local statutes, rules and regulations relating to the discharge of materials into the environment and the protection of the environment that generally require monitoring, permitting and ongoing expenditures. TEC is one of several PRPs for certain superfund sites and, through PGS, for former MGP sites. See **Note 8** to the **2020 Annual TEC Consolidated Financial Statements** and the **Environmental Compliance** section of the **MD&A** for additional information.

## **Item 1A. RISK FACTORS**

### **Risks Relating to TEC's Business and Strategy**

#### **Regulatory, Legislative, and Legal Risks**

**TEC's electric and gas utilities are regulated; changes in regulation or the regulatory environment could reduce revenues, increase costs or competition.**

TEC's electric and gas utilities operate in regulated industries. Retail operations, including the rates charged, are regulated by the FPSC, and Tampa Electric's wholesale power sales and transmission services are subject to regulation by the FERC. Changes in regulatory requirements or regulatory actions could have an adverse effect on TEC's financial performance by, for example, reducing revenues, increasing competition or costs, threatening investment recovery or impacting rate structure.

If Tampa Electric or PGS earn returns on equity above their respective allowed ranges, indicating a trend, those earnings could be subject to review by the FPSC. Ultimately, prolonged returns above their allowed ranges could result in credits or refunds to customers, which could reduce future earnings and cash flow.

**Changes in the environmental and land use laws and regulations affecting its businesses could increase TEC's costs or curtail its activities.**

TEC's businesses are subject to regulation by various governmental authorities dealing with air, water and other environmental matters. Changes in compliance requirements or the interpretation by governmental authorities of existing requirements may impose

additional costs on TEC, requiring cost-recovery proceedings and/or requiring it to modify its business model. In addition, environmental and land use laws and regulations may curtail sales of natural gas to new customers, which could reduce PGS's customer growth in the future.

**Federal or state regulation of GHG emissions, depending on how they are enacted, could increase Tampa Electric's costs or the rates charged to its customers, which could curtail sales.**

On June 19, 2019, the EPA released a final rule named the Affordable Clean Energy (ACE) rule. The ACE rule, which replaces the Clean Power Plan adopted in 2015, establishes emission guidelines for states to address GHG emissions from existing coal-fired electric generating units. Tampa Electric has emission units that are subject to the ACE rule and is preparing to engage in the development of a state plan that could be finalized by the end of 2021.

The outcome of expected litigation and the EPA rulemaking process and its impact on Tampa Electric's business is currently uncertain. Tampa Electric is continuing to evaluate the potential impact of the rule, but currently expects prudently incurred related costs for compliance to be recovered through rates. Timing of recovery could impact earnings and cash flows, and increases in rates charged to customers could result in reduced sales.

**The computation of TEC's provision for income taxes is impacted by changes in tax legislation.**

Any changes in tax legislation could affect TEC's future cash flows and financial position. The value of TEC's existing deferred tax assets and liabilities are determined by existing tax laws and could be impacted by changes in laws. See **Note 4** of the **2020 Annual TEC Consolidated Financial Statements** for further information regarding TEC's income taxes.

**Tampa Electric and PGS may not be able to secure adequate rights-of-way to construct transmission lines, gas interconnection lines and distribution-related facilities and could be required to find alternate ways to provide adequate sources of energy and maintain reliable service for their customers.**

Tampa Electric and PGS rely on federal, state and local governmental agencies to secure rights-of-way and siting permits to construct transmission lines, gas interconnection lines and distribution-related facilities. If adequate rights-of-way and siting permits to build new transportation and transmission lines cannot be secured, then Tampa Electric and PGS:

- May need to remove or abandon its facilities on the property covered by rights-of-way or franchises and seek alternative locations for its transmission or distribution facilities;
- May need to rely on more costly alternatives to provide energy to their customers;
- May not be able to maintain reliability in their service areas;
- May need to exercise the power of eminent domain, which can be costly and take time; and/or
- May experience a negative impact on their ability to provide electric or gas service to new customers.

**The franchise rights held by Tampa Electric and PGS could be lost in the event of a breach by such utilities or could expire and not be renewed.**

Tampa Electric and PGS hold franchise agreements with counterparties throughout their service areas. In some cases, these rights could be lost in the event of a breach of these agreements. These agreements are for set periods and could expire and not be renewed upon expiration of the then-current terms. Some agreements contain provisions allowing municipalities to purchase the portion of the applicable utility's system located within a given municipality's boundaries under certain conditions.

**Operational and Construction Risks**

**TEC's businesses are sensitive to variations in weather and the effects of extreme weather and have seasonal variations.**

TEC's utility businesses are affected by variations in general weather conditions including severe weather. Energy sales by its electric and gas utilities are particularly sensitive to seasonal variations in weather conditions, including unusually mild summer or winter weather that cause lower energy usage for cooling or heating purposes. PGS typically has a short but significant winter peak period that is dependent on cold weather; Tampa Electric has both summer and winter peak periods that are dependent on weather conditions. Tampa Electric and PGS forecast energy sales based on normal weather, which represents a long-term historical average.

If there is unusually mild weather, or if climate change or other factors cause significant variations from normal weather, this could have a material impact on energy sales.

**TEC is subject to several risks that arise or may arise from climate change.**

TEC is subject to risks that may arise from the impacts of climate change. There is increasing public concern about climate change and growing support for reducing carbon emissions. Municipal, state, and federal governments have been setting policies and enacting laws and regulations to deal with climate change impacts in a variety of ways, including de-carbonization initiatives and promotion of cleaner energy and renewable energy generation of electricity. Refer to “changes in the environmental laws and regulations” above. Insurance companies have begun to limit their exposure to coal-fired electricity generation and are evaluating the medium and long-term impacts of climate change which may result in fewer insurers, more restrictive coverage and increased premiums.

Climate change may lead to increased frequency and intensity of weather events and related impacts such as storms, hurricanes, cyclones, heavy rainfall, extreme winds, wildfires, flooding and storm surge. The potential impacts of climate change, such as rising sea levels and larger storm surges from more intense hurricanes, can combine to produce even greater damage to coastal generation and other facilities. Climate change is also characterized by rising global temperatures. Increased air temperatures may bring increased frequency and severity of wildfires, including within TEC’s service territories. Refer to “variations in weather” above for further information.

TEC is subject to physical risks that arise, or may arise, from global climate change, including damage to operating assets from more frequent and intense weather events and from wildfires due to warming air temperatures and increasing drought conditions. Some of Tampa Electric’s fossil fueled generation assets are located at or near coastal, sites and as such are exposed to the separate and combined effects of rising sea levels and increasing storm intensity, including storm surges and flooding. Refer to “variations in weather” above.

Failure to address issues related to climate change could affect TEC’s reputation with stakeholders, its ability to operate and grow, and TEC’s access to, and cost of, capital. Refer to “Financial, Economic, and Market Risks” below.

Changing carbon-related costs, policy and regulatory changes and shifts in supply and demand factors could lead to more expensive or more scarce products and services that are required by TEC in its operations. This could lead to supply shortages, delivery delays and the need to source alternate products and services.

Depending on the regulatory response to government legislation and regulations, TEC may be exposed to the risk of reduced recovery through rates in respect of the affected assets. Valuation impairments could result from such regulatory outcomes.

TEC could face litigation or regulatory action related to environmental harms from carbon emissions or climate change public disclosure issues.

For thermal plants requiring cooling water, reduced availability of water resulting from climate change could adversely impact operations or the costs of operations.

**The facilities and operations of TEC could be affected by natural disasters or other catastrophic events.**

TEC’s facilities and operations are exposed to potential damage and partial or complete loss resulting from environmental disasters (e.g., hurricanes, floods, high winds, fires and earthquakes), equipment failures, terrorist or physical attacks, vandalism, a major accident or incident at one of the sites, and other events beyond the control of TEC. The operation of generation, transmission and distribution systems involves certain risks, including gas leaks, fires, explosions, pipeline ruptures, damage to solar panels and other generation assets, and other hazards and risks that may cause unforeseen interruptions, personal injury, death, or property damage. There have also been physical attacks on critical infrastructure around the world. In the event of a physical attack that disrupts service to customers, revenues would be reduced, and costs would be incurred to repair and restore systems. These types of events, either impacting TEC’s facilities or the industry in general, could cause TEC to incur additional security and insurance-related costs, and could have adverse effects on its business and financial results. Any costs relating to such events may not be recoverable through insurance or rates.

**TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety.**

TEC increasingly relies on information technology systems and network infrastructure to manage its business and safely operate its assets, including controls for interconnected systems of generation, distribution and transmission and financial, billing and other

business systems. TEC also relies on third party service providers to conduct business. As TEC operates critical infrastructure, it may be at greater risk of cyberattacks by third parties, which could include nation-state controlled parties.

Cyberattacks can reach TEC's networks with access to critical assets and information via their interfaces with less critical internal networks or via the public internet. Cyberattacks can also occur via personnel with direct access to critical assets or trusted networks. An outbreak of infectious disease, a pandemic or a similar public health threat, such as COVID-19, may cause disruption in normal working patterns including wide scale "work from home" policies, which could increase cybersecurity risk as the quantity of both cyberattacks and network interfaces increases. Refer to the "Public Health Risk" section below. Methods used to attack critical assets could include general purpose or energy-sector-specific malware delivered via network transfer, removable media, viruses, attachments or links in e-mails. The methods used by attackers are continuously evolving and can be difficult to predict and detect.

TEC's systems, assets and information could experience security breaches that could cause system failures, disrupt operations or adversely affect safety. Such breaches could compromise customer, employee-related or other information systems and could result in loss of service to customers or the unavailability, release, destruction or misuse of critical, sensitive or confidential information. These breaches could also delay delivery or result in contamination or degradation of hydrocarbon products TEC transports, stores or distributes.

Should such cyberattacks or unauthorized accesses materialize, TEC could suffer costs, losses and damages all, or some of which, may not be recoverable through insurance, legal, regulatory cost recovery or other processes. If not recovered through these means, they could materially adversely affect TEC's business and financial results including its reputation and standing with customers, regulators, governments and financial markets. Resulting costs could include, amongst others, response, recovery and remediation costs, increased protection or insurance costs and costs arising from damages and losses incurred by third parties. If any such security breaches occur, there is no assurance that they can be adequately addressed in a timely manner.

With respect to certain of its assets, TEC is required to comply with rules and standards relating to cybersecurity and information technology including, but not limited to, those mandated by bodies such as the North American Electric Reliability Corporation. TEC cannot be assured that its operations will not be negatively impacted by a cyberattack.

**Continued effects of the ongoing COVID-19 pandemic, or an outbreak of infectious disease, another pandemic or a similar public health threat could have a negative impact on TEC's operations.**

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the ongoing COVID-19 pandemic, or a fear of any of the foregoing, could adversely impact TEC, including by causing operating, supply chain and project development delays and disruptions, labor shortages and shutdowns (including as a result of government regulation and prevention measures), and delays in regulatory decisions and proceedings, which could have a negative impact on TEC's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity and natural gas, revenue, operating costs, timing and extent of capital expenditures, results of financing efforts, or credit risk, counterparty risk and collection risk, which could result in a material adverse effect on TEC's business.

**Financial, Economic, and Market Risks**

**National and local economic conditions can have a significant impact on the results of operations, net income and cash flows at TEC.**

The business of TEC is concentrated in Florida. If economic conditions start to decline, retail customer growth rates may stagnate or decline, and customers' energy usage may decline, adversely affecting TEC's results of operations, net income and cash flows. A factor in customer growth in Florida is net in-migration of new residents, both domestic and non-U.S. A slowdown in the U.S. economy could reduce the number of new residents and slow customer growth.

**Potential competitive changes may adversely affect TEC.**

There is competition in wholesale power sales across the United States. Some states have mandated or encouraged competition at the retail level and, in some situations, required divestiture of generating assets. While there is active wholesale competition in Florida, the retail electric business has remained substantially free from direct competition. Changes in the competitive environment occasioned by legislation, regulation, market conditions or initiatives of other electric power providers or voters, particularly with respect to retail competition, could adversely affect Tampa Electric's business and its expected performance.

Florida electric utilities, including Tampa Electric, currently benefit from operating in a regulated environment with limited competition in their market for retail customers. However, the commercial and regulatory frameworks under which Tampa Electric

operates can be impacted by changes in government and shifts in government policy. These include initiatives regarding deregulation or restructuring of the energy industry, which may result in increased competition and unrecovered costs that could adversely affect operations, net income and cash flows.

The gas distribution industry has been subject to competitive forces for several years. Gas services provided by PGS are unbundled for all non-residential customers. Because PGS earns on the distribution of gas but not on the commodity itself, unbundling has not negatively impacted PGS's results. However, future structural changes could adversely affect PGS.

**TEC relies on some natural gas transmission assets that it does not own or control to deliver natural gas.**

TEC depends on transmission facilities owned and operated by other utilities and energy companies to deliver the natural gas it sells to the wholesale and retail markets. If transmission is disrupted, or if capacity is inadequate, its ability to sell and deliver products and satisfy its contractual and service obligations could be adversely affected.

**Disruption of fuel supply could have an adverse impact on the financial condition of TEC.**

Tampa Electric and PGS depend on third parties to supply fuel, including natural gas, oil and coal. As a result, there are risks of supply interruptions and fuel-price volatility. Disruption of fuel supplies or transportation services for fuel, whether because of weather-related problems, strikes, lock-outs, break-downs of transportation facilities, pipeline failures or other events, could impair the ability to deliver electricity and gas or generate electricity and could adversely affect operations. The loss of fuel suppliers or the inability to renew existing coal and natural gas contracts at favorable terms could significantly affect the ability to serve customers and have an adverse impact on the financial condition and results of operations of TEC.

**Commodity price changes may affect the operating costs and competitive positions of TEC's businesses.**

TEC's businesses are sensitive to changes in gas, coal, oil and other commodity prices. Any changes in the availability of these commodities could affect the prices charged by suppliers as well as suppliers' operating costs and the competitive positions of their products and services.

In the case of Tampa Electric, fuel costs used for generation are affected primarily by the cost of natural gas and coal. Tampa Electric is able to recover prudently incurred costs of fuel through retail customers' bills, but increases in fuel costs affect electric prices and, therefore, the competitive position of electricity against other energy sources.

The ability to make sales of, and the margins earned on, wholesale power sales are affected by the cost of fuel to Tampa Electric, particularly as it compares to the costs of other power producers.

In the case of PGS, costs for purchased gas and pipeline capacity are recovered through retail customers' bills, but increases in gas costs affect total retail prices and, therefore, the competitive position of PGS as compared to electricity, other forms of energy and other gas suppliers.

**Developments in technology could reduce demand for electricity and gas.**

Research and development activities are ongoing for new technologies that produce power or reduce power consumption. These technologies include renewable energy, customer-oriented generation, energy storage, energy efficiency and more energy-efficient appliances and equipment. Advances in these or other technologies could reduce the cost of producing electricity or transporting gas, or otherwise make Tampa Electric's existing generating facilities uneconomic. Advances in such technologies could reduce demand for electricity or natural gas, which could negatively impact the results of operations, net income and cash flows of TEC.

**Results at TEC may be affected by changes in customer energy-usage patterns.**

For the past several years, at Tampa Electric and electric utilities across the United States, weather-normalized electricity consumption per residential customer has declined due to the combined effects of voluntary conservation efforts and improvements in equipment efficiency.

Forecasts by TEC are based on normal weather patterns and trends in customer energy-usage patterns. TEC could be negatively impacted if customers further reduce their energy usage in response to increased energy efficiency, economic conditions or other factors.

**Increased customer use of distributed generation could adversely affect Tampa Electric.**

In many areas of the United States, including in the markets where TEC operates, there is growing use of rooftop solar panels, small wind turbines and other small-scale methods of power generation, known as distributed generation. Distributed generation is

encouraged and supported by various constituent groups, tax incentives, renewable portfolio standards and special rates designed to support such generation.

Increased usage of distributed generation can reduce utility electricity sales but does not reduce the need for ongoing investment in infrastructure to maintain or expand the transmission and distribution grid to reliably serve customers. Continued utility investment that is not supported by increased energy sales causes rates to increase for customers, which could further reduce energy sales and reduce future earnings and cash flows.

**Failure to attract and retain an appropriately qualified workforce, or workforce disruptions, could adversely affect TEC's financial results.**

Events such as increased retirements due to an aging workforce or the departure of employees for other reasons without appropriate replacements, mismatch of skill sets to future needs, or unavailability of contract resources may lead to operating challenges such as lack of resources, loss of knowledge, and a lengthy time period associated with skill development. Failure to attract and hire employees, including the ability to transfer significant internal historical knowledge and expertise to the new employees, or workforce disruptions due to work stoppages or strikes, or the future availability and cost of contract labor may cause costs to operate TEC's systems to rise. If TEC is unable to successfully attract and retain an appropriately qualified workforce, results of operations could be negatively impacted.

**Potential state or local law and regulation changes may adversely affect PGS.**

Recently state and local policies in certain jurisdictions in the United States have sought to prevent or limit the ability of utilities to provide customers the choice to use natural gas. Changes in applicable state or local laws and regulations could adversely impact PGS.

**Liquidity, Capital Requirements, and Common Stock Risks**

**TEC's indebtedness could adversely affect its business, financial condition and results of operations, as well as its ability to meet its payment obligations on its debt.**

TEC has indebtedness that it is obligated to pay. It must meet certain financial covenants as defined in the applicable agreements to borrow under its credit facilities. Also, TEC has certain restrictive covenants in specific agreements and debt instruments. The level of TEC's indebtedness and potential inability to meet the requirements of the restrictive covenants contained in its debt obligations could have significant consequences to its business, could create risk for the holders of its debt, and could limit its ability to obtain additional financing (see **Management's Discussion & Analysis – Significant Financial Covenants** section). Such risks include:

- making it more difficult for TEC to satisfy its debt obligations and other ongoing business obligations, which may result in defaults;
- events of default if it fails to comply with the financial and other covenants contained in the agreements governing such debt, which could result in all of its debt becoming immediately due and payable or require it to negotiate an amendment to financial or other covenants that could cause it to incur additional fees and expenses;
- reducing the availability of cash flow to finance its business and limiting its ability to obtain additional financing for these purposes;
- increasing its vulnerability to the impact of adverse economic and industry conditions;
- limiting its flexibility in planning for, or reacting to, and increasing its vulnerability to, changes in its business and the overall economy; and increasing its cost of borrowing.

TEC has obligations that do not appear on its balance sheet, such as letters of credit. To the extent material, these obligations are disclosed in the notes to the financial statements.

**Financial market conditions could limit TEC's access to capital and increase TEC's costs of borrowing or refinancing, or have other adverse effects on its results.**

TEC has debt maturing in subsequent years, which TEC anticipates will need to be refinanced. Future financial market conditions could limit TEC's ability to raise the capital it needs and could increase its interest costs, which could reduce earnings and cash flows.

**Declines in the financial markets or in interest rates used to determine benefit obligations could increase TEC's pension expense or the required cash contributions to maintain required levels of funding for its plan.**

TEC is a participant in the comprehensive retirement plans of TECO Energy. Under calculation requirements of the Pension Protection Act, as of the January 1, 2021 measurement date, TECO Energy's pension plan was fully funded. Any future declines in the financial markets or interest rates could increase the amount of contributions required to fund its pension plan in the future and could cause pension expense to increase.

**TEC's financial condition and results could be adversely affected if its capital expenditures are greater than forecast or costs are not recoverable through rates.**

TEC's capital plan includes significant investments in generation, infrastructure modernization and customer-focused technologies. For 2021, Tampa Electric is forecasting capital expenditures to support the current levels of customer growth, harden transmission and distribution facilities against storm damage, maintain transmission and distribution system reliability, modernize the Big Bend Power Station, invest in solar generation and maintain generating unit reliability and efficiency. For 2021, PGS is forecasting capital expenditures to support customer growth, system reliability, conversion of customers from other fuels to natural gas and to replace bare steel, cast iron and obsolete plastic pipe.

Any projects planned or currently in construction, particularly significant capital projects, may be subject to risks including, but not limited to, impact on costs from schedule delays, risk of cost overruns, ensuring compliance with operating and environmental requirements and other events within or beyond TEC's control. Total costs may be higher than estimated and there can be no assurance that TEC will be able to obtain the necessary project approvals, regulatory outcomes or applicable permits at the federal, state and or local level to recover such expenditures through regulated rates. If TEC's capital expenditures exceed the forecasted levels or are not recoverable, it may need to draw on credit facilities or access the capital markets on unfavorable terms.

**TEC's financial condition and ability to access capital may be materially adversely affected by multiple ratings downgrades to below investment grade.**

The senior unsecured debt of TEC is rated by S&P at 'BBB+', by Moody's at 'A3' and by Fitch at 'A'. A downgrade to below investment grade by the rating agencies, which would require a four-notch downgrade by Moody's and Fitch and a three-notch downgrade by S&P, may affect TEC's ability to borrow, may change requirements for future collateral or margin postings, and may increase financing costs, which may decrease earnings. Downgrades could adversely affect TEC's relationships with customers and counterparties.

In the event TEC's ratings were downgraded to below investment grade, certain agreements could require immediate payment or full collateralization of net liability positions. Counterparties to its derivative instruments could request immediate payment or full collateralization of net liability positions. Credit provisions in long-term gas transportation agreements would give the transportation providers the right to demand collateral, which is estimated to be approximately \$120 million. Credit facilities or debt agreements do not have ratings downgrade covenants that would require immediate repayment.

## **Item 2. PROPERTIES**

TEC believes that the physical properties of its operating companies are adequate to carry on their businesses as currently conducted. The properties of Tampa Electric are subject to a first mortgage bond indenture under which no bonds are currently outstanding.

### **TAMPA ELECTRIC**

Tampa Electric has electric generating stations in service, with a December 2020 net winter generating capability of 5,790 MWs. Tampa Electric assets include the Big Bend Power Station (1,693 MWs capacity), the Bayside Power Station (2,083 capacity) and the Polk Power Station (1,420 MWs capacity). Also included in Tampa Electric's assets at December 31, 2020 are thirteen solar arrays (594 MWs). In addition, solar arrays totaling 60 MWs were placed in service in early 2021.

Tampa Electric owns 189 substations having an aggregate transformer capacity of 23,900 mega volts amps. The transmission system consists of approximately 1,344 total circuit miles of high voltage transmission lines, including underground and double-circuit lines. The distribution system consists of approximately 6,246 circuit miles of overhead lines and approximately 5,715 circuit miles of underground lines. As of December 31, 2020, there were 809,570 meters in service. All of this property is located in Florida.

Tampa Electric's property, plant and equipment are owned, except that titles to some of the properties are subject to easements, leases, contracts, covenants and similar encumbrances common to properties of the size and character of those of Tampa Electric.

Tampa Electric has easements or other property rights for rights-of-way adequate for the maintenance and operation of its electrical transmission and distribution lines that are not constructed upon public highways, roads and streets. Transmission and distribution lines located in public ways are maintained under franchises or permits.

Tampa Electric has a long-term lease for the office building in downtown Tampa, which serves as headquarters for TECO Energy, Tampa Electric and PGS.

### **PEOPLES GAS SYSTEM**

PGS's distribution system extends throughout the areas it serves in Florida and consists of approximately 21,600 miles of pipe, including approximately 13,800 miles of mains and 7,800 miles of service lines. Mains and service lines are maintained under rights-of-way, franchises or permits.

PGS's operations are located in 14 service areas throughout Florida. Most of the operations and administrative facilities are owned.

### **Item 3. LEGAL PROCEEDINGS**

From time to time, TEC is involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss. For a discussion of legal proceedings and environmental matters, see **Note 8** of the **2020 Annual TEC Consolidated Financial Statements**.

## **PART II**

### **Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

All of TEC's common stock is owned by TECO Energy, which in turn is owned by a subsidiary of Emera and, thus, is not listed on a stock exchange. Therefore, there is no market for such stock.

### **Item 6. SELECTED FINANCIAL DATA OF TAMPA ELECTRIC COMPANY**

Information required by Item 6 is omitted pursuant to General Instruction I(2) of Form 10-K.

### **Item 7. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

#### **OVERVIEW**

TEC has regulated electric and gas utility operations in Florida. At December 31, 2020, Tampa Electric served approximately 792,500 customers in a 2,000-square-mile service area in West Central Florida and had electric generating plants with a winter peak generating capacity of 5,790 MW. PGS, Florida's largest gas distribution utility, served approximately 426,000 residential, commercial, industrial and electric power generating customers at December 31, 2020 in all major metropolitan areas of the state, with a total natural gas throughput of approximately 2.1 billion therms in 2020.

TEC is a wholly owned subsidiary of TECO Energy, and TECO Energy is a wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera. See **Note 10** to the **2020 Annual TEC Consolidated Financial Statements** for information regarding related party transactions.

#### **2020 PERFORMANCE**

All amounts included in this MD&A are pre-tax, except net income and income taxes.

In 2020, TEC's net income was \$424 million, compared with \$370 million in 2019. 2020 results were impacted by higher base revenues and higher AFUDC, partially offset by higher O&M expense excluding all FPSC-approved cost-recovery clauses,

depreciation expense, income taxes and interest expense. See **Operating Results** below for further detail regarding 2020 results as compared to 2019. For information regarding 2019 results as compared to 2018, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of **TEC’s Annual Report on Form 10-K** for the year ended December 31, 2019.

## OUTLOOK

TEC’s earnings are most directly impacted by the allowed rate of return on equity and the capital structures approved by the FPSC, the prudent management of operating costs, the approved recovery of regulatory deferrals, weather and its impact on energy sales, and the timing and amount of capital expenditures.

Due to continued growth in rate base, Tampa Electric anticipates earning near or below the bottom of the allowed ROE range in 2021. Tampa Electric sales volumes are expected to be slightly lower than in 2020, which benefited from weather that was warmer than in recent years (see **Customer and Energy Sales Growth Outlook** for further details). As a result, Tampa Electric anticipates earnings to be slightly lower than in 2020. Tampa Electric expects customer growth rates in 2021 to be consistent with 2020, reflective of current expected economic growth in Florida.

On February 1, 2021, Tampa Electric notified the FPSC of its intent to seek a base rate increase, reflecting revenue requirements of approximately \$280 million to \$295 million, effective in January 2022. Tampa Electric’s proposed 2022 rates include recovery for the costs of the first phase of the Big Bend modernization project, 225 MW of utility-scale solar projects, the AMI investment, and accelerated recovery of the remaining net book value of retiring assets. Tampa Electric also intends to seek approval for Generation Base Rate Adjustments of \$130 million to recover the costs of the second phase of the Big Bend modernization project and additional utility-scale solar projects in subsequent years. These filing amounts are estimates until Tampa Electric completes its analysis and files the case. Tampa Electric expects to file its detailed case on or after April 2, 2021, and the FPSC is expected to decide the case by the end of the year. See **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for further information.

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This new clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. Tampa Electric submitted its storm protection plan with the FPSC on April 10, 2020. On April 27, 2020, Tampa Electric submitted a settlement agreement with the FPSC which specified a \$15 million base rate reduction for SPP program costs previously recovered in base rates beginning January 1, 2021. On June 9, 2020, the FPSC approved this settlement agreement. On August 3, 2020, Tampa Electric submitted another settlement agreement to the FPSC for approval, including cost recovery of approximately \$39 million in proposed storm protection project costs for 2020 and 2021. This cost recovery includes the \$15 million of costs removed from base rates. This settlement agreement was approved on August 10, 2020, and Tampa Electric’s cost recovery began in January 2021. The current approved plan will apply for the years 2020, 2021 and 2022, and Tampa Electric will file a new plan in 2022 to determine cost recovery in 2023, 2024, and 2025.

On November 19, 2020, the FPSC approved a settlement agreement that allows PGS to increase base rates \$58 million annually effective January 2021. The \$58 million increase includes \$24 million previously recovered through the cast iron and bare steel replacement rider. The settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint. In 2021, PGS anticipates earning within its allowed ROE range and expects rate base and earnings to be higher than in 2020. PGS also expects customer growth rates in 2021 to exceed population growth, reflecting expectations of continued strong housing demand in Florida and commercial activity trending back towards normal levels. PGS sales volumes in 2021 are expected to increase at a level slightly above customer growth as 2020 energy sales to commercial customers were negatively impacted by the COVID-19 pandemic and unfavorable winter weather.

In addition to the base rate increase, the PGS settlement agreement also provides PGS the ability to reverse a total of \$34 million of accumulated depreciation through 2023 and sets new depreciation rates going into effect January 1, 2021 that are consistent with PGS’s current overall average depreciation rate. Under the agreement, base rates are frozen from January 1, 2021 to December 31, 2023, unless its earned ROE were to fall below 8.90% before that time with an allowed equity in the capital structure of 54.7% from investor sources of capital. The settlement agreement further addresses tax rate changes. The agreement contains a provision whereby PGS agrees to quantify the future impact of a decrease in tax rates on net operating income through a reduction in base revenues within 120 days of when such tax change becomes law. If, on the contrary, tax legislation results in a tax rate increase, PGS can establish a regulatory asset to neutralize the impact of the increase in income tax rate to be addressed in a future proceeding and with recovery beginning no sooner than January 2024.

In 2021, TEC expects to invest approximately \$1.4 billion, excluding AFUDC, in capital projects compared to \$1.4 billion in 2020. Capital projects support normal system reliability and growth at the utilities. AFUDC will be earned on eligible capital projects during the construction periods. Tampa Electric investments include continuation of the modernization of the Big Bend Power Station, solar investments, storm hardening investments and an AMI (Advanced Meter Infrastructure) project, which includes the installation of smart meters. On February 18, 2020, Tampa Electric announced its intention to invest approximately \$800 million in an additional 600 MW of new utility-scale solar photovoltaic projects by the end of 2023. PGS will make investments to expand its system and support customer growth, including expected investments related to compressed natural gas fueling stations, renewable natural gas and liquefied natural gas facilities, and continued replacement of obsolete plastic, cast iron and bare steel pipe. See **Capital Investments** below for further information.

These forecasts are based on our current assumptions described in the operating company discussion, which are subject to risks and uncertainties (see the **Risk Factors** section).

## COVID-19 PANDEMIC

During 2020, the ongoing COVID-19 pandemic affected the service territories in which TEC operates. To date, the COVID-19 pandemic has not had a material financial impact on TEC's earnings. TEC provides essential services and continues to operate and meet customer demand. TEC's top priority continues to be the health and safety of its customers and employees. Management continues to closely monitor developments related to the COVID-19 pandemic.

In March 2020, TEC activated its company-wide pandemic and business continuity plans, including travel restrictions, directing employees to work remotely whenever possible, restricting access to operating facilities, physical distancing and implementing additional protocols (including the expanded use of personal protective equipment) for work within customers' premises. TEC is monitoring recommendations by local and national public health authorities related to the COVID-19 pandemic and continues to adjust operational requirements as needed.

TEC is working with customers on relief initiatives in response to the effect of the pandemic on customers' ability to make payments and the need for continued service. These initiatives included the temporary suspension of disconnection for non-payment of bills in the second and a portion of the third quarters of 2020 and the continued development of payment arrangements where necessary. In 2020, TEC experienced an increase in the aging of customer receivables resulting from the temporary suspension of disconnections. This trend has begun to reverse as disconnection processes resumed on September 14, 2020. To date, customer defaults as a result of bankruptcies have not been material. As of the year ended December 31, 2020, adjustments to the allowance for credit losses have increased but have not had a material impact on the financial statements. TEC is continuing to monitor customer accounts and to work with customers on payment arrangements.

The extent of the future impact of the COVID-19 pandemic on TEC's financial results and business operations is uncertain at this time and will depend on future developments, including the duration and severity of the pandemic, further potential government actions, timing and effectiveness of vaccinations, future economic activity and energy usage. Please see **Risk Factors** for further information. TEC plans to complete its capital investment plans and continue to reliably and safely serve its customers. Capital project delays and supply chain disruptions have been immaterial to date but, depending on the duration of the COVID-19 pandemic, forecasted capital expenditures may be delayed due to supply chain disruptions, travel restrictions for contractors or the deferral of non-essential capital work. TEC currently expects to continue to have adequate liquidity given its cash position, existing bank facilities and access to capital but will continue to monitor the impact of the COVID-19 pandemic on future cash flows. Refer to **Liquidity and Capital Resources** for further details.

## OPERATING RESULTS

This MD&A utilizes TEC's consolidated financial statements, which have been prepared in accordance with U.S. GAAP. Our reported operating results are affected by several critical accounting estimates (see the **Critical Accounting Policies and Estimates** section).

The following table shows the revenues and net income of the business segments on a U.S. GAAP basis (see **Note 11** to the **2020 Annual TEC Consolidated Financial Statements**).

(millions)	2020	2019	2018
<b>Revenues</b>			
Tampa Electric	\$ 1,849	\$ 1,965	\$ 2,066
PGS	433	461	488
Eliminations	(10)	(22)	(30)
<b>TEC</b>	<b>\$ 2,272</b>	<b>\$ 2,404</b>	<b>\$ 2,524</b>
<b>Net income</b>			
Tampa Electric	\$ 372	\$ 316	\$ 294
PGS	52	54	47
<b>TEC</b>	<b>\$ 424</b>	<b>\$ 370</b>	<b>\$ 341</b>

## TAMPA ELECTRIC

### Electric Operations Results

Tampa Electric's net income in 2020 was \$372 million, compared with \$316 million in 2019. Results primarily reflected higher base revenues and higher AFUDC earnings, partially offset by higher O&M excluding all FPSC-approved cost-recovery clauses, income taxes and interest expense. Base revenues are energy sales excluding revenues from clauses, gross receipts taxes and franchise

fees. Clauses, gross receipts taxes and franchise fees do not have a material effect on net income as these revenues substantially represent a dollar-for-dollar recovery of clause and other pass-through costs. See the **Operating Revenues** and **Operating Expenses** sections below for additional information.

The table below provides a summary of Tampa Electric's revenue and expenses and energy sales by customer type.

### Summary of Operating Results

<i>(millions, except customers and total degree days)</i>	2020	% Change	2019	% Change	2018
Revenues	\$ 1,849	(6)	\$ 1,965	(5)	\$ 2,066
O&M expense	401	(2)	408	(19)	504
Depreciation and amortization expense	339	1	336	8	312
Taxes, other than income	161	(2)	165	(2)	168
Non-fuel operating expenses	901	(1)	909	(8)	984
Fuel expense	345	(35)	533	(8)	578
Purchased power expense	83	69	49	(17)	59
Total fuel & purchased power expense	428	(26)	582	(9)	637
Total operating expenses	1,329	(11)	1,491	(8)	1,621
Operating income	\$ 520	10	\$ 474	7	\$ 445
AFUDC-equity	\$ 27	145	\$ 11	10	\$ 10
Provision for income taxes	\$ 66	12	\$ 59	(9)	\$ 65
Net income	\$ 372	18	\$ 316	7	\$ 294
<i>Megawatt-Hour Sales (thousands)</i>					
Residential	10,122	6	9,584	2	9,418
Commercial	6,058	(3)	6,240	(0)	6,266
Industrial	1,891	(6)	2,021	0	2,014
Other	1,883	(3)	1,939	0	1,933
Total retail	19,954	1	19,784	1	19,631
Off system sales	75	(52)	155	(46)	286
Total energy sold	20,029	0	19,939	0	19,917
<i>Retail customers—(thousands)</i>					
At December 31	793	2	779	2	764
Retail net energy for load	21,055	1	20,770	1	20,663
Total degree days	4,807	5	4,568	(3)	4,711

### Operating Revenues

Revenues were \$116 million lower than in 2019 driven by lower clause revenue, partially offset by increased base revenue from in-service of additional solar generation projects, favorable weather, higher residential sales, and customer growth. Total degree days (a measure of heating and cooling demand) in Tampa Electric's service area in 2020 were 12% above normal (a 20-year statistical degree day average) and 5% above 2019. Total net energy for load, which is a calendar measurement of energy output, increased 1% in 2020 compared with 2019.

### Customer and Energy Sales Growth Outlook

The Tampa labor market continues to outperform the state and U.S. labor markets. Due to the business closures caused by the COVID-19 pandemic, the Tampa area unemployment rate increased to 7.2% in 2020 from 3.1% in 2019. Similarly, Florida's unemployment rate increased to 8.0% in 2020 from 3.1% in 2019 and the U.S. rate rose to 8.2% from 3.7% in 2019. The unemployment rate in the Tampa area is expected to decline over the next few years.

Population growth is forecasted to continue to be a major driver of customer growth. Tampa Electric expects customer growth to be 1.5% to 2.0% annually over the next few years, assuming continued economic recovery from COVID-19 and business expansion.

For the past several years, weather-normalized energy consumption per customer declined due to the combined effects of voluntary conservation efforts, improvements in lighting and equipment efficiency. It is expected to continue to decline annually at an average annual rate of 0.6% over the next few years.

In 2021, retail energy sales are expected to be slightly lower than 2020 levels. In 2020, energy sales benefitted from favorable weather while 2021 projections are based on normal weather. Normalizing 2020 for weather, 2021 energy sales are projected to

increase over 2020 primarily due to customer growth and recovery from the COVID-19 pandemic. Over the longer term, energy sales growth is expected to be around 1.0%.

### Operating Expenses

In 2020, operations and maintenance expense, excluding all FPSC-approved cost-recovery clauses, was \$10 million higher than in 2019 primarily reflecting increased costs related to safety, benefits and higher insurance costs for solar assets. Depreciation and amortization expense increased \$2 million in 2020 from normal additions to facilities to reliably serve customers and the in-service of solar generation projects, partially offset by a one-time \$16 million software amortization settlement.

Excluding all FPSC-approved cost-recovery clause-related expense, O&M expense in 2021 is expected to be lower than in 2020 as SPP-related costs will be recovered through the SPP cost recovery clause (see **Note 3**), partially offset by higher costs to safely and reliably serve customers. In 2021, depreciation expense is expected to increase due to normal plant additions, the in-service of solar projects and the one-time software amortization settlement in 2020.

### Fuel Prices and Fuel Cost Recovery

In November 2020, the FPSC approved cost-recovery rates for fuel and purchased power, capacity, environmental, conservation and storm protection costs for 2021. The rates include the expected cost for natural gas and coal in 2021, and a net prior period under-recovery true-up of fuel, purchased power and capacity clause expense. These rates are typically set annually, based on information provided in September of the year prior to the year the rates take effect.

In March 2020, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, effective with June 2020 customer bills, due to a decline in expected fuel commodity and capacity costs in 2020. The FPSC approved the request on April 28, 2020. This resulted in lower fuel and capacity clause rates to customers for the remainder of 2020 and included an acceleration of the return of these savings in the three months starting June 2020 through customer bill credits.

Total fuel expense decreased in 2020 from 2019 primarily due to lower natural gas prices. Delivered natural gas prices decreased 15% in 2020 as a mild winter and impacts from the COVID-19 pandemic impacted demand.

Total 2021 fuel and purchased power costs are expected to be greater than in 2020, due to increased prices for natural gas.

### PGS

#### Operating Results

In 2020, PGS reported net income of \$52 million, compared with \$54 million in 2019. Results reflect a 5.0% increase in the number of customers in 2020 compared to 2019. Revenues were \$28 million lower than in the prior year primarily due to lower PGA clause-related revenues and lower off-system sales, partially offset by higher cast iron and bare steel replacement rider revenue. Base revenues were \$1 million lower than in 2019 primarily due to the COVID-19 pandemic impacts lowering commercial sales, which was partially offset by customer growth. Operations and maintenance expense, excluding all FPSC-approved cost-recovery clauses, was \$4 million higher than in 2019 primarily due to higher labor, contractor and technology related costs to safely and reliably operate and maintain the growing distribution system. Depreciation and amortization increased \$4 million due to asset growth to reliably serve customers (see **Note 3** to the **TEC Consolidated Financial Statements**). Return on investment in the cast iron and bare steel replacement rider and AFUDC earnings were each \$4 million higher in the 2020 period.

In both 2020 and 2019, total throughput for PGS was approximately 2.1 billion therms. See **Business - Peoples Gas System-Gas Operations** for information regarding therms by type of customer.

PGS provides transportation service to customers utilizing gas-fired technology in the production of electric power. In addition, PGS provides gas transportation service to large LNG facilities located in Jacksonville, Florida. PGS has also experienced interest in the usage of CNG as an alternative fuel for vehicles, especially refuse trucks and buses. Therms sold to CNG stations were 36 million therms sold in both 2020 and 2019. Currently, there are 53 CNG fueling stations connected to the PGS system, with more in progress. PGS owns three CNG filling stations, and the cost of these stations is recovered over time through a special rate approved by the FPSC. CNG conversions add therm sales to the gas system without requiring significant capital investment by PGS.

The table below provides a summary of PGS's revenue and expenses and therm sales by customer type.

## Summary of Operating Results

<i>(millions, except customers)</i>	2020	% Change	2019	% Change	2018
Revenues	\$ 433	(6)	\$ 461	(6)	\$ 488
Cost of gas sold	121	(20)	152	(16)	180
Operating expenses	231	4	222	(4)	231
Operating income	\$ 81	(7)	\$ 87	13	\$ 77
Net income	\$ 52	(4)	\$ 54	15	\$ 47
Therms sold – by customer segment					
Residential	91	7	85	(2)	87
Commercial	476	(8)	517	1	510
Industrial	460	7	430	19	361
Off-system sales	126	(33)	188	(13)	217
Power generation	955	12	853	8	791
Total	2,108	2	2,073	5	1,966
Therms sold – by sales type					
System supply	241	(19)	296	(10)	328
Transportation	1,867	5	1,777	8	1,638
Total	2,108	2	2,073	5	1,966
Customer (thousands) – at December 31	426	5	406	4	392

See **Business-Peoples Gas System-Competition** for information regarding PGS’s transportation-only customers.

## PGS Outlook

In 2021, PGS anticipates earning within its allowed ROE range and expects rate base and earnings to be higher than in 2020. PGS expects customer growth in 2021 to be higher than Florida’s population growth rates, reflecting expectations of continued strong housing demand in Florida and commercial activity trending back towards normal levels. Assuming normal weather, PGS sales volumes are expected to increase above customer growth, as the COVID-19 pandemic impact on 2021 commercial energy sales is expected to be less than 2020. In January 2021, a base rate increase went into effect in accordance with the FPSC-approved rate case settlement and is expected to result in a \$34 million revenue increase.

Excluding all FPSC-approved cost-recovery clause-related expenses, O&M expense in 2021 is expected to be higher than in 2020, driven by initiatives to enhance customer experience, and expenses necessary to safely and reliably operate and maintain a growing distribution system. Depreciation and amortization expense is expected to increase in 2021 due to plant additions, partially offset by the potential reversal of accumulated depreciation as provided for in PGS’s 2020 settlement agreement.

Complementing the strong residential construction market is PGS’s focus on extending the system to serve large commercial and industrial customers that are currently using petroleum or propane as fuel. The current relatively low natural gas prices and the lower emissions levels from using natural gas compared to other fuels make it attractive for these customers to convert.

## OTHER ITEMS IMPACTING NET INCOME

### Other Income, Net

Other income, net was \$36 million and \$20 million in 2020 and 2019, respectively, and included AFUDC-equity. AFUDC-equity was \$30 million and \$11 million in 2020 and 2019, respectively. The increase in AFUDC-equity is primarily due to the timing of Tampa Electric’s solar projects and the modernization of its Big Bend Power Station as discussed in the **Capital Investments** section below. AFUDC is expected to increase in 2021 due to the timing of construction of the Big Bend modernization, solar generation, AMI and PGS expansion projects.

### Interest Expense

In 2020, interest expense, excluding AFUDC-debt, was \$144 million compared to \$139 million in 2019. The increase is due to an increase in borrowings to support TEC’s ongoing capital investments program.

Interest expense is expected to increase in 2021, reflecting higher balances and interest rates.

## Income Taxes

The provision for income taxes increased in 2020 primarily due to higher pre-tax income, partially offset by higher tax benefits due to AFUDC and R&D credits and higher ITC amortization related to solar projects. Income tax expense as a percentage of income before taxes was 16.2% in 2020 and 17.2% in 2019. TEC expects the 2021 annual effective tax rate to be consistent with 2020.

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a separate return method, modified for the benefits-for-loss allocation in accordance with TECO Energy's and EUSHI's respective tax sharing agreements. The cash payments for federal income taxes and state income taxes made under those tax sharing agreements totaled \$14 million and \$63 million in 2020 and 2019, respectively. The cash payments mainly differ year over year due to the timing of tax depreciation deductions.

For more information on our income taxes, including a reconciliation between the statutory federal income tax rate, the effective tax rate and impacts of tax reform, see **Note 4** to the **2020 Annual TEC Consolidated Financial Statements**.

## LIQUIDITY, CAPITAL RESOURCES

### Balances as of December 31, 2020

(millions)

Credit facilities	\$	1,250
Drawn amounts/LCs		776
Available credit facilities		474
Cash and short-term investments		10
Total liquidity	\$	<u>484</u>

### Cash from Operating Activities

Cash flows from operating activities in 2020 were \$829 million, a decrease of \$12 million compared to 2019. The decrease is primarily due to higher fuel under-recoveries and storm settlement customer refunds, partially offset by the timing of invoice payments.

### Cash from Investing Activities

Cash flows from investing activities in 2020 resulted in a net use of cash of \$1.4 billion, which primarily reflects TEC's investment in capital. See the **Capital Investments** section for additional information.

### Cash from Financing Activities

Cash flows from financing activities in 2020 resulted in net cash inflows of \$522 million. TEC received \$505 million of equity contributions from Parent, \$300 million proceeds from the 1-year term credit agreement, and \$127 million from the net increase in short-term debt with maturities of less than 90 days. These increases in cash flows were partially offset by dividend payments to Parent of \$408 million.

### Cash and Liquidity Outlook

TEC's tariff-based gross margins are the principal source of cash from operating activities. A diversified retail customer mix, primarily consisting of rate-regulated residential, commercial, and industrial customers, provides TEC with a reasonably predictable source of cash. In addition to using cash generated from operating activities, TEC uses available cash and credit facility borrowings to support normal operations and capital requirements. TEC may reduce short-term borrowings with cash from operations, long-term borrowings, or capital contributions from Parent. TEC expects to make significant capital expenditures in 2021 as it invests in solar projects, the modernization of the Big Bend power plant, smart meters, gas distribution system expansion and other projects. See **Capital Investments** section below for further detail on TEC's projected capital expenditures. TEC intends to fund those capital expenditures with available cash on hand, cash generated from operating activities, cash from equity contributions and debt issuances so that Tampa Electric and PGS maintain their capital structures consistent with the regulatory arrangements. Debt raised is subject to applicable regulatory approvals. Future financial market conditions could increase TEC's interest costs which could reduce earnings and cash flows.

As noted earlier, cash from operating activities and short-term borrowings are used to fund capital expenditures, which may result in periodic working capital deficits. The working capital deficit as of December 31, 2020 was primarily caused by short-term borrowings and periodic fluctuations in assets and liabilities related to FPSC clauses and riders. At December 31, 2020, TEC's unused capacity under its credit facilities was \$474 million.

TEC has credit facilities that provide \$1,250 million of credit, including \$450 million maturing in 2021 and \$800 million maturing in 2023. See **Note 6** to the **2020 Annual TEC Consolidated Financial Statements** for additional information regarding the credit facilities. TEC expects that its liquidity is adequate for both the near and long term given its expected operating cash flows, capital expenditures and related financing plans.

TEC expects cash from operations in 2021 to be lower than in 2020 primarily due to decreased revenues as a result of weather favorability experienced in 2020 partially offset by increased revenues due to customer growth and solar investments at Tampa Electric (see **Note 3** to the **2020 Annual TEC Consolidated Financial Statements**), combined with higher cash inflows from fuel and cost of gas sold. TEC plans to use cash in 2021 to fund capital spending and to pay dividends to its shareholder. Dividends are declared and paid at the discretion of TEC's Board of Directors.

TEC's credit facilities contain certain financial covenants (see **Covenants in Financing Agreements** section). TEC estimates that it could fully utilize the total available capacity under its facilities in 2021 and remain within the covenant restrictions.

### Short-Term Borrowings

At December 31, 2020 and 2019, the following credit facilities and related borrowings existed.

	December 31, 2020			December 31, 2019		
	Credit Facilities	Borrowings Outstanding <sup>(1)</sup>	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding <sup>(1)</sup>	Letters of Credit Outstanding
(millions)						
5-year facility <sup>(2)</sup>	\$ 800	\$ 345	\$ 1	\$ 400	\$ 295	\$ 1
3-year accounts receivable facility <sup>(3)</sup>	150	130	0	150	53	0
1-year term facility <sup>(4)</sup>	300	300	0	0	0	0
Total	<u>\$ 1,250</u>	<u>\$ 775</u>	<u>\$ 1</u>	<u>\$ 550</u>	<u>\$ 348</u>	<u>\$ 1</u>

- (1) Borrowings outstanding are reported as notes payable.
- (2) This 5-year facility matures March 22, 2023.
- (3) This 3-year facility matures on March 22, 2021.
- (4) This 1-year term facility matures on April 29, 2021.

These credit facilities require commitment fees ranging from 12.5 to 35.0 basis points. The weighted average interest rate on outstanding amounts payable under the credit facilities at December 31, 2020 and 2019 was 0.89% and 2.56%, respectively. For a complete description of the credit facilities see **Note 6** to the **2020 Annual TEC Consolidated Financial Statements**.

(millions)	Maximum drawn amount	Minimum drawn amount	Average drawn amount	Average interest rate
2020 credit facility utilization	\$ 775	\$ 300	\$ 478	1.13%

### Significant Financial Covenants

In order to utilize its bank credit facilities, TEC must meet certain financial tests as defined in the applicable agreements. In addition, TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2020, TEC was in compliance with all applicable financial covenants. The table that follows lists the significant financial covenants and the performance relative to them at December 31, 2020. Reference is made to the specific agreements and instruments for more details.

Instrument	Financial Covenant <sup>(1)</sup>	Requirement/Restriction	Calculation at December 31, 2020
Credit facility- \$800 million <sup>(2)</sup>	Debt/capital	Cannot exceed 65%	46%
Accounts receivable credit facility- \$150 million <sup>(2)</sup>	Debt/capital	Cannot exceed 65%	46%
Term facility- \$300 million <sup>(2)</sup>	Debt/capital	Cannot exceed 65%	46%

- (1) As defined in each applicable instrument.
- (2) See **Note 6** to the **2020 Annual TEC Consolidated Financial Statements** for a description of the credit facilities.

### Credit Ratings

	Standard & Poor's (S&P)	Moody's	Fitch
Credit ratings of senior unsecured debt	BBB+	A3	A
Credit ratings outlook	Stable	Positive	Stable

S&P, Moody's and Fitch describe credit ratings in the A3 or A category as having a strong capacity to meet its financial commitments. Ratings in the BBB or Baa category are described as representing adequate capacity for payment of financial obligations. The lowest investment grade credit ratings for S&P is BBB-, for Moody's is Baa3 and for Fitch is BBB-; thus, the three credit rating agencies assign TEC's senior unsecured debt investment-grade credit ratings.

A credit rating agency rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. TEC's access to capital markets and cost of financing, including the applicability of restrictive financial covenants, are influenced by the ratings of its securities. In addition, certain of TEC's derivative instruments contain provisions that require TEC's debt to maintain investment grade credit ratings (see **Note 14** to the **2020 Annual TEC Consolidated Financial Statements**).

### Summary of Contractual Obligations

The following table lists the contractual obligations of TEC, including cash payments to repay long-term debt, interest payments, lease payments and unconditional commitments related to capital expenditures.

#### Contractual Cash Obligations at December 31, 2020

(millions)	Payments Due by Period						
	Total	2021	2022	2023	2024	2025	After 2025
Long-term debt <sup>(1)</sup>	\$ 2,903	\$ 278	\$ 250	\$ 0	\$ 0	\$ 0	\$ 2,375
Interest payment obligations <sup>(2)</sup>	2,567	125	117	110	110	110	1,995
Transportation <sup>(3)</sup>	3,071	232	232	213	207	189	1,998
Pension plan <sup>(4)</sup>	0	0	0	0	0	0	0
Capital projects <sup>(5)</sup>	373	237	76	60	0	0	0
Fuel and gas supply <sup>(3)</sup>	280	238	41	1	0	0	0
Purchased power	10	10	0	0	0	0	0
Long-term service agreements <sup>(6)</sup>	127	11	13	16	16	17	54
Operating leases	62	3	3	3	3	2	48
Demand side management <sup>(3)</sup>	7	4	3	0	0	0	0
<b>Total contractual obligations</b>	<b>\$ 9,400</b>	<b>\$ 1,138</b>	<b>\$ 735</b>	<b>\$ 403</b>	<b>\$ 336</b>	<b>\$ 318</b>	<b>\$ 6,470</b>

- (1) Includes debt at Tampa Electric and PGS (see the **Consolidated Statements of Capitalization** and **Note 7** to the **2020 Annual TEC Consolidated Financial Statements** for a list of long-term debt and the respective due dates).
- (2) Future interest payments are calculated based on the assumption that all debt is outstanding until maturity. For debt instruments with variable rates, interest is calculated for all future periods using the rates in effect at December 31, 2020.
- (3) These payment obligations under contractual agreements of Tampa Electric and PGS are recovered from customers under regulatory clauses approved by the FPSC (see the **Business** section).
- (4) Under calculation requirements of the Pension Protection Act, as of the January 1, 2021 measurement date, the pension plan was fully funded. Under ERISA guidelines, TEC is not required to make additional cash contributions; however, TEC may elect to make discretionary cash contributions prior to that time. Future contributions are subject to annual valuation reviews, which may vary significantly due to changes in interest rates, discount rate assumptions, plan asset performance, which is affected by investment portfolio performance, and other factors (see **Liquidity, Capital Resources** section and **Note 5** to the **2020 Annual TEC Consolidated Financial Statements**).
- (5) Represents outstanding commitments for major capital projects, including solar projects, the modernization of the Big Bend power plant and smart meters.
- (6) Represents outstanding commitments for service, including long-term capitalized maintenance agreements for Tampa Electric's CTs.

## Off-Balance Sheet Arrangements and Contingent Obligations

TEC does not have any material off-balance sheet arrangements or contingent obligations not otherwise included in our Consolidated Financial Statements as of December 31, 2020.

## Capital Investments

<i>(millions)</i>	<i>Actual 2020</i>	<i>Forecasted 2021</i>
Tampa Electric <sup>(1)</sup>		
Renewable generation	\$ 196	\$ 235
Transmission	72	55
Distribution	274	350
Generation	377	335
Facilities, equipment, vehicles and other	89	115
Tampa Electric total	1,008	1,090
PGS	344	315
Net cash effect of accruals, retentions and AFUDC	9	
Total	<u>\$ 1,361</u>	<u>\$ 1,405</u>

(1) Individual line items exclude AFUDC-debt and equity.

On February 18, 2020, Tampa Electric announced its intention to invest approximately \$800 million in an additional 600 MW of new utility-scale solar photovoltaic projects by the end of 2023. As of December 31, 2020, Tampa Electric has invested approximately \$213 million in these new projects. AFUDC is being earned on these projects during construction.

Tampa Electric expects to invest approximately \$850 million through 2023 to modernize the Big Bend Power Station. This modernization project includes conversion of Unit 1 from coal-fired to natural gas combined-cycle technology and the early retirement of Unit 2. As of December 31, 2020, Tampa Electric has invested approximately \$526 million in this modernization project. AFUDC is being earned on this project during construction.

Tampa Electric's 2020 capital expenditures included solar generation projects, the Big Bend modernization, storm hardening for the transmission and distribution systems, smart meters and the maintenance and refurbishment of existing generating facilities. In 2021, Tampa Electric expects capital expenditures to include solar generation projects, the Big Bend modernization, storm hardening for the transmission and distribution systems, new technology for distribution system modernization, smart meters and the maintenance and refurbishment of existing generating facilities.

Capital expenditures in 2020 for PGS included maintenance of the existing system, expansion of the system and replacement of cast iron, bare steel and obsolete plastic pipe. In addition, PGS expects to invest in 2021 for projects associated with customer growth, system expansion to serve large commercial and industrial customers, including continued interest in the conversion of vehicle fleets to CNG, LNG facilities, renewable natural gas facilities and information technology investments. The remainder of PGS's capital expenditure forecast for 2021 includes amounts related to ongoing renewal, replacement and system safety, including the replacement of cast iron, bare steel and obsolete plastic pipe, which is recovered through a rider clause (see the **Business-PGS-Regulation** section).

The forecasted capital expenditures shown above are based on current estimates and assumptions. Actual capital expenditures could vary materially from these estimates due to changes in and timing of projects and changes in costs for materials or labor (see the **Risk Factors** section).

## Capital Structure

Tampa Electric and PGS maintained capital structures consistent with their regulatory arrangements. At December 31, 2020, TEC's year-end capital structure was 46% debt and 54% common equity. At December 31, 2019, TEC's year-end capital structure was 47% debt and 53% common equity.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements requires management to make various estimates and assumptions that affect revenues, expenses, assets, liabilities and disclosures. The policies and estimates identified below are, in the view of management, the more significant accounting policies and estimates used in the preparation of our consolidated financial statements. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions. See **Note 1** to the **2020 Annual TEC Consolidated Financial Statements** for a description of TEC's significant accounting policies and the estimates and assumptions used in the preparation of the consolidated financial statements.

### Regulatory Accounting

Tampa Electric's and PGS's retail businesses and the prices charged to customers are regulated by the FPSC. Tampa Electric's wholesale business is regulated by the FERC. As a result, Tampa Electric and PGS qualify for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred.

TEC regularly assesses the probability of recovery of the regulatory assets by considering factors such as regulatory environment changes, recent rate orders to other regulated entities in the same jurisdiction, the current political climate in the state, and the status of any pending or potential deregulation legislation. The assumptions and judgments used by regulatory authorities will continue to have an impact on the recovery of costs, the rate earned on invested capital and the timing and amount of assets to be recovered.

TEC's most significant regulatory liability relates to non-ARO costs of removal and regulatory tax liability. The non-ARO costs of removal represent estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment upon retirement. TEC accrues for removal costs over the life of the related assets based on depreciation studies approved by the FPSC. The costs are estimated based on historical experience and future expectations, including expected timing and estimated future cash outlays. The regulatory tax liability is the offset to the adjustment to the deferred tax liability remeasured as a result of tax reform. See **Note 4** to the **2020 Annual TEC Consolidated Financial Statements** for further information.

The application of regulatory accounting guidance is a critical accounting policy and estimate since a difference in these assumptions and actual results may result in a material impact on reported assets and the results of operations (see **Note 3** to the **2020 Annual TEC Consolidated Financial Statements**).

### Income Taxes

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, TEC estimates the current tax exposure and assesses the temporary differences resulting from differing treatment of items, such as depreciation, for financial statement and tax purposes. These differences are reported as deferred taxes measured at enacted rates in the consolidated financial statements. Management reviews all reasonably available current and historical information, including forward-looking information, to determine if it is more likely than not that some or the entire deferred tax asset will not be realized. If TEC determines that it is likely that some or all of a deferred tax asset will not be realized, then a valuation allowance is recorded to report the balance at the amount expected to be realized. At December 31, 2020, TEC does not have a valuation allowance. At December 31, 2020, TEC had a net deferred income tax liability of \$783 million, attributable primarily to property-related items.

See further discussion of uncertainty in income taxes, impacts of tax reform and other tax items in **Note 4** to the **2020 Annual TEC Consolidated Financial Statements**.

### Unbilled Revenue

Electric and gas revenues are billed on a systematic basis over a one-month period. At the end of each month, TEC must make an estimate of energy delivered to customers for related revenues earned but not yet billed. TEC's unbilled revenue is estimated based on several factors, including current month's generation, estimated customer usage by class, weather, line losses, timing of meter reads and applicable customer rates. Based on the extent of the estimates included in the determination of unbilled revenue, actual results may differ from the estimate.

## Employee Postretirement Benefits

TEC is a participant in the retirement plans of TECO Energy. TECO Energy sponsors a defined benefit pension plan (pension plan), a fully-funded non-qualified, non-contributory supplemental executive retirement benefit plan available to certain members of senior management and an unfunded non-qualified, non-contributory Restoration Plan that allows certain members of senior management to receive an additional benefit to restore what is limited by the IRS under the pension plan. TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. The accounting related to employee postretirement benefits is a critical accounting estimate for TEC for the following reasons: 1) a change in the estimated benefit obligation could have a material impact on reported assets, liabilities and results of operations; and 2) changes in assumptions could change the annual pension funding requirements, which could have a significant impact on TEC's annual cash requirements.

Several statistical and other factors which attempt to anticipate future events are used in calculating the expenses and liabilities related to these plans. Key factors include assumptions about the expected rates of return on plan assets, discount rates and mortality rates. TECO Energy determines these factors within certain guidelines and with the help of external consultants. TECO Energy considers market conditions, including but not limited to, changes in investment returns and interest rates, in making these assumptions.

Pension plan assets (plan assets) are invested in a mix of equity and fixed-income securities. The expected return on asset assumption was based on expectations of long-term inflation, real growth in the economy, fixed income spreads and equity premiums consistent with the company's portfolio, with provision for active management and expenses paid from the trust that holds the plan assets. The expected return on assets was 7.00% as of January 1, 2020. The expected return on assets was 7.35% as of January 1, 2019 and 7.00% as of October 31, 2019 when a plan remeasurement occurred as a result of a plan curtailment. The expected return on assets was 6.85% in 2018. Given recent strong capital market returns and market expectations for long-term interest rates, TECO Energy expects the expected return on assets to be 6.70% for 2021. Actual earned returns in 2020 were 18.9%.

The discount rate assumption used to measure the 2020, 2019 and 2018 benefit expense was an above-mean yield curve. The above-mean yield curve technique matches the yields from high-quality (AA-rated, non-callable) corporate bonds to the company's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption, which is subject to change each year.

For the December 31, 2018 measurement, TECO Energy used a discount rate of 4.34% for pension benefits under its qualified plan and 4.38% for its other postretirement benefits. For the October 31, 2019 remeasurement that occurred as a result of a plan curtailment, TECO Energy used a discount rate of 3.13% for pension benefits under its qualified plan. For the December 31, 2019 measurement, TECO Energy used a discount rate of 3.22% for pension benefits under its qualified plan and 3.32% for its other postretirement benefits. For the December 31, 2020 measurement, TECO Energy used a discount rate of 2.38% for pension benefits under its qualified plan and 2.47% for its other postretirement benefits.

Holding all other assumptions constant, a 1% decrease in the assumed rate of return on pension plan assets or the discount rate assumption would have had in 2020 and is anticipated to have in 2021 the following impact on TEC's after-tax pension cost:

Year	1% Decrease in Assumed Expected Return on Assets	1% Decrease in Assumed Discount Rate
2020	\$5 million increase	\$2 million increase
2021	\$7 million increase	\$3 million increase

In October 2019, the Society of Actuaries (SOA) released its final report of the Pri-2012 Private Retirement Plans Mortality Tables. The SOA tables incorporate the results of the SOA's study of actuarial mortality in pension plans from 2010-2014. TECO Energy has determined that these base mortality tables are appropriate for valuing the postretirement plans. In 2018, 2019 and 2020, the SOA updated the mortality projection scale. For mortality improvements reflected in the 2018, 2019 and 2020 year-end measurements, TECO Energy used an updated projection scale based on the SOA's scale but modified with a shorter grade-down period and lower ultimate rates of mortality improvement at the older ages. TECO Energy believes these tables are more appropriate and reflective of its population.

Unrecognized actuarial gains and losses for the pension plan are being recognized over a period of approximately 12 years, which represents the expected remaining service life of the employee group. Unrecognized actuarial gains and losses arise from several factors including experience and assumption changes in the obligations and from the difference between expected return and actual returns on plan assets. These unrecognized gains and losses will be systematically recognized in future net periodic pension expense in accordance with applicable accounting guidance for pensions.

The key assumptions used in determining the amount of obligation and expense recorded for postretirement benefits other than pension (OPEB), under the applicable accounting guidance, include the assumed discount rate and the assumed rate of increases in future health care costs. TECO Energy determines the discount rate for the OPEB's projected benefit cash flows. In estimating the health care cost trend rate, TECO Energy considers its actual health care cost experience, future benefit structures, industry trends, and advice from our outside actuaries. TECO Energy assumes that the relative increase in health care cost will trend downward over the next several years, reflecting assumed increases in efficiency in the health care system and industrywide cost-containment initiatives.

The actuarial assumptions used in determining TECO Energy's pension and OPEB retirement benefits may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates, or longer or shorter life spans of participants. While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may materially affect our financial position or results of operations.

See the discussion of employee postretirement benefits in **Note 5** to the **2020 Annual TEC Consolidated Financial Statements**.

## RECENTLY ISSUED ACCOUNTING STANDARDS

### Change in Accounting Policy

The new U.S. GAAP accounting policies that are applicable to, and adopted by TEC in 2020, are described as follows:

#### *Measurement of Credit Losses on Financial Instruments*

TEC adopted Accounting Standard Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments* effective January 1, 2020. The standard provides guidance regarding the measurement of credit losses for financial assets and certain other instruments that are not accounted for at fair value through net income, including trade and other receivables, debt securities, net investment in leases, and off-balance sheet credit exposures. The new guidance requires companies to replace the current incurred loss impairment methodology with a methodology that measures all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. There was no material impact on the consolidated financial statements as a result of the adoption of this standard.

#### *Simplifying the Accounting for Income Taxes*

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*. The standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation. It also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance is effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2020, with early adoption permitted. The standard is applied on both a prospective and retrospective basis. TEC early adopted the standard effective January 1, 2020. There was no impact on the consolidated financial statements as a result of the adoption of this standard.

#### *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*

TEC adopted ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* in the fourth quarter of 2020. The standard provides options and exceptions for applying U.S. GAAP to contract modifications and hedging relationships that reference LIBOR or another reference rate that is expected to be discontinued. The guidance was effective as of the date of issuance and entities may elect to apply the guidance prospectively through December 31, 2022. The transition from reference rates will not have a material impact on the consolidated financial statements. In November 2020, the Federal Reserve extended the phase-out of LIBOR until June 2023. TEC will continue to monitor the impact this may have on application of the standard.

## ENVIRONMENTAL COMPLIANCE

### Environmental Matters

TEC has significant environmental considerations. Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on

environmental matters. TEC, through its Tampa Electric and PGS divisions, is a potentially responsible party (PRP) for certain superfund sites and, through its PGS division, for certain former manufactured gas plant sites.

### **CAIR/CSAPR**

Based on updated EPA modeling, Florida is no longer subject to Cross-State Air Pollution Rule (CSAPR) requirements. On May 13, 2019, the EPA finalized the determination that Florida is meeting its “good neighbor” obligation to prohibit emissions from contributing significantly to nonattainment or interfering with maintenance status in another state. This confirms that Florida is meeting its cross-state air transport obligations under the Clean Air Act.

### **Hazardous Air Pollutants (HAPS) Maximum Achievable Control Technology (MACT) Mercury Air Toxics Standards (MATS)**

On June 29, 2015, the U.S. Supreme Court remanded the EPA’s Mercury Air Toxics Standards (MATS) to the U.S. District of Columbia Circuit Court (the D.C. Circuit Court) for failing to properly consider the cost of compliance. The litigation is currently in abeyance while the EPA reconsiders its action. MATS remain in effect until the D.C. Circuit Court acts.

All of Tampa Electric’s conventional coal-fired units are already equipped with electrostatic precipitators, scrubbers and SCRs, and the Polk Unit 1 IGCC unit emissions are minimized in the gasification process. Tampa Electric is uniquely positioned to be able to meet the MATS standards without considerable impacts, compared to others who had not taken similar early actions. Therefore, Tampa Electric has minimized the impact of this rule and has demonstrated compliance on all applicable units with the most stringent “Low Emitting Electric Generating Unit” classification for MATS with nominal additional capital investment.

### **Carbon Reductions and GHG**

Tampa Electric has historically supported voluntary efforts to reduce carbon emissions and has taken significant steps to reduce overall emissions at Tampa Electric’s facilities. Since 1998, Tampa Electric has reduced its system wide emissions of CO<sub>2</sub> by approximately 50%, bringing emissions to below 1990 levels. Tampa Electric CO<sub>2</sub> emissions continue to remain below 1990 levels. In addition to the emission decreases in 2005 as the result of the repowering of two Gannon Station coal units to natural gas and the shut-down of the remaining Gannon Station coal-fired units, Tampa Electric has optimized its existing coal units to operate on natural gas. During this same time frame, the number of retail customers and retail energy sales have risen. Tampa Electric is also substantially reducing CO<sub>2</sub> emissions by significantly expanding the use of solar power, repowering Big Bend Unit 1 steam turbine, and retiring Big Bend Unit 2. See **Capital Investments** above for information regarding Tampa Electric’s solar projects. By 2023, the Big Bend Unit 1 modernization project, capable of producing 1,090 megawatts of power, will lead to system-wide emissions that are expected to be less than half of 1998-level emissions.

On June 19, 2019, the EPA released a final rule, named the Affordable Clean Energy (ACE) rule, to establish emission guidelines for states to address GHG emissions from existing coal-fired electric generating units (EGUs). The rule provides emission guidelines to replace the Clean Power Plan and inform the development of state plans to reduce GHG emissions from certain coal-fired EGUs. In the guidelines, the EPA determined that heat rate improvement measures are the best system of emission reduction for existing coal-fired EGUs. This action also provides implementing regulations for emission guidelines issued under Section 111(d) of the Clean Air Act. Tampa Electric has emission units that are subject to this rule and has engaged in the development of a state plan that could be finalized by the end of 2021.

The outcome of expected litigation and the rule-making process and its impact on TEC’s businesses is uncertain at this time; however, it could result in increased operating costs, and/or decreased operations at Tampa Electric’s coal-fired plants. Depending on how the state plan could be developed and implemented, the ACE rule could cause an increase in costs or rates charged to customers, which could curtail sales. See **Item 1A - Risk Factors**.

Tampa Electric expects that the costs to comply with new environmental regulations would be eligible for recovery through the ECRC. If approved as prudent, the costs required to comply with CO<sub>2</sub> emissions reductions would be reflected in customers’ bills. If the regulation allowing cost recovery is changed and the cost of compliance is not recovered through the ECRC, Tampa Electric could seek to recover those costs through a base-rate proceeding.

## Ozone

On September 30, 2015 in response to a court order, the EPA published a final rule revising the ground level ozone standard to 70 parts per billion from the previous level of 75 parts per billion. On September 30, 2016, the Florida Department of Environmental Protection submitted its recommendation that the entire State of Florida be designated as “attainment” for the 2015 standard. On May 6, 2020, the EPA published final approval of the Florida Infrastructure State Implementation Plan (SIP) but did not act on the interstate transport requirements related to attainment and maintenance of the National Ambient Air Quality Standards (NAAQS). The EPA will consider these requirements for Florida for the 2015 8-hour ozone NAAQS separately.

On December 31, 2020, the EPA published a final rule to retain the national ambient air quality standards (NAAQS) for photochemical oxidants including ozone. Under the Clean Air Act, the EPA is required to review the NAAQS every five years and, if appropriate, revise them. A future review of the standard could result in revisions to the standard affecting compliance in Tampa Electric’s service territory. The impact of this potential new standard on the operations of Tampa Electric will depend on the outcome of litigation or other developments.

## Water Supply and Quality

The EPA’s final rule under 316(b) of the Clean Water Act (effective October 2014) addresses perceived impacts to aquatic life by cooling water intakes and is applicable to both Bayside and Big Bend Power Stations. Polk Power Station is not covered by this rule since it does not operate an intake on Waters of the U.S. Tampa Electric has two ongoing projects (one for Bayside and one for Big Bend) that require compliance with the rule. Compliance includes the completion of the biological, technical, and financial study elements required by the rule. These study elements have been completed and submitted for Bayside and will ultimately be used by FDEP to determine the necessity of cooling water system retrofits. Big Bend is negotiating an alternative schedule (as allowed by the rule) and will be completing a portion of the compliance requirements with the Big Bend modernization project with the remainder to be completed at a later date. The full impact of the new regulations on Tampa Electric will depend on the outcome of subsequent legal proceedings challenging the rule, the results of the study elements performed as part of the rules’ implementation, and the actual requirements established by FDEP.

The final EPA rule for existing steam electric effluent limit guidelines (ELGs) became effective January 4, 2016 and establishes limits for wastewater discharges from flue gas desulfurization (FGD) processes, fly ash and bottom ash transport water, leachate from ponds and landfills containing coal combustion residuals, gasification processes, and flue gas mercury controls. The new guidelines are expected to be incorporated into National Pollutant Discharge Elimination System permit renewals for Big Bend Station (FGD wastewater and bottom ash transport water) and Polk Power Station (gasification wastewater) to achieve compliance as soon as possible after November 1, 2018, but no later than December 31, 2023. The EPA decided to extend the near-term deadlines for FGD wastewater and bottom ash transport water to as soon as possible after November 1, 2020. On November 22, 2019, the EPA published in the Federal Register its proposed updates to the ELGs, in which the EPA revised limits for both bottom ash transport water and FGD wastewater and extended the final compliance deadline by two years for FGD wastewater. The final rule with revised limits was published on October 13, 2020 and became effective December 14, 2020.

The preliminary draft of the NPDES Permit for Big Bend stated that effluent limitations for total recoverable arsenic, mercury, and selenium and total nitrate/nitrite for FGD wastewater are applicable no later than December 31, 2023. Since Polk Power Station disposes of any gasification wastewater created down the deep injection well rather than discharging it to surface water, the effluent limitations do not apply to that power station.

## EPA Waters of the US

In June 2015, the U.S. Army Corps of Engineers (the Corps) and the EPA issued a rule defining “Waters of the United States” (WOTUS) for purposes of federal Clean Water Act (CWA) jurisdiction. The final rule took effect on August 28, 2015. The rule has the effect of defining the scope of agency jurisdiction under the CWA very broadly. In August 2015, a federal judge in North Dakota issued an injunction against the implementation of the rule in certain states. In October 2015, the Sixth Circuit Court of Appeals issued a nationwide stay of WOTUS, effectively ending the implementation of the rule in the 37 states that were not subject to the prior injunction. This stay is temporary, pending the outcome of litigation. On February 28, 2017, President Trump issued an Executive Order directing the EPA and the Corps to review the rule. In June 2018, the EPA and the Corps issued a draft republishing notice to clarify, supplement and seek additional comment to the July 27, 2017 proposal to repeal the 2015 WOTUS Rule and restore the regulatory text that existed prior to the 2015 rule. On August 16, 2018, a federal court in South Carolina restored the 2015 rule, putting it back into effect in 26 states but not in the other 24 states with federal court injunctions against it. Both Florida and New Mexico remain under the federal court injunctions. On February 14, 2019, the EPA and the Corps published their proposed new “Revised Definition of WOTUS” in the Federal Register. On October 22, 2019, the Corps and the EPA published in the Federal Register the final rule repealing the 2015 Rule and restoring the regulatory text that existed prior to the 2015 Rule. The agencies will implement the pre-2015 Rule regulations informed by applicable agency guidance documents and consistent with Supreme Court decisions and prior agency practice. This final rule became effective on December 23, 2019.

On January 23, 2020, the U.S. EPA and the Corps finalized a rule, called the “Navigable Waters Protection Rule”, to define “Waters of the United States” and thereby establish federal regulatory authority under the Clean Water Act. This final rule became effective on June 20, 2020 (60 days after publication in the Federal Register) and replaced the rule published in October 2019. The impact of this potential new standard on the operations of Tampa Electric will depend on the outcome of litigation or other developments.

### **Superfund and Former Manufactured Gas Plant Sites**

TEC, through its Tampa Electric and PGS divisions, is a PRP for certain superfund sites and, through its PGS division, for certain former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2020. TEC has estimated its ultimate financial liability to be \$17 million, primarily at PGS. This amount has been accrued and is primarily reflected in the long-term liability section under “Other” on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

The estimated amounts represent only the portion of the cleanup costs attributable to TEC. The estimates to perform the work are based on TEC’s experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are creditworthy and are likely to continue to be creditworthy for the duration of the remediation work. However, in those instances that they are not, TEC could be liable for more than TEC’s actual percentage of the remediation costs.

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings. See **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for information regarding an agreement approved by the FPSC to accelerate the amortization of the regulated asset associated with this liability.

### **Coal Combustion Residuals Recycling and Regulation**

Tampa Electric produces ash and other by-products, collectively known as CCRs, at its Big Bend and Polk Power stations. An annual average of 95% of all CCRs produced at these facilities is marketed to customers for beneficial use in commercial and industrial products.

The EPA’s final CCR rule became effective on October 19, 2015 and regulates CCRs as non-hazardous solid waste. On February 2, 2016, the FPSC approved Tampa Electric’s proposed CCR compliance program for recovery of certain capital and O&M expenses through the ECRC. On December 12, 2017, the FPSC approved an additional petition for recovery of expenses associated with the closure of Tampa Electric’s Big Bend Economizer Ash and Pyrite Ponds which began in late November 2018. The O&M expenses for disposal of CCRs from this project began in 2019 and will continue through 2021. Closure of Tampa Electric’s West Slag Dewatering Pond and improvements to Tampa Electric’s North Gypsum Stackout Area were completed in 2020. In June 2018, the EPA finalized Phase I revisions to the rule which provide clarifications and additional flexibility for certain rule requirements. In August 2019, the EPA proposed Phase II revisions to the rule and solicited public comments on these revisions. These included a revised beneficial use definition and restrictions on offsite beneficial use storage piles, both of which could negatively affect management and recycling of CCRs by TEC customers. On November 4, 2019, the EPA proposed an additional rule to establish deadlines for unlined impoundments to cease receiving CCRs and initiate closure. The EPA revised the rule that now establishes April 11, 2021 as the deadline, with a provision for an extension up to 2023 if a company can substantiate a lack of CCR disposal capacity or associated wastewater. In 2020, the EPA published the draft Federal CCR Permitting Rule, which would cover facilities in states which do not apply for their own permit programs. However, FDEP has proposed a Florida CCR permitting program to be incorporated into the existing state solid waste regulation, so the Federal regulation would not apply in Florida. Nevertheless, TEC is already in the process of closing its regulated CCR Units by October 2021 so the above regulatory actions will have limited impact to TEC. See **Note 12** to the **2020 Annual TEC Consolidated Financial Statements** for information regarding the estimated impact on Tampa Electric’s AROs.

### **Conservation**

In 2020, Tampa Electric continued to offer its customers a comprehensive array of residential and commercial Demand Side Management (DSM) programs. On July 2020, the FPSC approved TEC’s 2020-2029 DSM Plan to support achieving the newly FPSC approved annual DSM goals. In November 2020, Tampa Electric transitioned into the new 2020-2029 DSM Plan by discontinuing nine existing DSM programs, created seven new DSM programs, and modified 14 of the existing DSM programs. One of the new DSM

Programs is a five-year pilot program that will involve the installation, testing and showcasing of a fully integrated renewable energy system that will utilize a large solar array integrated with battery storage and electric vehicle and large commercial vehicle battery charging.

In 2020, Tampa Electric achieved all of the commercial annual energy and demand goals, the annual residential energy goal and achieved the total combined annual energy and demand goals. To achieve these DSM goals, Tampa Electric offered 39 cost-effective DSM programs and then with the new DSM plan transitioned to 36 cost-effective DSM programs in November. These programs and their costs are approved annually by the FPSC with the costs recovered through a clause rate on the customer's electric bill. Since their inception, Tampa Electric's conservation programs have contributed to reducing the summer peak demand by 779 MWs and the winter peak demand by 1,289 MWs.

In 2020, PGS implemented an online energy audit program for residential customers. PGS expects to implement a walkthrough energy audit for commercial customers in 2021. Both programs were approved by the FPSC as part of its DSM goals in 2019. PGS also developed and filed its DSM plan in November 2019, which will support the achievement of these DSM goals on an annual basis. This filing is pending review and approval from the FPSC. Starting in 2019, PGS initiated the reporting of annual energy reduction achievements as part of meeting the requirements of Florida Energy Efficiency and Conservation Act. In 2020, PGS' conservation programs saved 731,300 therms. These programs and their costs are approved annually by the FPSC with the costs recovered through a clause rate on the customer's gas bill.

## REGULATION

See the **Business** section (**Tampa Electric – Electric Operations** and **Peoples Gas System – Gas Operations** sections) and **Note 3** to the **2020 Annual TEC Consolidated Financial Statements** for a description of the utilities' base rates, cost-recovery clauses and competition.

## CHANGE IN EXECUTIVE OFFICERS

On February 9, 2021, Emera announced that Archie Collins was appointed President and Chief Executive Officer of Tampa Electric Company effective May 3, 2021. Until that time, Mr. Collins will serve as President and Chief Operating Officer and was most recently the Chief Operating Officer of Tampa Electric Company. Mr. Collins will succeed Nancy Tower who is retiring in June 2021.

## Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Risk Management Infrastructure

TEC is subject to various types of market risk in the course of daily operations, as discussed below. TEC has adopted an enterprise-wide approach to the management and control of market and credit risk. Middle Office risk management functions, including credit risk management and risk control, are independent of each transacting entity (Front Office).

TECO Energy's Risk Management Policy (Policy) governs all energy transacting activity. The Policy is administered by a Risk Authorizing Committee (RAC) that is comprised of senior management. Within the bounds of the Policy, the RAC approves specific hedging strategies, new transaction types or products, limits, and transacting authorities. Transaction activity is reported daily and measured against limits. For all commodity risk management activities, derivative transaction volumes are limited to the anticipated volume for customer sales or supplier procurement activities.

TEC operates and oversees transaction activity related to interest rate risk exposures. Interest rate derivative transaction activity is directly correlated to borrowing activities.

### Risk Management Objectives

The Front Office is responsible for reducing and mitigating the market risk exposures that arise from the ownership of physical assets and contractual obligations. The primary objectives of the risk management organization, the Middle Office, are to quantify, measure, and monitor the market risk exposures arising from the activities of the Front Office and the ownership of physical assets. In addition, the Middle Office is responsible for enforcing the limits and procedures established under the approved risk management

policies. Based on the policies approved by TEC's board of directors and the procedures established by the RAC, from time to time, TEC enters into futures, forwards, swaps and option contracts to limit the exposure to items such as:

- Price fluctuations for physical purchases and sales of natural gas in the course of normal operations; and
- Interest rate fluctuations on debt.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. The primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which includes a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022 (see **Note 3** to the **2020 Annual TEC Consolidated Financial Statements**). As of December 31, 2020, TEC had no hedges in place.

### **Credit Risk**

TEC has a rigorous process for the establishment of new trading counterparties and evaluation of current counterparties. This process includes an evaluation of each counterparty's credit ratings, as applicable, and/or its financial statements, with attention paid to liquidity and capital resources; establishment of counterparty specific credit limits; optimization of credit terms; and execution of standardized enabling agreements. TEC manages credit risk with policies and procedures for counterparty analysis, exposure measurement, and exposure monitoring and mitigation. Credit assessments are conducted on all counterparties, and deposits or collateral are requested on any high-risk accounts.

Certain of TEC's derivative instruments, including NPNS agreements as disclosed in **Note 14** to the **2020 Annual TEC Consolidated Financial Statements**, contain provisions that require our debt to maintain an investment-grade credit rating from any or all of the major credit rating agencies. If TEC's debt ratings were to fall below investment grade or not be rated, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions.

### **Interest Rate Risk**

TEC is exposed to changes in interest rates primarily as a result of borrowing activities. TEC may enter into futures, swaps and option contracts, in accordance with the approved risk management policies and procedures, to moderate this exposure to interest rate changes and achieve a desired level of fixed and variable rate debt. As of December 31, 2020 and 2019, TEC had no hedges of interest rates in place. As of December 31, 2020 and 2019, a hypothetical 10% increase in TEC's weighted-average interest rate on its variable rate debt during the subsequent year would not have resulted in a material impact on pre-tax earnings. This is driven by the low amounts of variable rate debt at TEC. A hypothetical 10% increase in interest rates would have decreased the fair market value of our long-term debt by 3.6% at December 31, 2020 and 4.4% at December 31, 2019. See the **Financing Activity** section and **Notes 6 and 7** to the **2020 Annual TEC Consolidated Financial Statements**. These amounts were determined based on the variable rate obligations existing on the indicated dates at TEC. The above sensitivities assume no changes to TEC's financial structure and could be affected by changes in TEC's credit ratings, changes in general economic conditions or other external factors (see the **Risk Factors** section).

### **Commodity Risk**

TEC faces varying degrees of exposure to commodity risks including natural gas, coal, fuel oil, petcoke and other energy commodity prices. Any changes in prices could affect the prices these businesses charge, their operating costs and the competitive position of their products and services. Management uses different risk measurement and monitoring tools based on the degree of exposure of each operating company to commodity risks.

### **Regulated Utilities**

Tampa Electric's fuel costs used for generation are affected primarily by the price of natural gas and, to a lesser degree, the cost of coal, oil and petcoke. Tampa Electric's use of natural gas, with its more volatile pricing, for generation of electricity was 89% in 2020 and 90% in 2019 (see the **Business** section). PGS has exposure related to the price of purchased gas and pipeline capacity.

Currently, TEC's commodity price risks are largely mitigated by the fact that increases in the price of prudently incurred fuel and purchased power are recovered through FPSC-approved cost-recovery clauses, with no anticipated effect on earnings. However, increasing fuel cost-recovery has the potential to affect total energy usage and the relative attractiveness of electricity and natural gas to consumers. TEC manages commodity price risk by entering into long-term fuel supply agreements, prudently operating plant facilities to optimize cost and, prior to the moratorium mentioned above, entering into derivative transactions designated as cash flow

hedges of anticipated purchases of wholesale natural gas. At December 31, 2020 and 2019, a change in commodity prices would not have had a material impact on earnings for Tampa Electric or PGS, but could have had an impact on the timing of the cash recovery of the cost of fuel.

TAMPA ELECTRIC COMPANY

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholder and the Board of Directors of Tampa Electric Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tampa Electric Company (the Company) as of December 31, 2020 and 2019, the related consolidated statements of income and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2020, the related consolidated statements of capitalization as of and for each of the two years in the period ended December 31, 2020 and 2019, and the related notes and schedule of valuation and qualifying accounts and reserves for the year ended December 31, 2020, 2019 and 2018 (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Accounting for the effects of regulatory matters*

*Description of the Matter*

As disclosed in Note 3 of the consolidated financial statements, the Company has \$485 million in regulatory assets and \$1,261 million in regulatory liabilities. As disclosed in Note 3, Tampa Electric’s retail business and the Peoples Gas System are regulated separately by the Florida Public Service Commission (FPSC), and Tampa Electric is also subject to regulation by the Federal Energy Regulatory Commission (FERC) (collectively, the regulators). The regulatory rates are designed to recover the prudently incurred costs of providing the regulated products or services and provide a reasonable return on the equity invested or assets, as applicable. In addition to regulatory assets and liabilities, rate regulation impacts multiple financial statement line items, including property, plant and equipment, revenues, and expenses.

Auditing the impact of rate regulation on the Company’s financial statements is complex and highly judgmental due to the significant judgments made by the Company to support its accounting and disclosure for regulatory matters when final regulatory decisions or orders have not yet been obtained or when

regulatory formulas are complex. There is also subjectivity involved in assessing the potential impact of future regulatory decisions on the financial statements. Although the Company expects to recover costs from customers through rates, there is a risk that the regulator may not approve full recovery of costs incurred. The Company's judgments include making an assessment of the probable recovery of and recovery on costs incurred, of the disallowance of part of the cost of recently completed property, plant, and equipment and construction work in progress, or of the probable refund to customers through future rates.

*How We Addressed  
the Matter in Our  
Audit*

We performed audit procedures that included, among others, assessing the Company's evaluation of the probability of future recovery for regulatory assets, property, plant and equipment, and refund of regulatory liabilities by obtaining and reviewing relevant regulatory orders, filings, testimony, hearings and correspondence, and other publicly available information. For regulatory matters for which regulatory decisions or orders have not yet been obtained, we inspected the regulatory filings for any evidence that might contradict the Company's assertions, and reviewed other regulatory orders, filings and correspondence for other entities within the same jurisdiction to assess the likelihood of recovery in future rates based on the regulator's treatment of similar costs under similar circumstances. We obtained and evaluated an analysis from the Company and corroborated that analysis with letters from legal counsel, when appropriate, regarding cost recoveries or future changes in rates. We also assessed the methodology, accuracy and completeness of the Company's calculations of regulatory asset and liability balances based on provisions and formulas outlined in rate orders and other correspondence with the regulators. We also evaluated the Company's disclosures related to the impacts of rate regulation.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Tampa, Florida  
February 16, 2021

TAMPA ELECTRIC COMPANY  
Consolidated Balance Sheets

<i>Assets</i> <i>(millions)</i>	<i>December 31,</i> <i>2020</i>	<i>December 31,</i> <i>2019</i>
<b>Property, plant and equipment</b>		
Utility plant		
Electric	\$ 11,486	\$ 10,578
Gas	2,332	2,012
Utility plant, at original costs	13,818	12,590
Accumulated depreciation	(3,712)	(3,472)
Utility plant, net	10,106	9,118
Other property	14	13
Total property, plant and equipment, net	10,120	9,131
<b>Current assets</b>		
Cash and cash equivalents	10	14
Receivables, less allowance for credit losses of \$7 and \$2 at December 31, 2020 and 2019, respectively	219	206
Due from affiliates	11	14
Inventories, at average cost		
Fuel	26	36
Materials and supplies	107	104
Regulatory assets	79	41
Prepayments and other current assets	10	10
Total current assets	462	425
<b>Deferred debits</b>		
Regulatory assets	406	396
Other	60	55
Total deferred debits	466	451
<b>Total assets</b>	<u>\$ 11,048</u>	<u>\$ 10,007</u>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Balance Sheets—continued**

<b>Liabilities and Capital</b> <i>(millions)</i>	<i>December 31,</i> <i>2020</i>	<i>December 31,</i> <i>2019</i>
<b>Capitalization</b>		
Common stock	\$ 3,890	\$ 3,385
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	327	311
<b>Total capital</b>	<u>4,216</u>	<u>3,695</u>
Long-term debt	2,594	2,869
<b>Total capital</b>	<u>6,810</u>	<u>6,564</u>
<b>Current liabilities</b>		
Long-term debt due within one year	278	0
Notes payable	775	348
Accounts payable	321	296
Due to affiliates	46	20
Customer deposits	130	132
Regulatory liabilities	67	93
Accrued interest	13	13
Accrued taxes	22	14
Other	57	44
<b>Total current liabilities</b>	<u>1,709</u>	<u>960</u>
<b>Long-term liabilities</b>		
Deferred income taxes	783	758
Regulatory liabilities	1,194	1,210
Investment tax credits	216	164
Deferred credits and other liabilities	336	351
<b>Total deferred credits</b>	<u>2,529</u>	<u>2,483</u>
<b>Commitments and Contingencies (see Note 8)</b>		
<b>Total liabilities and capital</b>	<u>\$ 11,048</u>	<u>\$ 10,007</u>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Income and Comprehensive Income**

(millions)

For the years ended December 31,

	2020	2019	2018
<b>Revenues</b>			
Electric	\$ 1,845	\$ 1,961	\$ 2,063
Gas	427	443	461
Total revenues	<u>2,272</u>	<u>2,404</u>	<u>2,524</u>
<b>Expenses</b>			
Fuel	340	516	551
Purchased power	83	49	59
Cost of natural gas sold	121	152	180
Operations & maintenance	542	543	632
Depreciation and amortization	384	377	372
Taxes, other than income	202	206	208
Total expenses	<u>1,672</u>	<u>1,843</u>	<u>2,002</u>
<b>Income from operations</b>	<u>600</u>	<u>561</u>	<u>522</u>
<b>Other income</b>			
Allowance for other funds used during construction	30	11	10
Other income, net	6	9	8
Total other income	<u>36</u>	<u>20</u>	<u>18</u>
<b>Interest charges</b>			
Interest expense	144	139	123
Allowance for borrowed funds used during construction	(14)	(5)	(5)
Total interest charges	<u>130</u>	<u>134</u>	<u>118</u>
<b>Income before provision for income taxes</b>	<u>506</u>	<u>447</u>	<u>422</u>
Provision for income taxes	82	77	81
<b>Net income</b>	424	370	341
<b>Other comprehensive income, net of tax</b>			
Gain on cash flow hedges	0	0	1
Total other comprehensive income, net of tax	<u>0</u>	<u>0</u>	<u>1</u>
<b>Comprehensive income</b>	<u>\$ 424</u>	<u>\$ 370</u>	<u>\$ 342</u>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Cash Flows**

(millions)

For the years ended December 31,

	2020	2019	2018
<b>Cash flows from operating activities</b>			
Net income	\$ 424	\$ 370	\$ 341
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	384	377	372
Deferred income taxes and investment tax credits	54	15	(1)
Allowance for equity funds used during construction	(30)	(11)	(10)
Deferred recovery clauses	(40)	63	(55)
Receivables, less allowance for credit losses	(10)	52	(2)
Inventories	7	6	4
Taxes accrued	23	1	6
Accounts payable	34	(4)	11
Regulatory assets and liabilities	(18)	1	98
Other	1	(29)	38
Cash flows from operating activities	<u>829</u>	<u>841</u>	<u>802</u>
<b>Cash flows used in investing activities</b>			
Capital expenditures	(1,361)	(1,283)	(1,109)
Net proceeds from sale of assets	6	0	1
Cash flows used in investing activities	<u>(1,355)</u>	<u>(1,283)</u>	<u>(1,108)</u>
<b>Cash flows from or used in financing activities</b>			
Equity contributions from TECO Energy	505	395	345
Proceeds from long-term debt issuance	0	292	714
Repayment of long-term debt	0	0	(304)
Net change in short-term debt (maturities of 90 days or less)	127	127	216
Proceeds from other short-term debt (maturities over 90 days)	300	0	0
Repayment of other short-term debt (maturities over 90 days)	0	0	(300)
Dividends to TECO Energy	(408)	(373)	(362)
Other financing activities	(2)	0	(1)
Cash flows from financing activities	<u>522</u>	<u>441</u>	<u>308</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4)</b>	<b>(1)</b>	<b>2</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>14</b>	<b>15</b>	<b>13</b>
<b>Cash and cash equivalents at end of the year</b>	<b><u>\$ 10</u></b>	<b><u>\$ 14</u></b>	<b><u>\$ 15</u></b>

**Supplemental disclosure of cash paid (received):**

Interest	\$ 126	\$ 134	\$ 112
Income taxes	\$ 14	\$ 63	\$ 77

**Supplemental disclosure of non-cash activities**

Change in accrued capital expenditures	\$ 1	\$ 17	\$ 40
--	------	-------	-------

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization**

<i>(millions, except share amounts)</i>	Shares <sup>(1)</sup>	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Capital
Balance, December 31, 2017	10	2,645	\$ 335	\$ (2)	\$ 2,978
Net income			341		341
Other comprehensive income, after tax				1	1
Equity contributions from Parent		345			345
Dividends to Parent <sup>(2)</sup>			(362)		(362)
Balance, December 31, 2018	10	\$ 2,990	\$ 314	\$ (1)	\$ 3,303
Net income			370		370
Equity contributions from Parent		395			395
Dividends to Parent <sup>(2)</sup>			(373)		(373)
Balance, December 31, 2019	10	\$ 3,385	\$ 311	\$ (1)	\$ 3,695
Net income			424		424
Equity contributions from Parent		505			505
Dividends to Parent <sup>(2)</sup>			(408)		(408)
Balance, December 31, 2020	10	\$ 3,890	\$ 327	\$ (1)	\$ 4,216

**Preferred stock – \$100 par value**

1.5 million shares authorized, none outstanding.

**Preferred stock – no par**

2.5 million shares authorized, none outstanding.

**Preference stock – no par**

2.5 million shares authorized, none outstanding.

- (1) Common stock without par value, 25 million shares authorized  
(2) Dividends are declared and paid at the discretion of TEC's Board of Directors.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization – continued**

At December 31, 2020 and 2019, TEC had the following long-term debt outstanding:

**Long-Term Debt**

<i>(millions)</i>		<i>Due</i>	<i>2020</i>	<i>2019</i>
<b>Tampa Electric</b>	Notes <sup>(1)(2)(3)</sup> : 5.40%	2021	231	232
	2.60%	2022	225	225
	6.55%	2036	250	250
	6.15%	2037	190	190
	4.10%	2042	250	250
	4.35%	2044	290	290
	4.20%	2045	230	230
	4.30%	2048	275	275
	4.45%	2049	350	350
	3.63%	2050	275	275
	Total long-term debt of Tampa Electric		<u>2,566</u>	<u>2,567</u>
<b>PGS</b>	Notes <sup>(1)(2)(3)</sup> : 5.40%	2021	47	47
	2.60%	2022	25	25
	6.15%	2037	60	60
	4.10%	2042	50	50
	4.35%	2044	10	10
	4.20%	2045	20	20
	4.30%	2048	75	75
	4.45%	2049	25	25
	3.63%	2050	25	25
	Total long-term debt of PGS		337	337
Total long-term debt			2,903	2,904
Unamortized debt discount, net			(10)	(10)
Debt issuance costs			(21)	(25)
Total carrying amount of long-term debt			2,872	2,869
Less amount due within one year			278	0
Total long-term debt			<u>\$ 2,594</u>	<u>\$ 2,869</u>

(1) These senior unsecured debt securities are subject to redemption in whole or in part, at any time, at the option of the issuer.

(2) These long-term debt agreements contain various restrictive covenants.

(3) The amounts shown are allocations to Tampa Electric and PGS of TEC Notes.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization—continued**

At December 31, 2020, long-term debt had a carrying amount of \$2,872 million and an estimated fair market value of \$3,597 million. At December 31, 2019, total long-term debt had a carrying amount of \$2,869 million and an estimated fair market value of \$3,335 million. The fair value of the debt securities is determined using Level 2 measurements (see **Note 15** for information regarding the fair value hierarchy).

A substantial part of Tampa Electric’s tangible assets is pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric’s first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time. Gross maturities and annual sinking fund requirements of long-term debt are as follows:

**Long-Term Debt Maturities**

<i>As of December 31, 2020</i> <i>(millions)</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>Thereafter</i>	<i>Total Long-Term Debt</i>
Tampa Electric	\$ 231	\$ 225	\$ 0	\$ 0	\$ 0	\$ 2,110	\$ 2,566
PGS	47	25	0	0	0	265	337
Total long-term debt maturities	<u>\$ 278</u>	<u>\$ 250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,375</u>	<u>\$ 2,903</u>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Description of the Business**

TEC has two operating segments. Its Tampa Electric division provides retail electric services in West Central Florida, and PGS, its natural gas division, is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. TEC's significant accounting policies are as follows:

**Principles of Consolidation and Basis of Presentation**

TEC maintains its accounts in accordance with recognized policies prescribed or permitted by the FPSC and the FERC. These policies conform with U.S. GAAP in all material respects. The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates.

TEC is a wholly owned subsidiary of TECO Energy, Inc. and contains electric and natural gas divisions. Intercompany balances and transactions within the divisions have been eliminated in consolidation. TECO Energy is a wholly owned indirect subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

In 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. While management considered the impact of the COVID-19 pandemic in TEC's estimates and results, the financial statements as of and for the year ended December 31, 2020 were not materially impacted by the COVID-19 pandemic. However, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic and the impact on the financial results and condition of TEC in future periods.

**Cash Equivalents**

Cash equivalents are highly liquid, high-quality investments purchased with an original maturity of three months or less. The carrying amount of cash equivalents approximated fair market value because of the short maturity of these instruments.

**Property, Plant and Equipment**

Property, plant and equipment is stated at original cost, which includes labor, material, applicable taxes, overhead and AFUDC. Concurrent with a planned major maintenance outage or with new construction, the cost of adding or replacing retirement units-of-property is capitalized in conformity with the regulations of FERC and FPSC. The cost of maintenance, repairs and replacement of minor items of property is expensed as incurred.

As regulated utilities, Tampa Electric and PGS must file depreciation and dismantlement studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal or dismantlement factor. TEC uses current cost of removal or dismantlement factors as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal or dismantlement, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively.

For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2020</i>		<i>December 31, 2019</i>	
Electric generation	21-56 years	\$	5,694	\$	5,370
Electric transmission	28-77 years		1,008		940
Electric distribution	14-56 years		2,859		2,732
Gas transmission and distribution	16-77 years		2,076		1,848
General plant and other	8-43 years		723		675
<b>Total cost</b>			<b>12,360</b>		<b>11,565</b>
Less accumulated depreciation			(3,712)		(3,472)
Construction work in progress			1,472		1,038
<b>Total property, plant and equipment, net</b>		<b>\$</b>	<b>10,120</b>	<b>\$</b>	<b>9,131</b>

## Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.2%, 3.4% and 3.5% for 2020, 2019 and 2018, respectively. Construction work in progress is not depreciated until the asset is placed in service. Total depreciation expense for the years ended December 31, 2020, 2019 and 2018 was \$381 million, \$359 million and \$345 million, respectively. See **Note 3** for information regarding agreements approved by the FPSC that, among other things, allow Tampa Electric to continue to depreciate certain retired assets until the FPSC approves Tampa Electric's next depreciation and dismantlement study and allowed Tampa Electric to eliminate its \$16 million accumulated amortization reserve surplus for intangible software assets through a credit to amortization expense in 2020.

Tampa Electric and PGS compute depreciation and amortization using the following methods:

- the group remaining life method, approved by the FPSC, is applied to the average investment, adjusted for anticipated costs of removal less salvage, in functional classes of depreciable property;
- the amortizable life method, approved by the FPSC, is applied to the net book value to date over the remaining life of those assets not classified as depreciable property above.

## Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. Tampa Electric's FPSC-approved rate used to calculate AFUDC is revised periodically to reflect significant changes in Tampa Electric's cost of capital. In 2020, 2019 and 2018, Tampa Electric's rate was 6.46%. In July 2019, the FPSC approved a petition filed by PGS for authority to record AFUDC at an annual rate of 5.97% as part of its plans to develop three expansion projects in 2019 and 2020. Total AFUDC for the years ended December 31, 2020, 2019 and 2018 was \$44 million, \$16 million and \$15 million, respectively. The increase in 2020 is primarily a result of the construction of solar projects and the repowering of Big Bend Unit 1 with natural gas combined-cycle technology.

## Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas, coal, petcoke and oil) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value.

## Regulatory Assets and Liabilities

Tampa Electric and PGS are subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

## Deferred Income Taxes

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. Tampa Electric and PGS are regulated, and their books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

## Investment Tax Credits

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense over the service lives of the related property.

## Stranded Tax Effects in Accumulated Other Comprehensive Income

TEC utilizes a portfolio approach to determine the timing and extent to which stranded income tax effects from items that were previously recorded in accumulated other comprehensive income are released.

## Revenue Recognition

### *Regulated electric revenue*

Electric revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Electric revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. Tampa Electric's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of MWH delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, timing of meter reads and line losses.

### *Regulated gas revenue*

Gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when gas is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the gas. Gas revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the distribution and sale of gas are recognized at rates approved by the regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the gas delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. PGS's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of therms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

### *Other*

See Accounting for Franchise Fees and Gross Receipts below for the accounting for gross receipts taxes. Sales and other taxes TEC collects concurrent with revenue-producing activities are excluded from revenue.

## Revenues and Cost Recovery

Revenues include amounts resulting from cost-recovery clauses which provide for monthly billing charges to reflect increases or decreases in fuel, purchased power, conservation and environmental costs for Tampa Electric and purchased gas, interstate pipeline capacity, replacement of cast iron/bare steel pipe and conservation costs for PGS. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over- or under-recovery of costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as regulatory liabilities, and under-recoveries of costs are recorded as regulatory assets.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are recognized.

## Receivables and Allowance for Credit Losses

Receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, were \$214 million and \$205 million as of December 31, 2020 and 2019, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that impact Tampa Electric's and PGS's estimates of credit losses include, but are not limited to, customer credit issues, fuel prices, customer deposits and general economic conditions, including the impacts of the COVID-19 pandemic. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

The regulated utilities accrue base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2020 and 2019, unbilled revenues of \$73 million and \$61 million, respectively, are included in the “Receivables” line item on TEC’s Consolidated Balance Sheets.

### **Accounting for Franchise Fees and Gross Receipts Taxes**

Tampa Electric and PGS are allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers’ bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable by Tampa Electric and PGS are included as an expense on the Consolidated Statements of Income in “Taxes, other than income”. These amounts totaled \$109 million, \$117 million and \$120 million for the years ended December 31, 2020, 2019 and 2018, respectively.

### **Deferred Credits and Other Liabilities**

Other deferred credits primarily include accrued pension and other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), asset retirement obligations (see **Note 12**), lease liabilities (see **Note 13**) and a reserve for auto, general and workers’ compensation liability claims.

TECO Energy and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company’s retention amounts. TEC estimates its liabilities for auto, general and workers’ compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2020 and 2019 ranged from 2.43% to 4.00% and 2.66% to 4.00%, respectively.

### **Cash Flows Related to Derivatives and Hedging Activities**

TEC classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statements of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows. See **Note 14** for further information regarding derivatives.

## **2. New Accounting Pronouncements**

### **Change in Accounting Policy**

The new U.S. GAAP accounting policies that are applicable to, and adopted by TEC in 2020, are described as follows:

#### *Measurement of Credit Losses on Financial Instruments*

TEC adopted Accounting Standard Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments* effective January 1, 2020. The standard provides guidance regarding the measurement of credit losses for financial assets and certain other instruments that are not accounted for at fair value through net income, including trade and other receivables, debt securities, net investment in leases, and off-balance sheet credit exposures. The new guidance requires companies to replace the current incurred loss impairment methodology with a methodology that measures all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. There was no material impact on the consolidated financial statements as a result of the adoption of this standard.

#### *Simplifying the Accounting for Income Taxes*

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*. The standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation. It also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance is effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2020, with early adoption permitted. The standard is applied on both a prospective and retrospective basis. TEC early adopted the standard effective January 1, 2020. There was no impact on the consolidated financial statements as a result of the adoption of this standard.

#### *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*

TEC adopted ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* in the fourth quarter of 2020. The standard provides options and exceptions for applying U.S. GAAP to contract modifications and hedging relationships that reference LIBOR or another reference rate that is expected to be discontinued. The guidance was effective as of the date of issuance and entities may elect to apply the guidance prospectively through December 31, 2022. The transition from reference rates will not have a material impact on the consolidated financial statements. In November 2020, the Federal Reserve extended the phase-out of LIBOR until June 2023. TEC will continue to monitor the impact this may have on application of the standard.

### 3. Regulatory

Tampa Electric's retail business and PGS are regulated separately by the FPSC. Tampa Electric is also subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets. As a result, Tampa Electric and PGS qualify for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

#### Tampa Electric Base Rates

Tampa Electric's results for 2020, 2019 and 2018 reflect an amended and restated settlement agreement, approved by the FPSC on November 6, 2017, that replaced the previous 2013 base rate settlement agreement and extended it another four years through 2021. The agreement provided for Tampa Electric's allowed regulatory ROE to be a mid-point of 10.25% with a range of plus or minus 1%. The agreement stated that Tampa Electric could not file for additional base rate increases to be effective sooner than December 31, 2021, unless its earned ROE were to fall below 9.25% before that time. If its earned ROE were to rise above 11.25%, any party to the agreement other than Tampa Electric could seek a review of its base rates. Under the agreement, the allowed equity in the capital structure is 54% from investor sources of capital. The amended agreement provides for SoBRAs for TEC's substantial investments in solar generation. Tampa Electric expects to invest approximately \$850 million in these solar projects during the period from 2017 to 2021, of which approximately \$820 million has been invested through December 31, 2020, and is accruing AFUDC during construction. The agreement includes a sharing provision that allows customers to benefit from 75% of any cost savings for projects below \$1,500/kWac.

On December 12, 2017, TEC filed its first petition regarding the SoBRAs along with supporting tariffs demonstrating the cost-effectiveness of the September 1, 2018 tranche representing 145 MW and \$24 million annually in estimated revenue requirements. The FPSC approved the tariffs on the first SoBRA filing on May 8, 2018 and TEC began receiving these revenues in September 2018. On June 29, 2018, TEC filed its second SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2019 tranche representing 260 MW and \$46 million annually in estimated revenue requirements. The FPSC approved the tariffs on the second SoBRA filing on October 29, 2018 and TEC began receiving these revenues in January 2019. On June 28, 2019, TEC filed its third SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2020 tranche representing 149 MW and \$26 million annually in estimated revenue requirements. The FPSC approved the tariffs on this SoBRA filing, including an adjustment to reflect the reduction in the state corporate income tax discussed below, on December 10, 2019 and TEC began receiving these revenues in January 2020. On July 31, 2020, TEC filed its fourth and final SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2021 tranche representing 46 MW and \$8 million annually in estimated revenues. The FPSC approved the tariffs on this SoBRA filing on November 3, 2020 and TEC began receiving these revenues in January 2021.

The true-up filing for SoBRA tranche 1 and 2 revenue requirement estimates that were included in base rates as of September 2018 and January 2019, respectively, was submitted on April 30, 2020, and the FPSC approved the amount on August 18, 2020. The \$5 million true-up was returned to customers in 2020. The true-ups for SoBRA tranches 3 and 4 will be filed in 2021 and 2022, respectively.

The 2017 settlement agreement further contains a provision related to tax reform. See "Tampa Electric Storm Restoration Cost Recovery" below for information regarding the impact of tax reform. An asset optimization provision that allows Tampa Electric to share in the savings for optimization of its system once certain thresholds are achieved is also included. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2022 and that it will make no investments in gas reserves.

On November 13, 2019, as required by the 2017 settlement agreement, TEC filed its petition to reduce base rates and charges to

reflect the impact of the temporary reduction of the state corporate income tax from 5.5% to 4.5%. The tax rate reduction was issued on September 12, 2019 and is effective retroactive from January 1, 2019 through December 31, 2021. The estimated base rate reduction due to customers of \$5 million is subject to true-up, and the actual rate reduction may vary from year to year. The base rate reduction was approved on December 10, 2019 for rates effective January 2020.

On February 1, 2021, Tampa Electric notified the FPSC of its intent to seek a base rate increase, reflecting revenue requirements of approximately \$280 million to \$295 million, effective in January 2022. Tampa Electric's proposed 2022 rates include recovery for the costs of the first phase of the Big Bend modernization project, 225 MW of utility-scale solar projects, the AMI investment, and accelerated recovery of the remaining net book value of retiring assets. Tampa Electric also intends to seek approval for Generation Base Rate Adjustments of \$130 million to recover the costs of the second phase of the Big Bend modernization project and additional utility-scale solar projects in subsequent years. These filing amounts are estimates until Tampa Electric completes its analysis and files the case. Tampa Electric expects to file its detailed case on or after April 2, 2021, and the FPSC is expected to decide the case by the end of the year.

### **Tampa Electric Big Bend Power Station**

Tampa Electric expects to invest approximately \$850 million during 2018 through 2023 to modernize the Big Bend Power Station, of which approximately \$526 million has been invested through December 31, 2020. The Big Bend modernization project will repower Big Bend Unit 1 with natural gas combined-cycle technology and eliminate coal as this unit's fuel. As part of the Big Bend modernization project, on June 1, 2020, Tampa Electric retired the Unit 1 components that will not be used in the modernized plant. At June 1, 2020 and December 31, 2020, Tampa Electric's balance sheet included \$223 million and \$200 million, respectively, in electric utility plant and \$90 million and \$88 million, respectively, in accumulated depreciation related to Unit 1 components. In accordance with Tampa Electric's 2017 settlement agreement approved by the FPSC, Tampa Electric will continue to account for its existing investment in Unit 1 in electric utility plant and depreciate the assets using the current depreciation rates until the FPSC approves Tampa Electric's next depreciation and dismantlement study. In addition, Tampa Electric plans to retire Big Bend Unit 2 in 2021 as part of the Big Bend modernization project. In accordance with Tampa Electric's 2017 settlement agreement, Tampa Electric was not required to request an asset recovery schedule for retired assets until the next depreciation study. On December 30, 2020, Tampa Electric filed a depreciation and dismantlement study and request for capital recovery schedule with the FPSC.

Tampa Electric plans to retire Big Bend Unit 3 in 2023 as it is in the best interest of customers from economic, environmental risk and operational perspectives. Similar to the retirement plan for Unit 1 and Unit 2, Tampa Electric will continue to account for its existing investment in Unit 3 in electric utility plant and depreciate the assets using the current depreciation rates until the FPSC approves a new Tampa Electric depreciation and dismantlement study.

### **Tampa Electric Storm Protection Cost Recovery Clause and Settlement Agreement**

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This new clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. Tampa Electric submitted its storm protection plan with the FPSC on April 10, 2020. On April 27, 2020, Tampa Electric submitted a settlement agreement with the FPSC which specified a \$15 million base rate reduction for SPP program costs previously recovered in base rates beginning January 1, 2021. On June 9, 2020, the FPSC approved this settlement agreement. On August 3, 2020, Tampa Electric submitted another settlement agreement to the FPSC for approval, including cost recovery of approximately \$39 million in proposed storm protection project costs for 2020 and 2021. This cost recovery includes the \$15 million of costs removed from base rates. This settlement agreement was approved on August 10, 2020 and Tampa Electric's cost recovery began in January 2021. The current approved plan will apply for the years 2020, 2021 and 2022, and Tampa Electric will file a new plan in 2022 to determine cost recovery in 2023, 2024, and 2025.

The June 9, 2020 settlement agreement approved by the FPSC disclosed above also included approval of Tampa Electric's petition to eliminate its \$16 million accumulated amortization reserve surplus for intangible software assets through a credit to depreciation and amortization expense in 2020.

### **Tampa Electric Storm Restoration Cost Recovery**

As a result of Tampa Electric's 2013 rate case settlement, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its reserve to \$56 million, the level of the reserve as of October 31, 2013. In the third quarter of 2017, Tampa Electric was impacted by Hurricane Irma and incurred storm restoration costs of approximately \$102 million, of which \$90 million was charged to the storm reserve, \$3 million was charged to O&M expense and \$9 million was charged to capital expenditures. Tampa Electric petitioned the FPSC on December 28, 2017 for recovery of estimated Hurricane Irma storm costs plus approximately \$10 million in restoration costs from prior named storms and to replenish the balance in the reserve to the \$56 million level that existed as of October 31, 2013.

On March 1, 2018, the FPSC approved a settlement agreement filed by Tampa Electric that addressed both the recovery of storm costs and the return of tax reform benefits to customers while keeping customer rates stable in 2018. Beginning on April 1, 2018, the agreement authorized Tampa Electric to net the estimated amount of storm cost recovery against Tampa Electric's estimated 2018 tax reform benefits of \$103 million. As a result, during 2018, Tampa Electric recorded O&M expense and a reduction of the storm reserve regulatory asset of \$47 million and O&M expense and an increase in the storm reserve regulatory liability of \$56 million to reflect effective recovery of the storm costs due to the allowed netting of storm cost recovery with tax reform benefits. On August 20, 2018, the FPSC approved lowering base rates by \$103 million annually beginning on January 1, 2019 as a result of lower tax expense.

On April 9, 2019, Tampa Electric reached a settlement agreement with consumer parties regarding eligible storm costs, which was approved by the FPSC on May 21, 2019. As a result, Tampa Electric refunded \$12 million to customers in January 2020, resulting in minimal impact to the Consolidated Statements of Income.

In 2019, Tampa Electric incurred storm restoration preparation costs for Hurricane Dorian of approximately \$8 million, which was charged to the storm reserve regulatory liability.

### **PGS Base Rates**

PGS's base rates for 2020, 2019 and 2018 were originally established in May 2009. The allowed equity in its capital structure was 54.7% from all investor sources of capital.

On February 7, 2017, the FPSC approved a settlement agreement filed by PGS and the OPC agreeing to new depreciation rates, accelerate the amortization of the regulatory asset associated with environmental remediation costs as described below, include obsolete plastic pipe replacements through the existing cast iron and bare steel replacement rider, and establish an ROE range of 9.25% to 11.75%. The settlement agreement provided that the bottom of the range will remain until the earlier of new base rates established in PGS's next general base rate proceeding or December 31, 2020 and the ROE of 10.75% will continue to be used for the calculation of return on investment for clauses and riders.

As part of the 2017 settlement, PGS and the OPC agreed that at least \$32 million of PGS's regulatory asset associated with the environmental liability for current and future remediation costs related to former MGP sites, to the extent expenses are reasonably and prudently incurred, will be amortized over the period 2016 through 2020. At least \$21 million of that amount will be amortized over a two-year recovery period beginning in 2016. In 2017 and 2016, PGS recorded \$5 million and \$16 million, respectively, of this amortization expense.

In 2018, the FPSC approved a settlement agreement authorizing PGS to accelerate in 2018 the remaining amortization of PGS's regulatory asset associated with the MGP environmental liability up to the \$32 million to net it against the estimated 2018 tax reform benefits. Therefore, PGS recorded amortization expense and a regulatory asset reduction of \$11 million in 2018. In January 2019, PGS reduced its base rates by \$12 million for the impact of tax reform and reduced depreciation rates by \$10 million in accordance with the settlement agreement.

PGS was permitted to initiate a general base rate proceeding during 2020 regardless of its earned ROE at the time, provided the new rates do not become effective before January 1, 2021. On June 8, 2020, PGS filed a petition for an increase in rates and service charges effective January 2021. On November 19, 2020, the FPSC approved a settlement agreement filed by PGS. The settlement agreement allows for an increase in base rates by \$58 million annually effective January 2021, which is a \$34 million increase in revenue and \$24 million increase of revenues previously recovered through the cast iron and bare steel replacement rider. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint. It provides PGS the ability to reverse a total of \$34 million of accumulated depreciation through 2023 and sets new depreciation rates going into effect January 1, 2021 that are consistent with PGS's current overall average depreciation rate. Under the agreement, base rates are frozen from January 1, 2021 to December 31, 2023, unless its earned ROE were to fall below 8.90% before that time with an allowed equity in the capital structure of 54.7% from investor sources of capital. The settlement agreement further addresses tax rate changes. The agreement contains a provision whereby PGS agrees to quantify the future impact of a decrease in tax rates on net operating income through a reduction in base revenues within 120 days of when such tax change becomes law. If on the contrary, tax legislation results in a tax rate increase, PGS can establish a regulatory asset to neutralize the impact of the increase in income tax rate to be addressed in a future proceeding and with recovery beginning no sooner than January 2024.

## Regulatory Assets and Liabilities

Details of the regulatory assets and liabilities are presented in the following table:

### Regulatory Assets and Liabilities

<i>(millions)</i>	<i>December 31, 2020</i>	<i>December 31, 2019</i>
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 90	\$ 74
Cost-recovery clauses <sup>(2)</sup>	38	12
Environmental remediation <sup>(3)</sup>	22	20
Postretirement benefits <sup>(4)</sup>	309	295
Asset retirement obligation <sup>(5)</sup>	13	25
Other	13	11
Total regulatory assets	485	437
Less: Current portion	79	41
Long-term regulatory assets	<u>\$ 406</u>	<u>\$ 396</u>
<b>Regulatory liabilities:</b>		
Regulatory tax liability <sup>(6)</sup>	\$ 691	\$ 699
Cost-recovery clauses <sup>(2)</sup>	23	37
Accumulated reserve—cost of removal <sup>(7)</sup>	498	506
Storm reserve <sup>(8)</sup>	48	48
Other	1	13
Total regulatory liabilities	1,261	1,303
Less: Current portion	67	93
Long-term regulatory liabilities	<u>\$ 1,194</u>	<u>\$ 1,210</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets. The regulatory tax asset balance reflects the impact of the federal tax rate reduction.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This asset is related to costs associated with environmental remediation primarily at MGP sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is based on a settlement agreement approved by the FPSC.
- (4) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (5) This asset is related to costs associated with an asset retirement obligation, which is a legal obligation for the future retirement of certain tangible, long-lived assets. This regulatory asset does not earn a return because it is offset with related assets and liabilities within rate base. It is recovered and removed as the obligation is settled and removed as the activities for the retirement of the related assets have been completed.
- (6) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.
- (7) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.
- (8) See "Tampa Electric Storm Restoration Cost Recovery" discussion above for information regarding this reserve.

#### 4. Income Taxes

##### CARES Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the Act) was signed into law. The Act includes several business provisions including deferral in employer payroll taxes and an employee retention payroll tax credit. On December 27, 2020, the Consolidated Appropriations Act, 2021 (the 2021 Act) was signed into law. The 2021 Act provides for modifications and expansion of the employee retention payroll tax credit enacted under the CARES Act. The 2021 Act also extends the solar ITC for two years. These Acts did not have a material impact to TEC's financial statements.

##### Change in Florida Corporate Income Tax Rate

On September 12, 2019, the state of Florida issued a corporate tax rate reduction from 5.5% to 4.46% effective January 1, 2019 through December 31, 2021. The impact to TEC earnings and revaluation of TEC state deferred income tax balance was not material.

##### Income Tax Expense

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based on a separate return method, modified for the benefits-for-loss allocation in accordance with respective tax sharing agreements of TECO Energy and EUSHI. To the extent that TEC's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

In 2020, 2019 and 2018, TEC recorded net tax provisions of \$82 million, \$77 million and \$81 million, respectively.

Income tax expense consists of the following components:

##### Income Tax Expense (Benefit)

(millions)

For the year ended December 31,

	2020	2019	2018
Current income taxes			
Federal	\$ 35	\$ 56	\$ 72
State	(7)	6	10
Deferred income taxes			
Federal	32	7	(13)
State	29	13	13
Investment tax credits amortization	(7)	(5)	(1)
Total income tax expense	<u>\$ 82</u>	<u>\$ 77</u>	<u>\$ 81</u>

For the three years presented, the overall effective tax rate differs from the U.S. federal statutory rate as presented below:

##### Effective Income Tax Rate

(millions)

For the year ended December 31,

	2020	2019	2018
Income before provision for income taxes	\$ 506	\$ 447	\$ 422
Federal statutory income tax rates	21%	21%	21%
Income taxes, at statutory income tax rate	106	94	89
Increase (decrease) due to			
State income tax, net of federal income tax	17	15	19
Excess deferred tax amortization	(26)	(25)	(24)
ITC amortization	(7)	(5)	(1)
AFUDC-equity	(6)	(2)	(2)
Tax credits	(8)	(1)	(2)
Other	6	1	2
Total income tax expense on consolidated statements of income	<u>\$ 82</u>	<u>\$ 77</u>	<u>\$ 81</u>
Income tax expense as a percent of income before income taxes	16.2%	17.2%	19.2%

## Deferred Income Taxes

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of TEC's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions)

As of December 31,

	2020	2019
<b>Deferred tax liabilities <sup>(1)</sup></b>		
Property related	\$ 1,121	\$ 1,036
Pension and postretirement benefits	116	111
<b>Total deferred tax liabilities</b>	<b>1,237</b>	<b>1,147</b>
<b>Deferred tax assets <sup>(1)</sup></b>		
Loss and credit carryforwards <sup>(2)</sup>	301	243
Medical benefits	27	27
Insurance reserves	16	16
Pension and postretirement benefits	66	63
Capitalized energy conservation assistance costs	18	17
Other	26	23
<b>Total deferred tax assets</b>	<b>454</b>	<b>389</b>
<b>Total deferred tax liability, net</b>	<b>\$ 783</b>	<b>\$ 758</b>

(1) Certain property related assets and liabilities have been netted.

(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of \$9 million.

At December 31, 2020, TEC had cumulative unused federal and Florida NOLs for income tax purposes of \$340 million and \$88 million, respectively, expiring between 2032 and 2037. TEC has unused general business credits of \$242 million expiring between 2027 and 2040, of which \$222 million relate to ITCs expiring between 2034 and 2040. As a result of the Merger with Emera, TEC's NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

## Unrecognized Tax Benefits

TEC accounts for uncertain tax positions as required by U.S. GAAP. This guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Authoritative guidance related to accounting for uncertainty in income taxes requires an enterprise to recognize in its financial statements the best estimate of the impact of a tax position by determining if the weight of the available evidence indicates that it is more likely than not, based solely on the technical merits, that the position will be sustained upon examination, including resolution of any related appeals and litigation processes.

The following table provides details of the change in unrecognized tax benefits as follows:

(millions)

	2020	2019	2018
Balance at January 1,	\$ 9	\$ 8	\$ 8
Decreases due to tax positions related to prior year	(2)	0	0
Increases due to tax positions related to prior year	1	1	0
Increases due to tax positions related to current year	1	0	0
<b>Balance at December 31,</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 8</b>

As of December 31, 2020 and 2019, TEC's uncertain tax positions for federal R&D tax credits were \$9 million, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. TEC's unrecognized federal tax benefits decreased in the fourth quarter of 2020 by approximately \$2 million due to an adjustment related to its 2016 federal R&D credits issue with IRS Appeals. The recognition of these tax benefits decreased the effective tax rate resulting in an income tax benefit of approximately \$2 million. TEC expects to be effectively settled with this issue early 2021. TEC had \$9 million of unrecognized tax benefits at December 31, 2020 and 2019 that, if recognized, would reduce TEC's effective tax rate.

TEC recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2020, 2019 and 2018, TEC did not recognize any pre-tax charges (benefits) for interest. Additionally, TEC did not have any accrued interest or amounts recorded for penalties at December 31, 2020, 2019 and 2018.

The short tax year ending June 30, 2016 is currently under examination by the IRS under its Compliance Assurance Program (CAP). EUSHI's 2016 consolidated federal income tax return, which includes TEC's short tax year ending December 31, 2016, is also currently under examination by the IRS. The U.S. federal statute of limitations remains open for the year 2016 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2005 and forward as a result of TECO Energy's consolidated Florida net operating loss still being utilized.

## **5. Employee Postretirement Benefits**

### **Pension Benefits**

TEC is a participant in the comprehensive retirement plans of TECO Energy, including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Benefits are based on the employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy retirement plans.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations of the Restoration Plan. The SERP is a non-qualified, non-contributory defined benefit retirement plan available to certain members of senior management. The Restoration Plan is a non-qualified, non-contributory defined benefit retirement plan that allows certain members of senior management to receive contributions as if no IRS limits were in place.

Effective October 21, 2019, the defined benefit retirement plan was amended to freeze further crediting of service and earnings for certain participants covered by the International Brotherhood of Electrical Workers (the IBEW) collective bargaining agreement. As of December 31, 2019, 24% of TEC's employees were represented by the IBEW. As a result, a curtailment and a remeasurement of the plan occurred in the fourth quarter of 2019. See curtailment-related line items in tables below.

As the result of a reorganization of shared services functions, certain employees and their associated pension benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to pension benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2020 and 2019 are reflective of this transfer.

### **Other Postretirement Benefits**

TECO Energy and its subsidiaries currently provide certain postretirement health care and life insurance benefits (other benefits) for most employees retiring after age 50 meeting certain service requirements. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Energy reserves the right to terminate or modify the plans in whole or in part at any time.

As the result of a reorganization of shared services functions, certain employees and their associated other postretirement benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to other postretirement benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2020 and 2019 are reflective of this transfer.

### **Obligations and Funded Status**

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in

the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in benefit liabilities and regulatory assets. The results of operations are not impacted.

The following table provides a detail of the change in TECO Energy's benefit obligations and change in plan assets for combined pension plans (pension benefits) and TECO Energy's Florida-based other postretirement benefit plan (other benefits).

TECO Energy Obligations and Funded Status (millions)	Pension Benefits		Other Benefits <sup>(2)</sup>	
	2020	2019	2020	2019
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$ 843	\$ 750	\$ 180	\$ 173
Service cost	20	20	2	1
Interest cost	26	31	6	7
Plan participants' contributions	0	0	4	4
Plan curtailment	0	(10)	0	0
Plan settlement	0	(5)	0	0
Benefits paid	(54)	(49)	(17)	(14)
Actuarial loss	84	106	37	9
Benefit obligation at end of year	<u>\$ 919</u>	<u>\$ 843</u>	<u>\$ 212</u>	<u>\$ 180</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	\$ 796	\$ 659	\$ 0	\$ 0
Actual return on plan assets	142	165	0	0
Employer contributions	19	20	0	0
Employer direct benefit payments	1	6	13	10
Plan participants' contributions	0	0	4	4
Plan settlement	0	(5)	0	0
Benefits paid	(54)	(48)	0	0
Direct benefit payments	(1)	(1)	(17)	(14)
Fair value of plan assets at end of year <sup>(1)</sup>	<u>\$ 903</u>	<u>\$ 796</u>	<u>\$ 0</u>	<u>\$ 0</u>

(1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. MRV reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.

(2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

Gains in the benefit obligation for the year ended December 31, 2020 relate to decreases in the discount rate used to calculate the benefit obligation, the incorporation of new census data as of January 1, 2020 and the updating of the withdrawal, retirement rate and form of payment assumptions as the result of an experience study performed during the year. In addition, participation and persistency assumptions were updated for the other postretirement benefit plan.

At December 31, the aggregate financial position for TECO Energy pension plans and Florida-based other postretirement plans with projected benefit obligations and accumulated projected benefit obligations in excess of plan assets was as follows:

TECO Energy Funded Status (millions)	Pension Benefits		Other Benefits <sup>(1)</sup>	
	2020	2019	2020	2019
Benefit obligation (PBO/APBO)	\$ 919	\$ 843	\$ 212	\$ 180
Less: Fair value of plan assets	903	796	0	0
Funded status at end of year	<u>\$ (16)</u>	<u>\$ (47)</u>	<u>\$ (212)</u>	<u>\$ (180)</u>

(1) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was \$876 million at December 31, 2020 and \$801 million at December 31, 2019.

The amounts recognized in TEC's Consolidated Balance Sheets for pension and other postretirement benefit obligations and plan assets at December 31 were as follows:

TEC Amounts recognized in balance sheet (millions)	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Accrued benefit costs and other current liabilities	\$ (1)	\$ (1)	\$ (12)	\$ (11)
Deferred credits and other liabilities	(15)	(42)	(186)	(156)
	<u>\$ (16)</u>	<u>\$ (43)</u>	<u>\$ (198)</u>	<u>\$ (167)</u>

Unrecognized gains and losses and prior service credits and costs are recorded in regulatory assets for TEC. The following table provides a detail of the unrecognized gains and losses and prior service credits and costs.

TEC Amounts recognized in regulatory assets (millions)	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Net actuarial loss (gain)	\$ 221	\$ 244	\$ 88	\$ 51
Amount recognized	<u>\$ 221</u>	<u>\$ 244</u>	<u>\$ 88</u>	<u>\$ 51</u>

#### Assumptions used to determine benefit obligations at December 31:

	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Discount rate	2.37%	3.21%	2.47%	3.32%
Rate of compensation increase	3.07%	3.79%	3.07%	3.79%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	5.74%	6.03%
Ultimate rate	n/a	n/a	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	2038	2038

The discount rate assumption used to determine the December 31, 2020 and 2019 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

#### Amounts recognized in Net Periodic Benefit Cost, OCI and Regulatory Assets

TECO Energy (millions)	Pension Benefits			Other Benefits <sup>(1)</sup>		
	2020	2019	2018	2020	2019	2018
Service cost	\$ 20	\$ 20	\$ 21	\$ 2	\$ 1	\$ 2
Interest cost	26	31	29	6	7	7
Expected return on plan assets	(50)	(51)	(49)	0	0	0
Amortization of:						
Actuarial loss	20	16	19	1	1	1
Prior service (benefit) cost	0	0	0	(3)	(2)	(2)
Settlement loss	0	1 <sup>(3)</sup>	2 <sup>(2)</sup>	0	0	0
Net periodic benefit cost	<u>\$ 16</u>	<u>\$ 17</u>	<u>\$ 22</u>	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 8</u>

Net loss (gain) arising during the year (includes curtailment gain)	\$ (8)	\$ (17)	\$ 62	\$ 38	\$ 9	\$ (14)
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service (benefit) cost	0	0	0	2	2	2
Amortization or settlement of actuarial loss	(20)	(17)	(20)	(1)	(1)	(1)
Total recognized in OCI and regulatory assets	<u>\$ (28)</u>	<u>\$ (34)</u>	<u>\$ 42</u>	<u>\$ 39</u>	<u>\$ 10</u>	<u>\$ (13)</u>
<b>Total recognized in net periodic benefit cost, OCI and regulatory assets</b>	<u>\$ (12)</u>	<u>\$ (17)</u>	<u>\$ 64</u>	<u>\$ 45</u>	<u>\$ 17</u>	<u>\$ (5)</u>

- (1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan
- (2) Represents TECO Energy's SERP settlement charge as a result of retirements that occurred subsequent to the Merger with Emera. The charge did not impact TEC's financial statements.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

TEC's portion of the net periodic benefit costs for pension benefits was \$12 million, \$12 million and \$16 million for 2020, 2019 and 2018, respectively. TEC's portion of the net periodic benefit costs for other benefits was \$7 million, \$7 million and \$8 million for 2020, 2019 and 2018, respectively. TEC's portion of net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations & maintenance".

TEC recognized a settlement charge of \$1 million in 2018 relating to the retirement of an executive in the SERP plan. TEC recognized a settlement charge of approximately \$1 million in 2019 related to the retirement of a SERP participant. TEC recognized settlement charges of approximately \$1 million in 2019 related to the retirement of Restoration plan participants.

#### Assumptions used to determine net periodic benefit cost for years ended December 31:

	Pension Benefits			Other Benefits		
	2020	2019	2018	2020	2019	2018
Discount rate	3.21%	4.33%	3.62%	3.32%	4.38%	3.70%
Expected long-term return on plan assets	7.00%	7.35%/7.00% <sup>(1)</sup>	6.85%	n/a	n/a	n/a
Rate of compensation increase	3.79%	3.75%	3.32%	3.79%	3.75%	3.31%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	6.03%	6.31%	6.58%
Ultimate rate	n/a	n/a	n/a	4.50%	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	n/a	2038	2038	2038

- (1) The expected return on assets was 7.35% as of January 1, 2019 and 7.00% as of October 31, 2019 when a plan remeasurement occurred as a result of a plan curtailment.

The discount rate assumption used to determine the benefit cost for 2020, 2019 and 2018 was based on the same technique that was used to determine the December 31, 2020 and 2019 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2020, TECO Energy's pension plan's actual earned returns were approximately 19%.

The compensation increase assumption was based on the same underlying expectation of long-term inflation together with assumptions regarding real growth in wages and company-specific merit and promotion increases.

**Pension Plan Assets**

Pension plan assets (plan assets) are invested in a mix of equity and fixed income securities. TECO Energy’s investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Energy’s strategy is to hire proven managers and allocate assets to reflect a mix of investment styles, emphasize preservation of principal to minimize the impact of declining markets, and stay fully invested except for cash to meet benefit payment obligations and plan expenses.

**TECO Energy**

Asset Category	2020	2019	<u>Actual Allocation, End of Year</u>	
	<u>Target Allocation</u>	<u>Target Allocation</u>	2020	2019
Equity securities	50%-70%	57%-63%	60%	58%
Fixed income securities	30%-50%	37%-43%	40%	42%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

TECO Energy reviews the plan’s asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan’s expected benefit obligations, and minimize pension cost and funding. TECO Energy expects to take additional steps to more closely match plan assets with plan liabilities over the long term.

The plan’s investments are held by a trust fund administered by The Bank of New York Mellon. Investments are valued using quoted market prices on an exchange when available. Such investments are classified Level 1. In some cases where a market exchange price is available but the investments are traded in a secondary market, acceptable practical expedients are used to calculate fair value.

If observable transactions and other market data are not available, fair value is based upon third-party developed models that use, when available, current market-based or independently-sourced market parameters such as interest rates, currency rates or option volatilities. Items valued using third-party generated models are classified according to the lowest level input or value driver that is most significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are readily observable.

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government

agencies, the income approach was used. For other investments, the market approach was used. The following table sets forth by level within the fair value hierarchy the plan's investments.

**Pension Plan Investments**

**TECO Energy**

**At Fair Value as of December 31, 2020**

(millions)

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ 9	\$ 0	\$ 0	\$ 0	\$ 9
Accounts receivable	10	0	0	0	10
Accounts payable	(88)	0	0	0	(88)
Short-term investment funds (STIFs)	35	0	0	0	35
Common stocks	66	0	0	0	66
Real estate investment trusts (REITs)	8	0	0	0	8
Mutual funds	69	0	0	0	69
Municipal bonds	0	1	0	0	1
Government bonds	0	90	0	0	90
Corporate bonds	0	79	0	0	79
Mortgage backed securities (MBS)	0	1	0	0	1
Collateralized mortgage obligations (CMOs)	0	1	0	0	1
Short Sales	0	(4)	0	0	(4)
Long Futures	(2)	0	0	0	(2)
Swaps	0	1	0	0	1
<b>Investments not utilizing the practical expedient</b>	107	169	0	0	276
Common and collective trusts <sup>(1)</sup>	0	0	0	553	553
Mutual fund <sup>(1)</sup>	0	0	0	74	74
<b>Total investments</b>	<u>\$ 107</u>	<u>\$ 169</u>	<u>\$ 0</u>	<u>\$ 627</u>	<u>\$ 903</u>

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the Consolidated Balance Sheet of TECO Energy.

**TECO Energy**

**At Fair Value as of December 31, 2019**

(millions)

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ 7	\$ 0	\$ 0	\$ 0	\$ 7
Accounts receivable	27	0	0	0	27
Accounts payable	(64)	0	0	0	(64)
Cash collateral	1	0	0	0	1
Short-term investment funds (STIFs)	22	0	0	0	22
Common stocks	50	0	0	0	50
Real estate investment trusts (REITs)	4	0	0	0	4
Mutual funds	153	0	0	0	153
Municipal bonds	0	1	0	0	1
Government bonds	0	51	0	0	51
Corporate bonds	0	70	0	0	70
Mortgage backed securities (MBS)	0	5	0	0	5
Collateralized mortgage obligations (CMOs)	0	2	0	0	2
Long Futures	(4)	0	0	0	(4)
Swaps	0	1	0	0	1
<b>Investments not utilizing the practical expedient</b>	196	130	0	0	326
Common and collective trusts <sup>(1)</sup>	0	0	0	412	412
Mutual fund <sup>(1)</sup>	0	0	0	58	58
<b>Total investments</b>	<u>\$ 196</u>	<u>\$ 130</u>	<u>\$ 0</u>	<u>\$ 470</u>	<u>\$ 796</u>

- (1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the Consolidated Balance Sheet of TECO Energy.

The following list details the pricing inputs and methodologies used to value the investments in the pension plan:

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks and REITs are closing quoted prices in active markets.
- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore Level 1 assets.
- The primary pricing inputs in determining the fair value of Municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of Government bonds are the U.S. treasury curve, CPI, and broker quotes, if available. The primary pricing inputs in determining the fair value of Corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. CMOs are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. MBS are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- Swaps are valued using benchmark yields, swap curves, and cash flow analyses.
- Options are valued using the bid-ask spread and the last price.
- The primary pricing input in determining the fair value of the mutual fund utilizing the practical expedient is its NAV. It is an unregistered open-end mutual fund. The fund holds primarily corporate bonds, debt securities and other similar instruments issued by U.S. and non-U.S. public- or private-sector entities. The fund may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security has not yet been issued in the market, although it is authorized. A commitment is made regarding these transactions to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since this mutual fund is an open-end mutual fund and the prices are not published to an external source, it uses NAV as a practical expedient. The redemption frequency is daily. The redemption notice period is the same day. There were no unfunded commitments as of December 31, 2020.
- The common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2020.
- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$10 million and \$10 million of assets as of December 31, 2020 and 2019, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2020 and 2019.

#### **Other Postretirement Benefit Plan Assets**

There are no assets associated with TECO Energy's Florida-based other postretirement benefits plan.

#### **Contributions**

The qualified pension plan's actuarial value of assets, including credit balance, was 111.66% of the Pension Protection Act funded target as of January 1, 2020 and is estimated at 109.67% of the Pension Protection Act funded target as of January 1, 2021.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions and minimize PBGC premiums paid by the plan. TEC's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC's portion is based on TEC's proportion of the TECO Energy unfunded liability. TECO Energy made contributions to this plan in 2020, 2019 and 2018, which met the minimum funding requirements for 2020, 2019 and 2018. TEC's portion of the contribution in 2020 was \$16 million and in 2019 was \$15 million. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. TEC estimates its portion of

the 2021 contribution to be \$17 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC's portion of the contributions to the SERP in 2020, 2019 and 2018 was zero. Since the SERP is fully funded, TECO Energy does not expect to make significant contributions to this plan in 2021. TEC made SERP payments of approximately \$1 million and \$5 million from the trust in 2020 and 2019, respectively, and expects to make a SERP payment of approximately \$1 million from the trust in 2021.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy's contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy's contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2021, TEC expects to make a contribution of about \$12 million. Postretirement benefit levels are substantially unrelated to salary.

## Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

### Expected Benefit Payments

TECO Energy (including projected service and net of employee contributions)	Pension Benefits	Other Postretirement Benefits
<i>(millions)</i>		
2021	\$ 58	\$ 13
2022	66	13
2023	62	13
2024	64	13
2025	66	13
2026-2030	331	61

### Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match 75% of the first 6% of the participant's payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2020, 2019 and 2018, TEC's portion of expense totaled \$21 million, \$11 million and \$11 million, respectively, related to the matching contributions made to this plan. TEC's portion of the expense related to the matching contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member's compensation for that period based on years of tenure of employment. For the years ended December 31, 2020 and 2019, TEC recognized expense totaling \$9 million and \$1 million, respectively, related to the contributions made to this plan. TEC's portion of the expense related to this contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

### COVID-19

The COVID-19 pandemic could impact key actuarial assumptions used to account for employee postretirement benefits including the anticipated rates of return on plan assets and discount rates used in determining the accrued benefit obligation, benefit costs and annual pension funding requirements. The extent of the future impact of the COVID-19 pandemic on TEC's financial results and business operations cannot be predicted at this time and will depend on future developments, including the duration and severity of the pandemic, further potential government actions, future economic activity and energy usage. Actual results may differ significantly from these estimates.

## 6. Short-Term Debt

### Credit Facilities

(millions)	December 31, 2020			December 31, 2019		
	Credit Facilities	Borrowings Outstanding <sup>(1)</sup>	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding <sup>(1)</sup>	Letters of Credit Outstanding
5-year facility <sup>(2)</sup>	\$ 800	\$ 345	\$ 1	\$ 400	\$ 295	\$ 1
3-year accounts receivable facility <sup>(3)</sup>	150	130	0	150	53	0
1-year term facility <sup>(4)</sup>	300	300	0	0	0	0
<b>Total</b>	<b>\$ 1,250</b>	<b>\$ 775</b>	<b>\$ 1</b>	<b>\$ 550</b>	<b>\$ 348</b>	<b>\$ 1</b>

- (1) Borrowings outstanding are reported as notes payable.
- (2) This 5-year facility matures March 22, 2023.
- (3) This 3-year facility matures March 22, 2021.
- (4) This 1-year term facility matures on April 29, 2021.

At December 31, 2020, these credit facilities required commitment fees ranging from 12.5 to 35.0 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities at December 31, 2020 and 2019 was 0.89% and 2.56%, respectively.

#### *Tampa Electric Company Non-Revolver Term Loan*

On February 6, 2020, TEC entered into a 364-day, \$300 million credit agreement with a group of banks. The credit agreement had a maturity date of February 4, 2021; contains customary representations and warranties, events of default, and financial and other covenants; and provides for interest to accrue at variable rates based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin. On January 29, 2021, TEC extended the maturity date of the agreement to April 29, 2021.

#### *Tampa Electric Company Accounts Receivable Facility*

On March 23, 2018, TEC amended its \$150 million accounts receivable collateralized borrowing facility in order to extend the scheduled termination date to March 22, 2021, by entering into a Second Amended Loan and Servicing Agreement, among TEC, certain lenders and the program agent (the Loan Agreement). Throughout the term of the facility, TEC will pay program and liquidity fees, which total 70 basis points at December 31, 2020. Interest rates on the borrowings are based on prevailing asset-backed commercial paper rates, unless such rates are not available from conduit lenders, in which case the rates will be at an interest rate equal to either The Bank of Tokyo-Mitsubishi UFJ, Ltd.'s prime rate, the federal funds rate, or the London interbank deposit rate, plus a margin. In the case of default, as defined under the terms of the Loan Agreement, TEC has pledged as collateral a pool of receivables equal to the borrowings outstanding. TEC continues to service, administer and collect the pledged receivables, which are classified as receivables on the balance sheet. On July 14, 2020 and October 30, 2020, TEC amended the agreement in order to change performance ratios. As of December 31, 2020, TEC was in compliance with the requirements of the Loan Agreement.

#### *Tampa Electric Company 5-Year Credit Facility*

On March 22, 2017, TEC amended its \$325 million bank credit facility, entering into a Fifth Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from December 17, 2018 to March 22, 2022 (subject to further extension with the consent of each lender); provides for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin. On December 19, 2019, TEC increased the amount by \$75 million to \$400 million with no other changes from the prior agreement.

On December 18, 2020, TEC amended and restated its bank credit facility, entering into a Sixth Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from March 22, 2022 to March 22, 2023 (subject to further extension with the consent of each lender); increased the amount of the commitment by the lenders to \$800 million; and provided for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate; includes a \$80 million letter of credit facility; and made other technical changes.

## 7. Long-Term Debt

A substantial part of Tampa Electric's tangible assets are pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric's first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time.

### *Tampa Electric Company 3.625% Notes due 2050*

On July 24, 2019, TEC completed a sale of \$300 million aggregate principal amount of 3.625% unsecured notes due June 15, 2050. Until December 15, 2049, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2049, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to but excluding the date of redemption.

### *Tampa Electric Company 4.45% Notes due 2049*

On October 4, 2018, TEC completed a sale of \$375 million aggregate principal amount of 4.45% unsecured notes due June 15, 2049. Until December 15, 2048, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2048, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

### *Tampa Electric Company 4.3% Notes due 2048*

On June 7, 2018, TEC completed a sale of \$350 million aggregate principal amount of 4.3% unsecured notes due June 15, 2048. Until December 15, 2047, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2047, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

## 8. Commitments and Contingencies

### Legal Contingencies

From time to time, TEC and its subsidiaries are involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

### Superfund and Former Manufactured Gas Plant Sites

TEC, through its Tampa Electric and PGS divisions, is a PRP for certain superfund sites and, through its PGS division, for certain former MGP sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2020 and 2019, TEC has estimated its ultimate financial liability to be \$17 million and \$21 million, respectively, primarily at PGS. This amount has been accrued and is primarily reflected in the long-term liability section under "Deferred credits and other liabilities" on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

The estimated amounts represent only the portion of the cleanup costs attributable to TEC. The estimates to perform the work are based on TEC's experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are creditworthy and are likely to continue to be creditworthy for the duration of the remediation work. However, in those instances that they are not, TEC could be liable for more than TEC's actual percentage of the remediation costs.

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from

the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

### Long-Term Commitments

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects, such as Tampa Electric's solar projects (see **Note 3**) and the modernization of the Big Bend power station, and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under minimum lease payments with non-cancelable lease terms in excess of one year and other net purchase obligations/commitments at December 31, 2020:

<i>(millions)</i>	<i>Purchased Power</i>	<i>Transportation<sup>(1)</sup></i>	<i>Capital Projects</i>	<i>Fuel and Gas Supply</i>	<i>Long-term Service Agreements</i>	<i>Operating Leases</i>	<i>Demand Side Management</i>	<i>Total</i>
<i>Year ended December 31:</i>								
2021	\$ 10	\$ 232	\$ 237	\$ 238	\$ 11	\$ 3	\$ 4	\$ 735
2022	0	232	76	41	13	3	3	368
2023	0	213	60	1	16	3	0	293
2024	0	207	0	0	16	3	0	226
2025	0	189	0	0	17	2	0	208
Thereafter	0	1,998	0	0	54	48	0	2,100
<b>Total future minimum payments</b>	<b>\$ 10</b>	<b>\$ 3,071</b>	<b>\$ 373</b>	<b>\$ 280</b>	<b>\$ 127</b>	<b>\$ 62</b>	<b>\$ 7</b>	<b>\$ 3,930</b>

(1) As of December 31, 2020, \$117 million is related to a gas transportation contract through 2040 between PGS and SeaCoast, a related party.

### Financial Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2020 and 2019, TEC was in compliance with all required financial covenants.

## 9. Revenue

The following disaggregates TEC's revenue by major source:

(millions)	Tampa Electric	PGS	Eliminations	Tampa Electric Company
<i>For the year ended December 31, 2020</i>				
<b>Electric revenue</b>				
Residential	\$ 1,018	\$ 0	\$ 0	\$ 1,018
Commercial	506	0	0	506
Industrial	133	0	0	133
Regulatory deferrals and unbilled revenue	(25)	0	0	(25)
Other <sup>(1)</sup>	217	0	(4)	213
Total electric revenue	1,849	0	(4)	1,845
<b>Gas revenue</b>				
Residential	0	158	0	158
Commercial	0	135	0	135
Industrial <sup>(2)</sup>	0	23	0	23
Other <sup>(3)</sup>	0	117	(6)	111
Total gas revenue	0	433	(6)	427
<b>Total revenue</b>	<u>\$ 1,849</u>	<u>\$ 433</u>	<u>\$ (10)</u>	<u>\$ 2,272</u>
<i>For the year ended December 31, 2019</i>				
<b>Electric revenue</b>				
Residential	\$ 1,046	\$ 0	\$ 0	\$ 1,046
Commercial	562	0	0	562
Industrial	156	0	0	156
Regulatory deferrals and unbilled revenue	(49)	0	0	(49)
Other <sup>(1)</sup>	250	0	(4)	246
Total electric revenue	1,965	0	(4)	1,961
<b>Gas revenue</b>				
Residential	0	154	0	154
Commercial	0	146	0	146
Industrial <sup>(2)</sup>	0	21	0	21
Other <sup>(3)</sup>	0	140	(18)	122
Total gas revenue	0	461	(18)	443
<b>Total revenue</b>	<u>\$ 1,965</u>	<u>\$ 461</u>	<u>\$ (22)</u>	<u>\$ 2,404</u>
<i>For the year ended December 31, 2018</i>				
<b>Electric revenue</b>				
Residential	\$ 1,067	\$ 0	\$ 0	\$ 1,067
Commercial	582	0	0	582
Industrial	161	0	0	161
Regulatory deferrals and unbilled revenue	(2)	0	0	(2)
Other <sup>(1)</sup>	258	0	(3)	255
Total electric revenue	2,066	0	(3)	2,063
<b>Gas revenue</b>				
Residential	0	157	0	157
Commercial	0	151	0	151
Industrial <sup>(2)</sup>	0	21	0	21
Other <sup>(3)</sup>	0	159	(27)	132
Total gas revenue	0	488	(27)	461
<b>Total revenue</b>	<u>\$ 2,066</u>	<u>\$ 488</u>	<u>\$ (30)</u>	<u>\$ 2,524</u>

(1) Other includes sales to public authorities, off-system sales to other utilities and various other items.

(2) Industrial includes sales to power generation customers.

(3) Other includes off-system sales to other utilities and various other items.

### Remaining Performance Obligations

Remaining performance obligations primarily represent lighting contracts and gas transportation contracts with fixed contract terms. As of December 31, 2020 and 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$135 million and \$140 million, respectively. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2033.

## 10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

### Net transactions with affiliates:

<i>(millions)</i>	2020	2019	2018
Natural gas sales to/(from) affiliates	\$ (139)	\$ (111)	\$ (38)
Services received from affiliates	6	65	65
Dividends to TECO Energy	408	373	362
Equity contributions from TECO Energy	505	395	345

In 2019 and 2018, services received from affiliates primarily included shared services provided to TEC from TSI, TECO Energy's centralized services company subsidiary. In December 2019, most TSI employees were transferred to Tampa Electric. The transfer of these employees to Tampa Electric did not materially impact shared service costs or the TEC Consolidated Statement of Income. In 2020, the shared service costs were not recorded through TSI but rather directly recorded in TEC's O&M expenses on the TEC Consolidated Statement of Income.

### Amounts due from or to affiliates at December 31,

<i>(millions)</i>	2020	2019
Accounts receivable related to asset management agreements to Emera Energy Services Inc. <sup>(1)</sup>	\$ 4	\$ 4
Accounts receivable excluding asset management agreements <sup>(1)</sup>	7	10
Accounts payable <sup>(1)</sup>	27	16
Taxes payable <sup>(2)</sup>	19	4

(1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.

(2) Taxes payable were due to EUSHI. See **Note 4** for additional information.

## 11. Segment Information

Segments are determined based on how management evaluates, measures and makes decisions with respect to the operations of the entity. Management reports segments based on each segment's contribution of revenues, net income and total assets as required by the accounting guidance for disclosures about segments of an enterprise and related information. All significant intercompany transactions are eliminated in the Consolidated Financial Statements of TEC but are included in determining reportable segments.

TEC is a public utility operating within the State of Florida and has two segments, Tampa Electric and PGS. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 792,500 customers in West Central Florida. Its PGS division is engaged in the purchase, distribution and marketing of natural gas for approximately 426,000 residential, commercial, industrial and electric power generation customers in the State of Florida.

<i>(millions)</i>	Tampa Electric	PGS	Eliminations	TEC
<b>2020</b>				
Revenues - external	\$ 1,845	\$ 427	\$ 0	\$ 2,272
Sales to affiliates	4	6	(10)	0
Total revenues	1,849	433	(10)	2,272
Depreciation and amortization	339	45	0	384
Total interest charges	113	17	0	130
Provision for income taxes	66	16	0	82
Net income	372	52	0	424
Total assets	9,800	1,901	(653) <sup>(1)</sup>	11,048
Capital expenditures	1,028	333	0	1,361
<b>2019</b>				
Revenues - external	\$ 1,961	\$ 443	\$ 0	\$ 2,404
Sales to affiliates	4	18	(22)	0
Total revenues	1,965	461	(22)	2,404
Depreciation and amortization	336	41	0	377
Total interest charges	117	17	0	134
Provision for income taxes	59	18	0	77
Net income	316	54	0	370
Total assets	9,007	1,593	(593) <sup>(1)</sup>	10,007
Capital expenditures	1,055	228	0	1,283
<b>2018</b>				
Revenues - external	\$ 2,063	\$ 461	\$ 0	\$ 2,524
Sales to affiliates	3	27	(30)	0
Total revenues	2,066	488	(30)	2,524
Depreciation and amortization	312	60	0	372
Total interest charges	102	16	0	118
Provision for income taxes	65	16	0	81
Net income	294	47	0	341
Total assets	8,235	1,407	(487) <sup>(1)</sup>	9,155
Capital expenditures	940	169	0	1,109

(1) Amounts relate to consolidated deferred tax reclassifications. Deferred tax assets are reclassified and netted with deferred tax liabilities upon consolidation.

## 12. Asset Retirement Obligations

TEC accounts for AROs at fair value at inception of the obligation if there is a legal obligation under applicable law, a written or oral contract, or by legal construction under the doctrine of promissory estoppel. Retirement obligations are recognized only if the legal obligation exists in connection with or as a result of the permanent retirement, abandonment or sale of a long-lived asset. When the liability is initially recorded in "Deferred credits and other liabilities" in the Consolidated Balance Sheets, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its estimated future value. The corresponding amount capitalized at inception is depreciated over the remaining useful life of the asset. The ARO estimates are reviewed quarterly. Any updates are revalued based on current market prices.

### Reconciliation of beginning and ending carrying amount of asset retirement obligations:

<i>(millions)</i>	<i>December 31,</i>	
	2020	2019
Beginning balance	\$ 49	\$ 64
Additional liabilities	8	0
Liabilities settled <sup>(1)</sup>	(19)	(18)
Other <sup>(2)</sup>	1	3
Ending balance	\$ 39	\$ 49

- (1) Tampa Electric produces ash and other by-products, collectively known as CCRs, at its Big Bend and Polk power stations. The decreases in the ARO in 2020 and 2019 are due to the closure of CCR management facilities.
- (2) Includes accretion recorded as a deferred regulatory asset.

### 13. Leases

TEC determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease ROU assets and operating lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term at commencement date. As most of TEC's leases do not provide an implicit rate, the incremental borrowing rate at commencement of the lease is used in determining the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term and is recorded as "Operations and maintenance expenses" on the Consolidated Statements of Income.

Where TEC is the lessor, a lease is a sales-type lease if certain criteria is met and the arrangement transfers control of the underlying asset to the lessee. For arrangements where the criteria are met due to the presence of a third-party residual value guarantee, the lease is a direct financing lease.

For direct finance leases, a net investment in the lease is recorded that consists of the sum of the minimum lease payments and residual value (net of estimated executory costs and unearned income). The difference between the gross investment and the cost of the leased item is recorded as unearned income at the inception of the lease. Unearned income is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease.

TEC has certain contractual agreements that include lease and non-lease components, which management has elected to account for as a single lease component for all leases in which TEC is the lessee.

#### *Lessee*

TEC has operating leases for buildings, land, telecommunication services and rail cars. TEC's leases have remaining lease terms of 1 year to 65 years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

<i>(millions)</i>	<i>Classification</i>	<i>December 31, 2020</i>	<i>December 31, 2019</i>
Right-of-use asset	Other deferred debits	\$ 26	\$ 28
<b>Lease liabilities</b>			
Current	Other current liabilities	\$ 2	\$ 2
Long-term	Deferred credits and other liabilities	25	27
Total lease liabilities		<u>\$ 27</u>	<u>\$ 29</u>

TEC has recorded operating lease expense for the year ended December 31, 2020 and 2019 of \$4 million and \$4 million, respectively.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2020:

<i>(millions)</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>Thereafter</i>	<i>Total</i>
Year ended December 31:							
Minimum lease payments	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 48	\$ 62
Less imputed interest							(35)
Total future minimum payments							<u>\$ 27</u>

Additional information related to TEC's leases is as follows:

<i>Year ended December 31,</i>	<u>2020</u>	<u>2019</u>
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows for operating leases (millions)	\$ 5	\$ 3
<b>Right-of-use assets obtained in exchange for lease obligations:</b>		
Operating leases (millions)	\$ 0	\$ 11
Weighted average remaining lease term (years)	43	43
Weighted average discount rate - operating leases	4.3%	4.3%

### **Lessor**

TEC leases CNG stations to other companies, which are classified as direct finance leases. The net investment in direct finance leases consists of the following:

<i>(millions)</i>	<i>December 31,</i> <u>2020</u>	<i>December 31,</i> <u>2019</u>
Total minimum lease payments to be received	\$ 31	\$ 33
Less amounts representing estimated executory costs	(12)	(13)
Minimum lease payments receivable	\$ 19	\$ 20
Less unearned finance lease income	(10)	(11)
Net investment in direct finance and sales-type leases	\$ 9	\$ 9
Principal due within one year (included in "Receivables")	(2)	(2)
Net investment in direct finance and sales-type leases - long-term (included in "Other deferred debits")	<u>\$ 7</u>	<u>\$ 7</u>

The unearned income related to these direct finance leases is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease and is recorded as "Gas revenues" on the Consolidated Statements of Income. Customers have the option to purchase the assets related to the CNG stations at any time after year five of the agreements, which is in 2021, by paying a make-whole payment at the date of the purchase based on a targeted internal rate of return. Alternatively, the customer may take possession of the CNG station asset at the end of the lease term for no cost.

As of December 31, 2020, future minimum direct finance lease payments to be received for each of the next five years and in aggregate thereafter consisted of the following:

<i>(millions)</i>							
<i>Year ended December 31:</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>	<u>Total</u>
Minimum lease payments to be received	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 21	\$ 31
Less executory costs							(12)
Total minimum lease payments receivable							<u>\$ 19</u>

## **14. Accounting for Derivative Instruments and Hedging Activities**

From time to time, TEC enters into futures, forwards, swaps and option contracts for the following purposes:

- To limit the exposure to price fluctuations for physical purchases and sales of natural gas in the course of normal operations, and
- To optimize the utilization of Tampa Electric's physical natural gas storage capacity and PGS's firm transportation capacity on interstate pipelines.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. TEC's primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers and to optimize the utilization of its physical natural gas storage capacity and firm transportation capacity on interstate pipelines.

The risk management policies adopted by TEC provide a framework through which management monitors various risk exposures. Daily and periodic reporting of positions and other relevant metrics are performed by a centralized risk management group, which is independent of all operating companies.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which included a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022 (see **Note 3**). TEC was hedging its exposure to the variability in future cash flows until November 30, 2018 for financial natural gas contracts. TEC had zero and \$1 million of derivative liabilities related to natural gas storage optimization as of December 31, 2020 and 2019, respectively, and zero derivative assets on its Consolidated Balance Sheets as of December 31, 2020 and 2019.

TEC applies the accounting standards for derivative instruments and hedging activities. These standards require companies to recognize derivatives as either assets or liabilities in the financial statements and to measure those instruments at fair value. TEC also applies the accounting standards for regulated operations to financial instruments used to hedge the purchase of natural gas and optimize natural gas storage capacity for its regulated companies. These standards, in accordance with the FPSC, permit the changes in fair value of natural gas derivatives to be recorded as regulatory assets or liabilities reflecting the impact of these activities on the fuel recovery clause. As a result, these changes are not recorded in OCI or net income (see **Note 3**).

TEC's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC's business needs. As of December 31, 2020, all of TEC's physical contracts qualified for the NPNS exception, which was elected.

TEC is exposed to credit risk by entering into derivative instruments with counterparties to limit its exposure to the commodity price fluctuations associated with natural gas and to optimize the value of natural gas storage capacity. Credit risk is the potential loss resulting from a counterparty's nonperformance under an agreement. TEC manages credit risk with policies and procedures for, among other things, counterparty analysis, exposure measurement and exposure monitoring and mitigation.

It is possible that volatility in commodity prices could cause TEC to have material credit risk exposures with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, TEC could suffer a material financial loss. However, as of December 31, 2020, substantially all of the counterparties with transaction amounts outstanding in TEC's derivative positions were either rated investment grade by the major rating agencies or held with affiliates. TEC assesses credit risk internally for counterparties that are not rated.

TEC has entered into commodity master arrangements with its counterparties to mitigate credit exposure to those counterparties. TEC generally enters into standardized master arrangements in the electric and gas industry. TEC believes that entering into such agreements reduces the risk from default by creating contractual rights relating to creditworthiness, collateral and termination.

TEC has implemented procedures to monitor the creditworthiness of its counterparties and to consider nonperformance risk in determining the fair value of counterparty positions. Net liability positions generally do not require a nonperformance risk adjustment as TEC uses derivative transactions as hedges and has the ability and intent to perform under each of these contracts. In the instance of net asset positions, TEC considers general market conditions and the observable financial health and outlook of specific counterparties in evaluating the potential impact of nonperformance risk to derivative positions.

Certain TEC derivative instruments contain provisions that require TEC's debt to maintain an investment grade credit rating from any or all of the major credit rating agencies. If debt ratings were to fall below investment grade, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. TEC has no other contingent risk features associated with any derivative instruments.

## 15. Fair Value Measurements

### Items Measured at Fair Value on a Recurring Basis

Accounting guidance governing fair value measurements and disclosures provides that fair value represents the amount that would be received in selling an asset or the amount that would be paid in transferring a liability in an orderly transaction between market participants. As a basis for considering assumptions that market participants would use in pricing an asset or liability, accounting guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs, such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

There were no Level 3 assets or liabilities for the periods presented.

As of December 31, 2020 and 2019, the fair value of TEC's short-term debt was not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

See **Note 5** and **Consolidated Statements of Capitalization** for information regarding the fair value of the pension plan investments and long-term debt, respectively.

## 16. Stock-Based Compensation

### Performance Share Unit Plan

Emera has a performance share unit (PSU) plan. The PSU liability is marked-to-market at the end of each period based on an average common share price at the end of the period. Emera common shares are traded on the Toronto Stock Exchange under the symbol EMA.

Under the PSU plan, certain executive and senior employees are eligible for long-term incentives payable through the PSU plan. PSUs are granted annually for three-year overlapping performance cycles, resulting in a cash payment. PSUs are granted based on the average of Emera's stock closing price for the fifty trading days prior to the effective grant date. Dividend equivalents are awarded and are paid in the form of additional PSUs. The PSU value varies according to the Emera common share market price and corporate performance.

PSUs vest at the end of the three-year cycle and the payouts will be calculated and approved by the Emera Management Resources and Compensation Committee (MRCC) early in the following year. The value of the payout considers actual service over the performance cycle and may be pro-rated in certain departure scenarios.

A summary of the activity related to TEC employee PSUs is presented in the following table:

	Number of Units (Thousands)	Weighted Average Grant Date Fair Value (Per Unit)	Aggregate Intrinsic Value (Millions)
Outstanding as of December 31, 2019	504	\$ 45.45	\$ 28
Granted including DRIP	78	52.68	4
Exercised	(162)	45.41	9
Forfeited	(27)	46.08	0
Transferred	(3)	44.85	0
Outstanding as of December 31, 2020	<u>390</u>	46.87	21

Compensation cost recognized for the PSU plan for the years ended December 31, 2020, 2019 and 2018 was \$8 million, \$8 million and \$4 million, respectively. Tax benefits related to this compensation cost for share units realized for the years ended December 31, 2020, 2019 and 2018 were \$2 million, \$2 million and \$1 million, respectively. Cash payments made during the year ended December 31, 2020, 2019 and 2018 associated with the PSU plan were \$9 million, zero and zero, respectively. As of December 31, 2020 and 2019, there was \$5 million and \$4 million, respectively, of unrecognized compensation cost related to non-vested PSUs that is expected to be recognized over a weighted-average period of two years.

## 17. Long-Term PPAs

In 2018, Tampa Electric had long-term PPAs with wholesale energy providers in Florida, which expired in December 2018. These agreements ranged in size from 121 MW to 250 MW of available capacity, were with similar entities and contained similar provisions. In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 515 MW of available capacity, which expires in 2021. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric was not the primary beneficiary and was not required to consolidate any of these entities. Tampa Electric purchased \$36 million, \$25 million and \$15 million under these long-term PPAs for the three years ended December 31, 2020, 2019 and 2018, respectively.

TEC does not provide any material financial or other support to any of the variable interests it is involved with, nor is TEC under any obligation to absorb losses associated with these variable interests. Excluding the payments for energy under these

contracts, TEC's involvement with these variable interests does not affect its Consolidated Balance Sheets, Statements of Income or Cash Flows.

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**Item 9A. CONTROLS AND PROCEDURES**

**Conclusions Regarding Effectiveness of Disclosure Controls and Procedures.**

TEC's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of TEC's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this annual report, December 31, 2020 (Evaluation Date). Based on such evaluation, TEC's principal executive officer and principal financial officer have concluded that, as of the Evaluation Date, TEC's disclosure controls and procedures are effective.

**Management's Report on Internal Control over Financial Reporting.**

TEC's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. We conducted an evaluation of the effectiveness of TEC's internal control over financial reporting as of December 31, 2020 based on the 2013 framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under this framework, our management concluded that TEC's internal control over financial reporting was effective as of December 31, 2020.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. A control system, no matter how well designed and operated, can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Changes in Internal Control over Financial Reporting.**

There was no change in TEC's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of TEC's internal controls that occurred during TEC's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, such controls.

**Item 9B. OTHER INFORMATION**

None.

**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by Item 10 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 11. EXECUTIVE COMPENSATION**

Information required by Item 11 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required by Item 12 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required by Item 13 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

*Fees Paid by TEC to the Independent Auditors*

The following table presents fees for professional audit services and other services rendered by EY for the audit of TEC's annual financial statements and other services for the years ended December 31, 2020 and 2019, respectively.

	<u>2020</u>	<u>2019</u>
Audit fees	\$ 403,300	\$ 550,300
Tax fees		
Tax compliance fees	0	15,000
<b>Total</b>	<u>\$ 403,300</u>	<u>\$ 565,300</u>

Audit fees consist of fees for professional services performed for (i) the audit of TEC's annual financial statements (ii) the related reviews of the financial statements included in TEC's 10-Q filings and (iii) services that are normally provided in connection with statutory and regulatory filings or engagements.

Tax fees consist of tax compliance fees for tax return review and income tax provision review, and tax planning fees, including tax audit advice.

*Audit Committee Pre-Approval Policy*

All services performed by the independent auditor are approved by the Audit Committee of the Emera Board of Directors in accordance with Emera's pre-approval policy for services provided by the independent auditor.

**PART IV**

**Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

**(a) Certain Documents Filed as Part of this Form 10-K**

1. Financial Statements
  - Tampa Electric Company Financial Statements
  - Reports of Independent Registered Public Accounting Firms
  - Consolidated Balance Sheets at December 31, 2020 and 2019
  - Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
  - Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
  - Consolidated Statements of Capitalization for the Years Ended December 31, 2020 and 2019
  - Notes to Consolidated Financial Statements
2. Financial Statement Schedules
  - Tampa Electric Company Schedule II - Valuation and Qualifying Accounts and Reserves
3. Exhibits

(b) The exhibits filed as part of this Form 10-K are listed on the List of Exhibits below.

(c) The financial statement schedules filed as part of this Form 10-K are listed in paragraph (a)(2) above, and follow immediately.

**SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**

**TAMPA ELECTRIC COMPANY**  
**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**  
**For the Years Ended December 31, 2020, 2019 and 2018**  
*(millions)*

	Balance at Beginning of Period	Additions		Payments & Deductions <sup>(1)</sup>	Balance at End of Period
		Charged to Income	Other Charges		
<b>Allowance for Credit Losses:</b>					
2020	\$ 2	\$ 9	\$ 0	\$ 4	\$ 7
2019	\$ 2	\$ 5	\$ 0	\$ 5	\$ 2
2018	\$ 1	\$ 7	\$ 0	\$ 6	\$ 2

---

(1) Write-off of individual bad debt accounts

LIST OF EXHIBITS

Exhibit No.	Description	
3.1	Restated Articles of Incorporation of Tampa Electric Company, as amended on November 30, 1982 (Exhibit 3 to Registration Statement No. 2-70653 of Tampa Electric Company). (P)	*
3.2	<a href="#">Bylaws of Tampa Electric Company, as amended effective February 2, 2011 (Exhibit 3.4, Form 10-K for 2010 of Tampa Electric Company).</a>	*
4.1	<a href="#">Loan and Trust Agreement dated as of Jul. 2, 2007 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (including the form of Bond) (Exhibit 4.1, Form 8-K dated Jul. 25, 2007 of Tampa Electric Company).</a>	*
4.2	<a href="#">First Supplemental Loan and Trust Agreement dated as of March 26, 2008 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1, Form 8-K dated March 26, 2008 of Tampa Electric Company).</a>	*
4.3	<a href="#">Loan and Trust Agreement dated as of November 15, 2010 among Tampa Electric Company, Polk County Industrial Development Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (including the form of bond) (Exhibit 4.1, Form 8-K dated November 23, 2010 of Tampa Electric Company).</a>	*
4.4	<a href="#">Loan and Trust Agreement among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee, dated as of January 5, 2006 (including the form of bond) (Exhibit 4.1, Form 8-K dated January 19, 2006 of Tampa Electric Company).</a>	*
4.5	<a href="#">Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jul. 1, 1998 (Exhibit 4.1, Registration Statement No. 333-55873 of Tampa Electric Company).</a>	*
4.6	<a href="#">Third Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jun. 15, 2001 (Exhibit 4.2, Form 8-K dated Jun. 25, 2001 of Tampa Electric Company).</a>	*
4.7	<a href="#">Fifth Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of May 1, 2006 (Exhibit 4.16, Form 8-K dated May 12, 2006 of Tampa Electric Company).</a>	*
4.8	<a href="#">Sixth Supplemental Indenture dated as of May 1, 2007 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.18, Form 8-K dated May 25, 2007 of Tampa Electric Company).</a>	*
4.9	<a href="#">Seventh Supplemental Indenture dated as of May 1, 2008 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.20, Form 8-K dated May 16, 2008 of Tampa Electric Company).</a>	*
4.10	<a href="#">Eighth Supplemental Indenture dated as of November 15, 2010 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee (including the form of 5.40% Notes due 2021) (Exhibit 4.1, Form 8-K dated December 9, 2010 of Tampa Electric Company).</a>	*
4.11	<a href="#">Ninth Supplemental Indenture dated as of May 31, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.10% Notes due 2042) (Exhibit 4.23, Form 8-K dated June 5, 2012 for Tampa Electric Company).</a>	*
4.12	<a href="#">Tenth Supplemental Indenture dated as of September 19, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing and amending the Indenture dated as of July 1, 1998, as amended (including the form of 2.60% Notes due 2022) (Exhibit 4.25, Form 8-K dated September 28, 2012 for Tampa Electric Company).</a>	*
4.13	<a href="#">Eleventh Supplemental Indenture dated as of May 12, 2014 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.35% Notes due 2044) (Exhibit 4.27, Form 8-K dated May 15, 2014).</a>	*

Exhibit No.	Description	*
4.14	<a href="#"><u>Twentieth Supplemental Indenture dated as of December 1, 2013 between Tampa Electric Company and US Bank, N.A., as successor trustee, amending and restating the Indenture of Mortgage among Tampa Electric Company, State Street Trust Company and First Savings &amp; Trust Company of Tampa, dated as of August 1, 1946 (Exhibit 4.30, Form 10-K for 2013 of Tampa Electric Company).</u></a>	*
4.15	<a href="#"><u>Twelfth Supplemental Indenture dated as of May 20, 2015, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.20% Notes due 2045) (Exhibit 4.24, Form 8-K dated May 20, 2015 of Tampa Electric Company).</u></a>	*
4.16	<a href="#"><u>Thirteenth Supplemental Indenture dated as of June 7, 2018, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (Exhibit 4.9, Form 8-K dated June 7, 2018 of Tampa Electric Company).</u></a>	*
4.17	<a href="#"><u>Fourteenth Supplemental Indenture dated as of October 4, 2018 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (Exhibit 4.11, Form 8-K dated October 4, 2018 of Tampa Electric Company).</u></a>	*
4.18	<a href="#"><u>Fifteenth Supplemental Indenture dated as of July 24, 2019, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (Exhibit 4.13, Form 8-K dated July 24, 2019 of Tampa Electric Company).</u></a>	*
10.1	<a href="#"><u>TECO Energy Group Supplemental Executive Retirement Plan, as amended and restated as of November 1, 2007 (Exhibit 10.1, Form 10-K for 2007 of Tampa Electric Company).</u></a>	*
10.2	TECO Energy Group Supplemental Disability Income Plan, dated as of March 20, 1989 (Exhibit 10.22, Form 10-K for 1988 of TECO Energy, Inc.). (P)	*
10.3	<a href="#"><u>TECO Energy Group Supplemental Benefits Trust Agreement effective as of January 1, 2020 (Exhibit 10.4, Form 10-K for 2019 of Tampa Electric Company).</u></a>	*
10.4	<a href="#"><u>TECO Energy Group Benefit Restoration Plan dated as of November 13, 2015 (Exhibit 10.4, Form 10-K for 2015 of Tampa Electric Company).</u></a>	*
10.5	<a href="#"><u>Insurance Agreement dated as of January 5, 2006 between Tampa Electric Company and Ambac Assurance Corporation (Exhibit 10.1, Form 8-K dated January 19, 2006 of Tampa Electric Company).</u></a>	*
10.6	<a href="#"><u>Amended and Restated Purchase and Contribution Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Originator, and TEC Receivables Corp., as the Purchaser (Exhibit 10.1, Form 8-K dated March 24, 2015 of TECO Energy, Inc.).</u></a>	*
10.7	<a href="#"><u>Loan and Servicing Agreement dated as of March 24, 2015, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent (Exhibit 10.2, Form 8-K dated March 24, 2015 of TECO Energy, Inc.).</u></a>	*
10.8	<a href="#"><u>Amendment No. 1 to Loan and Servicing Agreement dated as of August 10, 2016, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent (Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2016 of Tampa Electric Company).</u></a>	*
10.9	<a href="#"><u>Amendment No. 2 dated as of March 23, 2018 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent (Exhibit 10.1, Form 8-K dated March 23, 2018 of Tampa Electric Company).</u></a>	*

Exhibit No.	Description	
10.10	<a href="#">Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto (Exhibit 10.1, Form 8-K dated March 22, 2017 of Tampa Electric Company).</a>	*
10.11	<a href="#">Master Lenders' Amendment and Consent dated as of December 19, 2019 to the Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto (Exhibit 10.12, Form 10-K for 2019 of Tampa Electric Company).</a>	*
10.12	<a href="#">Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto (Exhibit 10.1, Form 8-K dated February 6, 2020 of Tampa Electric Company).</a>	*
10.13	<a href="#">Amendment No. 4 dated as of July 14, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2020 of Tampa Electric Company).</a>	*
10.14	<a href="#">Amendment No. 5 dated as of October 30, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent (Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2020 of Tampa Electric Company).</a>	*
10.15	Amendment No. 1 dated January 29, 2021 to Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto.	
23	<a href="#">Consent of Independent Certified Public Accountants.</a>	
31.1	<a href="#">Certification of the Chief Executive Officer of Tampa Electric Company pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	
31.2	<a href="#">Certification of the Chief Financial Officer of Tampa Electric Company to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	
32	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer of Tampa Electric Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> <sup>(1)</sup>	
101.INS	XBRL Instance Document	
101.SCH	XBRL Taxonomy Extension Schema Document	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	

(1) This certification accompanies the Annual Report on Form 10-K and is not filed as part of it.

\* Indicates exhibit previously filed with the Securities and Exchange Commission and incorporated herein by reference. Exhibits filed with periodic reports of TECO Energy, Inc. and Tampa Electric Company were filed under Commission File Nos. 1-8180 and 1-5007, respectively.

Certain instruments defining the rights of holders of long-term debt of Tampa Electric Company authorizing in each case a total amount of securities not exceeding 10% of total assets on a consolidated basis are not filed herewith. Tampa Electric Company will furnish copies of such instruments to the Securities and Exchange Commission upon request.

**Executive Compensation Plans and Arrangements**

Exhibits 10.1 through 10.4, above are management contracts or compensatory plans or arrangements in which executive officers or directors of Tampa Electric Company participate.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY

Dated: February 16, 2021

By: /s/ Nancy Tower  
Nancy Tower  
President and Chief Executive Officer  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on February 16, 2021:

<u>Signature</u>	<u>Title</u>
<u>/s/ Nancy Tower</u> Nancy Tower	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Gregory W. Blunden</u> Gregory W. Blunden	Senior Vice President-Finance and Accounting and Chief Financial Officer (Chief Accounting Officer) (Principal Financial and Accounting Officer)

<u>Signature</u>	<u>Title</u>	<u>Signature</u>	<u>Title</u>
<u>/s/ Scott Balfour</u> Scott Balfour	Chairman of the Board and Director	<u>/s/ Ana-Marie Codina Barlick</u> Ana-Marie Codina Barlick	Director
<u>/s/ Robert R. Bennett</u> Robert R. Bennett	Director	<u>/s/ Jacqueline Bradley</u> Jacqueline Bradley	Director
<u>/s/ Patrick J. Geraghty</u> Patrick J. Geraghty	Director	<u>/s/ Pamela D. Iorio</u> Pamela D. Iorio	Director
<u>/s/ Rhea F. Law</u> Rhea F. Law	Director	<u>/s/ Daniel Muldoon</u> Daniel Muldoon	Director
<u>/s/ Ralph Tedesco</u> Ralph Tedesco	Director	<u>/s/ Rasesh Thakkar</u> Rasesh Thakkar	Director
<u>/s/ Nancy Tower</u> Nancy Tower	Director	<u>/s/ Will Weatherford</u> Will Weatherford	Director

**Supplemental Information to Be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act**

No annual report or proxy material has been sent to Tampa Electric Company's security holders because all of its equity securities are held by TECO Energy, Inc.

**Exhibit 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-3 No.333-233336) of Tampa Electric Company and in the related Prospectus of our report dated February 16, 2021, with respect to the consolidated financial statements of Tampa Electric Company included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Tampa, Florida  
February 16, 2021

## CERTIFICATIONS

I, Nancy Tower, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2021

/s/ NANCY TOWER

NANCY TOWER

President and Chief Executive Officer

(Principal Executive Officer)

## CERTIFICATIONS

I, Gregory W. Blunden, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2021

/s/ GREGORY W. BLUNDEN

GREGORY W. BLUNDEN

Senior Vice President-Finance and Accounting and

Chief Financial Officer

(Chief Accounting Officer)

(Principal Financial and Accounting Officer)

**TAMPA ELECTRIC COMPANY**

**Certification of Periodic Financial Report  
Pursuant to 18 U.S.C. Section 1350**

Each of the undersigned officers of Tampa Electric Company (the "Company") certifies, under the standards set forth in and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge, the Annual Report on Form 10-K of the Company for the year ended December 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 16, 2021

/s/ NANCY TOWER

NANCY TOWER  
President and Chief Executive Officer  
(Principal Executive Officer)

Dated: February 16, 2021

/s/ GREGORY W. BLUNDEN

GREGORY W. BLUNDEN  
Senior Vice President-Finance and Accounting and  
Chief Financial Officer  
(Chief Accounting Officer)  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.