

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of temporary services by Tampa Electric Company and City of Lakeland.

DOCKET NO. 20240171-EU
ORDER NO. PSC-2025-0089-PAA-EU
ISSUED: March 24, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING JOINT PETITION FOR TEMPORARY SERVICES

BY THE COMMISSION:

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

Background

On December 23, 2024, the City of Lakeland, Florida, d/b/a Lakeland Electric (Lakeland), and Tampa Electric Company (TECO) filed a joint petition seeking our approval to provide temporary electric service to two parcels. The existing territorial agreement between Lakeland and TECO (joint petitioners or utilities), executed in 1991 (Original Agreement)¹ and subsequently amended twice,² allows for temporary electric service to extra-territorial customers. While the term “temporary service” is not defined in the Original Agreement, the joint

¹ Order No. PSC-92-0570-FOF-EU, issued June 25, 1992, in Docket No. 920251-EU, *In re: Joint Petition of Tampa Electric Company and the City of Lakeland for Approval of Territorial Agreement*.

² Order No. PSC-99-0024-FOF-EU, issued January 4, 1999, in Docket No. 981263-EU, *In re: Joint Petition of Tampa Electric Company and the City of Lakeland for Approval of Amendment to Territorial Agreement*; Order No. PSC-14-0268-PAA-EU, issued May 28, 2014, in Docket No. 140054-EU, *In re: Joint Petition of Tampa Electric Company and City of Lakeland for Approval of Second Amendment to Territorial Agreement*.

petitioners cite to Sections 2.2 and 4.1, which require them to enter into a joint agreement and then seek our approval of the requested temporary service.³

Lakeland and TECO make similar requests to each other in the joint petition. Specifically, TECO has requested Lakeland to extend and provide retail electric service to 39 lots within the proposed property development referred to as Schaller Preserve subdivision. The lots are currently located within TECO's service territory. In turn, Lakeland has requested TECO to extend and provide retail electric service to the second proposed property development referred to as Phase 2 of Cadence Crossing. The lots are currently located in Lakeland's service territory. The joint petitioners assert that in both cases, the other party has distribution facilities that are physically closer with the capacity to provide needed service.

The joint petitioners seek approval of their proposed temporary services request on an expedited basis in an effort to facilitate property developer timeframes. Pending approval of the instant petition, the facilities that would ultimately be installed by both parties would be permanent facilities. The joint petitioners view the services that would be provided as temporary insofar as we must approve the joint petitioners' subsequent territorial agreement filing in order for such service to become permanent. Through a Letter of Intent attached to their petition, the joint petitioners state they are engaged in developing a comprehensive territorial amendment pleading to make these and other changes permanent. The petition includes exhibits that are attached to this Order as Attachment A for informational purposes.

During the review process, Commission staff held a meeting with the parties on December 16, 2024, and issued two data requests to the joint petitioners, for which responses were received January 21, 2025 and February 11, 2025.

We have jurisdiction over this matter under Section 366.04(2)(d), F.S.

Discussion

Sections 2.2 and 4.1 of the Original Agreement require that the joint petitioners seek our approval in order to provide temporary service. With such approval, the joint petitioners state that they will then fulfill their written agreement to extend and provide temporary retail electric service to the Schaller Preserve (Lakeland Electric) and Phase 2 of Cadence Crossing (TECO). In addition, as further described below, the parties have expressed their intent to file with us a petition for a territorial amendment to make permanent the temporary service to these parcels on or before June 30, 2025.

Petition Summary

The provision of temporary service is addressed Section 2.2 of the Original Agreement, which provides in relevant part as follows:

³ Order No. PSC-92-0570-FOF-EU., issued June 25, 1992, in Docket No. 920251-EU, *In re: Joint Petition of Tampa Electric Company and the City of Lakeland for Approval of Territorial Agreement*.

TECO and LAKELAND recognize that in exceptional circumstances, economic constraints on either utility or good engineering practices may indicate that a Customer's temporary end use and/or small discrete service area and/or future retail Customers should not be immediately served by the utility in whose service territory they are located. In such instances, upon written request by the utility in whose territory the end use facility is located to the other utility, the other utility may agree in writing to provide service to such Customer's temporary end use, small discrete service areas and future retail Customers. Such agreements shall be submitted to the Florida Public Service Commission in accordance with Article IV, Section 4.1 hereof.

In order to structure their forthcoming amendment, the joint petitioners have entered into a Letter of Intent⁴ to negotiate and execute an appropriate amendment to their Original Agreement, and to seek our approval of the same.

The joint petitioners have asserted that the proposed boundary line changes are minor, and cite to two main reasons for them. First, the joint petitioners contend that minor changes are needed to avoid uneconomic duplication of services. Second, the proposed temporary service arrangement, if approved, would permit the developers to make their design and acquisition decisions timely and without disruption. The joint petitioners stated that the process for filing a comprehensive territorial amendment is time consuming and labor intensive on the part of the utilities and obtaining our decision on a comprehensive territorial amendment is not consistent with the timeline for development of the Schaller Preserve and Phase 2 of Cadence Crossing subdivisions. The joint petitioners also state that the service will be temporary in that it will only last until we make a decision on a subsequent request for a permanent territorial amendment. The developers plan to proceed to develop the parcels after we approve temporary service, and the utilities plan to coordinate with the developers to install electric service as site development progresses.

Plat maps for each respective parcel were included in the original filing and are included for informational purposes as Exhibits A and B in Attachment A to this Order. Additional maps were provided in data request responses.⁵

The joint petitioners state that we have previously approved temporary service in Docket No. 970999-EU.⁶ The joint petitioners contend that this order demonstrates a precedent for us to approve the instant petition, although they acknowledge that the facts and circumstances at issue herein are not factually similar to those supporting the earlier temporary service request. In the 1997 docket, we approved the placement of temporary facilities to energize a single circuit providing service to a pump station until such time as the other utility had facilities in place within its own territory. However, in the instant petition, there are no existing customers and the

⁴ Exhibit A in Attachment A to this Order.

⁵ Document No. 00391-2025, joint petitioners' responses to Staff's First Data Request, No. 1.g (Schaller Preserve), and No. 2.d. (Cadence Crossing, Phase 2).

⁶ Order No. PSC-97-1485-FOF-EU, issued November 24, 1997, in Docket No. 970999-EU, *In re: Joint Petition of Tampa Electric Company and the City of Lakeland for approval of temporary power service by Lakeland to a customer located in Tampa Electric's service area.*

service is described as temporary, but the facilities are placed with the intention of being permanent in both petitioners' territories.

Although the instant petition was filed on December 23, 2024, the joint petitioners executed their Letter of Intent in September of 2024. In a data request response, the joint petitioners stated that responding to hurricane events played a part in the difference between those dates. The joint petitioners contend that the timeline the developers are seeking to adhere to, and the timeline for the utilities to negotiate and execute an appropriate amendment to their Original Agreement, are quite different. Through this pleading, the petitioners are collectively endeavoring to bridge the gap between those timelines. Although the joint petitioners state they are seeking authority to provide temporary electric services, their intent is to install permanent facilities in the parcels that currently exist in each others' respective service areas. A description of the two parcels and the proposals for temporary service provisions is as follows:

Schaller Preserve

The lots at issue in the Schaller Preserve subdivision are currently located in TECO's service territory, and the current plat map for this development spans the service territory of both utilities. Pursuant to the Letter of Intent, the joint petitioners propose boundary changes that would permit Lakeland, not TECO, to serve those lots, if the instant petition is approved. The Schaller Preserve subdivision would add 39 lots to Lakeland's service territory, as shown in the map the joint petitioners provided with their petition. An additional map was provided in response to a staff data request. Lakeland anticipates that it would provide standard residential electric and lighting services to these lots.

Lakeland has stated that the developer for the Schaller Preserve subdivision anticipates initiating development work within the February-April 2025 timeframe (60 to 120 days from the date the petition was filed, which was December 23, 2024). Additionally, Lakeland states it will work with the developer to coordinate scheduling of the electric infrastructure. The estimated cost for Lakeland to provide residential electric and lighting services to these 39 lots in Schaller Preserve is approximately \$78,000. In comparison, the estimated cost for TECO to provide this service is approximately \$105,000.

In their responses to data request responses, the joint petitioners assert that Lakeland would provide standard residential electric service and lighting services to the subject lots, pursuant to Lakeland's tariffs on file with us. Although the plat map for the Schaller Preserve development spans the service territories of both utilities, the nearest Lakeland facilities to the 39 lots at issue herein is approximately five feet. For comparison, the approximate distance from the subject lots and TECO's facilities is about 1,000 feet. Lakeland did not provide us with an estimated date that they will energize Schaller Preserve, but stated they will be ready to provide service depending on the developer's schedule.

Phase 2 of Cadence Crossing

Cadence Crossing Phase 2 refers to a specific portion of the entire Cadence Crossing development. The map the joint petitioners provided with their petition also show Phases 1 and 3 for Cadence Crossing, but the instant pleading pertains solely to Phase 2 of Cadence Crossing, which is currently platted into 34 lots. An additional map of Phase of Cadence Crossing was provided in response to a staff data request. The entire geographic area for Phase 2 of the Cadence Crossing subdivision is currently located in Lakeland's service territory. Pursuant to the Letter of Intent and the joint petitioner's motion, TECO would be the utility serving these lots. TECO anticipates that it would provide services pursuant to its current RS, LS-1, or LS-2 tariffs, with the potential for a GS or GSD customer. Phase 2 of Cadence Crossing will also require two additional auxiliary services, a well pump and lighting services. The nearest TECO facilities to the subject lots are about 20 feet away. For comparative purposes, the nearest Lakeland facilities to Phase 2 of Cadence Crossing are about 50 feet away.

TECO states that it plans to finalize the engineering necessary to feed Phase 2 of Cadence Crossing by mid-February of 2025. At that time, and pending approval of this joint petition, TECO will proceed with approval of engineering and then construction. The estimated cost for TECO to provide this service to the 34 lots is \$115,000. In comparison, the estimated cost for Lakeland to provide this service is \$118,000. TECO anticipates energizing Phase 2 by the fourth quarter of 2025.

Circumstances Supporting the Temporary Service

The first circumstance supporting the instant petition is the indication that no uneconomic duplication of service would result from the proposed service extensions. As indicated above, the estimated costs for providing service to the Schaller Preserve lots is lower for Lakeland than TECO. Conversely, the estimated costs for providing service to the Phase 2 of Cadence Crossing is lower for TECO than Lakeland.

The second supportive circumstance of the instant petition is that the temporary service requested would not require the transfer of existing customers for either utility. In addition, the utilities have indicated no service reliability issues are expected to occur as a result of the proposed provision of temporary service.

Last, the identified parcels are components of large-scale developments, and the parties are engaged in evaluating other potential boundary line changes outside of Schaller Preserve and Cadence Crossing. These evaluations have contributed to the complexity of filing a comprehensive territorial amendment and the joint petitioners opted to file the instant petition to accommodate developer timelines.

Necessary Conditions

We find that certain conditions are warranted in order to ensure that our conclusive review of the joint petitioners' territorial boundaries per Rule 25-6.0440, F.A.C., is not delayed.

Rule 25-6.0440, F.A.C. provides specific guidance on topics such as pricing of transferred facilities, precise mapping, prospective reliability impacts, and the elimination or prevention of potential uneconomic duplication of facilities. Pursuant to the Letter of Intent, the joint petitioners intend to file a comprehensive territorial amendment on or before June 30, 2025. In the event that the joint petitioners do not meet that deadline, the joint petitioners shall provide a detailed report explaining the progress made towards filing such an amendment, the reasons why an amendment could not be timely filed, and when the joint petitioners expect to file the territorial amendment.

While the services to be provided are described as “temporary” by the utilities, the petition proposes to allow the installation of facilities designed for permanent services and to establish new service territories for each utility. This request would be more appropriately presented in a petition for a territorial amendment subject to the standards of review set forth in Rule 25-6.0440, F.A.C.

As noted previously, the joint petitioners cite to provisions in their Original Agreement in requesting approval of temporary service, yet the term is not clearly defined. In past instances, we have addressed requests for temporary service tied to a specific time period (*e.g.*, five years) when the temporary provision of electric service would be replaced by permanent service by the incumbent utility.⁷ In those instances, no revision of boundary lines were contemplated because the facilities were temporary, like the service. Indeed, the Original Agreement refers to such temporary service being provided when the customer(s) “should not be immediately served” by the incumbent utility, connoting a time limiting aspect. Further complicating the definition of “temporary service” is the fact that the joint petitioners do not contemplate actually energizing the facilities (*i.e.*, providing electric service) until as late as the fourth quarter of 2025.

Because the term “temporary service” is undefined in the Original Agreement, and because the application of that term by the joint petitioners is intuitively incongruent, we encourage the joint petitioners to consider amending Section 2.2 to either include an appropriate definition of “temporary” and criteria under which those services could be provided, or to delete all references to the provision of temporary services.

Decision

We approve the joint petitioners’ request regarding the proposed provision of temporary retail electric service between Lakeland and TECO. The circumstances supportive of our approval include: (1) a clear indication that no uneconomic duplication of service would result from the proposed service extensions; (2) no customers will be transferred and no service reliability issues are expected to occur; and (3) the timing of relatively large-scale developments of the impacted land parcels, and the complexity of the anticipated boundary changes, has contributed to the urgency of the provision of temporary electric service. Thus, we approve the

⁷ See Order No. PSC-10-0580-PAA-EU, in Docket No. 100336-EU, pages 1 and 2, *In re: Joint Petition to Extend Territorial Settlement Agreement*; and Order No. PSC-2023-0186-PAA-EU, in Docket No. 20230035-EU, pages 1 and 2, *In re: Joint Petition of Duke Energy Florida, LLC and Peace River Electric Cooperative, Inc. for Approval of Agreement for Temporary Territorial Variance*.

joint petitioners' request for temporary electric service between Lakeland and TECO, subject to the following conditions:

- A. The joint petitioners must continue their good faith effort to meet all of the respective obligations set forth in the joint petition's Letter of Intent including filing a comprehensive territorial amendment for the subject parcels identified in the joint petition with us on or before June 30, 2025; and
- B. In the event the joint petitioners do not file a comprehensive territorial amendment on or before June 30, 2025, they must, by that date, provide a detailed report explaining the progress made towards filing such amendment, the reasons why an amendment could not be timely filed, and when the joint petitioners expect to file the territorial amendment.
- C. The joint petitioners are encouraged to consider amending Section 2.2 of the Original Agreement to either include an appropriate definition of services currently described as "temporary" and identify criteria under which those services could be provided, or to delete all references to the provision of temporary services.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the joint petition by Tampa Electric Company and the City of Lakeland for the approval of temporary services is approved. It is further

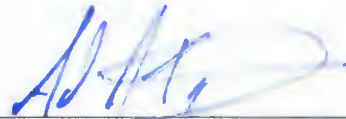
ORDERED that Tampa Electric Company and the City of Lakeland must file with us no later than June 30, 2025, either a comprehensive territorial amendment for the subject parcels identified in the joint petition, or a detailed report explaining the progress made towards filing such amendment, the reasons why the amendment could not be timely filed, and an estimate as to when the joint petitioners expect to file the territorial amendment. It is further

ORDERED that Tampa Electric Company and the City of Lakeland are encouraged to consider amending Section 2.2 of the Original Agreement to either include an appropriate definition of services currently described as "temporary" and identify criteria under which those services could be provided, or to delete all references to the provision of temporary services. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of March, 2025.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 14, 2025.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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

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Letter of Intent

In accordance with discussions among representatives of Tampa Electric Company (“TEC”) and the City of Lakeland, Florida, on behalf of its municipal utility, Lakeland Electric (“LAK”) (each of TEC and LAK being individually a “Party”, and together the “Parties”), this letter of intent (“Letter of Intent”) sets forth the current understanding of the Parties with respect to exploring the potential business opportunity set forth in Part One – Section 1 of this Letter of Intent (the “Business Opportunity”). The parties desire to work together through June 30, 2025, or such later date as the Parties may agree to in writing (the “Evaluation Period”), to evaluate the Business Opportunity.

Upon acceptance and execution by the Parties of this Letter of Intent, only the provisions contained in Part Two of this Letter of Intent (the “Binding Provisions”) will become final and binding upon the Parties, and the Parties will commence good faith efforts to evaluate the Business Opportunity in accordance with the terms contained in Part Two hereof. The Parties understand and agree that none of the provisions of Part One of this Letter of Intent will become binding on the Parties until the execution and delivery by the Parties of, and then only to the extent reflected in, mutually acceptable agreements setting forth all of the terms and conditions for the Parties to develop the Business Opportunity (collectively, the “Definitive Agreements”). The Parties understand and agree that they are under no obligation to enter into any such arrangement relating to Business Opportunity and that no obligation of such nature shall exist or be binding on the Parties until the execution and delivery by the Parties of, and then only to the extent reflected in, Definitive Agreements setting forth all of the terms and conditions of such an arrangement which is beyond the scope of this Letter of Intent. The negotiation and execution of any such final Definitive Agreement is expressly conditioned upon approval by LAK’s City Commission.

PART ONE

The sections set forth in Part One of this Letter of Intent are not intended to create or constitute any legally binding obligation on the part of any Party to this Letter of Intent.

1. Scope of Evaluation. Under this Letter of Intent, the Parties intend to evaluate the following Business Opportunity:

TEC and LAK will pursue a territory adjustment with the Florida Public Service Commission (“FPSC”) of their respective service territories. The territories would be adjusted as follows:

- LAK’s territory would be extended east in the Shaller Preserve Subdivision to add 39 lots to LAK’s service territory as shown in **Exhibit A**.
- TEC’s territory would be extended west in the Cadence Crossing Subdivision to add all of Phase 2 of Cadence Crossing, which is 34 lots and includes street lighting and electric service to a well pump, as shown in **Exhibit B**.

The Parties will each begin engineering and design to accomplish service in their respective revised service territories at their own cost, expense, and risk. However, both Parties acknowledge and

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agree that no facilities may actually be installed unless and until the FPSC issues a final, non-appealed order approving the new service territories.

LAK will take the lead on drafting a territorial agreement and joint petition for submittal to the FPSC to update the territorial agreement between LAK and TEC and jointly agree on the revised service territories. LAK will submit the draft to TEC. The Parties will work together to reach a mutually agreeable territorial agreement and joint petition for submittal to the FPSC and pursue the petition to a final order. Prior to submittal to the FPSC, the proposed joint petition shall be provided to LAK's City Commission for approval.

PART TWO

Upon execution of this Letter of Intent, the sections set forth in Part Two of this Letter of Intent are the legally binding and enforceable agreements of TEC and LAK.

1. Fees and Expenses. Each Party shall bear and be solely responsible for its own costs and expenses (including its attorneys' fees) incurred by it in connection with this Letter of Intent and/or the evaluation of Business Opportunity, including, without limitation, costs and expenses relating to the preparation of Definitive Agreements up to and including any and all costs and expenses to achieve the execution of the Definitive Agreements. To the extent the Parties desire to jointly engage third party consultants to assist the Parties in their evaluation of the Business Opportunity and to share in the costs of such engagement, the sharing of such fees and expenses must be expressed in writing signed by representatives of each of the Parties.
2. Good Faith Negotiations: Letter of Intent Termination.
 - (a) The Parties agree to evaluate in good faith the Business Opportunity during the Evaluation Period. The Evaluation Period is expected to continue for a period of approximately 9 months until June 30, 2025 or such later date as the Parties agree to in writing; however, either Party may terminate the Evaluation Period with regard to some or all of the Business Opportunity early by delivering to the other Party a written notice that it is no longer interested in further evaluation of such Business Opportunity or any joint venture related thereto which notice shall cause the Evaluation Period to terminate with immediate effect with regard to such Business Opportunity in such written notice.
 - (b) To the extent Definitive Agreements are entered into with regard to the Business Opportunity, this Letter of Intent shall automatically be terminated/superseded by such Definitive Agreements with regard to the Business Opportunity therein provided.
 - (c) If not otherwise terminated in accordance with the provisions of (a) and (b) of Section 2 of Part II of this Letter of Intent, this Letter of Intent shall automatically expire and be of no further force or effect, except as provided in Section 10 below, as of and after June 30, 2025

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- (d) Upon expiration or termination of this Letter of Intent, the Parties hereto shall have no further obligations hereunder except as specifically set forth herein.
3. Confidentiality. The Parties entered into that certain Confidentiality Agreement dated as of January 31, 2023 (the "Confidentiality Agreement"). Except as otherwise expressly provided below in this paragraph, the terms of such Confidentiality Agreement are incorporated herein. Each Party agrees to keep the existence and terms of this Letter of Intent and the discussions regarding the Business Opportunity contemplated herein confidential except to the extent disclosure is required by law or regulatory authority, provided that, LAK acknowledges and agrees that TEC has the right and will disclose this Letter of Intent and any discussions or other information relating to Business Opportunity with its affiliates, including Emera, Inc. and Emera, Inc.'s subsidiaries. In the event Definitive Agreements are not executed by the Parties, the obligations set forth in this paragraph shall survive the expiration or termination of this Letter of Intent for a period of one (1) year.
4. Public Statement. During the Evaluation Period, the content of all announcements regarding the Business Opportunity or any aspects of this Letter of Intent or disclosures made in connection with applying for regulatory approval of the Business Opportunity shall be mutually agreed upon in writing in advance. Notwithstanding the aforementioned sentence, both Parties shall be entitled, without consent of the other Party, to satisfy their disclosure obligations under applicable securities laws (a matter to be determined in its sole discretion) or the rules of any applicable securities exchange. Nothing herein shall be construed to prohibit disclosure required pursuant to Florida Statute Chapter 119, the Florida Public Records Act.
5. Entire Agreement. The provisions of Part Two of this Letter of Intent together with the Confidentiality Agreements constitute the entire agreement between the Parties and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct or dealings between the Parties on the subject matter set forth in this Letter of Intent. The provisions of this Letter of Intent may only be amended or modified by a writing executed by each of the Parties.
6. Assignment. This Letter of Intent shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations under this Letter of Intent without the prior written consent of the other Parties, each in its sole discretion. Notwithstanding the foregoing, each Party may assign its rights and obligations hereunder to an affiliated entity for the purpose of participating in the Business Opportunity subject to prior written notice provided to the other Party.
7. Notice. Any official notice to be given under this Letter of Intent shall be in writing unless otherwise provided herein. Notice shall be directed to the counterparty utilizing the contact information set forth below or such other contact information as subsequently provided by either party to the other in writing. Notice shall be deemed to have been sufficiently provided if properly delivered via (i) courier to the physical address and attention of the counterparty as provided below and as evidenced by courier's written acknowledgment of delivery; (ii) facsimile transmission directed to the attention of and facsimile number for

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the counterparty as provided below and as evidenced by sender's facsimile transmission number for the counterparty as provided below and as evidenced by sender's facsimile transmission of confirmation page; (iii) nationally recognized overnight courier (with all fees pre-paid) as indicated in a shipment notification provided by the carrier, or (iii) certified or registered U.S. mail, return receipt requested, with sufficient prepaid postage and addressed to the counterparty as provided below and as evidenced by the postmaster's written acknowledgment of delivery:

If to TEC: Tampa Electric Company
702 North Franklin Street
P.O. Box 111
Tampa, Florida 33601-0111
Attention:

with a copy to: Tampa Electric Company
702 North Franklin Street
P.O. Box 111
Tampa, Florida 33601-0111
Attention:

If to LAK: Lakeland Electric
501 E. Lemon Street
Lakeland, Florida 33801
Attn: Michael Beckham, General Manager
Email: Michael.beckham@lakelandelectric.com

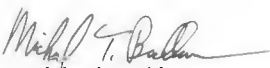
8. Governing Law; Consent to Jurisdiction. This Letter of Intent and the business activity contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to principles of conflicts of law. The Parties each hereby consent to the exclusive jurisdiction of the state and federal courts located within the State of Florida over their respective persons and the subject matter hereof.
9. Dispute Resolution. In the event disputes arise out of or in connection with the Parties' obligations hereunder, senior executives of the Parties who have the authority to settle such disputes shall negotiate in good faith for a period of at least fifteen (15) business days in an attempt to achieve a resolution of any such dispute prior to either Party taking any action to enforce its rights under this Letter of Intent.
10. Survival. The expiration of the Evaluation Period will not affect the liability of a Party for breach of any of the provisions of Part Two of this Letter of Intent prior to expiration. This Part Two shall survive any such expiration or earlier termination.
11. Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement. Each of the representatives of the Parties signing this Letter of Intent warrants and represents to the other that he, she or it has the actual authority to

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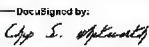
sign this Letter of Intent on behalf of the Party for whom he, she or it is purporting to represent.

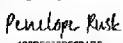
12. No Liability. The provisions set forth in Part One of this Letter of Intent do not constitute and will not give rise to any legally binding obligation on the part of either Party. Additionally, except as expressly provided in Part Two of this Letter of Intent (or as may be otherwise agreed in writing in the future), no past or future action, course of conduct or failure to act relating to the Business Opportunity, or relating to the negotiation of, or the failure to negotiate, the Definitive Agreement(s) will give rise to any obligation or other liability on the part of the Parties.
13. No Consequential or Punitive Damages. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT OR CONTRACT OTHERWISE, UNDER OR AS A RESULT OF THIS LETTER OF INTENT.
14. No Waiver. This Letter of Intent is not a waiver by LAK of any contract rights that LAK has under any of its agreements with TEC and it will not be construed nor deemed to be a waiver by LAK in any event. This Letter of Intent is also not a waiver by TEC of its contract rights that TEC has under any of its agreements with LAK and will not be construed nor deemed to be a waiver by TEC in any event.
15. Relationship of the Parties. The Parties do not intend by this Letter of Intent to form a partnership, corporation or an entity taxable as a corporation. Except as expressly provided in Part Two of this Letter of Intent, this Letter of Intent is not intended to restrain the Parties from engaging in any other present or future business activities. Neither Party may bind the other Party without the express written consent of that Party. Except for the limited undertakings expressly set forth in Part Two of this Letter of Intent, the Parties hereto do not intend to be bound beyond the term of this Letter of Intent. Each Party shall perform its duties herein as an independent contractor. No provision in this Letter of Intent shall be considered to create the relationship of employer and employee, partnership, joint venture or other association between the Parties.

Lakeland Electric

By: 
Name: **Michael Beckham**
Title: General Manager

Tampa Electric Company

DocuSigned by:
By: 
Name: **Chip S. Whitworth**
Title: **Vice President - Electric Delivery**

Signed by:
By: 
Name: **Penelope Rusk**
Title: **Vice President - Regulatory Affairs**

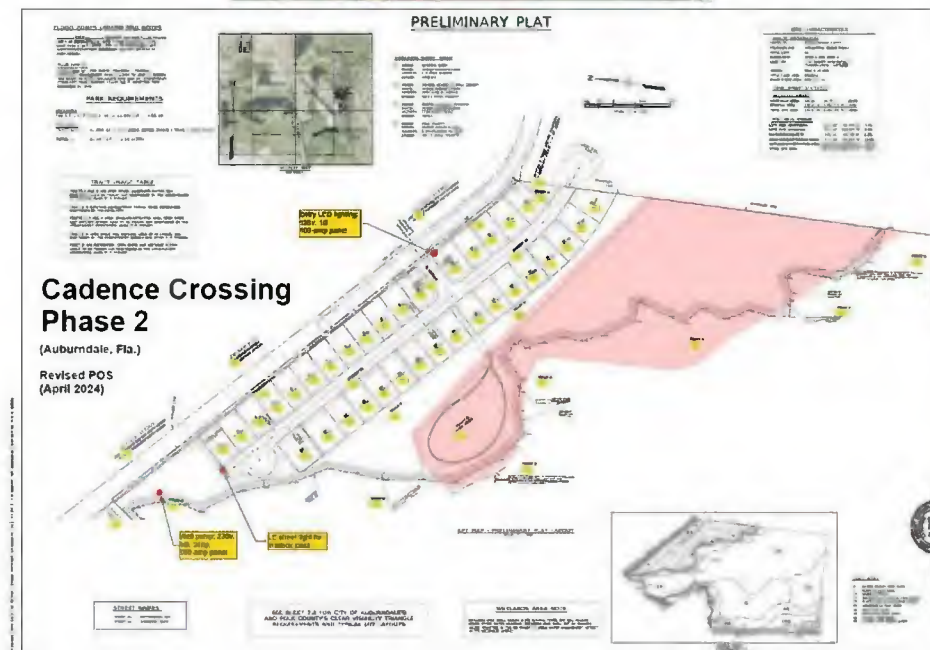
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Exhibit A



DocuSign Envelope ID: B8A03AA1-366D-48AD-83A7-02ED8B1BBF8C

Exhibit B





December 11, 2024

Lakeland Electric
501 E Lemon Street
Lakeland, Florida
33801

RE: TEMPORARY RETAIL ELECTRIC SERVICE TO NEW DEVELOPMENTS

Pursuant to the enclosed Letter of Intent between Tampa Electric Company and the City of Lakeland, Florida, on behalf of its municipal utility, Lakeland Electric (the "LOI"), Tampa Electric Company ("TECO") hereby requests that Lakeland Electric ("LE") extend and provide temporary retail electric service to the Shaller Preserve Subdivision as described in the LOI, including its Exhibit A, which is currently located within TECO's electric service territory.

TECO would need to extend facilities to serve the Shaller Preserve Subdivision, where LE already has nearer facilities and, as we have discussed, is ready and able to provide service.

This request is being made pursuant to section 2.2 of the territorial agreement between LE and TECO, entered into May 20, 1991, as approved by the Florida Public Service Commission (the "PSC") and as subsequently amended, including PSC approvals of such amendments (the "Agreement"). This temporary service request is due to exceptional circumstances, as the developer the Shaller Preserve Subdivision desires to move forward with its residential development in a time frame that may not provide for the parties to develop and negotiate an amendment to the Agreement, and for the PSC's consideration and approval of an amendment to the Agreement, in full. We understand the developer must in a short time frame make design and equipment purchase decisions that are impacted by which of the two utilities, TECO or LE, ultimately will provide retail service to the new development.

To permit the developer to make its design and acquisition decisions without disruption, to avoid the uneconomic duplication of facilities, and to be a responsive utility provider, taking into account the needs and schedule of the developer, TECO and LE have agreed to work together as set forth in the LOI and as memorialized in TECO's request set forth in this letter.

Also as provided in the LOI, if LE requests it of TECO, TECO will extend and provide temporary electric retail service to Phase 2 of Cadence Crossing as described in the LOI, including its Exhibit B, which is currently located within LE's electric service territory. Pursuant to our discussions, we understand this temporary service to Phase 2 of Cadence Crossing is due to the same exceptional

Lakeland Electric
December 10, 2024
Page 2

circumstances involving TECO's request for the Shaller Preserve Subdivision.

The temporary service arrangements contemplated by TECO's request pursuant to this letter, and as described in the LOI, are intended by the parties to be in place only for so long as it takes the parties to secure the PSC's approval of a final and definitive amendment to the Agreement to make the corresponding and appropriate boundary changes permanent.

We would appreciate LE's prompt written response to this letter, to enable the parties to work toward promptly presenting the temporary service agreements to the PSC for approval, as contemplated in section 2.2 of the Agreement.

Sincerely,



Penelope Rusk
Vice President, Regulatory Affairs
Tampa Electric Company



Michael Beckham
General Manager
Lakeland Electric
863.834.6559
E-mail: Michael.Beckham@lakelandelectric.com

December 18, 2024

Tampa Electric Company
P.O. Box 111
Tampa, Florida 33601-0111

RE: TEMPORARY RETAIL ELECTRIC SERVICE TO NEW DEVELOPMENTS

LE has received TECO's request to extend and provide temporary retail electric service to the Shaller Preserve Subdivision as described in the LOI, including its Exhibit A, which is located within TECO's electric service territory. LE hereby agrees to extend and provide such temporary service as described in your letter and the LOI.

LE also hereby confirms its request of TECO, as described in your letter, for TECO to extend and provide temporary retail electric service to Phase 2 of Cadence Crossing as described in the LOI, including its Exhibit B, which is currently located within LE's electric service territory. Pursuant to the terms of your letter, this request memorializes TECO's agreement to so extend and provide such temporary service.

As we have discussed and as set forth in your letter, the temporary service arrangements contemplated by TECO's and LE's requests pursuant to our exchange of letters, and as described in the LOI, are intended by the parties to be in place only for so long as it takes the parties to secure the PSC's approval of a final and definitive amendment to the Agreement to make the corresponding and appropriate boundary changes permanent.

We appreciate TECO's cooperation in addressing the utility needs of the affected new residential developments. And, we look forward to working with TECO to promptly present the temporary service agreements to the PSC for approval, as contemplated in section 2.2 of the Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Michael Beckham', is written over a light blue horizontal line.

Michael Beckham
General Manager
Lakeland Electric
501 E. Lemon Street
Lakeland, Florida 33801

