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July 13, 2017

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Item 1

State of Florida



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (D. Flores) *DR*
Office of the General Counsel (S. Cuello, B. Lherisson) *SAC BX TV*

RE: Application for Certificate of Authority to Provide Telecommunications Service

AGENDA: 7/13/2017 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
170095-TX	United Commercial Telecom, LLC	8904
170111-TX	SQF, LLC	8905

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

Item 2

State of Florida



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (Fogleman, Long, Williams)
Office of the General Counsel (Page)

RE: Docket No. 140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action for Issue 1 – Issue 2 is Procedural – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: September 1, 2017 – Effective date of Florida Telecommunications Relay, Inc. budget. Notification of any change in the Telecommunications Access System Act surcharge must be made to carriers prior to September 1, 2017 under staff's recommendation.

SPECIAL INSTRUCTIONS: Anticipate the need for sign language interpreters and assisted listening devices. Please place near the beginning of the agenda to reduce interpreter costs.

Case Background

The Florida Relay System provides deaf and hard of hearing persons access to basic telecommunications services by using a specialized Communications Assistant that relays information between the deaf or hard of hearing person and the other party to the call. The primary function of the Florida Relay System is accomplished by the deaf or hard of hearing

person using a Telecommunications Device for the Deaf (TDD). The person using the TDD types a message to the Communications Assistant who in turn voices the message to the other party, or a Captioned Telephone which displays real-time captions of the conversation.

The Telecommunications Access System Act of 1991 (TASA) established a statewide telecommunications relay system which became effective May 24, 1991. Section 427.701(1), Florida Statutes (F.S.), provides that the Florida Public Service Commission (Commission or FPSC) shall establish, implement, promote, and oversee the administration of the statewide telecommunications access system to provide access to telecommunications relay services by persons who are deaf, hard of hearing or speech impaired, or others who communicate with them. It is estimated that approximately 2.5 to 3 million of the estimated 20 million persons living in Florida have been diagnosed as having a hearing loss.¹ This system provides telecommunications service for deaf or hard of hearing persons functionally equivalent to the service provided to hearing persons.

TASA provides funding for the distribution of specialized telecommunications devices and provision of intrastate relay service through the imposition of a surcharge of up to \$.25 per landline access line per month. Accounts with over 25 access lines are billed for only 25 lines. Pursuant to Section 427.704(4)(a)1, F.S., a surcharge is collected only from landline access lines.²

Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies, was selected by the Commission to serve as the Telecommunications Access System Act Administrator. On July 1, 1991, the local exchange telecommunications companies began collecting an initial \$.05 per access line surcharge pursuant to Order No. 24581. Since July 1, 1991 the surcharge, which is currently \$.11 per month, has changed to reflect FTRI budgetary needs.

Chapter 427, F.S., requires that the relay system comply with regulations adopted by the FCC to implement Title IV of the Americans with Disabilities Act. The FCC mandates the minimum requirements for services a state must provide, certifies each state program, and periodically proposes changes that must be provided.

Staff sent an initial data request to FTRI on a number of issues included in its proposed budget. FTRI's responses to staff's data request were submitted on March 9, 2017, and are included in the docket file. Staff also sent subsequent data requests to FTRI regarding the 2017/2018 budget. Attachment A is FTRI's letter to the Commission presenting its proposed budget that was approved by its Board of Directors. FTRI also compared its proposed budget to last year's Commission approved budget and estimated revenue and expenses for the current fiscal year. FTRI's estimated revenues and expenses were based on data for the first two quarters of the fiscal year.

¹ 2015 Florida Coordinating Council for the Deaf and Hard of Hearing Biennial Report to Governor Rick Scott, the Florida Legislature and the Supreme Court and "Demographics and Statistics," Florida Telecommunications Relay, Inc., <http://ftri.org/index.cfm/go/public.view/page/12>, accessed on June 14, 2017.

² Florida Telecommunications Relay, Inc. projects a four percent decrease in landline access lines subject to the relay surcharge for the budget year 2017/2018.

On May 15, 2017, FTRI filed updated third quarter financial information at staff's request. With additional financial information, staff formulated new estimated budget results for Fiscal Year 2016/2017 based on the additional information filed. This additional data is reflected in staff's estimate in Attachment B.

The purpose of this recommendation is to address FTRI's proposed Fiscal Year 2017/2018 budget and determine what the relay surcharge should be for the upcoming fiscal year. The Commission is vested with jurisdiction pursuant to Chapter 427, F.S.

Date: June 29, 2017

Discussion of Issues

Issue 1: Should the Commission approve FTRI's proposed budget as presented in Attachment A for Fiscal Year 2017/2018, effective September 1, 2017, and should the Commission reduce the current Telecommunications Relay Service (TRS) surcharge from \$0.11 per month to \$0.10 per month?

Recommendation: No. Staff recommends that the Commission reduce FTRI's proposed budget expenses for Fiscal Year 2017/2018 by \$81,954 for Regional Distribution Center (RDC) expenses and by \$36,000 for Legal expenses as presented in Option 1. Staff recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to discontinue billing the \$0.11 monthly surcharge, and bill the \$0.10 surcharge for Fiscal Year 2017/2018, effective September 1, 2017. Staff also recommends that the Commission order FTRI to require detailed, itemized bills from its legal counsel and conduct in-house analyses for Insurance-Health/Life/Disability and Retirement expenses. Staff recommends that FTRI be ordered to provide the results of its analyses to staff by January 31, 2018. (Fogleman, Long, Williams)

Staff Analysis:

Traditional Telecommunications Relay Service

Minutes of use for traditional TRS have been declining. The traditional TRS cost to FTRI as approved in Sprint's contract is currently \$1.09 per session minute. Sprint's projections indicate that traditional minutes will continue to decline during the 2017/2018 Fiscal Year. Traditional relay users are transitioning to the following services:

- Internet Protocol (IP) Relay³
- Video Relay Service (VRS)⁴
- Captioned Telephone (CapTel) Service⁵
- Internet Protocol Captioned Telephone Service⁶
- Internet Protocol Speech-to-Speech (STS) Service⁷
- Wireless Service⁸

³ IP Relay allows people who have difficulty hearing or speaking to communicate through an Internet connection using a computer and the Internet, rather than a TTY and a telephone.

⁴ Video Relay Service enables persons with hearing disabilities who use American Sign Language to communicate with voice telephone users through video equipment, rather than through typed text. Video equipment links the VRS user with a TRS operator so that the VRS user and the operator can see and communicate with each other in signed conversation.

⁵ A CapTel telephone is a telephone that displays real-time captions of a conversation.

⁶ IP captioned telephone service allows the user to simultaneously listen to and read the text of what the other party in a telephone conversation has said, where the connection carrying the captions between the service and the user is via an IP addressed and routed link.

⁷ Speech-to-Speech (STS) relay service utilizes a specially trained CA who understands the speech patterns of persons with speech disabilities and can repeat the words spoken by such an individual to the other party to the call. IP STS uses the Internet, rather than the public switched telephone network, to connect the consumer to the relay provider.

⁸ Specifically, wireless services offer applications such as text, instant messaging, and Facetime.

Date: June 29, 2017

CapTel Service

CapTel service uses a specialized telephone that provides captioning of the incoming call for a deaf or hard of hearing person. Sprint's projections show that CapTel minutes of use will also decrease during the 2017/2018 Fiscal Year. The CapTel cost to FTRI as approved in the Sprint contract is currently \$1.63 per session minute.

Florida Telecommunications Relay Inc. Budget

Attachment A reflects FTRI's 2017/2018 Fiscal Year proposed budget, which was reviewed and adopted by FTRI's Board of Directors prior to filing with the Commission. The proposed budget includes a decrease in expenses of approximately \$1,230,462 from the Fiscal Year 2016/2017 Commission approved budget.

The FTRI 2017/2018 proposed budget projects total operating revenues to be \$6,224,425 and total expenses to be \$5,969,260. Based on the projected revenues and expense reductions, FTRI believes the Telecommunications Relay surcharge should be reduced by \$0.01 from \$0.11 to \$0.10 per access line for the 2017/2018 Fiscal Year.

Sprint's estimated Fiscal Year 2017/2018 traditional Telecommunications Relay surcharge minutes of use are 824,498 at a rate of \$1.09 per minute for a total of \$898,703. Sprint's estimated CapTel minutes of use for Fiscal Year 2017/2018 are 810,223 at a rate of \$1.63 per minute for a total of \$1,320,663.

The biggest decrease in expense in the budget arises from relay provider services, resulting in \$972,673 in savings when compared to the Fiscal Year 2016/2017 Commission approved budget.

A comparison of FTRI's Fiscal Year 2016/2017 Commission approved budget, FTRI's estimated revenues and expenses, and FTRI's Fiscal Year 2017/2018 proposed budget as filed is shown in Table 1 below.

Table 1
FTRI Budget Comparison

	Commission Approved 2016-2017⁹	FTRI Estimated 2016-2017¹⁰	FTRI Proposed 2017-2018
Operating Revenue:			
Surcharges	\$7,297,393	\$7,177,537	\$6,170,576
Interest Income	34,188	48,424	53,849
Total Operating Revenue	\$7,331,581	\$7,225,961	\$6,224,425
Operating Expenses:			
Relay Provider Services	\$3,192,039	\$2,664,000	\$2,219,366
Equipment & Repairs	1,524,034	1,397,499	1,335,920
Equipment Distribution & Training	953,908	873,742	855,892
Outreach	574,626	574,626	558,976
General & Administrative	955,115	930,947	999,106
Total Expenses	\$7,199,722	\$6,440,814	\$5,969,260
Annual Surplus	\$131,859	\$785,147	\$255,165
Surplus Account	15,983,096	16,552,936	17,337,883
Total Surplus ¹¹	\$16,114,955	\$17,338,083	\$17,593,048

Source: FTRI's Fiscal Year 2017/2018 proposed budget.

Analysis

In its budget filing, FTRI acknowledges that access lines have decreased at the rate of 4.8 percent during the past three years (2014-2016) and acknowledges that it believes that trend will continue as more consumers transition from landline phones to other technologies. As a result, FTRI's revenues will be reduced as the number of access lines declines, holding the surcharge constant. Continued efforts by FTRI to reduce expenses are important.

⁹ Staff determined that FTRI incorrectly presented its Equipment & Repair and Equipment Distribution & Training expenses in its March 1, 2017 budget filing with the Commission. The corrected numbers are presented in Table 1 and Attachment B.

¹⁰ Staff determined that FTRI incorrectly presented its Equipment & Repair total in its March 1, 2017 budget filing with the Commission. The corrected number is presented in Table 1 and Attachment B.

¹¹ The Federal Communications Commission may mandate state funding of Video Relay Service, Internet Protocol Relay Service, and Internet Protocol Captioned Telephone Service. It is estimated that at a minimum \$32 million would be needed to adequately fund the state program. The Commission, by Order PSC-06-0469-PAA-TP, issued June 1, 2006, in Docket No. 040763-TP, maintained the Florida Telecommunications Relay Service surcharge at \$0.15/month for one year in lieu of a surcharge reduction, to prepare the state Telecommunications Relay Service Fund for assuming intrastate costs of Video Relay Service and Internet Protocol Relay, and to allow time to determine how the costs should be recovered should the need arise.

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Based on having third quarter data for Fiscal Year 2016/2017, staff developed its own estimate of FTRI's expenses for Fiscal Year 2016/2017. This data is presented in Attachment B. For most expenses, staff used actual data from June 2016 through March 2017 and estimated the fourth quarter by averaging the first three quarters of the fiscal year. The exception is for Outreach where staff was informed that FTRI will spend the remaining funds in that account in the fourth quarter. Staff's estimates were then used as one element in evaluating FTRI's proposed budget. Attachment B includes FTRI's budgeted information for comparison purposes. Below is staff's review of selected items from FTRI's proposed budget expense by category.

Category I – Relay Services

The basis of the relay service expense is the minutes of use as projected by Sprint. Sprint's historical projections have proven to be reasonable and it has multi-state experience with such projections. As a result, staff believes that the estimates for Fiscal Year 2017/2018 are reasonable and should be used for budgetary purposes.¹²

Category II – Equipment & Repairs

Category II expenses reflect the purchases of equipment to be distributed to clients and the repairs that FTRI must do to keep the equipment in working order. Staff has reviewed FTRI's work papers to determine the amounts of equipment purchased for the year. FTRI's equipment budget reflected declines in equipment distribution, but includes equipment orders to maintain a sufficient inventory to serve its clients. FTRI used contract pricing for equipment multiplied by the number of units it plans to order over the course of the year. After comparing FTRI's proposed budget with its own estimates for Fiscal Year 2016/2017, staff believes that FTRI's proposed budget for Category II expenses is reasonable and supported in its work papers.

Category III – Equipment Distribution & Training

Category III reflects the cost of distribution of equipment throughout the state and the training of consumers in the use of the equipment. FTRI contracts with non-profit Regional Distribution Centers (RDCs) to perform these functions throughout Florida. Currently there are 24 RDCs.

FTRI proposes a budget for Freight-Telecomm Equipment of \$40,442 for Fiscal Year 2017/2018. This represents about a 3 percent increase from staff's estimate for Fiscal Year 2016/2017. FTRI anticipates that it will experience increased expenses as the warranties of several equipment models have expired. As a result, FTRI will be responsible for the shipping of units for repair and replacement at FTRI's expense. As a result, staff believes FTRI's proposed budget is reasonable for this item.

The largest component for Category III relates to FTRI's support of the RDCs. Staff notes that FTRI has added an additional RDC from last year. FTRI reports that of the \$814,950 in its proposed budget, \$732,762 is related to contracts supporting the distribution centers. FTRI's contracts with RDCs vary the support amount based on the number of clients they assist. More funds are provided for connecting a new client, while fewer funds are provided to assist existing clients in the system.

¹² Staff is evaluating responses to the relay request for proposals and the current rates may change beginning March 1, 2018.

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The second largest expense for this line item of \$70,048, relates to the maintenance and charges to support FTRI's database. Additional costs are related to laptops and air card connectivity for access to FTRI's database system by RDCs with sufficient activity to justify offsite distribution. The laptops and air cards represent an additional \$11,640.

Category IV – Outreach

FTRI has requested \$558,876, a decrease of \$15,650 from last year's budget for Outreach. This represents a reduction by 2.7 percent from last year. FTRI believes that newspaper outreach is reaching more eligible consumers and that it has had strong positive results. FTRI has indicated that it plans on spending the remaining funds from its FPSC approved budget in the fourth quarter. As a result, staff's estimate for Fiscal Year 2016/2017 reflects that amount (Attachment B). RDCs are responsible for some of the outreach for regional events that are approved and funded by FTRI.

Category V – General & Administrative

Category V reflects the expenses associated with FTRI's operations such as office and furnishings, employees, contracted services (auditors, attorney, and computer consultants), computers and other operating expenses (such as insurance and retirement). The number of staff at FTRI has remained the same from last year.

Staff acknowledges that the correlation between the decline in minutes of use and technology substitution for General and Administrative expense is not as direct as the correlation associated with service delivery and equipment distribution. However, staff believes efforts to control General and Administrative expenses are of equal importance.

Option 1: Staff Adjustments to FTRI's Proposed Budget

FTRI's proposed 2017/2018 budget presents reduced expenses in Categories I-IV. However, staff believes additional reductions can be made in both Category III - Equipment Distribution & Training, and Category V - General & Administrative expenses. In staff's analysis, staff compared actual expenses for the first three quarters and estimated the fourth quarter (using an average of the first three quarters) for Fiscal Year 2016-2017 to compare with FTRI's proposed budget. In addition, staff reviewed the budget working papers supplied by FTRI. Based on this review, staff recommends the following adjustments and/or continued monitoring of the following expenses:

- Regional Distribution Centers
- Legal
- Insurance-Health/Life/Disability
- Retirement

FTRI recognizes that access lines have decreased at the rate of 4.8 percent during the past three years (2014 - 2016) and that this trend will likely continue. As discussed earlier, Relay and CapTel expenses from Sprint (Category I) are projected to decline as a result of reduced minutes. In addition, Equipment & Repairs expenses (Category II), Equipment Distribution & Training expenses (Category III), and Outreach expenses (Category IV) are projected to decline. FTRI's proposed budget recognizes this trend as reflected in the proposed expense reductions associated

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with Categories I-IV. It is reasonable that FTRI's proposed budget would present expense reductions in categories I-IV given the technology shift phenomenon.

Regional Distribution Centers (RDCs)

For costs related to the RDCs (Category III), staff notes that FTRI's proposed budget includes a reduction relative to both FTRI's approved budget (10 percent) and its estimated expenses (2 percent) for Fiscal Year 2016/2017. However, the rate of decline does not appear to correspond with the decline that was reported in the first three quarters of Fiscal Year 2016/2017.

As noted earlier, staff's estimates are based on the first three quarters of Fiscal Year 2016/2017 and use an average of those quarters to estimate the last quarter. FTRI's proposed budget would be an increase of approximately 11 percent when compared to staff's estimate for Fiscal Year 2016/2017. FTRI's own estimate for Fiscal Year 2016/2017 already reflected a reduction of \$76,226 when compared to its approved budget. Most of the expenses related to the RDCs are related to RDC contracts. Since the expense of these contracts declines as the number of clients declines, it is reasonable to assume that the trend will continue and at best, level off. While FTRI did provide supporting work papers as requested for its proposed budget, that data did not include actual third quarter expenses. By comparison, staff's estimate did include third quarter data. Staff believes that third quarter data does not support FTRI's proposed estimate. As a result, staff recommends FTRI's budget for RDCs be reduced by \$81,954 to \$732,996, which is staff's estimate for Fiscal Year 2016/2017.

Legal Fees

Based on a review of supporting documents relating to Legal expense, staff has concerns regarding these expenses. FTRI has had the same law firm on retainer for many years. The attorney attends the board meetings and writes the minutes, reviews Request For Proposals, reviews contracts, and advises on legal issues as they arise. It would appear that paying the attorney an hourly rate may be more cost effective than paying a retainer. At a minimum, staff recommends that such legal invoices should be itemized with date of services, charges for the services, and a detailed description of the services provided by legal counsel.

Staff recommends that FTRI's proposed 2017/2018 Fiscal Year budget line item for Legal expense be reduced by \$36,000. Staff requested that FTRI provide any contracts, letters of engagement or other agreements for legal services. FTRI submitted a long-standing contract for legal services for a flat retainer of \$72,000 per year, excluding any travel or litigation costs. The monthly invoices submitted did not show sufficient detail of services performed, hours spent, hourly rate, or other relevant information for staff to have a basis to justify the contract amount. At \$370 per hour, approximately 195 hours would have to be spent to justify the retainer. The current contract retainer is over twice the amount the Commission recently approved to litigate a Class B water and wastewater rate case.¹³

Staff is not convinced that the contract amount is required to perform the regular annual non-litigation services for FTRI. Based on staff's review of the information provided, we conclude

¹³ Order No. PSC-17-0209-PAA-WU, Issued May 30, 2017, Docket No. 160065-WU, *In re: Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.* The Commission approved \$370 per hour and \$31,323 in legal fees for rate case expense.

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that the billable minutes associated with the services contracted may be more in line with an expense of \$36,000. More detailed billing information is necessary to allow for further analysis in next year's budget. Staff recommends that FTRI collect such billing information to include itemized invoices to FTRI with date of services, charges for the services, hours of service, price per hour, and a detailed description of the services provided by legal counsel.

In-House Analyses

Insurance

FTRI provides health, dental, vision, basic life, short-term disability, and long-term disability insurance to its employees. While this insurance may be beneficial to the employee, it goes beyond what an organization must offer its employees. Currently, employees pay part of the premiums related to their health insurance, which may include dental and vision. We believe that FTRI should compare the benefits offered based on its size and similarly situated organizations.

Retirement

Currently, 11.1 percent of salaries are contributed to a retirement account for the employees. Employees are not required to pay for any of their retirement. The retirement budget is based on estimated compensation for ten employees, a three percent salary increase, and estimated overtime (\$49,406). In addition, this includes a retirement plan surcharge of 2.78 percent on gross compensation for the first half of the budget year and a 5.55 surcharge for the second half of the year (\$18,538). In addition there is a charge of \$5,790 to the Pension Benefit Guarantee Cooperation. NTCA Retirement and Security is FTRI's retirement plan provider. NTCA has made plan cost increases and funding requirements changes. FTRI has decided to maintain the current contribution of 11.1 percent; however, employee future benefits are reduced from a 1.83 to a 1.54 benefit accrual rate with this decision. Future cost increases are under evaluation by FTRI.

Staff recommends that FTRI conduct in-house analyses for the expense items for Insurance-Health/Life/Disability and Retirement and submit its findings to the Commission. These analyses should include price quotes from other providers for insurance and retirement plans. The insurance and retirements benefits should include benefits offered by comparably-sized nonprofit and for profit entities. Staff recommends that FTRI submit the results of the analysis to staff by January 31, 2018 for review.

Surcharge

Staff recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to discontinue billing the \$0.11 monthly surcharge, and bill the \$0.10 surcharge for fiscal year 2017/2018, effective September 1, 2017.

Option 2: The Budget as Proposed by FTRI

In Option 2, FTRI's proposed Fiscal Year 2017/2018 budget operating revenue of \$6,224,425 and proposed budget expenses of \$5,969,260 would be approved, and the current TRS surcharge of \$0.11 per access line per month would be reduced to \$0.10. FTRI's proposed 2017/2018 budget presents reduced expenses in Categories I-IV. The proposed budget was approved by FTRI's Board of Directors.

Date: June 29, 2017

As discussed earlier, Relay and CapTel expenses from Sprint (Category I) are projected to decline as a result of reduced minutes. In addition, Equipment & Repairs expenses (Category II), Equipment Distribution & Training expenses (Category III), and Outreach expenses (Category IV) are projected to decline. FTRI's proposed budget recognizes this trend as reflected in the proposed expense reductions associated with Categories I-IV.

Although staff recommends approval of FTRI's proposed budget, staff believes a continued effort to reduce expenses is needed. As stated earlier, staff recommends that the Commission order FTRI to require detailed, itemized bills from its legal counsel and conduct an in-house analysis for expense items for Insurance-Health/Life/Disability and Retirement. Staff recommends that FTRI be ordered to provide the results of the analysis to staff by January 31, 2018 for review.

Conclusion

Staff believes FTRI's expense reductions in Categories I-IV are steps in the right direction to better position FTRI in a changing industry. However, a sustained effort is necessary for FTRI to strategically position itself in a rapidly changing environment. In staff Option 1, staff has identified four expense line items in FTRI's proposed 2017/2018 budget that should be reduced or warrant further analysis. These include RDC, Legal, Insurance-Health/Life/Disability, and Retirement expenses.

Staff recommends that the Commission reduce FTRI's proposed budget expenses for Fiscal Year 2017/2018 by \$81,954 for RDC expenses and by \$36,000 for Legal expenses as presented in Option 1. Staff recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to discontinue billing the \$0.11 monthly surcharge, and bill the \$0.10 surcharge for Fiscal Year 2017/2018, effective September 1, 2017. Staff also recommends that the Commission order FTRI to require detailed, itemized bills from its legal counsel and conduct in-house analyses for Insurance-Health/Life/Disability and Retirement expenses. Staff recommends that FTRI be ordered to provide the results of the analyses to staff by January 31, 2018.

Date: June 29, 2017

Issue 2: Should the Commission approve the appointment of Ms. Elizabeth Bradin to the TASA Advisory Committee effective immediately?

Recommendation: Yes. Staff recommends that the Commission approve the appointment of Ms. Elizabeth Bradin to the TASA Advisory Committee effective immediately. (Williams, Page)

Staff Analysis: Section 427.706, F.S., provides that the Commission shall appoint an advisory committee of up to 10 members to assist the Commission with Florida's relay system. The advisory committee shall include, among others, two members from telecommunications companies. Ms. Bradin will be one of these representatives.

By statute, the advisory committee provides the expertise, experience, and perspective of persons who are deaf, hard of hearing, or speech impaired to the Commission and the administrator during all phases of the development and operation of the telecommunications access system. The advisory committee advises the Commission and the administrator on the quality and cost-effectiveness of the telecommunications relay service and the specialized telecommunications devices distribution system. Members of the committee are not compensated for their services but are entitled to per diem and travel expenses provided through the Florida Public Service Commission's Regulatory Trust Fund.

Ms. Bradin is currently employed in Legislative and Regulatory Affairs for CenturyLink. Ms. Bradin's job duties include advocating company issues at the state and local level, filing CenturyLink regulatory items, and assisting with business development by working with other CenturyLink departments and outside vendors.

Staff recommends that the Commission approve the appointment of Ms. Elizabeth Bradin to the TASA Advisory Committee effective immediately.

Issue 3: Should this docket be closed?

Recommendation: No. A Consummating Order should be issued for Issue 1, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. The docket should remain open to address all matters related to relay service throughout the life of the current Sprint contract. (Page)

Staff Analysis: A Consummating Order should be issued for Issue 1, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. The docket should remain open to address all matters related to relay service throughout the life of the current Sprint contract.



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March 1, 2017

Mr. Curtis Williams, Regulatory Analyst IV
Office of Telecommunications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

RE: **FTRI FY 2017/2018 Budget**

Dear Mr. Williams:

I am pleased to forward a copy of the FY 2017/2018 budget for the Florida Telecommunications Relay, Inc. (FTRI). The budget was reviewed by FTRI's Budget Committee and was recently adopted by the Board of Directors at a special meeting.

The budget adopted by the board for FY 2017/2018 reduces the surcharge to 10 cents per access line and at this level is projected to produce revenues of \$6,224,425. As reflected on the attached copy of the approved budget total expenses are projected to be \$5,969,260.

Access lines have decreased at the rate of 4.8% during the past three years (2014, 2015 & 2016) and that trend is expected to continue as more consumers move from landline to other technologies. For the current budget period, it is projected that access lines will decrease over 4%.

FTRI and its regional partners continue to reach out to meet the telecommunications access needs of residents who are deaf, hard of hearing, deaf/blind, or speech disabled. Outreach continues to be an integral part of our efforts to attract new clients and educate the general population about the Florida Relay System and the benefits this brings to our citizens.

Should you have questions or desire additional information, please do not hesitate to email me at jforstall@ftri.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Forstall', is written over a printed name and title.

James Forstall
Executive Director

Enclosure

cc: FTRI Board of Directors

Florida Telecommunications Relay, Inc. Fiscal Year 2017/2018 Budget @ .10 cents surcharge					
	2016/2017 APPROVED BUDGET	2016/2017 ESTIMATED REV & EXPEND	2017/2018 PROPOSED BUDGET	Estimated to Budget VARIANCE 2016/2017 2017/2018	Budget to Budget VARIANCE 2016/2017 2017/2018
OPERATING REVENUE					
1 Surcharges	7,297,393	7,177,537	6,170,576	(1,006,961)	(1,126,817)
2 Interest Income	34,188	48,424	53,849	5,425	19,661
3 NDBEDP					
TOTAL OPERATING REV	7,331,581	7,225,961	6,224,425	(1,001,536)	(1,107,156)
OTHER REVENUE/FUNDS					
4 Surplus Account	15,983,096	16,552,936	17,337,883	784,947	1,354,787
TOTAL REVENUE	23,314,677	23,778,897	23,562,308	(216,589)	247,631
OPERATING EXPENSES					
CATEGORY I - RELAY SERVICES					
5 DPR Provider	3,192,039	2,664,000	2,219,366	(444,634)	(972,673)
SUBTOTAL-CATEGORY I	3,192,039	2,664,000	2,219,366	(444,634)	(972,673)
CATEGORY II - EQUIPMENT & REPAIRS					
6 TDD Equipment	0	0	0	0	0
7 Large Print TDD's	0	0	0	0	0
8 VCO/HCO - TDD	720	4,600	4,600	0	3,880
9 VCO Telephone	0	0	0	0	0
10 Dual Sensory Equipment	5,000	0	0	0	(5,000)
11 CapTel Phone Equipment	0	0	0	0	0
12 VCP Hearing Impaired	1,440,645	1,300,675	1,249,948	(50,727)	(190,697)
13 VCP Speech Impaired	1,386	1,083	832	(231)	(554)
14 TeliTalk Speech Aid	18,000	9,000	9,000	0	(9,000)
15 Jupiter Speaker phone	0	0	0	0	0
16 In-Line Amplifier	0	300	300	0	300
17 ARS Signaling Equip	6,501	2,600	2,400	(200)	(4,101)
18 VRS Signaling Equip	16,080	3,193	2,921	(272)	(13,159)
19 Accessories & Supplies	2,980	791	1,580	789	(1,400)
20 Telecomm Equip Repair	199,074	75,477	64,339	(11,138)	(134,735)
SUBTOTAL-CATEGORY II	1,690,386	1,397,699	1,335,920	(61,779)	(354,466)
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING					
21 Freight-Telecomm Equip	43,225	39,909	40,442	533	(2,783)
22 Regional Distr Centers	910,059	833,833	814,950	(18,883)	(95,109)
23 Workshop Expense	0	0	0	0	0
24 Training Expense	664	0	500	500	(164)
SUBTOTAL-CATEGORY III	953,948	873,742	855,892	(17,850)	(98,056)

Florida Telecommunications Relay, Inc. Fiscal Year 2017/2018 Budget @ .10 cents surcharge					
	2016/2017 APPROVED BUDGET	2016/2017 ESTIMATED REV & EXPEND	2017/2018 PROPOSED BUDGET	Estimated to Budget VARIANCE 2016/2017 2017/2018	Budget to Budget VARIANCE 2018/2017 2017/2018
CATEGORY IV - OUTREACH					
25 Outreach Expense	574,626	574,626	558,976	(15,650)	(15,650)
SUBTOTAL-CATEGORY IV	574,626	574,626	558,976	(15,650)	(15,650)
CATEGORY V - GENERAL & ADMINISTRATIVE					
26 Advertising	1,340	15	658	643	(682)
27 Accounting/Auditing	26,140	22,414	20,533	(1,881)	(5,607)
28 Legal	71,400	72,000	72,000	0	600
29 Computer Consultation	7,187	7,187	5,580	(1,607)	(1,607)
30 Dues & Subscriptions	3,439	1,714	1,655	(59)	(1,784)
31 Office Furniture Purchase	0	0	0	0	0
32 Office Equipment Purchase	4,507	4,109	6,667	2,558	2,160
33 Office Equipment Lease	1,695	1,870	1,827	(43)	132
34 Insurance-Hlth/Life/Dsblty	125,343	140,903	175,345	34,442	50,002
35 Insurance-Other	10,748	9,449	10,075	626	(673)
36 Office Expense	14,197	14,035	13,719	(316)	(478)
37 Postage	4,489	7,541	7,541	0	3,052
38 Printing	719	1,514	1,514	0	795
39 Rent	93,921	91,769	92,062	293	(1,859)
40 Utilities	5,065	5,297	5,297	0	232
41 Retirement	65,585	60,783	73,734	12,951	8,149
42 Employee Compensation	434,973	422,644	445,106	22,462	10,133
43 Temporary Employment	9,640	0	0	0	(9,640)
44 Taxes - Payroll	33,275	30,081	30,091	30	(3,184)
45 Taxes - Unemplmt Comp	2,012	1,829	1,725	(104)	(287)
46 Taxes - Licenses	0	61	61	0	61
47 Telephone	15,595	17,106	17,240	134	1,645
48 Travel & Business	18,700	15,273	13,585	(1,688)	(5,115)
49 Equipment Maint.	937	736	746	10	(191)
50 Employee Training/Dev	567	1,042	975	(67)	408
51 Meeting Expense	3,641	1,595	1,370	(225)	(2,271)
52 Miscellaneous Expense	0	0	0	0	0
SUBTOTAL-CATEGORY V	955,115	930,947	999,106	68,159	43,991
CATEGORY VI - NDBEDP					
53 NDBEDP - Expense	0	0			
SUBTOTAL-CATEGORY VI	0	0	0	0	0
TOTAL EXPENSES	7,366,114	6,441,014	5,969,260	(471,754)	(1,396,854)
REVENUE LESS EXPENSES	15,948,563	17,337,883	17,593,048	255,165	1,644,485
			255,165		

Date: June 29, 2017

Staff's Budget Comparison

		2016/2017 APPROVED BUDGET	2016/2017 FTRI ESTIMATED	2016/2017 FPSC STAFF ESTIMATED	Option 1 2017/2018 FPSC PROPOSED BUDGET	Option 2 2017/2018 FTRI PROPOSED BUDGET
	REVENUE					
1	Surcharge	7,297,393	7,177,537	7,177,537	6,273,379	6,170,576
2	Interest	34,188	48,424	48,424	53,849	53,849
3	NDBEDP ¹⁴	-	-	-	-	-
	TOTAL OPERATING REVENUE	7,331,581	7,225,961	7,225,961	6,327,228	6,224,425
4	Surplus Account ¹⁵	15,983,096	16,552,936	16,552,936	17,337,883	17,337,883
	TOTAL REVENUE	23,314,677	23,778,897	23,778,897	23,665,111	23,562,308
	OPERATING EXPENSES					
	CATEGORY I - RELAY SERVICES					
5	DPR Provider	3,192,039	2,664,000	2,664,000	2,219,366	2,219,366
	SUBTOTAL CATEGORY I	3,192,039	2,664,000	2,664,000	2,219,366	2,219,366
	CATEGORY II - EQUIPMENT & REPAIRS					
6	TDD Equipment	-	-	-	-	-
7	Large Print TDD	-	-	-	-	-
8	VCO/HCO-TDD	1,533	4,600	6,133	4,600	4,600
9	VCO-Telephone	-	-	-	-	-
10	Dual Sensory Equipment	-	-	-	-	-
11	CapTel Phone Equipment	-	-	-	-	-
12	VCP Hearing Impaired	1,415,745	1,300,675	1,233,219	1,249,948	1,249,948
13	VCP Speech Impaired	689	1,063	1,109	832	832
14	TeliTalk Speech Aid	7,200	9,000	7,200	9,000	9,000
15	Infrared/Hands Free	-	-	-	-	-
16	In Line Amplifier	-	300	400	300	300
17	ARS-Signaling Equipment	1,589	2,400	2,717	2,400	2,400
18	VRS-Signaling Equipment	6,968	3,193	6,608	2,921	2,921
19	Equipment Accessories/Supplies	481	791	823	1,580	1,580
20	Telecom Equipment Repair	89,829	75,477	63,667	64,339	64,339
	SUBTOTAL CATEGORY II	1,524,034	1,397,499	1,321,726	1,335,920	1,335,920

¹⁴ The National Deaf-Blind Equipment Distribution Program (NDBEDP) was administrated by FTRI in Florida, but was relinquished last year. As a result, this line item reflects a zero balance and was included for consistency with FTRI's proposal.

¹⁵ The surplus account represents funds collected to cover two months of operating expenses to offset fluctuations in funding and to partially cover expenses relating to video relay service when the FCC mandates that states pay for such expenses.

Date: June 29, 2017

Staff's Budget Comparison

					Option 1	Option 2
		2016/2017 APPROVED BUDGET	2016/2017 FTRI ESTIMATED	2016/2017 FPSC STAFF ESTIMATED	2017/2018 FPSC PROPOSED BUDGET	2017/2018 FTRI PROPOSED BUDGET
	CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING					
21	Freight - Telecom Equipment	43,225	39,909	39,137	40,442	40,442
22	Regional Distribution Centers	910,059	833,833	732,996	732,996	814,950
23	Workshop Expense	-	-	-	-	-
24	Training Expense for RDCs	624	-	-	500	500
	SUBTOTAL CATEGORY III	953,908	873,742	772,133	773,938	855,892
	CATEGORY IV – OUTREACH					
25	Outreach Expense	574,626	574,626	574,626	558,976	558,976
	SUBTOTAL CATEGORY IV	574,626	574,626	574,626	558,976	558,976
	CATEGORY V - GENERAL AND ADMINISTRATIVE					
26	Advertising	1,340	15	20	658	658
27	Accounting/Audit	26,140	22,414	27,119	20,533	20,533
28	Legal	71,400	72,000	72,000	36,000	72,000
29	Consultation-Computer	7,187	7,187	7,289	5,580	5,580
30	Dues/Subscriptions	3,439	1,714	1,957	1,655	1,655
31	Office Furniture	-	-	-	-	-
32	Office Equipment Purchase	4,507	4,109	4,271	6,667	6,667
33	Office Equipment Lease	1,695	1,870	1,937	1,827	1,827
34	Insurance - Health/Life/Disability	125,343	140,903	128,707	175,345	175,345
35	Insurance-Other	10,748	9,449	9,764	10,075	10,075
36	Office Expense	14,197	14,035	13,179	13,719	13,719
37	Postage	4,489	7,541	5,389	7,541	7,541
38	Printing	719	1,514	2,072	1,514	1,514
39	Rent	93,921	91,769	91,776	92,062	92,062
40	Utilities	5,065	5,297	5,259	5,297	5,297
41	Retirement	65,585	60,783	61,340	73,734	73,734
42	Employee Compensation	434,973	422,644	417,707	445,106	445,106
43	Temporary Employment	9,640	-	-	-	-
44	Taxes – Payroll	33,275	30,061	31,304	30,091	30,091
45	Taxes - Unemployment Comp	2,012	1,829	2,171	1,725	1,725

Date: June 29, 2017

Staff's Budget Comparison

					Option 1	Option 2
		2016/2017 APPROVED BUDGET	2016/2017 FTRI ESTIMATED	2016/2017 FPSC STAFF ESTIMATED	2017/2018 FPSC PROPOSED BUDGET	2017/2018 FTRI PROPOSED BUDGET
46	Taxes – Licenses	-	61	-	61	61
47	Telephone	15,595	17,106	17,712	17,240	17,240
48	Travel & Business Expense	18,700	15,273	13,188	13,585	13,585
49	Equipment Maintenance	937	736	951	746	746
50	Employee Training	567	1,042	456	975	975
51	Meeting Expense	3,641	1,595	1,240	1,370	1,370
52	Miscellaneous	-	-	-	-	-
	SUBTOTAL CATEGORY V	955,115	930,947	916,808	963,106	999,106
	CATEGORY VI					
53	NDBEDP ¹⁶	-	-	-	-	-
	SUBTOTAL CATEGORY VI	-	-	-	-	-
	TOTAL EXPENSES	7,199,722	6,440,814	6,249,443	5,851,306	5,969,260
	REVENUES LESS EXPENSES	131,859	785,147	976,518	475,922	255,165

¹⁶ The National Deaf-Blind Equipment Distribution Program (NDBEDP) was administrated by FTRI in Florida, but was relinquished last year. As a result, this line item reflects a zero balance and was included for consistency with FRTI's proposal.

Item 3

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05624-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (Deas, Curry, Fogleman, Long, Wooten)
Office of the General Counsel (Murphy, Cuello) *CLC* *EW* *MSHC* *Mat* *BRJ*

RE: Docket No. 170082-TP – Request for relinquishment of partial eligible telecommunications carrier status, by BellSouth Telecommunications, LLC d/b/a AT&T Florida.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Polmann

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

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2017 JUN 29 AM 11:54
COMMISSION
CLERK

Case Background

On April 7, 2017, BellSouth Telecommunications, LLC d/b/a AT&T Florida (AT&T Florida or Company) filed a petition with the Florida Public Service Commission (Commission) for partial relinquishment of its Eligible Telecommunications Carrier (ETC) designation in its service territories in Florida, effective October 12, 2017. AT&T Florida is an incumbent local exchange carrier (ILEC) in Florida. On October 14, 1997, the Commission designated AT&T Florida as an ETC in its ILEC service territory pursuant to 47 USC 214(e)(2) and Section 364.10(2), Florida Statutes (1997).¹ ETC designation is a requirement for telecommunications carriers to receive

¹ Order No. PSC-97-1262-FOF-TP, Docket Nos. 970644-TP, In re: Establishment of eligible telecommunications carriers pursuant to Section 214(e) of the Telecommunications Act of 1996, and 970744-TP, In re: Implementation of changes in the Federal Lifeline Assistance Plan currently provided by telecommunications carriers of last resort, issued October 14, 1997.

federal Universal Service Funds (USF) for the Lifeline and High Cost programs. The Lifeline program enables low-income households to obtain and maintain telephone service by providing qualifying households with discounts on their monthly telephone bills. The High Cost program, known as the Connect America Fund (CAF), helps carriers provide voice and broadband service in remote and underserved communities.

Initially, the goal of the High Cost program was to subsidize voice telephone networks in rural and remote areas. However, the Federal Communications Commission (FCC) has restructured the program by shifting the focus of universal service from supporting voice networks to supporting and expanding broadband availability.² For price cap providers like AT&T Florida, the restructured CAF program is referred to as the Connect America Fund II (CAF II) and provides support that is based on a model that estimates the cost to provide voice and broadband services in high-cost areas where unsubsidized carriers are not providing comparable services.³

AT&T Florida has accepted the FCC's offer for CAF II funding. According to the Company, this decision will enable AT&T Florida to provide broadband in high cost, primarily rural areas in Florida. Unlike past USF subsidies, CAF II funding is available specifically by census blocks⁴ rather than by larger areas like wire centers and service territories.⁵ This change was implemented by the FCC to ensure that high cost support reaches its targeted areas and is not used to support broadband in areas where the subsidy is not needed.

AT&T Florida's acceptance of CAF II funding obligates the Company to remain an ETC in the CAF II census blocks for the duration of the funding term and to offer Lifeline discounts to eligible customers who reside in those census blocks.⁶ Thus, by its petition, AT&T Florida is seeking only partial relinquishment of its ETC designation in its service territories in Florida. AT&T Florida seeks to retain its ETC designation in the CAF II census blocks (the retained area) identified in Attachment B and relinquish its ETC designation in all other portions of its remaining service territory (the relinquishment area), where it is no longer eligible for high cost universal service support.

AT&T Florida states Commission approval of its petition will not affect the availability of any AT&T Florida's legacy voice services in Florida. The Company will continue to offer and

² FCC 11-161, WC Docket No. 10-90, Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, paragraph 20, released November 18, 2011, http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-11-161A1.pdf (CAF Order).

³ FCC 14-190, WC Docket No. 10-90, Connect America Fund, Report and Order, Released December 18, 2014, https://apps.fcc.gov/edocs_public/attachmatch/FCC-14-190A1_Rcd.pdf.

⁴ The Census Bureau defines a census block as "statistical areas bounded by visible features, such as streets, roads, streams, and railroad tracks, and by nonvisible boundaries, such as selected property lines and city, township, school district, and county limits and short line-of-sight extensions of streets and roads...." Census block boundaries do not always coincide with wire center boundaries https://www.census.gov/geo/reference/gtc/gtc_block.html.

⁵ See CAF Order paragraph 51-52.

⁶ In addition to identifying specific census blocks as eligible for CAF II funding, the FCC also allows AT&T Florida to use CAF II support in "Extremely High Cost" census blocks to meet its CAF II broadband commitments. See 47 C.F.R. § 54.310(c)(1). The funding term is six years and only applies to those Extremely High Cost census blocks in which AT&T actually uses CAF II support. As noted in the company's petition for partial relinquishment of its ETC designation, AT&T is retaining its ETC designation in some "Extremely High Cost" census blocks in Florida.

provide legacy voice services across its entire service territory, including in the relinquishment area. The Company will also continue to comply with all applicable federal and state service obligations across its entire service territory, including the relinquishment area.

At the end of 2016, AT&T Florida had 176 Lifeline customers in the retained area and 7,219 in the relinquishment area. At the time of the petition, AT&T Florida was serving less than one percent of all the Lifeline subscribers in Florida. AT&T Florida asserts customers have been replacing AT&T's traditional wireline residential voice services with wireless, Voice over Internet Protocol and other competitive options. Consequently, AT&T Florida states that this change in the telecommunications market has led to its request for relinquishment.

This is a case of first impression since AT&T Florida is the first ILEC to request ETC relinquishment in Florida. The Commission is vested in jurisdiction in this matter, pursuant to Section 364.10, Florida Statutes, and 47 CFR §54.205.

Discussion of Issues

Issue 1: Should the Commission approve AT&T Florida's request for partial relinquishment of its ETC designation?

Recommendation: Yes. The Commission should approve AT&T Florida's request for partial relinquishment of its ETC designation. (Deas, Curry, Wooten, Murphy, Cuello)

Staff Analysis: An ETC is entitled to relinquish its ETC designation pursuant to 47 CFR §54.205(a), which provides:

A state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the state commission of such relinquishment.

In approving a relinquishment, state commissions must require the remaining ETCs to ensure that existing customers will continue to be served. 47 CFR §54.205(b), provides:

Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed.

In its petition, AT&T Florida identified all of the designated ETCs currently serving in AT&T's service territory (Attachment A). Staff sent a data request to each of the ETCs identified in AT&T Florida's petition. Staff asked each provider to verify that it is a designated ETC in AT&T Florida service territories identified in Attachment A and to confirm that the provider is currently providing service in those areas.

Staff has reviewed the responses and conducted additional analysis to verify that the customers in the relinquished areas would continue to be served. This analysis included identifying the zip codes within each wire center listed in Attachment A. Staff then used a sample of the zip codes for the wire centers to verify, on the ETC's websites, that the carriers were currently offering Lifeline service in AT&T Florida's relinquishment area. Based on staff's review and analysis, staff determined that in each of AT&T Florida's service territories where the Company is relinquishing its ETC designation, customers will continue to be served by one or more ETCs. Staff also determined that the majority of the ETCs remaining in AT&T Florida's service territory will be wireless providers.

In its petition, AT&T Florida has asserted that its Lifeline customers in the relinquished area will receive ample notice of the need to select another ETC to continue receiving a Lifeline discount. This notice will be sent to customers, via U.S. Mail, at least 60 days prior to the effective date of the relinquishment. The notice will explain that AT&T Florida will no longer offer a Lifeline discount and if the customer does not choose another Lifeline provider, the customer will be charged standard prices (including applicable surcharges, fees and taxes) for their existing AT&T Florida services.

AT&T will also send a second notice and a bill message at least 15 days prior to the relinquishment date. The second notice will provide a list of Lifeline providers designated in all or part of AT&T Florida's service territory and a link to an AT&T website that lists those ETCs by city/towns. The notices will also provide information on how to contact the Universal Service Administrative Company (USAC) for a list of other ETCs in the state and answers to general Lifeline questions. In addition, AT&T Florida will stop enrolling customers in the Lifeline program from the relinquished area either within five (5) days of the date the Commission's Order is final or August 11, 2017, whichever is later.

After reviewing AT&T Florida's petition and the responses to the ETC data requests, pursuant to 47 CFR §54.205(b), the providers have verified there will be one or more ETCs remaining in AT&T Florida's service territory where the Company is relinquishing its ETC designation. Therefore, customers who reside within the relinquishment area will continue to be served by an ETC provider if AT&T Florida's ETC relinquishment is granted. Thus, AT&T Florida has met 47 CFR §54.205(b) requirements to relinquish its ETC designation in its service territory where they are not receiving CAF II funding.⁷ Therefore, staff recommends that the Commission should approve AT&T Florida's petition for partial relinquishment of its ETC status. The Company will retain ETC designation in only the areas identified in Exhibit B. All other areas will be relinquished.

⁷ Staff does not agree with all the assertions made by AT&T in its petition. In particular, staff does not agree with the number of ETCs that can offer service in many of the wire centers. Additionally, staff does not necessarily agree with AT&T Florida that it will continue to provide "universal service" as contemplated by the Act in the relinquished areas. However, these assertions by AT&T Florida are not dispositive of the matter before the Commission because AT&T meets the statutory requirements to relinquish the areas requested in its petition.

Issue 2: Should this docket be closed?

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

Staff Analysis: At the conclusion of the protest period, if no protest is filed this docket should be closed upon the issuance of a consummating order.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
ARCHFLMA	ARCHER	1	6	1, 2, 3, 4, 6, 7, 8, 9
BCRTFLBT	BOCA RATON	0	3	1, 2, 4, 6, 7, 8, 9
BCRTFLMA	BOCA RATON	0	29	1, 2, 4, 6, 7, 8, 9
BCRTFLSA	BOCA RATON	0	76	1, 2, 4, 6, 7, 8, 9
BGPIFLMA	KEYS	0	4	1, 2, 4, 6, 7, 8, 9
BKVLFLJF	BROOKSVILLE	1	44	1, 2, 3, 4, 6, 7, 8, 9
BLDWFLMA	BALDWIN	1	4	1, 2, 4, 6, 7, 8, 9
BLGLFLMA	BELLE GLADE	0	8	1, 2, 4, 6, 7, 8, 9
BNNLFLMA	BUNNELL	2	19	1, 2, 4, 6, 7, 8, 9
BRSNFLMA	BRONSON	8	12	1, 2, 3, 4, 6, 7, 8, 9
BYBHFLMA	BOYNTON BEACH	1	65	1, 2, 4, 6, 7, 8, 9
CCBHFLMA	COCOA BEACH	0	13	1, 2, 4, 6, 7, 8, 9
CDKYFLMA	CEDAR KEY	0	1	1, 2, 3, 4, 6, 7, 8, 9
CFLDFLMA	CHIEFLAND	13	16	1, 2, 3, 4, 6, 7, 8, 9
CHPLFLJA	CHIPLEY	11	15	1, 2, 4, 6, 7, 8, 9
CNTMFLLE	CANTONMENT	0	16	1, 2, 3, 4, 6, 7, 8, 9
COCOFLMA	COCOA	0	50	1, 2, 4, 6, 7, 8, 9
COCOFLME	COCOA	0	16	1, 2, 4, 6, 7, 8, 9
CSCYFLBA	CROSS CITY	2	6	1, 2, 3, 4, 6, 7, 8, 9
DBRYFLDL	DEBARY	0	21	1, 2, 4, 6, 7, 8, 9
DBRYFLMA	DEBARY	0	6	1, 2, 4, 6, 7, 8, 9
DELDFLMA	DELAND	2	28	1, 2, 4, 6, 7, 8, 9
DLBHFLKP	DELRAY BEACH	0	65	1, 2, 4, 6, 7, 8, 9
DLBHFLMA	DELRAY BEACH	0	27	1, 2, 4, 6, 7, 8, 9
DLSPFLMA	DE LEON SPRINGS	0	5	1, 2, 4, 6, 7, 8, 9
DNLNFLWM	DUNNELLON	9	68	1, 2, 3, 4, 6, 7, 8, 9
DRBHFLMA	DEERFIELD BEACH	0	54	1, 2, 4, 6, 7, 8, 9
DYBHFLFN	DAYTONA BEACH	0	4	1, 2, 4, 6, 7, 8, 9
DYBHFLMA	DAYTONA BEACH	0	59	1, 2, 4, 6, 7, 8, 9
DYBHFLMB	DAYTONA BEACH	0	32	1, 2, 4, 6, 7, 8, 9
DYBHFLMB	DAYTONA BEACH	0	7	1, 2, 4, 6, 7, 8, 9
DYBHFLPO	DAYTONA BEACH	0	53	1, 2, 4, 6, 7, 8, 9
EGLLFLBG	EAU GALLIE	0	38	1, 2, 4, 6, 7, 8, 9
EGLLFLIH	EAU GALLIE	0	4	1, 2, 4, 6, 7, 8, 9
EORNFLMA	EAST ORANGE	0	8	1, 2, 4, 6, 7, 8, 9
FLBHFLMA	FLAGLER BEACH	0	5	1, 2, 4, 6, 7, 8, 9
FMTNALMT	CENTURY	0	5	1, 2, 4, 6, 7, 8, 9
FRBHFLFP	FERNANDINA BEACH	0	16	1, 2, 4, 6, 7, 8, 9

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
FTGRFLMA	JACKSONVILLE	0	0	1, 2, 4, 6, 7, 8, 9
FTLDFLCR	FORT LAUDERDALE	0	21	1, 2, 4, 6, 7, 8, 9
FTLDFLCY	FORT LAUDERDALE	0	30	1, 2, 4, 6, 7, 8, 9
FTLDFLJA	FORT LAUDERDALE	0	26	1, 2, 4, 6, 7, 8, 9
FTLDFLMR	FORT LAUDERDALE	0	58	1, 2, 4, 6, 7, 8, 9
FTLDFLOA	FORT LAUDERDALE	0	63	1, 2, 4, 6, 7, 8, 9
FTLDFLPL	FORT LAUDERDALE	0	61	1, 2, 4, 6, 7, 8, 9
FTLDFLSG	FORT LAUDERDALE	0	0	1, 2, 4, 6, 7, 8, 9
FTLDFLSU	FORT LAUDERDALE	0	92	1, 2, 4, 6, 7, 8, 9
FTLDFLWN	FORT LAUDERDALE	0	12	1, 2, 4, 6, 7, 8, 9
FTPRFLMA	FORT PIERCE	2	54	1, 2, 4, 6, 7, 8, 9
GCSPFLCN	GREEN COVE SPRINGS	0	10	1, 2, 4, 6, 7, 8, 9
GCVLFLMA	GRACEVILLE	7	4	1, 2, 4, 6, 7, 8, 9
GENVFLMA	GENEVA	1	3	1, 2, 4, 6, 7, 8, 9
GLBRFLMC	GULF BREEZE	0	6	1, 2, 3, 4, 6, 7, 8, 9
GSVLFLMA	GAINESVILLE	0	98	1, 2, 3, 4, 6, 7, 8, 9
GSVLFLNW	GAINESVILLE	0	8	1, 2, 3, 4, 6, 7, 8, 9
HAVNFLMA	HAVANA	0	20	1, 2, 4, 6, 7, 8, 9
HBSDFLMA	HOBE SOUND	0	12	1, 2, 4, 6, 7, 8, 9
HLNVFLMA	HOLLEY-NAVARRE	0	2	1, 2, 3, 4, 6, 7, 8, 9
HLWDFLHA	HOLLYWOOD	0	58	1, 2, 4, 6, 7, 8, 9
HLWDFLMA	HOLLYWOOD	0	37	1, 2, 4, 6, 7, 8, 9
HLWDFLPE	FORT LAUDERDALE	0	147	1, 2, 4, 6, 7, 8, 9
HLWDFLWH	HOLLYWOOD	0	114	1, 2, 4, 6, 7, 8, 9
HMSTFLEA	HOMESTEAD	0	9	1, 2, 4, 6, 7, 8, 9
HMSTFLHM	HOMESTEAD	2	43	1, 2, 4, 6, 7, 8, 9
HMSTFLNA	HOMESTEAD	0	18	1, 2, 4, 6, 7, 8, 9
HMSTFLNA	JENSEN BEACH	0	0	1, 2, 4, 6, 7, 8, 9
HTISFLMA	PORT ST LUCIE	0	19	1, 2, 4, 6, 7, 8, 9
HWTHFLMA	HAWTHORNE	11	4	1, 2, 3, 4, 6, 7, 8, 9
ISLMFLMA	KEYS	0	0	1, 2, 4, 6, 7, 8, 9
JAY FLMA	JAY	1	6	1, 2, 3, 4, 6, 7, 8, 9
JCBHFLAB	JACKSONVILLE	0	6	1, 2, 4, 6, 7, 8, 9
JCBHFLMA	JACKSONVILLE BEACH	0	34	1, 2, 4, 6, 7, 8, 9
JCBHFLSP	JACKSONVILLE	0	3	1, 2, 4, 6, 7, 8, 9
JCVLFLAR	JACKSONVILLE	0	22	1, 2, 4, 6, 7, 8, 9
JCVLFLBW	JACKSONVILLE	0	32	1, 2, 4, 6, 7, 8, 9
JCVLFLCL	JACKSONVILLE	0	77	1, 2, 4, 6, 7, 8, 9

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
JCVLFLFC	JACKSONVILLE	0	21	1, 2, 4, 6, 7, 8, 9
JCVLFLIA	JACKSONVILLE	0	0	1, 2, 4, 6, 7, 8, 9
JCVLFLJT	JACKSONVILLE	0	0	1, 2, 4, 6, 7, 8, 9
JCVLFLLF	JACKSONVILLE	0	76	1, 2, 4, 6, 7, 8, 9
JCVLFLNO	JACKSONVILLE	0	46	1, 2, 4, 6, 7, 8, 9
JCVLFLOW	JACKSONVILLE	0	25	1, 2, 4, 6, 7, 8, 9
JCVLFLRV	JACKSONVILLE	0	45	1, 2, 4, 6, 7, 8, 9
JCVLFLSJ	JACKSONVILLE	0	71	1, 2, 4, 6, 7, 8, 9
JCVLFLSM	JACKSONVILLE	0	23	1, 2, 4, 6, 7, 8, 9
JCVLFLWC	JACKSONVILLE	0	45	1, 2, 4, 6, 7, 8, 9
JPTRFLMA	JUPITER	0	19	1, 2, 4, 6, 7, 8, 9
KYHGFLMA	KEYSTONE HEIGHTS	4	21	1, 2, 3, 4, 6, 7, 8, 9
KYLRFLLS	KEYS	0	6	1, 2, 4, 6, 7, 8, 9
KYLRFLMA	KEYS	0	1	1, 2, 4, 6, 7, 8, 9
KYWSFLMA	KEYS	0	12	1, 2, 4, 6, 7, 8, 9
LKCYFLMA	LAKE CITY	9	42	1, 2, 4, 6, 7, 8, 9
LKMRFLHE	SANFORD	0	1	1, 2, 4, 6, 7, 8, 9
LYHNFLOH	LYNN HAVEN	0	18	1, 2, 4, 5, 6, 7, 8, 9
MCNPFLMA	MICANOPY	4	2	1, 2, 3, 4, 6, 7, 8, 9
MDBGFLPM	MIDDLEBURG	0	20	1, 2, 4, 6, 7, 8, 9
MIAMFLAE	MIAMI	0	127	1, 2, 4, 6, 7, 8, 9
MIAMFLAL	MIAMI	0	64	1, 2, 4, 6, 7, 8, 9
MIAMFLAP	MIAMI	0	5	1, 2, 4, 6, 7, 8, 9
MIAMFLBA	MIAMI	0	86	1, 2, 4, 6, 7, 8, 9
MIAMFLBC	MIAMI	0	14	1, 2, 4, 6, 7, 8, 9
MIAMFLBR	MIAMI	0	99	1, 2, 4, 6, 7, 8, 9
MIAMFLCA	MIAMI	0	319	1, 2, 4, 6, 7, 8, 9
MIAMFLDB	MIAMI	0	1	1, 2, 4, 6, 7, 8, 9
MIAMFLFL	MIAMI	0	133	1, 2, 4, 6, 7, 8, 9
MIAMFLGR	MIAMI	0	9	1, 2, 4, 6, 7, 8, 9
MIAMFLHL	MIAMI	0	370	1, 2, 4, 6, 7, 8, 9
MIAMFLIC	MIAMI	0	51	1, 2, 4, 6, 7, 8, 9
MIAMFLKE	MIAMI	0	0	1, 2, 4, 6, 7, 8, 9
MIAMFLME	MIAMI	0	65	1, 2, 4, 6, 7, 8, 9
MIAMFLNM	MIAMI	0	24	1, 2, 4, 6, 7, 8, 9
MIAMFLNS	MIAMI	0	77	1, 2, 4, 6, 7, 8, 9
MIAMFLOL	MIAMI	0	53	1, 2, 4, 6, 7, 8, 9
MIAMFLPB	MIAMI	0	118	1, 2, 4, 6, 7, 8, 9

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
MIAMFLPL	MIAMI	0	10	1, 2, 4, 6, 7, 8, 9
MIAMFLRR	MIAMI	0	39	1, 2, 4, 6, 7, 8, 9
MIAMFLSH	MIAMI	0	39	1, 2, 4, 6, 7, 8, 9
MIAMFLSO	MIAMI	0	77	1, 2, 4, 6, 7, 8, 9
MIAMFLWD	MIAMI	0	109	1, 2, 4, 6, 7, 8, 9
MIAMFLWM	MIAMI	0	147	1, 2, 4, 6, 7, 8, 9
MICCFLLBB	SEBASTIAN	0	4	1, 2, 4, 6, 7, 8, 9
MLBRFLMA	MELBOURNE	0	96	1, 2, 4, 6, 7, 8, 9
MLTNFLRA	MILTON	6	45	1, 2, 3, 4, 6, 7, 8, 9
MNDRFLAV	JACKSONVILLE	0	2	1, 2, 4, 6, 7, 8, 9
MNDRFLLO	JACKSONVILLE	0	26	1, 2, 4, 6, 7, 8, 9
MNDRFLLW	ST. JOHNS	0	8	1, 2, 4, 6, 7, 8, 9
MNSNFLMA	MUNSON	4	0	1, 2, 3, 4, 6, 7, 8, 9
MRTHFLVE	KEYS	0	3	1, 2, 4, 6, 7, 8, 9
MXVLFLMA	MAXVILLE	0	4	1, 2, 4, 6, 7, 8, 9
NDADFLAC	NORTH DADE	0	53	1, 2, 4, 6, 7, 8, 9
NDADFLBR	NORTH DADE	0	73	1, 2, 4, 6, 7, 8, 9
NDADFLGG	NORTH DADE	0	45	1, 2, 4, 6, 7, 8, 9
NDADFLLOL	NORTH DADE	0	56	1, 2, 4, 6, 7, 8, 9
NKLRFLMA	KEYS	0	0	1, 2, 4, 6, 7, 8, 9
NSBHFLMA	NEW SMYRNA BEACH	0	27	1, 2, 4, 6, 7, 8, 9
NWBYFLMA	NEWBERRY	8	12	1, 2, 3, 4, 6, 7, 8, 9
OKHLFLMA	OAK HILL	0	1	1, 2, 4, 6, 7, 8, 9
OLTWFLLN	OLD TOWN	21	13	1, 2, 3, 4, 6, 7, 8, 9
ORLDFLAP	ORLANDO	0	105	1, 2, 4, 6, 7, 8, 9
ORLDFLCL	ORLANDO	0	16	1, 2, 4, 6, 7, 8, 9
ORLDFLMA	ORLANDO	0	63	1, 2, 4, 6, 7, 8, 9
ORLDFLPC	ORLANDO	0	39	1, 2, 4, 6, 7, 8, 9
ORLDFLPH	ORLANDO	0	81	1, 2, 4, 6, 7, 8, 9
ORLDFLSA	ORLANDO	0	11	1, 2, 4, 6, 7, 8, 9
ORPKFLMA	ORANGE PARK	0	18	1, 2, 4, 6, 7, 8, 9
ORPKFLRW	ORANGE PARK	0	9	1, 2, 4, 6, 7, 8, 9
OVIDFLCA	OVIDO	0	13	1, 2, 4, 6, 7, 8, 9
PACEFLPV	PACE	0	20	1, 2, 3, 4, 6, 7, 8, 9
PAHKFLMA	PAHOKEE	0	5	1, 2, 4, 6, 7, 8, 9
PCBHFLNT	PANAMA CITY BEACH	0	18	1, 2, 4, 5, 6, 7, 8, 9

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
PLCSFLMA	PALM COAST	0	16	1, 2, 4, 6, 7, 8, 9
PLTKFLMA	PALATKA	12	53	1, 2, 4, 6, 7, 8, 9
PMBHFLCS	CORAL SPRINGS	0	53	1, 2, 4, 6, 7, 8, 9
PMBHFLFE	POMPANO BEACH	0	43	1, 2, 4, 6, 7, 8, 9
PMBHFLMA	POMPANO BEACH	0	152	1, 2, 4, 6, 7, 8, 9
PMBHFLTA	POMPANO BEACH	0	72	1, 2, 4, 6, 7, 8, 9
PMPKFLMA	POMONA PARK	0	15	1, 2, 4, 6, 7, 8, 9
PNCYFLCA	PANAMA CITY	0	5	1, 2, 4, 5, 6, 7, 8, 9
PNCYFLMA	PANAMA CITY	0	62	1, 2, 4, 5, 6, 7, 8, 9
PNSCFLBL	PENSACOLA	0	60	1, 2, 3, 4, 6, 7, 8, 9
PNSCFLFP	PENSACOLA	0	43	1, 2, 3, 4, 6, 7, 8, 9
PNSCFLHC	PENSACOLA	0	16	1, 2, 3, 4, 6, 7, 8, 9
PNSCFLPB	PENSACOLA	0	3	1, 2, 3, 4, 6, 7, 8, 9
PNSCFLWA	PENSACOLA	0	50	1, 2, 3, 4, 6, 7, 8, 9
PNVDFLMA	PONTE VEDRA BEACH	0	0	1, 2, 4, 6, 7, 8, 9
PRRNFLMA	PERRINE	1	150	1, 2, 4, 6, 7, 8, 9
PRSNFLFD	PIERSON	2	7	1, 2, 4, 6, 7, 8, 9
PTSLFLMA	PORT ST. LUCIE	0	63	1, 2, 4, 6, 7, 8, 9
PTSLFLSO	PORT ST. LUCIE	0	16	1, 2, 4, 6, 7, 8, 9
SBSTFLFE	SEBASTIAN	0	6	1, 2, 4, 6, 7, 8, 9
SBSTFLMA	SEBASTIAN	0	19	1, 2, 4, 6, 7, 8, 9
SGKYFLMA	KEYS	0	1	1, 2, 4, 6, 7, 8, 9
SNFRFLMA	SANFORD	3	46	1, 2, 4, 6, 7, 8, 9
STAGFLBS	ST. JOHNS	0	3	1, 2, 4, 6, 7, 8, 9
STAGFLMA	ST. JOHNS	0	34	1, 2, 4, 6, 7, 8, 9
STAGFLSH	ST. JOHNS	0	18	1, 2, 4, 6, 7, 8, 9
STAGFLWG	ST. JOHNS	0	4	1, 2, 4, 6, 7, 8, 9
STRNFLMA	STUART	0	48	1, 2, 4, 6, 7, 8, 9
SYHSFLCC	SUNNY HILLS	2	6	1, 2, 4, 6, 7, 8, 9
TRENFLMA	TRENTON	13	13	1, 2, 3, 4, 6, 7, 8, 9
TTVLFLMA	TITUSVILLE	0	40	1, 2, 4, 6, 7, 8, 9
VERNFLMA	VERNON	4	4	1, 2, 4, 6, 7, 8, 9
VRBHFLBE	VERO BEACH	0	2	1, 2, 4, 6, 7, 8, 9
VRBHFLMA	VERO BEACH	1	71	1, 2, 4, 6, 7, 8, 9
WELKFLMA	WELAKA	2	17	1, 2, 4, 6, 7, 8, 9
WPBHFLAN	WEST PALM BEACH	0	34	1, 2, 4, 6, 7, 8, 9

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C

AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area

Wire Center CLLI	Exchange	No. of AT&T Lifeline Customers*		Designated CETCs**
		ETC Retained Area	ETC Relinquishment Area	
WPBHFLGA	WEST PALM BEACH	0	119	1, 2, 4, 6, 7, 8, 9
WPBHFLGR	WEST PALM BEACH	0	25	1, 2, 4, 6, 7, 8, 9
WPBHFLHH	WEST PALM BEACH	0	111	1, 2, 4, 6, 7, 8, 9
WPBHFLLE	WEST PALM BEACH	0	40	1, 2, 4, 6, 7, 8, 9
WPBHFLRB	WEST PALM BEACH	0	27	1, 2, 4, 6, 7, 8, 9
WPBHFLRP	WEST PALM BEACH	0	45	1, 2, 4, 6, 7, 8, 9
WWSPFLHI	WEEKIWACHEE SPRINGS	0	22	1, 2, 3, 4, 6, 7, 8, 9
WWSPFLSH	WEEKIWACHEE SPRINGS	0	49	1, 2, 3, 4, 6, 7, 8, 9
YNFNFLMA	YOUNGSTOWN-FOUNTAIN	5	10	1, 2, 4, 6, 7, 8, 9
YNTWFLMA	YANKEETOWN	0	5	1, 2, 3, 4, 6, 7, 8, 9
YULEFLMA	YULEE	0	8	1, 2, 4, 6, 7, 8, 9
Totals		176	7,219	

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

EXHIBIT C**AT&T Florida Lifeline Customers
CETCs Designated in AT&T Florida's Current ETC Service Area**

ID Code	CETC Name
1	i-wireless, LLC (Access Wireless)
2	Virgin Mobile USA, L.P. (Assurance Wireless)
3	Cox Florida Telcom, L.P. d/b/a Cox Communications
4	Global Connection Inc. of America (of Georgia)
5	Knology of Florida, Inc. d/b/a WOW! Internet, Cable and Phone
6	Phone Club Corporation
7	TracFone Wireless, Inc. (SafeLink Wireless)
8	Tele Circuit Network Corporation
9	T-Mobile South LLC

* AT&T's Lifeline customer counts are as of December 2016.

** The numbers in this column correspond to the competitive eligible telecommunications carriers (CETCs) identified on the last page of this Exhibit.

Date: June 29, 2017

AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
ARCHFLMA	120010021021023	GCVLFLMA	120632103001001	OLTWFLN	120299701021239
ARCHFLMA	120010022022001	GCVLFLMA	120632103001002	OLTWFLN	120299701021247
ARCHFLMA	120010022022003	GCVLFLMA	120632103001005	OLTWFLN	120299701021249
ARCHFLMA	120010022022006	GCVLFLMA	120632103001006	OLTWFLN	120299701021256
ARCHFLMA	120010022022011	GCVLFLMA	120632103001007	OLTWFLN	120299701021269
ARCHFLMA	120010022022012	GCVLFLMA	120632103001030	OLTWFLN	120299701021271
ARCHFLMA	120010022022013	GCVLFLMA	120632103002048	OLTWFLN	120299701021272
ARCHFLMA	120010022022016	GCVLFLMA	120632103002049	OLTWFLN	120299701021284
ARCHFLMA	120010022022033	GCVLFLMA	120632103002067	OLTWFLN	120299701021288
ARCHFLMA	120010022022063	GCVLFLMA	120632103002086	OLTWFLN	120299701021290
ARCHFLMA	120010022022064	GCVLFLMA	120632103003020	OLTWFLN	120299701021292
ARCHFLMA	120010022022082	GCVLFLMA	120632103003021	OLTWFLN	120299701021293
ARCHFLMA	120010022022085	GCVLFLMA	120632103003022	OLTWFLN	120299701021318
ARCHFLMA	120010022053022	GCVLFLMA	120632103003024	OLTWFLN	120299701021319
ARCHFLMA	120010022091066	GCVLFLMA	120632103003034	OLTWFLN	120299701021322
ARCHFLMA	120010022091094	GCVLFLMA	120632103003036	OLTWFLN	120299701021323
ARCHFLMA	120010022091100	GCVLFLMA	120632103003037	OLTWFLN	120299701021325
ARCHFLMA	120010022091106	GCVLFLMA	120632103003038	OLTWFLN	120299701021330
ARCHFLMA	120010022091110	GCVLFLMA	120632103003039	OLTWFLN	120299701021331
ARCHFLMA	120010022091115	GCVLFLMA	120632103003040	OLTWFLN	120299701021332
ARCHFLMA	120010022092071	GCVLFLMA	120632103003050	OLTWFLN	120299701021334
ARCHFLMA	120010022092075	GCVLFLMA	120632103003051	OLTWFLN	120299701021335
ARCHFLMA	120010022092076	GCVLFLMA	120632103003052	OLTWFLN	120299701021336
ARCHFLMA	120010022092079	GCVLFLMA	120632103003054	OLTWFLN	120299701021338
ARCHFLMA	120010022092087	GCVLFLMA	120632103003058	OLTWFLN	120299701021340
ARCHFLMA	120010022092099	GCVLFLMA	120632103003060	OLTWFLN	120299701021344
ARCHFLMA	120010022092100	GCVLFLMA	120632103003061	OLTWFLN	120299701021348
ARCHFLMA	120010022092106	GCVLFLMA	120632103003062	OLTWFLN	120299701021349
ARCHFLMA	120010022092107	GCVLFLMA	120632103003063	OLTWFLN	120299701021350
ARCHFLMA	120010022092108	GCVLFLMA	120632103003099	OLTWFLN	120299701021358
ARCHFLMA	120010022092110	GCVLFLMA	120632104001005	OLTWFLN	120299701021359
ARCHFLMA	120010022092112	GCVLFLMA	120632104001009	OLTWFLN	120299701021364
ARCHFLMA	120010022092117	GCVLFLMA	120632104001010	OLTWFLN	120299701021369
ARCHFLMA	120010022092119	GCVLFLMA	120632104001011	OLTWFLN	120299701021370
ARCHFLMA	120010022092120	GCVLFLMA	120632104001012	OLTWFLN	120299701021386
ARCHFLMA	120010022092121	GCVLFLMA	120632104001015	OLTWFLN	120299701021387
ARCHFLMA	120010022092122	GCVLFLMA	120632104001017	OLTWFLN	120299701021390
ARCHFLMA	120010022092125	GCVLFLMA	120632104001018	OLTWFLN	120299701021458
ARCHFLMA	120010022092129	GCVLFLMA	120632104001021	OLTWFLN	120299701022005
ARCHFLMA	120010022092131	GCVLFLMA	120632104001029	OLTWFLN	120299701022009
ARCHFLMA	120010022092132	GCVLFLMA	120632104001030	OLTWFLN	120299701022010
ARCHFLMA	120010022092133	GCVLFLMA	120632104001032	OLTWFLN	120299701022016

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

Date: June 29, 2017

AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
ARCHFLMA	120010022092134	GCVLFLMA	120632104001040	OLTWFLLN	120299701022018
ARCHFLMA	120010022092135	GCVLFLMA	120632104001051	OLTWFLLN	120299701022019
ARCHFLMA	120010022092136	GENVFLMA	121270832091218	OLTWFLLN	120299701022022
ARCHFLMA	120010022092137	GENVFLMA	121270832091219	OLTWFLLN	120299701022024
ARCHFLMA	120010022092138	GENVFLMA	121270832091220	OLTWFLLN	120299701022025
ARCHFLMA	120010022092140	GENVFLMA	121270832091222	OLTWFLLN	120299701022029
ARCHFLMA	120010022093024	GENVFLMA	121270832091223	OLTWFLLN	120299701022034
ARCHFLMA	120010022101073	GENVFLMA	121270832091224	OLTWFLLN	120299701022037
ARCHFLMA	120010022101086	GENVFLMA	121270832091228	OLTWFLLN	120299701022039
ARCHFLMA	120010022101103	GENVFLMA	121270832091250	OLTWFLLN	120299701022044
ARCHFLMA	120010022101109	GENVFLMA	121270832091252	OLTWFLLN	120299701022045
ARCHFLMA	120010022101110	GENVFLMA	121270832091258	OLTWFLLN	120299701022054
ARCHFLMA	120010022101117	GLBRFLMC	120330025002005	OLTWFLLN	120299701022059
ARCHFLMA	120010022101118	GLBRFLMC	120330025003002	OLTWFLLN	120299701023000
ARCHFLMA	120010022101119	GSVLFLMA	120010007002015	OLTWFLLN	120299701023003
ARCHFLMA	120010022101143	GSVLFLMA	120010007004044	OLTWFLLN	120299701023006
ARCHFLMA	120010022101147	GSVLFLMA	120010008091010	OLTWFLLN	120299701023008
ARCHFLMA	120010022101156	GSVLFLMA	120010018023077	OLTWFLLN	120299701023015
ARCHFLMA	120010022101164	GSVLFLMA	120010018051029	OLTWFLLN	120299701023019
ARCHFLMA	120759701012003	GSVLFLMA	120010019021020	OLTWFLLN	120299701023022
ARCHFLMA	120759701022012	GSVLFLMA	120010019021027	OLTWFLLN	120299701023025
ARCHFLMA	120759701023005	GSVLFLMA	120010019022003	OLTWFLLN	120299701023026
BCRTFLBT	120990070021065	GSVLFLMA	120010019072044	OLTWFLLN	120299701023037
BCRTFLBT	120990070022040	GSVLFLMA	120010019072091	OLTWFLLN	120299701023038
BCRTFLBT	120990070053008	GSVLFLMA	120010019072099	OLTWFLLN	120299701023039
BCRTFLBT	120990073011007	GSVLFLMA	120010019072105	OLTWFLLN	120299701023041
BCRTFLMA	120990073022015	GSVLFLMA	120010019072141	OLTWFLLN	120299701023042
BCRTFLMA	120990076161000	GSVLFLMA	120010019072142	OLTWFLLN	120299701023046
BCRTFLSA	120110105031001	GSVLFLMA	120010019082064	OLTWFLLN	120299701023055
BCRTFLSA	120990077131053	GSVLFLMA	120010019082065	OLTWFLLN	120299701023057
BCRTFLSA	120990077303022	GSVLFLMA	120010019083045	OLTWFLLN	120299701023058
BCRTFLSA	120990077421007	GSVLFLMA	120010019085040	OLTWFLLN	120299701024000
BCRTFLSA	120990077472006	GSVLFLMA	120010019085115	OLTWFLLN	120299701024003
BGPIFLMA	120879714011020	GSVLFLMA	120010019085120	OLTWFLLN	120299701024005
BGPIFLMA	120879714012069	GSVLFLMA	120010019085136	OLTWFLLN	120299701024007
BGPIFLMA	120879714021067	GSVLFLMA	120010019085137	OLTWFLLN	120299701024008
BGPIFLMA	120879714021105	GSVLFLMA	120010020002042	OLTWFLLN	120299701024009
BGPIFLMA	120879714021113	GSVLFLMA	120010020004001	OLTWFLLN	120299701024015
BGPIFLMA	120879714021116	GSVLFLMA	120010020004009	OLTWFLLN	120299701024017
BGPIFLMA	120879714021122	GSVLFLMA	120010020004059	OLTWFLLN	120299701024018
BGPIFLMA	120879714021204	GSVLFLMA	120010020004065	OLTWFLLN	120299701024023
BGPIFLMA	120879715021020	GSVLFLMA	120010020004077	OLTWFLLN	120299701024024

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
BGPIFLMA	120879715021058	GSVLFLMA	120010020004082	OLTWFLN	120299701024031
BGPIFLMA	120879715021059	GSVLFLMA	120010020004084	OLTWFLN	120299701024045
BGPIFLMA	120879715021061	GSVLFLMA	120010021011023	OLTWFLN	120299701025006
BGPIFLMA	120879715021065	GSVLFLMA	120010021012005	OLTWFLN	120299701025013
BGPIFLMA	120879715023006	GSVLFLMA	120010021012014	OLTWFLN	120299701025019
BGPIFLMA	120879715023008	GSVLFLMA	120010021021000	OLTWFLN	120299701025035
BKVLFLJF	120174513001002	GSVLFLMA	120010022053022	OLTWFLN	120299701025037
BKVLFLJF	120530401011029	GSVLFLMA	120010022093005	OLTWFLN	120299701025039
BKVLFLJF	120530402011005	GSVLFLMA	120010022093006	OLTWFLN	120299701025048
BKVLFLJF	120530402011008	GSVLFLMA	120010022093007	OLTWFLN	120299701025049
BKVLFLJF	120530402011015	GSVLFLMA	120010022093008	OLTWFLN	120299701025051
BKVLFLJF	120530402011066	GSVLFLMA	120010022093012	OLTWFLN	120299701025054
BKVLFLJF	120530402012005	GSVLFLMA	120010022192017	OLTWFLN	120299701025057
BKVLFLJF	120530402012006	HAVNFLMA	120390201013033	OLTWFLN	120299701025059
BKVLFLJF	120530402012008	HAVNFLMA	120390201022021	OLTWFLN	120299701025075
BKVLFLJF	120530402023000	HAVNFLMA	120390201023003	OLTWFLN	120299701025082
BKVLFLJF	120530403022039	HAVNFLMA	120390201023010	OLTWFLN	120299701025083
BKVLFLJF	120530403022044	HAVNFLMA	120390206001014	OLTWFLN	120299701025085
BKVLFLJF	120530407011002	HAVNFLMA	120390206001070	OLTWFLN	120299701025096
BKVLFLJF	120530407011005	HBSDLMA	120850011022061	OLTWFLN	120299701025097
BKVLFLJF	120530407011017	HBSDLMA	120850014062012	OLTWFLN	120299701025102
BKVLFLJF	120530407011020	HBSDLMA	120850014072006	OLTWFLN	120299702001065
BKVLFLJF	120530407011022	HBSDLMA	120850015001053	OLTWFLN	120299702001067
BKVLFLJF	120530407011028	HBSDLMA	120850015002050	OLTWFLN	120299702001081
BKVLFLJF	120530407011035	HBSDLMA	120850015002114	OLTWFLN	120299702001082
BKVLFLJF	120530407011134	HBSDLMA	120850016021000	OLTWFLN	120299702001088
BKVLFLJF	120530407011135	HBSDLMA	120850016021002	OLTWFLN	120299702001092
BKVLFLJF	120530407011138	HBSDLMA	120850016021007	OLTWFLN	120299702001095
BKVLFLJF	120530407011141	HBSDLMA	120850017002044	OLTWFLN	120299702001096
BKVLFLJF	120530407011142	HBSDLMA	120850017002049	OLTWFLN	120299702001100
BKVLFLJF	120530407011145	HBSDLMA	120850017002073	OLTWFLN	120299702001266
BKVLFLJF	120530407011146	HBSDLMA	120850017002074	OLTWFLN	120299702001267
BKVLFLJF	120530407011148	HBSDLMA	120850017002075	OLTWFLN	120299702001270
BKVLFLJF	120530407011152	HBSDLMA	120850017003014	OLTWFLN	120299702001280
BKVLFLJF	120530407011161	HLNVFLMA	121130108082030	OLTWFLN	120299702001286
BKVLFLJF	120530407011162	HLNVFLMA	121130108082093	OLTWFLN	120299702001289
BKVLFLJF	120530407011200	HLWDFLMA	120110801025020	OLTWFLN	120299702001300
BKVLFLJF	120530407011202	HLWDFLMA	120110802001024	OLTWFLN	120299702001306
BKVLFLJF	120530407011203	HLWDFLMA	120110802001025	OLTWFLN	120299702001308
BKVLFLJF	120530407011247	HLWDFLMA	120110802001031	OLTWFLN	120299702001444
BKVLFLJF	120530407011251	HLWDFLMA	120110802001046	OLTWFLN	120299702003004
BLDWFLMA	120310106001008	HLWDFLMA	120110802001049	OLTWFLN	120299702003007

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BLDWFLMA	120310173001038	HLWDFLMA	120110802001051	OLTWFLN	120299702003012
BLDWFLMA	120310173002002	HLWDFLMA	120110802001052	OLTWFLN	120299702003013
BLDWFLMA	120310173002003	HLWDFLMA	120110901021040	OLTWFLN	120299702003021
BLDWFLMA	120310173003002	HLWDFLMA	120110901021041	OLTWFLN	120299702003056
BLDWFLMA	120310173004065	HLWDFLMA	120110901021043	OLTWFLN	120299702003060
BLDWFLMA	120890505041080	HLWDFLMA	120110904012006	OLTWFLN	120299702003063
BLDWFLMA	120890505041084	HLWDFLPE	120110703141004	OLTWFLN	120299702003064
BLDWFLMA	120890505041086	HLWDFLPE	120110703141069	OLTWFLN	120299702003065
BLDWFLMA	120890505041088	HLWDFLPE	120110703152004	OLTWFLN	120299702003078
BLDWFLMA	120890505041108	HLWDFLPE	120110703162013	OLTWFLN	120299702003086
BLDWFLMA	120890505041119	HLWDFLPE	120110704012000	OLTWFLN	120299702003108
BLDWFLMA	120890505041122	HLWDFLPE	120110704012052	OLTWFLN	120299702004037
BLDWFLMA	120890505041124	HLWDFLPE	120110704021049	OLTWFLN	120299702004050
BLDWFLMA	120890505041127	HLWDFLPE	120111103212009	OLTWFLN	120299702004061
BLDWFLMA	120890505041129	HLWDFLPE	120111103212016	OLTWFLN	120299702004064
BLDWFLMA	120890505041131	HLWDFLPE	120111103212029	OLTWFLN	120299702004075
BLDWFLMA	120890505041143	HLWDFLPE	120111103242007	OLTWFLN	120299702004083
BLDWFLMA	120890505041144	HLWDFLPE	120111103242008	OLTWFLN	120299702004085
BLDWFLMA	120890505041149	HLWDFLPE	120111103244016	OLTWFLN	120299702004086
BLDWFLMA	120890505042000	HLWDFLPE	120111103244026	OLTWFLN	120299702004091
BLDWFLMA	120890505042008	HLWDFLPE	120111103312003	ORLDFLAP	120950167041180
BLDWFLMA	120890505042014	HLWDFLPE	120111103341002	ORLDFLAP	120950167041231
BLDWFLMA	120890505042021	HLWDFLPE	120111103412000	ORLDFLAP	120950167041240
BLDWFLMA	120890505042022	HLWDFLPE	120111103412011	ORLDFLAP	120950167271048
BLDWFLMA	120890505042023	HLWDFLWH	120110904012006	ORLDFLAP	120950167321090
BLDWFLMA	120890505042024	HLWDFLWH	120110906025000	ORLDFLPC	120950136061033
BLDWFLMA	120890505042025	HLWDFLWH	120111005011042	ORLDFLPC	120950168021184
BLDWFLMA	120890505042026	HLWDFLWH	120111006002030	ORLDFLPC	120950168043027
BLGLFLMA	120990079121388	HLWDFLWH	120111103412000	ORPKFLMA	120190303032053
BLGLFLMA	120990079121389	HLWDFLWH	120111103412011	ORPKFLMA	120190307022026
BLGLFLMA	120990079121397	HLWDFLWH	120111104022031	ORPKFLMA	120190307022048
BLGLFLMA	120990079121528	HLWDFLWH	120111106003140	ORPKFLRW	120190302022035
BLGLFLMA	120990079121822	HMSTFLEA	120860107042068	ORPKFLRW	120190309022013
BLGLFLMA	120990081011029	HMSTFLEA	120860110072018	ORPKFLRW	120190309032017
BLGLFLMA	120990081011041	HMSTFLEA	120860114013304	OVIDFLCA	121270832091250
BLGLFLMA	120990081011044	HMSTFLEA	120860114015001	PACEFLPV	120330039003251
BLGLFLMA	120990081011101	HMSTFLEA	120860114015025	PACEFLPV	121130102004018
BLGLFLMA	120990081011126	HMSTFLEA	120860114015040	PACEFLPV	121130102004020
BLGLFLMA	120990081012005	HMSTFLEA	120860114015131	PACEFLPV	121130102004024
BLGLFLMA	120990081013012	HMSTFLEA	120860114015138	PACEFLPV	121130102004027
BLGLFLMA	120990081013048	HMSTFLEA	120860114015163	PACEFLPV	121130102004036
BLGLFLMA	120990082031008	HMSTFLHM	120860102011069	PACEFLPV	121130102004038

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BLGLFLMA	120990082031037	HMSTFLHM	120860103002005	PACEFLPV	121130102004039
BLGLFLMA	120990082031041	HMSTFLHM	120860103002015	PACEFLPV	121130102004040
BLGLFLMA	120990082031052	HMSTFLHM	120860103002020	PACEFLPV	121130102004041
BLGLFLMA	120990082031058	HMSTFLHM	120860103002040	PACEFLPV	121130102004046
BLGLFLMA	120990082031063	HMSTFLHM	120860103003007	PACEFLPV	121130102004048
BLGLFLMA	120990082033034	HMSTFLHM	120860103003008	PACEFLPV	121130102004050
BLGLFLMA	120990083011118	HMSTFLHM	120860103003034	PACEFLPV	121130102004051
BLGLFLMA	120990083011122	HMSTFLHM	120860103003058	PACEFLPV	121130102004052
BLGLFLMA	120990083011129	HMSTFLHM	120860103003063	PACEFLPV	121130102004060
BLGLFLMA	120990083011131	HMSTFLHM	120860103004009	PACEFLPV	121130102004061
BLGLFLMA	120990083011132	HMSTFLHM	120860103004027	PACEFLPV	121130102004063
BLGLFLMA	120990083011189	HMSTFLHM	120860103004041	PACEFLPV	121130102004068
BLGLFLMA	120990083011190	HMSTFLHM	120860103004043	PACEFLPV	121130103001003
BLGLFLMA	120990083011244	HMSTFLHM	120860103004044	PACEFLPV	121130103001016
BLGLFLMA	120990083011276	HMSTFLHM	120860103004045	PACEFLPV	121130103001022
BLGLFLMA	120990083021005	HMSTFLHM	120860103005001	PACEFLPV	121130103001024
BLGLFLMA	120990083021006	HMSTFLHM	120860103005006	PACEFLPV	121130103001123
BLGLFLMA	120990083021064	HMSTFLHM	120860103005007	PACEFLPV	121130103002000
BLGLFLMA	120990083021069	HMSTFLHM	120860103005013	PACEFLPV	121130103002001
BLGLFLMA	120990083021070	HMSTFLHM	120860103005045	PACEFLPV	121130103002002
BLGLFLMA	120990083021109	HMSTFLHM	120860103006003	PACEFLPV	121130103002003
BLGLFLMA	120990083022000	HMSTFLHM	120860103006007	PACEFLPV	121130103002008
BNNLFLMA	120350602061016	HMSTFLHM	120860107044064	PACEFLPV	121130103002011
BNNLFLMA	120350602061079	HMSTFLHM	120860107044072	PACEFLPV	121130103002014
BNNLFLMA	120350602061083	HMSTFLHM	120860110072018	PACEFLPV	121130103002023
BNNLFLMA	120350602061085	HMSTFLHM	120860111013003	PACEFLPV	121130103002031
BNNLFLMA	120350602061086	HMSTFLHM	120860111021018	PACEFLPV	121130103002045
BNNLFLMA	120350602061087	HMSTFLHM	120860111024032	PACEFLPV	121130103002046
BNNLFLMA	120350602061088	HMSTFLHM	120860112014005	PACEFLPV	121130104001015
BNNLFLMA	120350602061089	HMSTFLHM	120860112014012	PACEFLPV	121130104001022
BNNLFLMA	120350602061090	HMSTFLHM	120860112014043	PACEFLPV	121130104001024
BNNLFLMA	120350602061095	HMSTFLHM	120860112014047	PACEFLPV	121130104001025
BNNLFLMA	120350602061096	HMSTFLHM	120860113001034	PACEFLPV	121130104001026
BNNLFLMA	120350602061102	HMSTFLHM	120860114013304	PACEFLPV	121130104001032
BNNLFLMA	120350602061103	HMSTFLHM	120860114015025	PACEFLPV	121130104001090
BNNLFLMA	120350602061107	HMSTFLHM	120860114015040	PACEFLPV	121130107024033
BNNLFLMA	120350602061117	HMSTFLHM	120860114015174	PACEFLPV	121130107024038
BNNLFLMA	120350602061120	HMSTFLHM	120860114035030	PAHKFLMA	120850018022140
BNNLFLMA	120350602061123	HMSTFLHM	120860114041012	PAHKFLMA	120850018022142
BNNLFLMA	120350602061126	HMSTFLHM	120860114041057	PAHKFLMA	120990080011009
BNNLFLMA	120350602061131	HMSTFLHM	120860114041065	PAHKFLMA	120990080011098
BNNLFLMA	120350602062252	HMSTFLHM	120860114043020	PAHKFLMA	120990080011128

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BNNLFLMA	120350602062258	HMSTFLHM	120860114043041	PAHKFLMA	120990080022000
BNNLFLMA	120350602062262	HMSTFLHM	120860114043043	PCBHFLNT	120050002011375
BNNLFLMA	120350602062273	HMSTFLHM	120860114043049	PCBHFLNT	120050002011378
BNNLFLMA	120350602062279	HMSTFLHM	120860114043195	PCBHFLNT	120050002011427
BNNLFLMA	120350602062281	HMSTFLHM	120860114043199	PCBHFLNT	120050002011429
BNNLFLMA	120350602062282	HMSTFLHM	120860114043204	PCBHFLNT	120050002011438
BNNLFLMA	120350602062284	HMSTFLHM	120860114043208	PCBHFLNT	120050002011439
BNNLFLMA	120350602062285	HMSTFLHM	120860114043209	PCBHFLNT	120050002011440
BNNLFLMA	120350602062289	HMSTFLHM	120860115001002	PCBHFLNT	120050002011457
BNNLFLMA	120350602062428	HMSTFLHM	120860115001003	PCBHFLNT	120050002011458
BNNLFLMA	120350602062482	HMSTFLHM	120860115001005	PCBHFLNT	120050002011466
BNNLFLMA	120350602062483	HMSTFLHM	120860115001015	PCBHFLNT	120050002011470
BNNLFLMA	120350602062485	HMSTFLHM	120860115001017	PCBHFLNT	120050002011471
BNNLFLMA	120350602062503	HMSTFLHM	120860115001018	PCBHFLNT	120050002011473
BNNLFLMA	120350602062534	HMSTFLHM	120860115001024	PCBHFLNT	120050002011474
BNNLFLMA	120350602062576	HMSTFLHM	120860115002001	PCBHFLNT	120050002011478
BNNLFLMA	120350602063031	HMSTFLHM	120860115002007	PCBHFLNT	120050002011495
BNNLFLMA	120350602071031	HMSTFLHM	120860115002014	PCBHFLNT	120050002011506
BNNLFLMA	120350602071033	HMSTFLHM	120860115002026	PCBHFLNT	120050002011507
BNNLFLMA	120350602071045	HMSTFLHM	120860115002029	PCBHFLNT	120050002011520
BNNLFLMA	120350602071047	HMSTFLHM	120860115002032	PCBHFLNT	120050002011548
BNNLFLMA	120350602071048	HMSTFLHM	120860115002033	PCBHFLNT	120050002011550
BNNLFLMA	120350602071049	HMSTFLHM	120860115002036	PCBHFLNT	120050002011561
BNNLFLMA	120350602071051	HMSTFLHM	120860115002037	PCBHFLNT	120050002021070
BNNLFLMA	120350602071053	HMSTFLHM	120860115002038	PCBHFLNT	120050002021075
BNNLFLMA	120350602071064	HMSTFLHM	120860115002039	PCBHFLNT	120050002021081
BNNLFLMA	120350602071068	HMSTFLHM	120860115002042	PCBHFLNT	120050002021205
BNNLFLMA	120350602071069	HMSTFLHM	120860115002054	PCBHFLNT	120050002021217
BNNLFLMA	120350602071070	HMSTFLHM	120860115002056	PCBHFLNT	120050002021222
BNNLFLMA	120350602071071	HMSTFLHM	120860115003174	PCBHFLNT	120050026082013
BNNLFLMA	120350602071074	HMSTFLHM	120860115003217	PCBHFLNT	120050027012017
BNNLFLMA	120350602071098	HMSTFLHM	120860115003255	PCBHFLNT	120050027012032
BNNLFLMA	120350602071135	HMSTFLHM	120860115003259	PCBHFLNT	120050027012109
BNNLFLMA	120350602071156	HMSTFLHM	120860115003289	PCBHFLNT	120050027023004
BNNLFLMA	120350602071213	HMSTFLHM	120860115003290	PCBHFLNT	120050027023025
BNNLFLMA	120350602071215	HMSTFLHM	120860115003294	PCBHFLNT	120050027023026
BNNLFLMA	120350602071217	HMSTFLHM	120860115003300	PCBHFLNT	120050027031028
BNNLFLMA	120350602071218	HMSTFLHM	120860115003302	PCBHFLNT	120050027032036
BNNLFLMA	120350602071219	HMSTFLHM	120860115003303	PCBHFLNT	120050027032041
BNNLFLMA	120350602071221	HMSTFLHM	120860115003311	PCBHFLNT	120050027041056
BNNLFLMA	120350602071223	HMSTFLHM	120860115004009	PCBHFLNT	121339703021215
BNNLFLMA	120350602071224	HMSTFLHM	120860115004023	PLCSFLMA	120350601041001

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
BNNLFLMA	120350602071227	HMSTFLHM	120860115004027	PLCSFLMA	120350603032051
BNNLFLMA	120350602071228	HMSTFLHM	120860115004031	PLCSFLMA	121090211012087
BNNLFLMA	120350602071232	HMSTFLHM	120860115004032	PLCSFLMA	121090211012089
BNNLFLMA	120350602071237	HMSTFLHM	120860115004033	PLCSFLMA	121090211012091
BNNLFLMA	120350602071240	HMSTFLHM	120860115004035	PLTKFLMA	120190315001146
BNNLFLMA	120350602071241	HMSTFLHM	120860115004044	PLTKFLMA	121079501001004
BNNLFLMA	120350602071244	HMSTFLHM	120860115004048	PLTKFLMA	121079501001009
BNNLFLMA	120350602071247	HMSTFLHM	120860115004051	PLTKFLMA	121079501001010
BNNLFLMA	120350602071252	HMSTFLHM	120860115004055	PLTKFLMA	121079501001011
BNNLFLMA	120350602071256	HMSTFLHM	120860115004056	PLTKFLMA	121079501001024
BNNLFLMA	120350602071260	HMSTFLHM	120860115004060	PLTKFLMA	121079501001025
BNNLFLMA	120350602071263	HMSTFLHM	120860115004062	PLTKFLMA	121079501001026
BNNLFLMA	120350602071266	HMSTFLHM	120860115004063	PLTKFLMA	121079501001027
BNNLFLMA	120350602071268	HMSTFLHM	120860115004064	PLTKFLMA	121079501001028
BNNLFLMA	120350602092012	HMSTFLHM	120860115005006	PLTKFLMA	121079501001031
BNNLFLMA	121270901012000	HMSTFLHM	120860115005011	PLTKFLMA	121079501001035
BNNLFLMA	121270901012005	HMSTFLHM	120860115005016	PLTKFLMA	121079501001038
BRSNFLMA	120010022092140	HMSTFLHM	120860115005017	PLTKFLMA	121079501001040
BRSNFLMA	120010022101103	HMSTFLHM	120860115005018	PLTKFLMA	121079501001042
BRSNFLMA	120010022101132	HMSTFLHM	120860115005019	PLTKFLMA	121079501002003
BRSNFLMA	120759701011014	HMSTFLHM	120860115005020	PLTKFLMA	121079501002004
BRSNFLMA	120759701011015	HMSTFLHM	120860115005026	PLTKFLMA	121079501002012
BRSNFLMA	120759701011033	HMSTFLHM	120860115005028	PLTKFLMA	121079501002023
BRSNFLMA	120759701011039	HMSTFLHM	120860115005031	PLTKFLMA	121079501002024
BRSNFLMA	120759701011049	HMSTFLHM	120860115005032	PLTKFLMA	121079501002029
BRSNFLMA	120759701011050	HMSTFLHM	120860115005038	PLTKFLMA	121079501002031
BRSNFLMA	120759701011051	HMSTFLHM	120860115005047	PLTKFLMA	121079501002036
BRSNFLMA	120759701011052	HMSTFLHM	120860115005057	PLTKFLMA	121079501002043
BRSNFLMA	120759701011054	HMSTFLHM	120860115005062	PLTKFLMA	121079501002051
BRSNFLMA	120759701011081	HMSTFLHM	120860115005063	PLTKFLMA	121079501002055
BRSNFLMA	120759701011119	HMSTFLHM	120860115005064	PLTKFLMA	121079501002056
BRSNFLMA	120759701021027	HMSTFLHM	120860115005067	PLTKFLMA	121079501002067
BRSNFLMA	120759701021028	HMSTFLHM	120860115005072	PLTKFLMA	121079501002068
BRSNFLMA	120759701021029	HMSTFLHM	120860115005075	PLTKFLMA	121079501002069
BRSNFLMA	120759701021030	HMSTFLHM	120860115005079	PLTKFLMA	121079501002070
BRSNFLMA	120759701021039	HMSTFLHM	120860115005080	PLTKFLMA	121079501003001
BRSNFLMA	120759701021042	HMSTFLHM	120860115005082	PLTKFLMA	121079501003004
BRSNFLMA	120759701021044	HMSTFLHM	120860115005083	PLTKFLMA	121079501003014
BRSNFLMA	120759701021064	HMSTFLHM	120860115005084	PLTKFLMA	121079501003023
BRSNFLMA	120759701021067	HMSTFLHM	120860115005085	PLTKFLMA	121079501003024
BRSNFLMA	120759701021068	HMSTFLHM	120860115005086	PLTKFLMA	121079501003026
BRSNFLMA	120759701021073	HMSTFLHM	120860115005090	PLTKFLMA	121079501003032

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BRNFLMA	120759701021074	HMSTFLHM	120860115006015	PLTKFLMA	121079501003046
BRNFLMA	120759701021076	HMSTFLHM	120860115006017	PLTKFLMA	121079501003048
BRNFLMA	120759701021077	HMSTFLHM	120860115006021	PLTKFLMA	121079501003049
BRNFLMA	120759701021085	HMSTFLHM	120860115006022	PLTKFLMA	121079501003065
BRNFLMA	120759701021086	HMSTFLHM	120860115006023	PLTKFLMA	121079501003066
BRNFLMA	120759701021092	HMSTFLHM	120860115006025	PLTKFLMA	121079501003072
BRNFLMA	120759701021102	HMSTFLHM	120860115006045	PLTKFLMA	121079501003086
BRNFLMA	120759701021103	HMSTFLHM	120860115006046	PLTKFLMA	121079501003087
BRNFLMA	120759701021115	HMSTFLHM	120860115006047	PLTKFLMA	121079501003096
BRNFLMA	120759701021117	HMSTFLHM	120860115006052	PLTKFLMA	121079501003102
BRNFLMA	120759701021129	HMSTFLHM	120860115006053	PLTKFLMA	121079502021000
BRNFLMA	120759701021131	HMSTFLHM	120860115006057	PLTKFLMA	121079502021050
BRNFLMA	120759701021146	HMSTFLHM	120860115006058	PLTKFLMA	121079502021051
BRNFLMA	120759701021147	HMSTFLHM	120860115006061	PLTKFLMA	121079502021055
BRNFLMA	120759701021167	HMSTFLHM	120860115006062	PLTKFLMA	121079502021056
BRNFLMA	120759701022004	HMSTFLHM	120860115006065	PLTKFLMA	121079502021057
BRNFLMA	120759701022005	HMSTFLHM	120879702001046	PLTKFLMA	121079502021058
BRNFLMA	120759701022016	HMSTFLHM	120879702001047	PLTKFLMA	121079502021059
BRNFLMA	120759701022019	HMSTFLNA	120860102011101	PLTKFLMA	121079502021061
BRNFLMA	120759701022029	HMSTFLNA	120860102011109	PLTKFLMA	121079502021062
BRNFLMA	120759701022032	HMSTFLNA	120860102011111	PLTKFLMA	121079502021103
BRNFLMA	120759701022044	HMSTFLNA	120860102011121	PLTKFLMA	121079502021104
BRNFLMA	120759701022057	HMSTFLNA	120860102012061	PLTKFLMA	121079502021105
BRNFLMA	120759701022062	HMSTFLNA	120860102012066	PLTKFLMA	121079502021107
BRNFLMA	120759701022064	HMSTFLNA	120860103003034	PLTKFLMA	121079502021112
BRNFLMA	120759701022073	HMSTFLNA	120860103003058	PLTKFLMA	121079502021113
BRNFLMA	120759701022088	HMSTFLNA	120860103006017	PLTKFLMA	121079502021116
BRNFLMA	120759701022090	HMSTFLNA	120860104002025	PLTKFLMA	121079502021119
BRNFLMA	120759701023004	HMSTFLNA	120860104002029	PLTKFLMA	121079502022000
BRNFLMA	120759701023011	HMSTFLNA	120860104002032	PLTKFLMA	121079502022001
BRNFLMA	120759701023023	HMSTFLNA	120860104002033	PLTKFLMA	121079502022002
BRNFLMA	120759701023030	HMSTFLNA	120860104002034	PLTKFLMA	121079502022004
BRNFLMA	120759701023031	HMSTFLNA	120860104002038	PLTKFLMA	121079502022005
BRNFLMA	120759701023035	HMSTFLNA	120860104002040	PLTKFLMA	121079502022014
BRNFLMA	120759701023038	HMSTFLNA	120860104002049	PLTKFLMA	121079502022015
BRNFLMA	120759701023047	HMSTFLNA	120860104002075	PLTKFLMA	121079502022016
BRNFLMA	120759701023048	HMSTFLNA	120860104002091	PLTKFLMA	121079502022019
BRNFLMA	120759701023049	HMSTFLNA	120860104002098	PLTKFLMA	121079502022020
BRNFLMA	120759701023054	HMSTFLNA	120860104002107	PLTKFLMA	121079502022023
BRNFLMA	120759701023055	HMSTFLNA	120860105002004	PLTKFLMA	121079502022025
BRNFLMA	120759701023056	HMSTFLNA	120860105002040	PLTKFLMA	121079502022027
BRNFLMA	120759701023059	HMSTFLNA	120860105006010	PLTKFLMA	121079502022029

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BRNFLMA	120759701023061	HMSTFLNA	120860105006052	PLTKFLMA	121079502022033
BRNFLMA	120759701023062	HMSTFLNA	120860106171035	PLTKFLMA	121079502022034
BRNFLMA	120759701023070	HMSTFLNA	120860106171036	PLTKFLMA	121079502022035
BRNFLMA	120759701023071	HMSTFLNA	120860106171037	PLTKFLMA	121079502022036
BRNFLMA	120759701023076	HMSTFLNA	120860107032026	PLTKFLMA	121079502022037
BRNFLMA	120759701023078	HMSTFLNA	120860107043019	PLTKFLMA	121079502022041
BRNFLMA	120759701023084	HMSTFLNA	120860107043032	PLTKFLMA	121079502022044
BRNFLMA	120759701023085	HMSTFLNA	120860107043045	PLTKFLMA	121079502022055
BRNFLMA	120759701023086	HMSTFLNA	120860107043069	PLTKFLMA	121079502022056
BRNFLMA	120759701023089	HMSTFLNA	120860107043088	PLTKFLMA	121079502022057
BRNFLMA	120759701023105	HMSTFLNA	120869806001032	PLTKFLMA	121079502023020
BRNFLMA	120759701023106	HMSTFLNA	120869807001099	PLTKFLMA	121079502023031
BRNFLMA	120759701023109	HMSTFLNA	120869807001108	PLTKFLMA	121079505001004
BRNFLMA	120759701023110	HMSTFLNA	120869807001111	PLTKFLMA	121079505001005
BRNFLMA	120759701023112	HTISFLMA	120850004003070	PLTKFLMA	121079505001014
BRNFLMA	120759701023113	HTISFLMA	121113817023020	PLTKFLMA	121079505001015
BRNFLMA	120759701023115	HWTHFLMA	120010020001027	PLTKFLMA	121079505001023
BRNFLMA	120759701023120	HWTHFLMA	120010020001039	PLTKFLMA	121079505001027
BRNFLMA	120759701023121	HWTHFLMA	120010020001040	PLTKFLMA	121079505001038
BRNFLMA	120759701023122	HWTHFLMA	120010020001051	PLTKFLMA	121079505001045
BRNFLMA	120759701023125	HWTHFLMA	120010020001056	PLTKFLMA	121079505001061
BRNFLMA	120759701023126	HWTHFLMA	120010020001063	PLTKFLMA	121079505001074
BRNFLMA	120759701023127	HWTHFLMA	120010020002016	PLTKFLMA	121079505001078
BRNFLMA	120759701023133	HWTHFLMA	120010020002021	PLTKFLMA	121079505001083
BRNFLMA	120759701023135	HWTHFLMA	120010020002035	PLTKFLMA	121079505001091
BRNFLMA	120759701023139	HWTHFLMA	120010020002039	PLTKFLMA	121079505001097
BRNFLMA	120759701023140	HWTHFLMA	120010020002042	PLTKFLMA	121079506001038
BRNFLMA	120759701023142	HWTHFLMA	120010020002048	PLTKFLMA	121079506002006
BRNFLMA	120759701023143	HWTHFLMA	120010020002054	PLTKFLMA	121079506002022
BRNFLMA	120759701023144	HWTHFLMA	120010020002057	PLTKFLMA	121079506002029
BRNFLMA	120759701023147	HWTHFLMA	120010020002060	PLTKFLMA	121079506002050
BRNFLMA	120759701023149	HWTHFLMA	120010020002061	PLTKFLMA	121079506003001
BRNFLMA	120759701023150	HWTHFLMA	120010020002062	PLTKFLMA	121079506003002
BRNFLMA	120759701023151	HWTHFLMA	120010020002063	PLTKFLMA	121079506003005
BRNFLMA	120759701023152	HWTHFLMA	120010020002064	PLTKFLMA	121079506003018
BRNFLMA	120759701023197	HWTHFLMA	120010020002068	PLTKFLMA	121079506003080
BRNFLMA	120759701023201	HWTHFLMA	120010020002078	PLTKFLMA	121079506003086
BRNFLMA	120759701023202	HWTHFLMA	120010020002083	PLTKFLMA	121079506003111
BRNFLMA	120759701023204	HWTHFLMA	120010020002086	PLTKFLMA	121079506003115
BRNFLMA	120759701023207	HWTHFLMA	120010020002089	PLTKFLMA	121079506003126
BRNFLMA	120759701023208	HWTHFLMA	120010020002091	PLTKFLMA	121079507002061
BRNFLMA	120759701023209	HWTHFLMA	120010020002097	PLTKFLMA	121079507003006

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BRNFLMA	120759701023210	HWTHFLMA	120010020002101	PLTKFLMA	121079508001019
BRNFLMA	120759701023228	HWTHFLMA	120010020002105	PLTKFLMA	121079509002001
BRNFLMA	120759701023234	HWTHFLMA	120010020002122	PLTKFLMA	121079510001029
BRNFLMA	120759701023236	HWTHFLMA	120010020002126	PLTKFLMA	121079510001036
BRNFLMA	120759701023251	HWTHFLMA	120010020002128	PLTKFLMA	121079510001045
BRNFLMA	120759701023256	HWTHFLMA	120010020002130	PLTKFLMA	121079510001047
BRNFLMA	120759701023260	HWTHFLMA	120010020002132	PLTKFLMA	121079510001048
BRNFLMA	120759701023261	HWTHFLMA	120010020002165	PLTKFLMA	121079510002021
BRNFLMA	120759701023272	HWTHFLMA	120010020002170	PLTKFLMA	121079510002023
BRNFLMA	120759701023286	HWTHFLMA	120010020002172	PLTKFLMA	121079510003000
BRNFLMA	120759701024016	HWTHFLMA	120010020002173	PLTKFLMA	121079510003026
BRNFLMA	120759701024023	HWTHFLMA	120010020002177	PLTKFLMA	121079511002000
BRNFLMA	120759701024025	HWTHFLMA	120010020002199	PLTKFLMA	121079511002001
BRNFLMA	120759701024026	HWTHFLMA	120010020002208	PLTKFLMA	121079511002051
BRNFLMA	120759701024032	HWTHFLMA	120010020002224	PLTKFLMA	121079511002052
BRNFLMA	120759701024035	HWTHFLMA	120010020002227	PLTKFLMA	121079511002055
BRNFLMA	120759701024037	HWTHFLMA	120010020002240	PLTKFLMA	121079511004034
BRNFLMA	120759701024040	HWTHFLMA	120010020002241	PLTKFLMA	121079511004044
BRNFLMA	120759701024049	HWTHFLMA	120010020002252	PLTKFLMA	121079513003057
BRNFLMA	120759701024095	HWTHFLMA	120010020003002	PLTKFLMA	121090211011041
BRNFLMA	120759701024096	HWTHFLMA	120010020003005	PLTKFLMA	121090211011042
BRNFLMA	120759701024105	HWTHFLMA	120010020003011	PLTKFLMA	121090211011044
BRNFLMA	120759701024113	HWTHFLMA	120010020003057	PLTKFLMA	121090211011045
BRNFLMA	120759701024115	HWTHFLMA	120010020003064	PLTKFLMA	121090211011047
BRNFLMA	120759702001094	HWTHFLMA	120010020003074	PLTKFLMA	121090211011048
BRNFLMA	120759702001140	HWTHFLMA	120010020003076	PLTKFLMA	121090211011145
BRNFLMA	120759702001145	HWTHFLMA	120010020003077	PLTKFLMA	121090211011147
BRNFLMA	120759704002017	HWTHFLMA	120010020003080	PLTKFLMA	121090211011148
BRNFLMA	120759704002020	HWTHFLMA	120010020003082	PLTKFLMA	121090211011149
BRNFLMA	120759704002024	HWTHFLMA	120010020003083	PLTKFLMA	121090211011153
BRNFLMA	120759704002030	HWTHFLMA	120010020003084	PLTKFLMA	121090211011154
BRNFLMA	120759704002036	HWTHFLMA	120010020004009	PLTKFLMA	121090211011162
BRNFLMA	120759704002045	HWTHFLMA	120010020004059	PLTKFLMA	121090211011163
BRNFLMA	120759704002046	HWTHFLMA	120010020004072	PLTKFLMA	121090211011165
BRNFLMA	120759704002049	HWTHFLMA	120010020004077	PLTKFLMA	121090211011170
BRNFLMA	120759704002051	HWTHFLMA	120010020004082	PLTKFLMA	121090211011172
BRNFLMA	120759704002077	HWTHFLMA	120010020004083	PLTKFLMA	121090211011173
BRNFLMA	120759704002086	HWTHFLMA	120010020004084	PLTKFLMA	121090211011175
BRNFLMA	120759704002087	HWTHFLMA	120010020005000	PLTKFLMA	121090211011180
BRNFLMA	120759704002088	HWTHFLMA	120010020005021	PLTKFLMA	121090211011182
BRNFLMA	120759704002089	HWTHFLMA	120010020005025	PLTKFLMA	121090211011190
BRNFLMA	120759704002100	HWTHFLMA	120010020005027	PLTKFLMA	121090211011191

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
BRNFLMA	120759704002187	HWTHFLMA	120010020005028	PLTKFLMA	121090211011197
BRNFLMA	120759704002188	HWTHFLMA	120010020005037	PLTKFLMA	121090211011203
BRNFLMA	120759704002194	HWTHFLMA	120010021011164	PLTKFLMA	121090211011204
BRNFLMA	120759704002202	HWTHFLMA	120010021011174	PLTKFLMA	121090211011205
BRNFLMA	120759704002205	HWTHFLMA	121079503003041	PLTKFLMA	121090211011211
BRNFLMA	120759704002206	HWTHFLMA	121079503004095	PLTKFLMA	121090211011212
BRNFLMA	120759704002207	HWTHFLMA	121079503004099	PLTKFLMA	121090211011213
BRNFLMA	120759704002209	HWTHFLMA	121079503004101	PLTKFLMA	121090211011215
BRNFLMA	120759704002211	HWTHFLMA	121079503004103	PLTKFLMA	121090211011222
BRNFLMA	120759704002213	HWTHFLMA	121079503004104	PLTKFLMA	121090211011223
BRNFLMA	120759704002214	HWTHFLMA	121079503004111	PLTKFLMA	121090211011241
BRNFLMA	120759704002217	HWTHFLMA	121079503005173	PLTKFLMA	121090211011243
BRNFLMA	120759704002218	HWTHFLMA	121079503005191	PLTKFLMA	121090211011244
BRNFLMA	120759704002219	HWTHFLMA	121079504001000	PLTKFLMA	121090211011247
BRNFLMA	120759704002220	HWTHFLMA	121079504001023	PLTKFLMA	121090211011251
BRNFLMA	120759704002221	HWTHFLMA	121079504001028	PLTKFLMA	121090211011252
BRNFLMA	120759704002223	HWTHFLMA	121079504002001	PLTKFLMA	121090211011256
BRNFLMA	120759704002226	HWTHFLMA	121079504002002	PLTKFLMA	121090211011266
BRNFLMA	120759704002227	HWTHFLMA	121079504002010	PLTKFLMA	121090211011276
BRNFLMA	120759704002229	HWTHFLMA	121079504002016	PLTKFLMA	121090211011281
BRNFLMA	120759704002235	HWTHFLMA	121079504002018	PLTKFLMA	121090211011284
BRNFLMA	120759704002236	HWTHFLMA	121079504002028	PLTKFLMA	121090211011285
BRNFLMA	120759704002431	HWTHFLMA	121079504002041	PLTKFLMA	121090211011286
BRNFLMA	120759704002524	HWTHFLMA	121079504002048	PLTKFLMA	121090211011289
BRNFLMA	120759704003000	HWTHFLMA	121079504002052	PLTKFLMA	121090211011291
BRNFLMA	120759704003003	HWTHFLMA	121079504002060	PLTKFLMA	121090211011293
BRNFLMA	120759704003025	HWTHFLMA	121079504002061	PLTKFLMA	121090211011307
BRNFLMA	120759704003042	HWTHFLMA	121079505005013	PLTKFLMA	121090211011309
BRNFLMA	120759704003046	HWTHFLMA	121079505005024	PLTKFLMA	121090211011311
BRNFLMA	120759704003064	HWTHFLMA	121079505005027	PLTKFLMA	121090211011312
BRNFLMA	120759704003070	HWTHFLMA	121079505005030	PLTKFLMA	121090211011314
BRNFLMA	120759704003072	ISLMFLMA	120879709001032	PLTKFLMA	121090211011315
BRNFLMA	120759704003074	ISLMFLMA	120879709002019	PLTKFLMA	121090211011316
BRNFLMA	120759704003075	ISLMFLMA	120879710023004	PLTKFLMA	121090211011322
BRNFLMA	120759704003081	ISLMFLMA	120879710023009	PLTKFLMA	121090211011323
BRNFLMA	120759704003090	ISLMFLMA	120879710023014	PLTKFLMA	121090211011324
BRNFLMA	120759704003100	ISLMFLMA	120879710023017	PLTKFLMA	121090211011326
BRNFLMA	120759704003102	JAY FLMA	120330039003251	PLTKFLMA	121090211011331
BRNFLMA	120759704003103	JAY FLMA	121130101001028	PLTKFLMA	121090211011332
BRNFLMA	120759704003150	JAY FLMA	121130101001029	PLTKFLMA	121090211011335
BRNFLMA	120759705002001	JAY FLMA	121130101001042	PLTKFLMA	121090211011342
BRNFLMA	120759705002002	JAY FLMA	121130101001081	PLTKFLMA	121090211011343

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
BRSNFLMA	120759705002004	JAY FLMA	121130101001085	PLTKFLMA	121090211011348
BRSNFLMA	120759705002015	JAY FLMA	121130101001097	PLTKFLMA	121090211011349
BRSNFLMA	120759705002022	JAY FLMA	121130101001098	PLTKFLMA	121090211011350
BRSNFLMA	120759705002023	JAY FLMA	121130101001100	PLTKFLMA	121090211011353
BRSNFLMA	120759705002024	JAY FLMA	121130101001101	PLTKFLMA	121090211011356
BRSNFLMA	120759705002025	JAY FLMA	121130101001102	PLTKFLMA	121090211011358
BRSNFLMA	120759705002030	JAY FLMA	121130101001105	PLTKFLMA	121090211011363
BRSNFLMA	120759705002031	JAY FLMA	121130101001107	PLTKFLMA	121090211011364
BRSNFLMA	120759705002032	JAY FLMA	121130101001110	PLTKFLMA	121090211011368
BRSNFLMA	120759705002034	JAY FLMA	121130101001112	PLTKFLMA	121090211011371
BRSNFLMA	120759705002035	JAY FLMA	121130101001115	PLTKFLMA	121090211011372
BRSNFLMA	120759705002036	JAY FLMA	121130101001117	PLTKFLMA	121090211011373
BRSNFLMA	120759705002039	JAY FLMA	121130101001118	PLTKFLMA	121090211011375
BRSNFLMA	120759705002042	JAY FLMA	121130101001119	PLTKFLMA	121090211011376
BRSNFLMA	120759705002043	JAY FLMA	121130101001120	PLTKFLMA	121090211011377
BRSNFLMA	120759705002044	JAY FLMA	121130101001121	PLTKFLMA	121090211011379
BRSNFLMA	120759705002045	JAY FLMA	121130101001125	PLTKFLMA	121090211011380
BRSNFLMA	120759705002046	JAY FLMA	121130101001126	PLTKFLMA	121090211011381
BRSNFLMA	120759705002048	JAY FLMA	121130101001127	PLTKFLMA	121090211011382
BRSNFLMA	120759705002055	JAY FLMA	121130101001128	PLTKFLMA	121090211011386
BRSNFLMA	120759705002114	JAY FLMA	121130101001130	PLTKFLMA	121090211011387
BRSNFLMA	120759705002116	JAY FLMA	121130101001131	PLTKFLMA	121090211011391
BRSNFLMA	120759705002117	JAY FLMA	121130101001145	PMBHFLCS	120110105031001
BRSNFLMA	120759705002118	JAY FLMA	121130101001147	PMBHFLCS	120110105031011
BRSNFLMA	120759705002123	JAY FLMA	121130101001149	PMBHFLCS	120110105032033
BRSNFLMA	120759705002126	JAY FLMA	121130101001150	PMBHFLFE	120110107023000
BRSNFLMA	120759705002127	JAY FLMA	121130101001151	PMBHFLFE	120110304011011
BRSNFLMA	120759705002221	JAY FLMA	121130101001153	PMBHFLFE	120110309031003
BRSNFLMA	120759705002223	JAY FLMA	121130101001155	PMBHFLMA	120110202072000
BRSNFLMA	120759705002224	JAY FLMA	121130101001156	PMBHFLMA	120110304011011
BRSNFLMA	120759705002225	JAY FLMA	121130101001161	PMBHFLMA	120110305002001
BRSNFLMA	120759705002227	JAY FLMA	121130101001162	PMBHFLMA	120110305002006
BRSNFLMA	120759705002231	JAY FLMA	121130101001181	PMBHFLMA	120110308021001
BRSNFLMA	120759705002239	JAY FLMA	121130101002236	PMBHFLTA	120110601111013
BRSNFLMA	120759705002240	JAY FLMA	121130102001000	PMBHFLTA	120110601112043
BRSNFLMA	120759705002243	JAY FLMA	121130102002042	PMPKFLMA	121079512001027
BRSNFLMA	120759705002251	JAY FLMA	121130102003015	PMPKFLMA	121079512001031
BRSNFLMA	120759705002254	JAY FLMA	121130102003016	PMPKFLMA	121079512001052
BRSNFLMA	120759705002255	JAY FLMA	121130102003023	PMPKFLMA	121079512001054
BRSNFLMA	120759705004141	JAY FLMA	121130102003026	PMPKFLMA	121079512001086
BYBHFLMA	120990060082010	JAY FLMA	121130102003027	PMPKFLMA	121079512003000
BYBHFLMA	120990066023002	JAY FLMA	121130102003034	PMPKFLMA	121079512003001

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
BYBHFLMA	120990066032006	JAY FLMA	121130102003035	PMPKFLMA	121079512003006
BYBHFLMA	120990077132024	JAY FLMA	121130102003037	PMPKFLMA	121079512003010
BYBHFLMA	120990077132025	JAY FLMA	121130102003040	PMPKFLMA	121079512003024
BYBHFLMA	120990077132027	JAY FLMA	121130102003043	PMPKFLMA	121079512003028
BYBHFLMA	120990077132034	JAY FLMA	121130102003047	PMPKFLMA	121079512003069
BYBHFLMA	120990077132063	JAY FLMA	121130102003051	PMPKFLMA	121079512003072
BYBHFLMA	120990077132068	JAY FLMA	121130102003053	PMPKFLMA	121079512003075
BYBHFLMA	120990077132074	JAY FLMA	121130102003055	PMPKFLMA	121079512004100
BYBHFLMA	120990077531012	JAY FLMA	121130102003056	PMPKFLMA	121079512004101
CCBHFLMA	120090686011008	JAY FLMA	121130102003058	PMPKFLMA	121079512005036
CCBHFLMA	120099800001133	JAY FLMA	121130102003063	PMPKFLMA	121079513001027
CCBHFLMA	120099800001134	JAY FLMA	121130102003065	PMPKFLMA	121079513001032
CDKYFLMA	120759703011055	JAY FLMA	121130102003066	PMPKFLMA	121079513001035
CDKYFLMA	120759704001158	JAY FLMA	121130102003076	PMPKFLMA	121079513001036
CDKYFLMA	120759704001236	JAY FLMA	121130102003077	PMPKFLMA	121079513001039
CDKYFLMA	120759704001364	JAY FLMA	121130102003078	PMPKFLMA	121079513001043
CDKYFLMA	120759704002235	JAY FLMA	121130102003081	PMPKFLMA	121079513001044
CDKYFLMA	120759704002318	JAY FLMA	121130102003089	PMPKFLMA	121079513001054
CDKYFLMA	120759704002339	JAY FLMA	121130102003090	PMPKFLMA	121079513001057
CDKYFLMA	120759704002346	JAY FLMA	121130102004004	PMPKFLMA	121079513001068
CDKYFLMA	120759704002347	JAY FLMA	121130102004007	PMPKFLMA	121079513001071
CDKYFLMA	120759704002349	JAY FLMA	121130102004010	PMPKFLMA	121079513001073
CDKYFLMA	120759704002353	JAY FLMA	121130102004011	PMPKFLMA	121079513001112
CDKYFLMA	120759704002355	JAY FLMA	121130102004012	PMPKFLMA	121079513002049
CDKYFLMA	120759704002357	JAY FLMA	121130102004013	PNCYFLCA	120050005001107
CDKYFLMA	120759704002358	JAY FLMA	121130102004018	PNCYFLCA	120050005001125
CDKYFLMA	120759704002360	JAY FLMA	121130102004019	PNCYFLCA	120050005001126
CFLDFLMA	120419502032016	JAY FLMA	121130102004020	PNCYFLCA	120050005001250
CFLDFLMA	120419502032032	JAY FLMA	121130102004024	PNCYFLCA	120050005001269
CFLDFLMA	120759701021005	JAY FLMA	121130102004041	PNCYFLCA	120050005001347
CFLDFLMA	120759701021007	JAY FLMA	121130102004042	PNCYFLCA	120050005002031
CFLDFLMA	120759701021027	JAY FLMA	121130102004043	PNCYFLCA	120050005002057
CFLDFLMA	120759701021044	JAY FLMA	121130102004044	PNCYFLCA	120050005002058
CFLDFLMA	120759702001011	JAY FLMA	121130102004046	PNCYFLCA	120050005002068
CFLDFLMA	120759702001013	JAY FLMA	121130102004048	PNCYFLCA	120050005002072
CFLDFLMA	120759702001014	JAY FLMA	121130102004049	PNCYFLCA	120050008034001
CFLDFLMA	120759702001020	JAY FLMA	121130102004059	PNCYFLMA	120050003003100
CFLDFLMA	120759702001036	JAY FLMA	121130102004060	PNCYFLMA	120050003003122
CFLDFLMA	120759702001037	JAY FLMA	121130102004068	PNCYFLMA	120050003003266
CFLDFLMA	120759702001043	JAY FLMA	121130104001000	PNCYFLMA	120050004003047
CFLDFLMA	120759702001051	JAY FLMA	121130104001004	PNCYFLMA	120050004003048
CFLDFLMA	120759702001057	JAY FLMA	121130104001006	PNCYFLMA	120050005001269

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CFLDFLMA	120759702001070	JAY FLMA	121130104001008	PNCYFLMA	120050005001286
CFLDFLMA	120759702001079	JAY FLMA	121130104001010	PNCYFLMA	120050005001315
CFLDFLMA	120759702001091	JAY FLMA	121130104001012	PNCYFLMA	120050005001320
CFLDFLMA	120759702001092	JAY FLMA	121130104001014	PNCYFLMA	120050005001326
CFLDFLMA	120759702001094	JAY FLMA	121130104001015	PNCYFLMA	120050005001328
CFLDFLMA	120759702001137	JAY FLMA	121130104001017	PNCYFLMA	120050005001347
CFLDFLMA	120759702001138	JCBHFLMA	120310138003000	PNCYFLMA	120050008034001
CFLDFLMA	120759702002010	JCBHFLMA	120310139062004	PNCYFLMA	120050010002067
CFLDFLMA	120759702002011	JCBHFLSP	120310144121002	PNCYFLMA	120050010002070
CFLDFLMA	120759702002012	JCBHFLSP	120310144121138	PNCYFLMA	120050012001013
CFLDFLMA	120759702002015	JCBHFLSP	121090207081049	PNCYFLMA	120050012001014
CFLDFLMA	120759702002016	JCBHFLSP	121090207081055	PNCYFLMA	120050013012089
CFLDFLMA	120759702002017	JCBHFLSP	121090207081057	PNCYFLMA	120050013022001
CFLDFLMA	120759702002028	JCVLFLAR	120310158013017	PNCYFLMA	120050013022002
CFLDFLMA	120759702002029	JCVLFLBW	120310144011015	PNCYFLMA	120050013023033
CFLDFLMA	120759702002031	JCVLFLBW	120310144011017	PNCYFLMA	120050015011013
CFLDFLMA	120759702002032	JCVLFLBW	120310144042001	PNCYFLMA	120050015011080
CFLDFLMA	120759702002033	JCVLFLBW	120310144121088	PNCYFLMA	120050015012011
CFLDFLMA	120759702002034	JCVLFLBW	120310144121091	PNCYFLMA	120050017002000
CFLDFLMA	120759702002035	JCVLFLCL	120310001002045	PNCYFLMA	120050020001085
CFLDFLMA	120759702002036	JCVLFLCL	120310002003038	PNCYFLMA	120050024002008
CFLDFLMA	120759702002037	JCVLFLCL	120310010002029	PNCYFLMA	120050024003047
CFLDFLMA	120759702002038	JCVLFLCL	120310013003034	PNCYFLMA	120050024003051
CFLDFLMA	120759702002039	JCVLFLCL	120310027011003	PNSCFLBL	120330001001099
CFLDFLMA	120759702002040	JCVLFLCL	120310027012031	PNSCFLBL	120330008001106
CFLDFLMA	120759702002041	JCVLFLCL	120310117001000	PNSCFLBL	120330011012080
CFLDFLMA	120759702002042	JCVLFLCL	120310117001003	PNSCFLBL	120330016001048
CFLDFLMA	120759702002043	JCVLFLCL	120310118001000	PNSCFLBL	120330030004006
CFLDFLMA	120759702002045	JCVLFLCL	120310171001016	PNSCFLFP	120330011012080
CFLDFLMA	120759702002064	JCVLFLCL	120310171001070	PNSCFLFP	120330032032045
CFLDFLMA	120759702002066	JCVLFLCL	120310172001006	PNSCFLFP	120330036081007
CFLDFLMA	120759702002068	JCVLFLCL	120310172001017	PNSCFLFP	120330036102032
CFLDFLMA	120759702002070	JCVLFLCL	120310172001083	PNSCFLPB	120330026031020
CFLDFLMA	120759702002073	JCVLFLCL	120310172001127	PNSCFLWA	120330021003002
CFLDFLMA	120759702002074	JCVLFLCL	120310172001146	PNSCFLWA	120330024001013
CFLDFLMA	120759702002075	JCVLFLCL	120310174001040	PNSCFLWA	120330024002005
CFLDFLMA	120759702002082	JCVLFLCL	120310174002136	PNSCFLWA	120330024002009
CFLDFLMA	120759702002091	JCVLFLFC	120310147011007	PNSCFLWA	120330024002014
CFLDFLMA	120759702002109	JCVLFLFC	120310147011018	PNSCFLWA	120330024003026
CFLDFLMA	120759702002116	JCVLFLIA	120310103011022	PNSCFLWA	120330026052021
CFLDFLMA	120759702002127	JCVLFLJT	120310159263024	PNSCFLWA	120330028041012
CFLDFLMA	120759702002128	JCVLFLLF	120310001002045	PNSCFLWA	120330028041024

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CFLDFLMA	120759702002141	JCVLFLLF	120310105005010	PNSCFLWA	120330030004006
CFLDFLMA	120759702002147	JCVLFLLF	120310106001004	PNSCFLWA	120330033051016
CFLDFLMA	120759702002163	JCVLFLLF	120310106001006	PNVDFLMA	121090207052003
CFLDFLMA	120759702002167	JCVLFLLF	120310106001008	PRRNFLMA	120860080001010
CFLDFLMA	120759702003000	JCVLFLLF	120310106003054	PRRNFLMA	120860082052024
CFLDFLMA	120759702003001	JCVLFLLF	120310106003057	PRRNFLMA	120860082082026
CFLDFLMA	120759702003005	JCVLFLLF	120310107001000	PRRNFLMA	120860083061001
CFLDFLMA	120759702003012	JCVLFLLF	120310117001000	PRRNFLMA	120860083091041
CFLDFLMA	120759702003018	JCVLFLLF	120310117001003	PRRNFLMA	120860084093014
CFLDFLMA	120759702003022	JCVLFLNO	120310027011003	PRRNFLMA	120860102011007
CFLDFLMA	120759702003045	JCVLFLNO	120310106001008	PRRNFLMA	120860102011016
CFLDFLMA	120759702003051	JCVLFLNO	120310106003054	PRRNFLMA	120860102011032
CFLDFLMA	120759702003117	JCVLFLNO	120310106003057	PRRNFLMA	120860102011052
CFLDFLMA	120759702003122	JCVLFLNO	120310118003048	PRRNFLMA	120860102011055
CFLDFLMA	120759702003123	JCVLFLNO	120310121001132	PRRNFLMA	120860102011056
CFLDFLMA	120759702003137	JCVLFLNO	120310173002002	PRRNFLMA	120860102011066
CFLDFLMA	120759703011000	JCVLFLOW	120310101031051	PRRNFLMA	120860102011069
CFLDFLMA	120759703011001	JCVLFLOW	120310101031068	PRRNFLMA	120860102011070
CFLDFLMA	120759703011002	JCVLFLOW	120310101031099	PRRNFLMA	120860102011076
CFLDFLMA	120759703011011	JCVLFLOW	120310101031132	PRRNFLMA	120860102011101
CFLDFLMA	120759703011012	JCVLFLOW	120310101032057	PRRNFLMA	120860102011106
CFLDFLMA	120759703011014	JCVLFLOW	120310102021032	PRRNFLMA	120860102011109
CFLDFLMA	120759703011015	JCVLFLOW	120310102021036	PRRNFLMA	120860102011111
CFLDFLMA	120759703011016	JCVLFLOW	120310102021041	PRRNFLMA	120860102011115
CFLDFLMA	120759703011017	JCVLFLOW	120310102021048	PRRNFLMA	120860102011118
CFLDFLMA	120759703011018	JCVLFLRV	120310023001016	PRRNFLMA	120860102011121
CFLDFLMA	120759703011020	JCVLFLRV	120310023002012	PRRNFLMA	120860102012061
CFLDFLMA	120759703011023	JCVLFLRV	120310121001046	PRRNFLMA	120860102012066
CFLDFLMA	120759703011024	JCVLFLRV	120310121001050	PRRNFLMA	120860102071014
CFLDFLMA	120759703011032	JCVLFLSM	120310157002013	PRRNFLMA	120860103001000
CFLDFLMA	120759703011033	JCVLFLSM	120310161004026	PRRNFLMA	120860103001002
CFLDFLMA	120759703011055	JCVLFLWC	120310132001002	PRRNFLMA	120860103001003
CFLDFLMA	120759703011069	JCVLFLWC	120310132001033	PRRNFLMA	120860103001004
CFLDFLMA	120759703011136	JCVLFLWC	120310132001076	PRRNFLMA	120860103001023
CFLDFLMA	120759703012001	JCVLFLWC	120310133002010	PRRNFLMA	120860103001031
CFLDFLMA	120759703012002	JCVLFLWC	120310133002025	PRRNFLMA	120860103001036
CFLDFLMA	120759703012004	JCVLFLWC	120310135215025	PRRNFLMA	120860103001043
CFLDFLMA	120759703012005	JCVLFLWC	120310137232023	PRRNFLMA	120860104002025
CFLDFLMA	120759703012007	JCVLFLWC	120310173002002	PRRNFLMA	120860105006010
CFLDFLMA	120759703012008	JPTRFLMA	120850016012000	PRRNFLMA	120860106121009
CFLDFLMA	120759703012010	JPTRFLMA	120850017002075	PRRNFLMA	120860106131014
CFLDFLMA	120759703012016	JPTRFLMA	120850017003018	PRRNFLMA	120860106171021

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CFLDFLMA	120759703012020	JPTRFLMA	120850017003019	PRRNFLMA	120860106171035
CFLDFLMA	120759703012026	JPTRFLMA	120850017003027	PRRNFLMA	120860115003060
CFLDFLMA	120759703012029	JPTRFLMA	120850017003044	PRRNFLMA	120860115003127
CFLDFLMA	120759703012035	JPTRFLMA	120850017003047	PRRNFLMA	120860115003128
CFLDFLMA	120759703012036	JPTRFLMA	120850017003052	PRRNFLMA	120860115003129
CFLDFLMA	120759703012037	JPTRFLMA	120990001022038	PRRNFLMA	120860115003130
CFLDFLMA	120759703012043	JPTRFLMA	120990002053004	PRRNFLMA	120860115003132
CFLDFLMA	120759703021000	JPTRFLMA	120990002101019	PRRNFLMA	120860115003133
CFLDFLMA	120759703021001	JPTRFLMA	120990002101042	PRRNFLMA	120860115003137
CFLDFLMA	120759703021019	JPTRFLMA	120990002102005	PRRNFLMA	120860115003138
CFLDFLMA	120759703021023	JPTRFLMA	120990002141011	PRRNFLMA	120860115003139
CFLDFLMA	120759703021024	JPTRFLMA	120990002142020	PRRNFLMA	120860115003142
CFLDFLMA	120759703021027	JPTRFLMA	120990003011023	PRRNFLMA	120860115003143
CFLDFLMA	120759703021028	JPTRFLMA	120990003012021	PRRNFLMA	120860115003144
CFLDFLMA	120759703021031	JPTRFLMA	120990004071009	PRRNFLMA	120860115003145
CFLDFLMA	120759703021033	JPTRFLMA	120990078052017	PRRNFLMA	120860115003146
CFLDFLMA	120759703021039	KYHGFLMA	120070003002043	PRRNFLMA	120860115003147
CFLDFLMA	120759703021041	KYHGFLMA	120070003003007	PRRNFLMA	120860115003149
CFLDFLMA	120759703021046	KYHGFLMA	120070003003015	PRRNFLMA	120860115003151
CFLDFLMA	120759703021050	KYHGFLMA	120070003003018	PRRNFLMA	120860115003154
CFLDFLMA	120759703021054	KYHGFLMA	120070003003021	PRRNFLMA	120860115003156
CFLDFLMA	120759703021055	KYHGFLMA	120070003003024	PRRNFLMA	120860115003157
CFLDFLMA	120759703021057	KYHGFLMA	120070003003048	PRRNFLMA	120860115003158
CFLDFLMA	120759703021059	KYHGFLMA	120070003004044	PRRNFLMA	120860115003159
CFLDFLMA	120759703021064	KYHGFLMA	120190311041049	PRRNFLMA	120860115003161
CFLDFLMA	120759703022006	KYHGFLMA	120190311041052	PRRNFLMA	120860115003162
CFLDFLMA	120759703022010	KYHGFLMA	120190311041058	PRRNFLMA	120860115003164
CFLDFLMA	120759703022012	KYHGFLMA	120190311051053	PRRNFLMA	120860115003174
CFLDFLMA	120759703022013	KYHGFLMA	120190311051072	PRRNFLMA	120860115003193
CFLDFLMA	120759703022014	KYHGFLMA	120190311051073	PRRNFLMA	120860115003195
CFLDFLMA	120759703022015	KYHGFLMA	120190311051074	PRRNFLMA	120860115003198
CFLDFLMA	120759703022019	KYHGFLMA	120190311051075	PRRNFLMA	120860115003208
CFLDFLMA	120759703022025	KYHGFLMA	120190311051078	PRRNFLMA	120860115003210
CFLDFLMA	120759703022026	KYHGFLMA	120190311051079	PRRNFLMA	120860115003249
CFLDFLMA	120759703022027	KYHGFLMA	120190311051080	PRRNFLMA	120860115006003
CFLDFLMA	120759703022028	KYHGFLMA	120190311051106	PRRNFLMA	120860115006010
CFLDFLMA	120759703022036	KYHGFLMA	120190311051108	PRRNFLMA	120860115006015
CFLDFLMA	120759703022037	KYHGFLMA	120190311051109	PRRNFLMA	120860115006016
CFLDFLMA	120759703022038	KYHGFLMA	120190311051112	PRRNFLMA	120860115006017
CFLDFLMA	120759703022047	KYHGFLMA	120190311051114	PRRNFLMA	120860115006018
CFLDFLMA	120759703022048	KYHGFLMA	120190311051115	PRRNFLMA	120860115006019
CFLDFLMA	120759703022053	KYHGFLMA	120190311051123	PRRNFLMA	120860115006021

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CFLDFLMA	120759703022060	KYHGFLMA	120190311051174	PRRNFLMA	120860115006022
CFLDFLMA	120759703022074	KYHGFLMA	120190311051177	PRRNFLMA	120860115006023
CFLDFLMA	120759703022090	KYHGFLMA	120190311061000	PRRNFLMA	120860115006025
CFLDFLMA	120759703022103	KYHGFLMA	120190311061002	PRRNFLMA	120860115006026
CFLDFLMA	120759703023000	KYHGFLMA	120190311061006	PRRNFLMA	120860115006027
CFLDFLMA	120759703023055	KYHGFLMA	120190311061009	PRRNFLMA	120860115006034
CFLDFLMA	120759703023056	KYHGFLMA	120190311061014	PRRNFLMA	120860115006036
CFLDFLMA	120759703023060	KYHGFLMA	120190311061015	PRRNFLMA	120860115006039
CFLDFLMA	120759703023075	KYHGFLMA	120190311061021	PRRNFLMA	120860115006045
CFLDFLMA	120759703023079	KYHGFLMA	120190311061027	PRRNFLMA	120860115006046
CFLDFLMA	120759703023087	KYHGFLMA	120190311061083	PRRNFLMA	120860115006047
CFLDFLMA	120759703023089	KYHGFLMA	120190311061085	PRRNFLMA	120860115006052
CFLDFLMA	120759703023094	KYHGFLMA	120190311061091	PRRNFLMA	120860115006053
CFLDFLMA	120759703023099	KYHGFLMA	120190311061096	PRRNFLMA	120860196001013
CFLDFLMA	120759703023100	KYHGFLMA	120190311061099	PRRNFLMA	120860196001016
CFLDFLMA	120759703023101	KYHGFLMA	120190311061103	PRRNFLMA	120860196001017
CFLDFLMA	120759703023109	KYHGFLMA	120190311061104	PRRNFLMA	120860196001025
CFLDFLMA	120759703023110	KYHGFLMA	120190311061105	PRRNFLMA	120860196001055
CFLDFLMA	120759703023111	KYHGFLMA	120190311061110	PRRNFLMA	120860196001109
CHPLFLJA	120050003004006	KYHGFLMA	120190311061145	PRRNFLMA	120860196001110
CHPLFLJA	120632103003040	KYHGFLMA	120190311061150	PRRNFLMA	120860196001111
CHPLFLJA	120632103003058	KYHGFLMA	120190311062007	PRRNFLMA	120860196001119
CHPLFLJA	120632103003060	KYHGFLMA	120190311062015	PRRNFLMA	120860196001123
CHPLFLJA	120632103003061	KYHGFLMA	120190311062017	PRRNFLMA	120860196001124
CHPLFLJA	120632103003063	KYHGFLMA	120190311062023	PRRNFLMA	120860197002008
CHPLFLJA	120632103003072	KYHGFLMA	120190311062035	PRRNFLMA	120860197002012
CHPLFLJA	120632103003074	KYHGFLMA	120190311062039	PRRNFLMA	120860197002022
CHPLFLJA	120632103003075	KYHGFLMA	120190311062042	PRRNFLMA	120860198003000
CHPLFLJA	120632103003076	KYHGFLMA	120190311062051	PRRNFLMA	120860198003001
CHPLFLJA	120632103003078	KYHGFLMA	120190311062064	PRRNFLMA	120860198003003
CHPLFLJA	120632103003084	KYHGFLMA	120190311062065	PRRNFLMA	120860198003004
CHPLFLJA	120632103003087	KYHGFLMA	120190311063006	PRRNFLMA	120860198003005
CHPLFLJA	120632103003088	KYHGFLMA	120190311063011	PRRNFLMA	120860198003006
CHPLFLJA	120632103003090	KYHGFLMA	120190311063013	PRRNFLMA	120860198003007
CHPLFLJA	120632104001029	KYHGFLMA	120190311063016	PRRNFLMA	120860198003008
CHPLFLJA	120632104001032	KYHGFLMA	120190311063052	PRRNFLMA	120860198003011
CHPLFLJA	120632104001039	KYHGFLMA	120190311063081	PRRNFLMA	120860202003012
CHPLFLJA	120632104001040	KYHGFLMA	120190311063084	PRRNFLMA	120860202003044
CHPLFLJA	120632104001042	KYHGFLMA	120190311071704	PRRNFLMA	120860202003053
CHPLFLJA	120632104001043	KYHGFLMA	120190311081009	PRSNFLFD	120350602061095
CHPLFLJA	120632104001044	KYHGFLMA	120190311081012	PRSNFLFD	120350602061103
CHPLFLJA	120632104001045	KYHGFLMA	120190311081013	PRSNFLFD	121270901012000

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CHPLFLJA	120632104001046	KYHGFLMA	121079503001007	PRSNFLFD	121270901012004
CHPLFLJA	120632104001047	KYHGFLMA	121079503001008	PRSNFLFD	121270901012005
CHPLFLJA	120632104001048	KYHGFLMA	121079503001052	PRSNFLFD	121270901012006
CHPLFLJA	120632104001065	KYLRFLLS	120860114043049	PRSNFLFD	121270901012010
CHPLFLJA	120632104001067	KYLRFLLS	120879702001008	PRSNFLFD	121270901012015
CHPLFLJA	120632104001068	KYLRFLLS	120879702001081	PRSNFLFD	121270901012016
CHPLFLJA	120632104001069	KYLRFLLS	120879704002045	PRSNFLFD	121270901012018
CHPLFLJA	120632104001123	KYLRFLMA	120879708001067	PRSNFLFD	121270901012020
CHPLFLJA	120632104003127	KYWSFLMA	120879717002098	PRSNFLFD	121270901012026
CHPLFLJA	120632111002056	KYWSFLMA	120879718001031	PRSNFLFD	121270901012027
CHPLFLJA	121339701021001	KYWSFLMA	120879718002032	PRSNFLFD	121270901012028
CHPLFLJA	121339701021002	KYWSFLMA	120879718003021	PRSNFLFD	121270901012029
CHPLFLJA	121339701021021	KYWSFLMA	120879721001013	PRSNFLFD	121270901012031
CHPLFLJA	121339701021024	KYWSFLMA	120879721001038	PRSNFLFD	121270901012034
CHPLFLJA	121339701021025	KYWSFLMA	120879725001107	PRSNFLFD	121270901012036
CHPLFLJA	121339701021027	KYWSFLMA	120879725001117	PRSNFLFD	121270901012042
CHPLFLJA	121339701021029	LKCYFLMA	120231102011003	PRSNFLFD	121270901012051
CHPLFLJA	121339701021030	LKCYFLMA	120231102011005	PRSNFLFD	121270901012057
CHPLFLJA	121339701021037	LKCYFLMA	120231102011007	PRSNFLFD	121270901012058
CHPLFLJA	121339701021038	LKCYFLMA	120231102011008	PRSNFLFD	121270901012063
CHPLFLJA	121339701021039	LKCYFLMA	120231102011017	PRSNFLFD	121270901012064
CHPLFLJA	121339701021040	LKCYFLMA	120231102011018	PRSNFLFD	121270901012068
CHPLFLJA	121339701021043	LKCYFLMA	120231102011022	PRSNFLFD	121270901012069
CHPLFLJA	121339701021045	LKCYFLMA	120231102011023	PRSNFLFD	121270901012071
CHPLFLJA	121339701021063	LKCYFLMA	120231102011024	PRSNFLFD	121270901012078
CHPLFLJA	121339701021064	LKCYFLMA	120231102011025	PRSNFLFD	121270901012085
CHPLFLJA	121339701021065	LKCYFLMA	120231102011026	PRSNFLFD	121270901012100
CHPLFLJA	121339701021067	LKCYFLMA	120231102011027	PRSNFLFD	121270901012101
CHPLFLJA	121339701021068	LKCYFLMA	120231102011029	PRSNFLFD	121270901012104
CHPLFLJA	121339701021069	LKCYFLMA	120231102011036	PRSNFLFD	121270901012105
CHPLFLJA	121339701021070	LKCYFLMA	120231102012021	PRSNFLFD	121270901012111
CHPLFLJA	121339701021071	LKCYFLMA	120231102012042	PRSNFLFD	121270901012114
CHPLFLJA	121339701021072	LKCYFLMA	120231102021013	PRSNFLFD	121270901012115
CHPLFLJA	121339701021073	LKCYFLMA	120231102021024	PRSNFLFD	121270901012118
CHPLFLJA	121339701021074	LKCYFLMA	120231102021031	PRSNFLFD	121270901012121
CHPLFLJA	121339701021075	LKCYFLMA	120231102021038	PRSNFLFD	121270901012122
CHPLFLJA	121339701021076	LKCYFLMA	120231102021062	PRSNFLFD	121270901012123
CHPLFLJA	121339701021077	LKCYFLMA	120231102021063	PRSNFLFD	121270901012144
CHPLFLJA	121339701021078	LKCYFLMA	120231102023035	PRSNFLFD	121270901012148
CHPLFLJA	121339701021079	LKCYFLMA	120231102023041	PRSNFLFD	121270901012152
CHPLFLJA	121339701021081	LKCYFLMA	120231102023044	PRSNFLFD	121270901012155
CHPLFLJA	121339701021082	LKCYFLMA	120231102023059	PRSNFLFD	121270901012156

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CHPLFLJA	121339701021083	LKCYFLMA	120231102023073	PRSNFLFD	121270901012160
CHPLFLJA	121339701021084	LKCYFLMA	120231102023080	PRSNFLFD	121270901012183
CHPLFLJA	121339701021085	LKCYFLMA	120231102023081	PRSNFLFD	121270901012187
CHPLFLJA	121339701021086	LKCYFLMA	120231102023088	PRSNFLFD	121270901021002
CHPLFLJA	121339701021091	LKCYFLMA	120231102024004	PRSNFLFD	121270901021023
CHPLFLJA	121339701021092	LKCYFLMA	120231102024006	PRSNFLFD	121270901021038
CHPLFLJA	121339701021094	LKCYFLMA	120231102024007	PRSNFLFD	121270901021050
CHPLFLJA	121339701021095	LKCYFLMA	120231102024010	PRSNFLFD	121270901021052
CHPLFLJA	121339701021096	LKCYFLMA	120231102024012	PRSNFLFD	121270901021053
CHPLFLJA	121339701021100	LKCYFLMA	120231102024042	PRSNFLFD	121270901021055
CHPLFLJA	121339701031002	LKCYFLMA	120231102024063	PRSNFLFD	121270901021057
CHPLFLJA	121339701031004	LKCYFLMA	120231103001154	PRSNFLFD	121270901021058
CHPLFLJA	121339701031006	LKCYFLMA	120231103001155	PRSNFLFD	121270901021061
CHPLFLJA	121339701031007	LKCYFLMA	120231103001157	PRSNFLFD	121270901021064
CHPLFLJA	121339701031009	LKCYFLMA	120231103001158	PRSNFLFD	121270901021065
CHPLFLJA	121339701033010	LKCYFLMA	120231103001161	PRSNFLFD	121270901021069
CHPLFLJA	121339701033011	LKCYFLMA	120231103001162	PRSNFLFD	121270901021075
CHPLFLJA	121339701033016	LKCYFLMA	120231103001187	PRSNFLFD	121270901021076
CHPLFLJA	121339701041005	LKCYFLMA	120231103001188	PRSNFLFD	121270901021077
CHPLFLJA	121339701041068	LKCYFLMA	120231103001190	PRSNFLFD	121270901021079
CHPLFLJA	121339701042000	LKCYFLMA	120231103001196	PRSNFLFD	121270901021080
CHPLFLJA	121339701042002	LKCYFLMA	120231103001197	PRSNFLFD	121270901021081
CHPLFLJA	121339702001003	LKCYFLMA	120231103001198	PRSNFLFD	121270901021085
CHPLFLJA	121339702001006	LKCYFLMA	120231103001204	PRSNFLFD	121270901021087
CHPLFLJA	121339702001014	LKCYFLMA	120231103001205	PRSNFLFD	121270901021094
CHPLFLJA	121339702001017	LKCYFLMA	120231103001206	PRSNFLFD	121270901021098
CHPLFLJA	121339702001019	LKCYFLMA	120231103001207	PRSNFLFD	121270901021101
CHPLFLJA	121339702001020	LKCYFLMA	120231103001211	PRSNFLFD	121270901021109
CHPLFLJA	121339702001022	LKCYFLMA	120231103001212	PRSNFLFD	121270901021110
CHPLFLJA	121339702001023	LKCYFLMA	120231103001214	PRSNFLFD	121270901021115
CHPLFLJA	121339702001032	LKCYFLMA	120231103001215	PRSNFLFD	121270901021117
CHPLFLJA	121339702001043	LKCYFLMA	120231103001219	PRSNFLFD	121270901021119
CHPLFLJA	121339703023001	LKCYFLMA	120231103001221	PRSNFLFD	121270901021135
CHPLFLJA	121339703023017	LKCYFLMA	120231103001223	PRSNFLFD	121270901021136
CHPLFLJA	121339703031001	LKCYFLMA	120231103001224	PRSNFLFD	121270901021148
CHPLFLJA	121339703031002	LKCYFLMA	120231103001225	PRSNFLFD	121270901021158
CHPLFLJA	121339703031005	LKCYFLMA	120231103001226	PRSNFLFD	121270901022002
CHPLFLJA	121339703031006	LKCYFLMA	120231103001241	PRSNFLFD	121270901022023
CHPLFLJA	121339703031007	LKCYFLMA	120231103001244	PRSNFLFD	121270901022026
CHPLFLJA	121339703031008	LKCYFLMA	120231103001246	PRSNFLFD	121270901022031
CHPLFLJA	121339703031012	LKCYFLMA	120231103001249	PRSNFLFD	121270901022034
CHPLFLJA	121339703031013	LKCYFLMA	120231103001250	PRSNFLFD	121270901022036

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CHPLFLJA	121339703031018	LKCYFLMA	120231103001259	PRSNFLFD	121270901022047
CHPLFLJA	121339703031020	LKCYFLMA	120231103001282	PRSNFLFD	121270901022052
CHPLFLJA	121339703031023	LKCYFLMA	120231103001283	PRSNFLFD	121270901022054
CHPLFLJA	121339703031024	LKCYFLMA	120231103001288	PRSNFLFD	121270901022057
CHPLFLJA	121339703031027	LKCYFLMA	120231103001289	PRSNFLFD	121270901022060
CHPLFLJA	121339703031029	LKCYFLMA	120231103001290	PRSNFLFD	121270901022065
CHPLFLJA	121339703031030	LKCYFLMA	120231103001291	PRSNFLFD	121270901022071
CHPLFLJA	121339703031031	LKCYFLMA	120231103001292	PRSNFLFD	121270901022074
CHPLFLJA	121339703031045	LKCYFLMA	120231103001294	PRSNFLFD	121270901022080
CHPLFLJA	121339703031049	LKCYFLMA	120231103001298	PRSNFLFD	121270902041001
CHPLFLJA	121339703031050	LKCYFLMA	120231103001300	PTSLFLMA	121113815021053
CHPLFLJA	121339703031055	LKCYFLMA	120231103001302	PTSLFLMA	121113816031045
CHPLFLJA	121339703031059	LKCYFLMA	120231103001315	PTSLFLMA	121113816031069
CHPLFLJA	121339703031060	LKCYFLMA	120231103001322	PTSLFLMA	121113821061006
CHPLFLJA	121339703031062	LKCYFLMA	120231103001331	PTSLFLMA	121113821061008
CHPLFLJA	121339703031063	LKCYFLMA	120231103001339	PTSLFLMA	121113821061087
CHPLFLJA	121339703031065	LKCYFLMA	120231103002000	PTSLFLMA	121113821081065
CHPLFLJA	121339703031067	LKCYFLMA	120231103002001	PTSLFLMA	121113821081067
CHPLFLJA	121339703031071	LKCYFLMA	120231103002008	PTSLFLMA	121113821081137
CHPLFLJA	121339703031073	LKCYFLMA	120231103002010	PTSLFLMA	121113821083002
CHPLFLJA	121339703031096	LKCYFLMA	120231103002011	PTSLFLMA	121113821083012
CHPLFLJA	121339703031098	LKCYFLMA	120231103002016	PTSLFLMA	121113821091108
CHPLFLJA	121339703031102	LKCYFLMA	120231103002026	PTSLFLMA	121113821091121
CHPLFLJA	121339703031107	LKCYFLMA	120231103002031	PTSLFLMA	121113821091198
CHPLFLJA	121339703031111	LKCYFLMA	120231103002100	PTSLFLMA	121113821091218
CHPLFLJA	121339703031113	LKCYFLMA	120231103002107	PTSLFLMA	121113821091242
CHPLFLJA	121339703031158	LKCYFLMA	120231103002136	PTSLFLMA	121113821091287
CHPLFLJA	121339703031159	LKCYFLMA	120231103002137	PTSLFLMA	121113821091368
CHPLFLJA	121339703031160	LKCYFLMA	120231103002143	PTSLFLMA	121113821114072
CHPLFLJA	121339703032000	LKCYFLMA	120231103002148	PTSLFLMA	121113821133015
CHPLFLJA	121339703032005	LKCYFLMA	120231103004009	PTSLFLSO	121113816032015
CHPLFLJA	121339703032008	LKCYFLMA	120231103004010	PTSLFLSO	121113816032031
CHPLFLJA	121339703032009	LKCYFLMA	120231103004011	PTSLFLSO	121113816032041
CHPLFLJA	121339703032010	LKCYFLMA	120231103004013	PTSLFLSO	121113818022058
CHPLFLJA	121339703032015	LKCYFLMA	120231104002006	PTSLFLSO	121113818022060
CHPLFLJA	121339703032021	LKCYFLMA	120231105001005	PTSLFLSO	121113818022131
CHPLFLJA	121339703032022	LKCYFLMA	120231105001059	PTSLFLSO	121113819002034
CHPLFLJA	121339703032023	LKCYFLMA	120231105001076	PTSLFLSO	121113819005026
CHPLFLJA	121339703032026	LKCYFLMA	120231105001077	PTSLFLSO	121113820094009
CHPLFLJA	121339703032029	LKCYFLMA	120231105001081	PTSLFLSO	121113820102023
CHPLFLJA	121339703032032	LKCYFLMA	120231105001108	SBSTFLFE	120090652341004
CHPLFLJA	121339703032033	LKCYFLMA	120231105001133	SBSTFLFE	120090652341029

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Date: June 29, 2017

AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CHPLFLJA	121339703032034	LKCYFLMA	120231105002004	SBSTFLFE	120610509041004
CHPLFLJA	121339703032038	LKCYFLMA	120231105004012	SBSTFLFE	120610509041006
CHPLFLJA	121339703032039	LKCYFLMA	120231105004042	SBSTFLFE	120610509041009
CHPLFLJA	121339703032041	LKCYFLMA	120231105004071	SBSTFLFE	120610509041012
CHPLFLJA	121339703032042	LKCYFLMA	120231105004094	SBSTFLFE	120610509041071
CHPLFLJA	121339703032043	LKCYFLMA	120231105005024	SBSTFLFE	120610509041072
CHPLFLJA	121339703032044	LKCYFLMA	120231106011018	SBSTFLFE	120610509041075
CHPLFLJA	121339703032048	LKCYFLMA	120231106011020	SBSTFLFE	120610509041076
CHPLFLJA	121339703032050	LKCYFLMA	120231106011067	SBSTFLFE	120610509041078
CHPLFLJA	121339703032052	LKCYFLMA	120231106012001	SBSTFLFE	120610509041081
CHPLFLJA	121339703032053	LKCYFLMA	120231106012007	SBSTFLFE	120610509041092
CHPLFLJA	121339703032054	LKCYFLMA	120231106012010	SBSTFLFE	120610509041102
CHPLFLJA	121339703032056	LKCYFLMA	120231106012017	SBSTFLFE	120610509042003
CHPLFLJA	121339703032057	LKCYFLMA	120231106012026	SBSTFLFE	120610509042005
CHPLFLJA	121339703032058	LKCYFLMA	120231106012038	SBSTFLFE	120610509042016
CHPLFLJA	121339703032063	LKCYFLMA	120231106012049	SBSTFLFE	120610509042018
CHPLFLJA	121339703032064	LKCYFLMA	120231106012052	SBSTFLFE	120610509042020
CHPLFLJA	121339703032065	LKCYFLMA	120231106012053	SBSTFLFE	120610509042021
CHPLFLJA	121339703032067	LKCYFLMA	120231106012058	SBSTFLFE	120610509042024
CHPLFLJA	121339703032068	LKCYFLMA	120231106013000	SBSTFLFE	120610509042025
CHPLFLJA	121339703032079	LKCYFLMA	120231106013027	SBSTFLFE	120610509042026
CHPLFLJA	121339703032099	LKCYFLMA	120231106013030	SBSTFLFE	120610509042036
CHPLFLJA	121339703032129	LKCYFLMA	120231106013046	SBSTFLFE	120610509042053
CHPLFLJA	121339703032130	LKCYFLMA	120231106013047	SBSTFLFE	120610509042109
CHPLFLJA	121339703032149	LKCYFLMA	120231106013065	SBSTFLFE	120610509042110
CHPLFLJA	121339703032209	LKCYFLMA	120231106013066	SBSTFLMA	120090652341004
CHPLFLJA	121339703032227	LKCYFLMA	120231106021009	SBSTFLMA	120090652341029
CHPLFLJA	121339703032245	LKCYFLMA	120231106021025	SBSTFLMA	120610508021040
CHPLFLJA	121339703032246	LKCYFLMA	120231106021031	SBSTFLMA	120610508021059
CHPLFLJA	121339703032247	LKCYFLMA	120231106021034	SBSTFLMA	120610508021066
CHPLFLJA	121339703032252	LKCYFLMA	120231106021038	SBSTFLMA	120610508041013
CHPLFLJA	121339703032254	LKCYFLMA	120231106021045	SBSTFLMA	120610508053031
CHPLFLJA	121339703032258	LKCYFLMA	120231106021048	SBSTFLMA	120610508053038
CHPLFLJA	121339703032259	LKCYFLMA	120231106022019	SBSTFLMA	120610508061023
CHPLFLJA	121339703032264	LKCYFLMA	120231106022028	SBSTFLMA	120610508062057
CHPLFLJA	121339703032267	LKCYFLMA	120231106022032	SBSTFLMA	120610508071035
COCOFLMA	120090621034015	LKCYFLMA	120231106022033	SBSTFLMA	120610508081047
COCOFLMA	120090712001001	LKCYFLMA	120231107001060	SBSTFLMA	120610508081053
COCOFLMA	120090712001028	LKCYFLMA	120231107002026	SBSTFLMA	120610508082080
COCOFLME	120090686011008	LKCYFLMA	120231107002045	SBSTFLMA	120610508082105
COCOFLME	120090699011002	LKCYFLMA	120231108001002	SBSTFLMA	120610508082125
COCOFLME	120090699013067	LKCYFLMA	120231108001022	SBSTFLMA	120610508082130

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
COCOFLME	120090699013077	LKCYFLMA	120231108001033	SBSTFLMA	120610508082165
CSCYFLBA	120299701011000	LKCYFLMA	120231108001042	SBSTFLMA	120610508083072
CSCYFLBA	120299701011002	LKCYFLMA	120231108001058	SBSTFLMA	120610509031005
CSCYFLBA	120299701011003	LKCYFLMA	120231108001059	SBSTFLMA	120610509031010
CSCYFLBA	120299701011005	LKCYFLMA	120231108001063	SBSTFLMA	120610509031036
CSCYFLBA	120299701011007	LKCYFLMA	120231108001065	SBSTFLMA	120610509031118
CSCYFLBA	120299701011009	LKCYFLMA	120231108001066	SBSTFLMA	120610509031372
CSCYFLBA	120299701011010	LKCYFLMA	120231108001075	SBSTFLMA	120610509031374
CSCYFLBA	120299701011011	LKCYFLMA	120231108001079	SBSTFLMA	120610509032020
CSCYFLBA	120299701011024	LKCYFLMA	120231108001081	SBSTFLMA	120610509032023
CSCYFLBA	120299701011025	LKCYFLMA	120231108001083	SBSTFLMA	120610509042003
CSCYFLBA	120299701011026	LKCYFLMA	120231108001088	SBSTFLMA	120610509042053
CSCYFLBA	120299701011035	LKCYFLMA	120231108001104	SGKYFLMA	120879715011009
CSCYFLBA	120299701011036	LKCYFLMA	120231108002041	SGKYFLMA	120879715012050
CSCYFLBA	120299701011079	LKCYFLMA	120231108003020	SGKYFLMA	120879716001116
CSCYFLBA	120299701011082	LKCYFLMA	120231108003022	SGKYFLMA	120879716001172
CSCYFLBA	120299701011088	LKCYFLMA	120231108003030	SNFRFLMA	121270832091112
CSCYFLBA	120299701011097	LKCYFLMA	120231108003031	SNFRFLMA	121270832091113
CSCYFLBA	120299701011109	LKCYFLMA	120231108003032	SNFRFLMA	121270832091115
CSCYFLBA	120299701011113	LKCYFLMA	120231108003033	SNFRFLMA	121270832091116
CSCYFLBA	120299701012003	LKCYFLMA	120231108004004	SNFRFLMA	121270832091119
CSCYFLBA	120299701012012	LKCYFLMA	120231108004005	SNFRFLMA	121270832091122
CSCYFLBA	120299701012015	LKCYFLMA	120231108004044	SNFRFLMA	121270832091158
CSCYFLBA	120299701012017	LKCYFLMA	120231109011000	SNFRFLMA	121270832091179
CSCYFLBA	120299701012024	LKCYFLMA	120231109011003	SNFRFLMA	121270832091182
CSCYFLBA	120299701012025	LKCYFLMA	120231109011006	SNFRFLMA	121270832091211
CSCYFLBA	120299701012032	LKCYFLMA	120231109011010	SNFRFLMA	121270832091218
CSCYFLBA	120299701012035	LKCYFLMA	120231109011014	SNFRFLMA	121270909021047
CSCYFLBA	120299701012044	LKCYFLMA	120231109011016	SNFRFLMA	121270910051003
CSCYFLBA	120299701012053	LKCYFLMA	120231109011018	SNFRFLMA	121270910051006
CSCYFLBA	120299701012056	LKCYFLMA	120231109011021	SNFRFLMA	121270910051008
CSCYFLBA	120299701012067	LKCYFLMA	120231109011023	SNFRFLMA	121270910051028
CSCYFLBA	120299701012122	LKCYFLMA	120231109011024	SNFRFLMA	121270910051040
CSCYFLBA	120299701012134	LKCYFLMA	120231109011031	SNFRFLMA	121270910051044
CSCYFLBA	120299701012137	LKCYFLMA	120231109011032	SNFRFLMA	121270910051047
CSCYFLBA	120299701012146	LKCYFLMA	120231109011033	SNFRFLMA	121270910051052
CSCYFLBA	120299701013033	LKCYFLMA	120231109011034	SNFRFLMA	121270910051073
CSCYFLBA	120299701013061	LKCYFLMA	120231109011037	SNFRFLMA	121270910242012
CSCYFLBA	120299701013071	LKCYFLMA	120231109011040	STAGFLBS	121090212041056
CSCYFLBA	120299701013080	LKCYFLMA	120231109011041	STAGFLBS	121090214071025
CSCYFLBA	120299701021082	LKCYFLMA	120231109011062	STAGFLBS	121090214071037
CSCYFLBA	120299701021127	LKCYFLMA	120231109011067	STAGFLBS	121090214071085

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CSCYFLBA	120299701021128	LKCYFLMA	120231109011068	STAGFLMA	120310144121138
CSCYFLBA	120299701021161	LKCYFLMA	120231109011069	STAGFLMA	121090205001032
CSCYFLBA	120299701021198	LKCYFLMA	120231109011071	STAGFLMA	121090206021002
CSCYFLBA	120299701021411	LKCYFLMA	120231109011075	STAGFLMA	121090206021005
CSCYFLBA	120299701021421	LKCYFLMA	120231109011076	STAGFLMA	121090206021043
CSCYFLBA	120299701021430	LKCYFLMA	120231109011078	STAGFLMA	121090206021046
CSCYFLBA	120299701021440	LKCYFLMA	120231109012007	STAGFLMA	121090206021072
CSCYFLBA	120299701024003	LKCYFLMA	120231109012008	STAGFLMA	121090207081049
CSCYFLBA	120299701024007	LKCYFLMA	120231109012009	STAGFLMA	121090207081051
CSCYFLBA	120299701024013	LKCYFLMA	120231109012011	STAGFLMA	121090207081066
CSCYFLBA	120299701024023	LKCYFLMA	120231109012027	STAGFLMA	121090207081067
CSCYFLBA	120299701024031	LKCYFLMA	120231109012028	STAGFLMA	121090207081069
CSCYFLBA	120299701024035	LKCYFLMA	120231109012029	STAGFLMA	121090209012015
CSCYFLBA	120299701024037	LKCYFLMA	120231109012030	STAGFLMA	121090209012052
CSCYFLBA	120299701024043	LKCYFLMA	120231109012032	STAGFLMA	121090209022039
CSCYFLBA	120299701024045	LKCYFLMA	120231109012037	STAGFLMA	121090209022041
CSCYFLBA	120299702001183	LKCYFLMA	120231109012038	STAGFLMA	121090209023072
CSCYFLBA	120299702001184	LKCYFLMA	120231109012040	STAGFLMA	121090210042009
CSCYFLBA	120299702001185	LKCYFLMA	120231109012045	STAGFLMA	121090210042014
CSCYFLBA	120299702001186	LKCYFLMA	120231109012046	STAGFLMA	121090210042018
CSCYFLBA	120299702001187	LKCYFLMA	120231109012047	STAGFLMA	121090211021016
CSCYFLBA	120299702001188	LKCYFLMA	120231109012048	STAGFLMA	121090212032036
CSCYFLBA	120299702001189	LKCYFLMA	120231109012061	STAGFLMA	121090213021019
CSCYFLBA	120299702001214	LKCYFLMA	120231109013002	STAGFLSH	120350601041001
CSCYFLBA	120299702001218	LKCYFLMA	120231109013003	STAGFLSH	121090211012002
CSCYFLBA	120299702001219	LKCYFLMA	120231109013012	STAGFLSH	121090211012087
CSCYFLBA	120299702001308	LKCYFLMA	120231109013014	STAGFLSH	121090211012089
CSCYFLBA	120299702002001	LKCYFLMA	120231109013015	STAGFLSH	121090211012091
CSCYFLBA	120299702002010	LKCYFLMA	120231109041000	STAGFLSH	121090211012092
CSCYFLBA	120299702002013	LKCYFLMA	120231109041002	STAGFLSH	121090212032034
CSCYFLBA	120299702002020	LKCYFLMA	120231109041003	STAGFLSH	121090212032036
CSCYFLBA	120299702002032	LKCYFLMA	120231109041004	STAGFLSH	121090212041014
CSCYFLBA	120299702002035	LKCYFLMA	120231109041005	STAGFLSH	121090212041026
CSCYFLBA	120299702002041	LKCYFLMA	120231109041008	STAGFLSH	121090212063012
CSCYFLBA	120299702002091	LKCYFLMA	120231109041009	STAGFLWG	121090209012015
CSCYFLBA	120299702002096	LKCYFLMA	120231109041011	STAGFLWG	121090209012020
CSCYFLBA	120299702002097	LKCYFLMA	120231109041016	STAGFLWG	121090209023108
CSCYFLBA	120299702002101	LKCYFLMA	120231109041019	STRNFLMA	120850005014053
CSCYFLBA	120299702002132	LKCYFLMA	120231109042000	STRNFLMA	120850006063027
CSCYFLBA	120299702002133	LKCYFLMA	120231109042003	STRNFLMA	120850009024000
CSCYFLBA	120299702002135	LKCYFLMA	120231109042004	STRNFLMA	120850010002006
CSCYFLBA	120299702002136	LKCYFLMA	120231109042017	STRNFLMA	120850011022061

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CSCYFLBA	120299702002138	LKCYFLMA	120231109042018	STRNFLMA	120850011043010
CSCYFLBA	120299702002148	LKCYFLMA	120231109042019	STRNFLMA	120850012001008
CSCYFLBA	120299702002157	LKCYFLMA	120231109042046	STRNFLMA	120850012002024
CSCYFLBA	120299702002158	LKCYFLMA	120231109042047	STRNFLMA	120850017001023
CSCYFLBA	120299702002164	LKCYFLMA	120231109042048	STRNFLMA	120850017001087
CSCYFLBA	120299702002173	LKCYFLMA	121219705001031	STRNFLMA	120850017001100
CSCYFLBA	120299702002184	LKCYFLMA	121219705001126	STRNFLMA	120850017001101
CSCYFLBA	120299702002204	LKCYFLMA	121259602001131	STRNFLMA	120850017001113
CSCYFLBA	120299702002206	LKCYFLMA	121259603001016	STRNFLMA	120850017001119
CSCYFLBA	120299702002207	LKCYFLMA	121259603001020	STRNFLMA	120850017001152
CSCYFLBA	120299702002210	LKCYFLMA	121259603001021	STRNFLMA	120850017002044
CSCYFLBA	120299702002211	LKCYFLMA	121259603001023	STRNFLMA	120850017002053
CSCYFLBA	120299702002213	LKCYFLMA	121259603001024	STRNFLMA	121113820063118
CSCYFLBA	120299702002217	LKCYFLMA	121259603001028	STRNFLMA	121113820063128
CSCYFLBA	120299702002218	LKCYFLMA	121259603001030	SYHSFLCC	121339703011001
CSCYFLBA	120299702002219	LKCYFLMA	121259603001031	SYHSFLCC	121339703011025
CSCYFLBA	120299702002220	LKCYFLMA	121259603001047	SYHSFLCC	121339703011028
CSCYFLBA	120299702002221	LKCYFLMA	121259603001051	SYHSFLCC	121339703011029
CSCYFLBA	120299702002223	LKCYFLMA	121259603001056	SYHSFLCC	121339703011038
CSCYFLBA	120299702002224	LKCYFLMA	121259603001058	SYHSFLCC	121339703011042
CSCYFLBA	120299702002227	LKCYFLMA	121259603001059	SYHSFLCC	121339703011053
CSCYFLBA	120299702002228	LKCYFLMA	121259603001064	SYHSFLCC	121339703011055
CSCYFLBA	120299702002229	LKCYFLMA	121259603001070	SYHSFLCC	121339703011056
CSCYFLBA	120299702002230	LYHNFLOH	120050002011018	SYHSFLCC	121339703011063
CSCYFLBA	120299702002231	LYHNFLOH	120050002011034	SYHSFLCC	121339703011070
CSCYFLBA	120299702002343	LYHNFLOH	120050002011080	SYHSFLCC	121339703011078
CSCYFLBA	120299702002345	LYHNFLOH	120050002011082	SYHSFLCC	121339703011105
CSCYFLBA	120299702002346	LYHNFLOH	120050002011085	SYHSFLCC	121339703011107
CSCYFLBA	120299702002367	LYHNFLOH	120050002011098	SYHSFLCC	121339703011115
CSCYFLBA	120299702002368	LYHNFLOH	120050002011113	SYHSFLCC	121339703011121
CSCYFLBA	120299702002369	LYHNFLOH	120050002011120	SYHSFLCC	121339703011125
CSCYFLBA	120299702002370	LYHNFLOH	120050002011123	SYHSFLCC	121339703011127
CSCYFLBA	120299702002373	LYHNFLOH	120050002011132	SYHSFLCC	121339703011141
CSCYFLBA	120299702002375	LYHNFLOH	120050002011133	SYHSFLCC	121339703011149
CSCYFLBA	120299702002377	LYHNFLOH	120050002011138	SYHSFLCC	121339703011159
CSCYFLBA	120299702002382	LYHNFLOH	120050002011140	SYHSFLCC	121339703011226
CSCYFLBA	120299702002390	LYHNFLOH	120050002011143	SYHSFLCC	121339703011247
CSCYFLBA	120299702002391	LYHNFLOH	120050002011207	SYHSFLCC	121339703011249
CSCYFLBA	120299702002392	LYHNFLOH	120050002011209	SYHSFLCC	121339703011253
CSCYFLBA	120299702002393	LYHNFLOH	120050002011219	SYHSFLCC	121339703011256
CSCYFLBA	120299702002457	LYHNFLOH	120050002011222	SYHSFLCC	121339703011261
CSCYFLBA	120299702002461	LYHNFLOH	120050002011226	SYHSFLCC	121339703011262

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
CSCYFLBA	120299702003021	LYHNFLOH	120050002011235	SYHSFLCC	121339703011265
CSCYFLBA	120299702003029	LYHNFLOH	120050002011253	SYHSFLCC	121339703011277
CSCYFLBA	120299702003034	LYHNFLOH	120050002011256	SYHSFLCC	121339703011294
CSCYFLBA	120299702003040	LYHNFLOH	120050002011260	SYHSFLCC	121339703011296
CSCYFLBA	120299702003050	LYHNFLOH	120050002011262	SYHSFLCC	121339703011297
CSCYFLBA	120299702003054	LYHNFLOH	120050002011265	SYHSFLCC	121339703011321
CSCYFLBA	120299702003056	LYHNFLOH	120050002011266	SYHSFLCC	121339703011341
CSCYFLBA	120299702003057	LYHNFLOH	120050002011271	SYHSFLCC	121339703011355
CSCYFLBA	120299702003060	LYHNFLOH	120050002011305	SYHSFLCC	121339703011357
CSCYFLBA	120299702003104	LYHNFLOH	120050002011320	SYHSFLCC	121339703011358
CSCYFLBA	120299702003106	LYHNFLOH	120050002011321	SYHSFLCC	121339703011372
CSCYFLBA	120299702003108	LYHNFLOH	120050002011613	SYHSFLCC	121339703011390
CSCYFLBA	120299702003130	LYHNFLOH	120050002011649	SYHSFLCC	121339703011394
CSCYFLBA	120299702003132	LYHNFLOH	120050002011651	SYHSFLCC	121339703011421
CSCYFLBA	121239504001001	LYHNFLOH	120050002011665	SYHSFLCC	121339703011422
CSCYFLBA	121239504001005	LYHNFLOH	120050002011666	SYHSFLCC	121339703011423
CSCYFLBA	121239504001007	LYHNFLOH	120050002011673	SYHSFLCC	121339703011427
CSCYFLBA	121239504001011	LYHNFLOH	120050002012012	SYHSFLCC	121339703011438
CSCYFLBA	121239504001012	LYHNFLOH	120050002012048	SYHSFLCC	121339703011440
CSCYFLBA	121239504001015	LYHNFLOH	120050002012050	SYHSFLCC	121339703011448
CSCYFLBA	121239504001034	LYHNFLOH	120050002012055	SYHSFLCC	121339703011449
CSCYFLBA	121239504001036	LYHNFLOH	120050002012056	SYHSFLCC	121339703011450
CSCYFLBA	121239504001051	LYHNFLOH	120050002021252	SYHSFLCC	121339703011451
CSCYFLBA	121239504001060	LYHNFLOH	120050013012003	SYHSFLCC	121339703011452
CSCYFLBA	121239504001124	LYHNFLOH	120050013012042	SYHSFLCC	121339703011479
CSCYFLBA	121239504001135	LYHNFLOH	120050014042007	SYHSFLCC	121339703011484
CSCYFLBA	121239504004447	MCNPFLMA	120010020003043	SYHSFLCC	121339703011502
CSCYFLBA	121239504004482	MCNPFLMA	120010020003045	SYHSFLCC	121339703021101
CSCYFLBA	121239504004488	MCNPFLMA	120010020003046	SYHSFLCC	121339703021103
CSCYFLBA	121239504004497	MCNPFLMA	120010020003055	SYHSFLCC	121339703021113
CSCYFLBA	121239504004500	MCNPFLMA	120010020003057	SYHSFLCC	121339703021117
CSCYFLBA	121239504004501	MCNPFLMA	120010020003084	SYHSFLCC	121339703021118
DBRYFLMA	121270909021047	MCNPFLMA	120010020004077	SYHSFLCC	121339703021119
DELDFLMA	121270832061101	MCNPFLMA	120010021011023	SYHSFLCC	121339703021123
DELDFLMA	121270832061102	MCNPFLMA	120010021011076	SYHSFLCC	121339703021124
DELDFLMA	121270832061103	MCNPFLMA	120010021011099	SYHSFLCC	121339703022000
DELDFLMA	121270832061106	MCNPFLMA	120010021011108	SYHSFLCC	121339703022001
DELDFLMA	121270832073065	MCNPFLMA	120010021011110	SYHSFLCC	121339703022007
DELDFLMA	121270832073086	MCNPFLMA	120010021011111	SYHSFLCC	121339703022023
DELDFLMA	121270901011016	MCNPFLMA	120010021011132	SYHSFLCC	121339703022026
DELDFLMA	121270901021094	MCNPFLMA	120010021011134	SYHSFLCC	121339703022054
DELDFLMA	121270902041001	MCNPFLMA	120010021011136	SYHSFLCC	121339703022057

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DELDFLMA	121270902041055	MCNPFLMA	120010021011140	SYHSFLCC	121339703022060
DELDFLMA	121270903051000	MCNPFLMA	120010021011148	SYHSFLCC	121339703022061
DELDFLMA	121270910013000	MCNPFLMA	120010021011158	SYHSFLCC	121339703022062
DLBHFLKP	120990059552010	MCNPFLMA	120010021011159	SYHSFLCC	121339703022063
DLBHFLKP	120990077131001	MCNPFLMA	120010021011164	SYHSFLCC	121339703022068
DLBHFLKP	120990077131003	MCNPFLMA	120010021012005	SYHSFLCC	121339703022071
DLBHFLKP	120990077131014	MCNPFLMA	120010021012007	SYHSFLCC	121339703022077
DLBHFLKP	120990077131034	MCNPFLMA	120010021012009	SYHSFLCC	121339703022079
DLBHFLKP	120990077132025	MCNPFLMA	120010021012010	SYHSFLCC	121339703022115
DLBHFLKP	120990077132027	MCNPFLMA	120010021012014	SYHSFLCC	121339703022142
DLBHFLKP	120990077132034	MCNPFLMA	120010021012029	SYHSFLCC	121339703022150
DLBHFLKP	120990077132063	MCNPFLMA	120010021021000	SYHSFLCC	121339703023017
DLBHFLKP	120990077132068	MCNPFLMA	120010021021004	SYHSFLCC	121339703023018
DLBHFLKP	120990077132074	MCNPFLMA	120010021021010	SYHSFLCC	121339703023029
DLSPFLMA	121270901011001	MCNPFLMA	120010021021023	SYHSFLCC	121339703023030
DLSPFLMA	121270901011016	MCNPFLMA	120010021021024	SYHSFLCC	121339703023033
DLSPFLMA	121270901011017	MCNPFLMA	120010021021028	SYHSFLCC	121339703023035
DLSPFLMA	121270901011019	MCNPFLMA	120010021021029	SYHSFLCC	121339703023042
DLSPFLMA	121270901012100	MCNPFLMA	120010021021067	SYHSFLCC	121339703023047
DLSPFLMA	121270901012101	MCNPFLMA	120010021021078	SYHSFLCC	121339703023049
DLSPFLMA	121270901021094	MCNPFLMA	120010021021084	SYHSFLCC	121339703023058
DLSPFLMA	121270901021135	MCNPFLMA	120010021021085	SYHSFLCC	121339703023061
DLSPFLMA	121270902041001	MCNPFLMA	120010021021088	SYHSFLCC	121339703031073
DNLNFLWM	120174501021027	MCNPFLMA	120759701012003	SYHSFLCC	121339703031098
DNLNFLWM	120174503021109	MCNPFLMA	120830001003000	SYHSFLCC	121339703031101
DNLNFLWM	120174503021119	MCNPFLMA	120830001003001	SYHSFLCC	121339703031102
DNLNFLWM	120174503021143	MCNPFLMA	120830001003002	SYHSFLCC	121339703031105
DNLNFLWM	120174503021145	MCNPFLMA	120830001003007	SYHSFLCC	121339703031107
DNLNFLWM	120174503021164	MCNPFLMA	120830001003010	SYHSFLCC	121339703031111
DNLNFLWM	120174503021208	MCNPFLMA	120830001003011	SYHSFLCC	121339703031113
DNLNFLWM	120174503021209	MCNPFLMA	120830001003021	SYHSFLCC	121339703031114
DNLNFLWM	120174503021228	MCNPFLMA	120830001003034	SYHSFLCC	121339703031132
DNLNFLWM	120174503021382	MCNPFLMA	120830001003035	SYHSFLCC	121339703031141
DNLNFLWM	120174503021643	MCNPFLMA	120830002001010	SYHSFLCC	121339703031153
DNLNFLWM	120174503021715	MCNPFLMA	120830002001012	SYHSFLCC	121339703031156
DNLNFLWM	120174503022064	MCNPFLMA	120830002001013	SYHSFLCC	121339703032129
DNLNFLWM	120174503022069	MCNPFLMA	120830002001015	SYHSFLCC	121339703032130
DNLNFLWM	120174503022076	MCNPFLMA	120830002001024	SYHSFLCC	121339703032133
DNLNFLWM	120174503022080	MDBGFLPM	120190301024002	SYHSFLCC	121339703032136
DNLNFLWM	120174503022087	MDBGFLPM	120190301024007	SYHSFLCC	121339703032145
DNLNFLWM	120174503022089	MDBGFLPM	120190301024028	SYHSFLCC	121339703032149
DNLNFLWM	120174503022090	MDBGFLPM	120190301024029	SYHSFLCC	121339703032173

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DNLNFWLM	120174503022091	MDBGFLPM	120190301031002	SYHSFLCC	121339703032184
DNLNFWLM	120174503022092	MDBGFLPM	120190301033012	SYHSFLCC	121339703032197
DNLNFWLM	120174503022094	MDBGFLPM	120190301033046	SYHSFLCC	121339703032209
DNLNFWLM	120174503022098	MDBGFLPM	120190301041012	SYHSFLCC	121339703032237
DNLNFWLM	120174503022102	MDBGFLPM	120190301041016	TRENFLMA	120419501003009
DNLNFWLM	120174503022152	MDBGFLPM	120190301041019	TRENFLMA	120419501003010
DNLNFWLM	120174503022154	MDBGFLPM	120190301041050	TRENFLMA	120419501003015
DNLNFWLM	120174503022157	MDBGFLPM	120190301041051	TRENFLMA	120419501003017
DNLNFWLM	120174503022158	MDBGFLPM	120190302011195	TRENFLMA	120419501003019
DNLNFWLM	120174503022160	MDBGFLPM	120190302012013	TRENFLMA	120419501003022
DNLNFWLM	120174503022171	MDBGFLPM	120190302012044	TRENFLMA	120419501003024
DNLNFWLM	120174503022402	MDBGFLPM	120190302021015	TRENFLMA	120419501003025
DNLNFWLM	120174503023005	MDBGFLPM	120190302021017	TRENFLMA	120419501003026
DNLNFWLM	120174503023008	MDBGFLPM	120190302021049	TRENFLMA	120419501003027
DNLNFWLM	120174503023010	MDBGFLPM	120190302021051	TRENFLMA	120419501003028
DNLNFWLM	120174503023031	MDBGFLPM	120190302022035	TRENFLMA	120419501003029
DNLNFWLM	120174503023032	MDBGFLPM	120190302031047	TRENFLMA	120419501003031
DNLNFWLM	120174503023073	MDBGFLPM	120190302031072	TRENFLMA	120419501003032
DNLNFWLM	120174503023080	MDBGFLPM	120190311011014	TRENFLMA	120419501003033
DNLNFWLM	120174503023081	MDBGFLPM	120190311011059	TRENFLMA	120419501003037
DNLNFWLM	120174503023083	MDBGFLPM	120190311011083	TRENFLMA	120419501003045
DNLNFWLM	120174503023093	MDBGFLPM	120190312001033	TRENFLMA	120419501003046
DNLNFWLM	120174503023095	MDBGFLPM	120190312002006	TRENFLMA	120419501003047
DNLNFWLM	120174503023112	MDBGFLPM	120190312002028	TRENFLMA	120419501003048
DNLNFWLM	120174503042026	MDBGFLPM	120190312002034	TRENFLMA	120419501003050
DNLNFWLM	120174503042027	MDBGFLPM	120310137232023	TRENFLMA	120419501003051
DNLNFWLM	120174503042033	MIAMFLAE	120860073003002	TRENFLMA	120419501003054
DNLNFWLM	120174504003057	MIAMFLAL	120860009033045	TRENFLMA	120419501003057
DNLNFWLM	120174504003069	MIAMFLAL	120860009033047	TRENFLMA	120419501003058
DNLNFWLM	120174504005080	MIAMFLAL	120860016023039	TRENFLMA	120419501003061
DNLNFWLM	120759704003103	MIAMFLAL	120860017011031	TRENFLMA	120419501003063
DNLNFWLM	120759704003112	MIAMFLAL	120860017033050	TRENFLMA	120419501003064
DNLNFWLM	120759704003187	MIAMFLAL	120860017033051	TRENFLMA	120419501003068
DNLNFWLM	120759704003194	MIAMFLAL	120860025021000	TRENFLMA	120419501003073
DNLNFWLM	120759704003195	MIAMFLAL	120869805001083	TRENFLMA	120419501004042
DNLNFWLM	120759704003198	MIAMFLAL	120869805001109	TRENFLMA	120419501004052
DNLNFWLM	120759704003201	MIAMFLAL	120869805001116	TRENFLMA	120419501004053
DNLNFWLM	120759704003202	MIAMFLAP	120860047021009	TRENFLMA	120419501004086
DNLNFWLM	120759704003205	MIAMFLAP	120860049011016	TRENFLMA	120419501004087
DNLNFWLM	120759704003206	MIAMFLAP	120869805001030	TRENFLMA	120419501004089
DNLNFWLM	120759704003207	MIAMFLAP	120869805001033	TRENFLMA	120419501004100
DNLNFWLM	120759704003208	MIAMFLAP	120869805001054	TRENFLMA	120419501004102

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DNLNFWLM	120759704003214	MIAMFLAP	120869805001066	TRENFLMA	120419501004104
DNLNFWLM	120759704003217	MIAMFLAP	120869805001083	TRENFLMA	120419501004105
DNLNFWLM	120759704003218	MIAMFLAP	120869805001090	TRENFLMA	120419501004106
DNLNFWLM	120759704003222	MIAMFLAP	120869805001109	TRENFLMA	120419501004107
DNLNFWLM	120759704003223	MIAMFLAP	120869805001148	TRENFLMA	120419501004126
DNLNFWLM	120759704003224	MIAMFLAP	120869805001164	TRENFLMA	120419501004127
DNLNFWLM	120759704003228	MIAMFLAP	120869805001211	TRENFLMA	120419501004129
DNLNFWLM	120759704003229	MIAMFLBA	120860067061000	TRENFLMA	120419501004131
DNLNFWLM	120759704003233	MIAMFLBA	120860073003002	TRENFLMA	120419501004132
DNLNFWLM	120759704003235	MIAMFLBR	120860042061004	TRENFLMA	120419501004135
DNLNFWLM	120759704003236	MIAMFLCA	120860089041013	TRENFLMA	120419501004136
DNLNFWLM	120759704003243	MIAMFLCA	120860090231013	TRENFLMA	120419501004138
DNLNFWLM	120759704003244	MIAMFLCA	120860115003060	TRENFLMA	120419501004139
DNLNFWLM	120759704003245	MIAMFLCA	120860140001013	TRENFLMA	120419502021000
DNLNFWLM	120759705002227	MIAMFLCA	120860141001082	TRENFLMA	120419502021001
DNLNFWLM	120759705002228	MIAMFLCA	120860141001095	TRENFLMA	120419502021002
DNLNFWLM	120759705002229	MIAMFLCA	120860141001112	TRENFLMA	120419502021003
DNLNFWLM	120759705002232	MIAMFLCA	120860142001009	TRENFLMA	120419502021005
DNLNFWLM	120759705002234	MIAMFLCA	120860150002009	TRENFLMA	120419502021009
DNLNFWLM	120759705002236	MIAMFLCA	120860150004015	TRENFLMA	120419502021010
DNLNFWLM	120759705002241	MIAMFLCA	120860151001012	TRENFLMA	120419502021011
DNLNFWLM	120759705002244	MIAMFLCA	120860151001013	TRENFLMA	120419502021012
DNLNFWLM	120759705004129	MIAMFLCA	120860151002044	TRENFLMA	120419502021015
DNLNFWLM	120759705004141	MIAMFLCA	120860153002049	TRENFLMA	120419502021017
DNLNFWLM	120759705004144	MIAMFLCA	120860157002002	TRENFLMA	120419502021018
DNLNFWLM	120759705004147	MIAMFLCA	120860157002010	TRENFLMA	120419502021019
DNLNFWLM	120759707001071	MIAMFLCA	120860165002000	TRENFLMA	120419502021020
DNLNFWLM	120830026012012	MIAMFLCA	120860165003005	TRENFLMA	120419502021022
DNLNFWLM	120830026012013	MIAMFLFL	120860051022006	TRENFLMA	120419502021028
DNLNFWLM	120830026012018	MIAMFLFL	120860052011003	TRENFLMA	120419502021033
DNLNFWLM	120830026012021	MIAMFLGR	120860027022020	TRENFLMA	120419502021035
DNLNFWLM	120830026012034	MIAMFLGR	120860036011059	TRENFLMA	120419502021036
DNLNFWLM	120830026013005	MIAMFLGR	120860037061004	TRENFLMA	120419502021037
DNLNFWLM	120830026013009	MIAMFLGR	120860067061000	TRENFLMA	120419502021038
DNLNFWLM	120830026013011	MIAMFLGR	120869810001002	TRENFLMA	120419502021039
DNLNFWLM	120830026013026	MIAMFLGR	120869810001003	TRENFLMA	120419502021041
DNLNFWLM	120830026013032	MIAMFLGR	120869810001041	TRENFLMA	120419502021042
DNLNFWLM	120830026013047	MIAMFLHL	120860093122012	TRENFLMA	120419502022000
DNLNFWLM	120830026013074	MIAMFLHL	120860093122016	TRENFLMA	120419502022001
DNLNFWLM	120830026013093	MIAMFLHL	120860093132030	TRENFLMA	120419502022003
DNLNFWLM	120830026013095	MIAMFLHL	120860100053017	TRENFLMA	120419502022004
DNLNFWLM	120830026013098	MIAMFLHL	120860122003013	TRENFLMA	120419502022008

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
DNLNFLWM	120830026013115	MIAMFLHL	120860124004050	TRENFLMA	120419502022009
DNLNFLWM	120830026013250	MIAMFLHL	120860124004051	TRENFLMA	120419502022011
DNLNFLWM	120830026013251	MIAMFLHL	120860124004064	TRENFLMA	120419502022014
DNLNFLWM	120830026013254	MIAMFLHL	120860124004066	TRENFLMA	120419502022030
DNLNFLWM	120830026013263	MIAMFLHL	120860124004068	TRENFLMA	120419502022041
DNLNFLWM	120830026013264	MIAMFLHL	120860124004080	TRENFLMA	120419502022043
DNLNFLWM	120830026013281	MIAMFLHL	120860125001001	TRENFLMA	120419502022045
DNLNFLWM	120830026013284	MIAMFLHL	120860125001003	TRENFLMA	120419502022047
DNLNFLWM	120830026013288	MIAMFLHL	120860125001004	TRENFLMA	120419502022060
DNLNFLWM	120830026013289	MIAMFLHL	120860125001006	TRENFLMA	120419502022067
DNLNFLWM	120830026013297	MIAMFLHL	120860125001009	TRENFLMA	120419502022068
DNLNFLWM	120830026041019	MIAMFLHL	120860125001013	TRENFLMA	120419502022071
DNLNFLWM	120830026041021	MIAMFLHL	120860125001014	TRENFLMA	120419502022084
DNLNFLWM	120830026041022	MIAMFLHL	120860127001044	TRENFLMA	120419502022086
DNLNFLWM	120830026041023	MIAMFLHL	120860128003007	TRENFLMA	120419502031016
DNLNFLWM	120830026041032	MIAMFLHL	120860133001029	TRENFLMA	120419502031021
DNLNFLWM	120830026041033	MIAMFLHL	120860133002009	TRENFLMA	120419502031028
DNLNFLWM	120830026041039	MIAMFLHL	120860139001039	TRENFLMA	120419502031031
DNLNFLWM	120830026041041	MIAMFLHL	120860140001013	TRENFLMA	120419502032003
DNLNFLWM	120830026041042	MIAMFLHL	120860140001030	TRENFLMA	120419502032010
DNLNFLWM	120830026041043	MIAMFLHL	120860140001041	TRENFLMA	120419502032012
DNLNFLWM	120830026041045	MIAMFLHL	120860140001043	TRENFLMA	120419502032016
DNLNFLWM	120830026041046	MIAMFLHL	120860140001044	TRENFLMA	120419502032019
DNLNFLWM	120830026041051	MIAMFLHL	120860140001053	TRENFLMA	120419502041005
DNLNFLWM	120830026041052	MIAMFLHL	120860140001055	TRENFLMA	120419502041008
DNLNFLWM	120830026041053	MIAMFLHL	120860140001070	TRENFLMA	120419502041019
DNLNFLWM	120830026041054	MIAMFLHL	120860140001074	TRENFLMA	120419502041020
DNLNFLWM	120830026041059	MIAMFLHL	120860140001152	TRENFLMA	120419502041021
DNLNFLWM	120830026041062	MIAMFLHL	120860140001154	TRENFLMA	120419502041022
DNLNFLWM	120830026041067	MIAMFLIC	120860038014023	TRENFLMA	120419502041025
DNLNFLWM	120830026041071	MIAMFLIC	120860038014024	TRENFLMA	120419502041028
DNLNFLWM	120830026041072	MIAMFLKE	120860046021014	TRENFLMA	120419502041032
DNLNFLWM	120830026041084	MIAMFLKE	120860046021033	TRENFLMA	120419502041033
DNLNFLWM	120830026041087	MIAMFLKE	120860067061000	TRENFLMA	120419502041035
DNLNFLWM	120830026041088	MIAMFLKE	120869804001067	TRENFLMA	120419502041036
DNLNFLWM	120830026041090	MIAMFLME	120860030011020	TRENFLMA	120419502041037
DNLNFLWM	120830026041094	MIAMFLME	120860051022006	TRENFLMA	120419502041090
DNLNFLWM	120830026041096	MIAMFLNM	120860003053019	TRENFLMA	120419502041091
DNLNFLWM	120830026041099	MIAMFLNS	120860004112008	TRENFLMA	120419502042000
DNLNFLWM	120830026041100	MIAMFLNS	120860009023005	TRENFLMA	120419502042001
DNLNFLWM	120830026041103	MIAMFLNS	120860009023041	TRENFLMA	120419502042014
DNLNFLWM	120830026041104	MIAMFLNS	120860009025021	TRENFLMA	120419502042015

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Date: June 29, 2017

AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
DNLNFWLM	120830026041105	MIAMFLNS	120860009032037	TRENFLMA	120419502042017
DNLNFWLM	120830026041106	MIAMFLNS	120860009032068	TRENFLMA	120419502042051
DNLNFWLM	120830026041107	MIAMFLNS	120860009032069	TRENFLMA	120419502042052
DNLNFWLM	120830026041110	MIAMFLNS	120860009033045	TRENFLMA	120419502042054
DNLNFWLM	120830026041111	MIAMFLNS	120860009033047	TRENFLMA	120419502042055
DNLNFWLM	120830026041113	MIAMFLNS	120860010023026	TRENFLMA	120419502042057
DNLNFWLM	120830026041114	MIAMFLNS	120860010051018	TRENFLMA	120419502042065
DNLNFWLM	120830026041116	MIAMFLNS	120860015023014	TRENFLMA	120419502042066
DNLNFWLM	120830026041117	MIAMFLOL	120860003021035	TRENFLMA	120419502043000
DNLNFWLM	120830026041119	MIAMFLOL	120860004101001	TRENFLMA	120759701021005
DNLNFWLM	120830026041123	MIAMFLOL	120860004133002	TRENFLMA	120759701021007
DNLNFWLM	120830026041124	MIAMFLOL	120860004135027	TRENFLMA	120759701021013
DNLNFWLM	120830026041127	MIAMFLOL	120860005033036	TRENFLMA	120759701021014
DNLNFWLM	120830026041128	MIAMFLOL	120860005033037	TRENFLMA	120759701021015
DNLNFWLM	120830026041129	MIAMFLOL	120860005034024	TRENFLMA	120759701021017
DNLNFWLM	120830026041130	MIAMFLOL	120860005052043	TRENFLMA	120759701021182
DNLNFWLM	120830026041132	MIAMFLOL	120869808001004	TRENFLMA	120759702002000
DNLNFWLM	120830026041133	MIAMFLOL	120869808001048	TRENFLMA	120759702002001
DNLNFWLM	120830026041144	MIAMFLOL	120869808001050	TRENFLMA	120759702002005
DNLNFWLM	120830026041145	MIAMFLPB	120860007102015	TRENFLMA	120759702002006
DNLNFWLM	120830026041148	MIAMFLPB	120860016023017	TRENFLMA	120759702002007
DNLNFWLM	120830026041149	MIAMFLPB	120860016023039	TRENFLMA	120759702002008
DNLNFWLM	120830026041150	MIAMFLPB	120860090341000	TRENFLMA	120759702002009
DNLNFWLM	120830026041154	MIAMFLPB	120860090401015	TRENFLMA	120759702002010
DNLNFWLM	120830026041155	MIAMFLPB	120860090401016	TRENFLMA	120759702002011
DNLNFWLM	120830026041158	MIAMFLPB	120860090401034	TRENFLMA	120759702002012
DNLNFWLM	120830026041161	MIAMFLPB	120860090401089	TRENFLMA	120759702002013
DNLNFWLM	120830026041165	MIAMFLPB	120860090401099	TRENFLMA	120759702002014
DNLNFWLM	120830026041169	MIAMFLPB	120860090432000	TRENFLMA	120759702002015
DNLNFWLM	120830026041170	MIAMFLPB	120860091002053	TRENFLMA	120759702002016
DNLNFWLM	120830026041171	MIAMFLPB	120860140001030	TRENFLMA	120759702002017
DNLNFWLM	120830026041172	MIAMFLPB	120860140001041	TRENFLMA	120759702002028
DNLNFWLM	120830026041177	MIAMFLPB	120860140001043	TRENFLMA	120759702002037
DNLNFWLM	120830026041179	MIAMFLPB	120860140001055	TRENFLMA	120759703022001
DNLNFWLM	120830026041180	MIAMFLPB	120860140001057	TRENFLMA	120759703022006
DNLNFWLM	120830026041181	MIAMFLPB	120860140001070	TRENFLMA	120759703022007
DNLNFWLM	120830026041182	MIAMFLPB	120860140001154	TRENFLMA	120759703022008
DNLNFWLM	120830026041183	MIAMFLPB	120869805001005	TRENFLMA	120759703023000
DNLNFWLM	120830026041184	MIAMFLPL	120860090101070	TRENFLMA	120759703023002
DNLNFWLM	120830026041198	MIAMFLPL	120860090101078	TRENFLMA	120759703023018
DNLNFWLM	120830026041199	MIAMFLPL	120860090101127	TRENFLMA	120759703023042
DNLNFWLM	120830026041203	MIAMFLPL	120860090101162	TRENFLMA	120759703023043

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
DNLNFWLM	120830026041221	MIAMFLPL	120860090101176	TRENFLMA	120759703023052
DNLNFWLM	120830026041224	MIAMFLPL	120860090231013	TRENFLMA	120759703023055
DNLNFWLM	120830026041227	MIAMFLPL	120860090341000	TRENFLMA	120759703023056
DNLNFWLM	120830026041232	MIAMFLPL	120860090352024	TRENFLMA	120759703023060
DNLNFWLM	120830026041236	MIAMFLPL	120860090352025	TRENFLMA	120759703023075
DNLNFWLM	120830026041253	MIAMFLPL	120860090432000	TRENFLMA	120759703023078
DNLNFWLM	120830026041271	MIAMFLPL	120860091002137	TRENFLMA	120759703023089
DNLNFWLM	120830026041285	MIAMFLPL	120860091002146	TRENFLMA	120759703023090
DNLNFWLM	120830026041297	MIAMFLPL	120860140001013	TRENFLMA	120759703023091
DNLNFWLM	120830026041298	MIAMFLPL	120860140001111	TRENFLMA	120759703023094
DNLNFWLM	120830026041306	MIAMFLPL	120860140001116	TRENFLMA	120759703023109
DNLNFWLM	120830026041314	MIAMFLPL	120860140001124	TRENFLMA	120759703023111
DNLNFWLM	120830026041319	MIAMFLPL	120860140001127	TTVLFLMA	120090601021001
DNLNFWLM	120830026041320	MIAMFLPL	120860141001011	TTVLFLMA	120090612023042
DNLNFWLM	120830026041321	MIAMFLPL	120860141001062	TTVLFLMA	120090711001040
DNLNFWLM	120830026041322	MIAMFLPL	120860141001082	TTVLFLMA	121270832091218
DNLNFWLM	120830026041324	MIAMFLPL	120869805001148	TTVLFLMA	121270832091250
DNLNFWLM	120830026041326	MIAMFLRR	120860060012022	TTVLFLMA	121270832091258
DNLNFWLM	120830027011001	MIAMFLRR	120860060022064	TTVLFLMA	121270832091269
DNLNFWLM	120830027011002	MIAMFLRR	120860073003002	VERNFLMA	120050002011466
DNLNFWLM	120830027011003	MIAMFLRR	120860080001010	VERNFLMA	121339701021095
DNLNFWLM	120830027011013	MIAMFLRR	120860082052024	VERNFLMA	121339702001014
DNLNFWLM	120830027011016	MIAMFLRR	120869803001012	VERNFLMA	121339702001032
DNLNFWLM	120830027011017	MIAMFLSH	120860004112008	VERNFLMA	121339702001042
DNLNFWLM	120830027011018	MIAMFLSH	120860013012001	VERNFLMA	121339702001043
DNLNFWLM	120830027011021	MIAMFLSO	120860077023013	VERNFLMA	121339702001044
DNLNFWLM	120830027011022	MIAMFLSO	120860078053001	VERNFLMA	121339702001045
DNLNFWLM	120830027011023	MIAMFLSO	120860087014023	VERNFLMA	121339702001046
DNLNFWLM	120830027011025	MIAMFLSO	120860157002010	VERNFLMA	121339702001047
DNLNFWLM	120830027011031	MIAMFLSO	120860157002028	VERNFLMA	121339702001058
DNLNFWLM	120830027011033	MIAMFLSO	120860192002025	VERNFLMA	121339702001060
DNLNFWLM	120830027011034	MIAMFLWD	120860101931044	VERNFLMA	121339702001063
DNLNFWLM	120830027011035	MIAMFLWD	120860115003060	VERNFLMA	121339702001074
DNLNFWLM	120830027011036	MIAMFLWD	120860151001013	VERNFLMA	121339702001076
DNLNFWLM	120830027011038	MIAMFLWD	120860165002000	VERNFLMA	121339702001077
DNLNFWLM	120830027011041	MIAMFLWD	120860165003005	VERNFLMA	121339702001078
DNLNFWLM	120830027011043	MIAMFLWD	120860175002011	VERNFLMA	121339702001082
DNLNFWLM	120830027011046	MIAMFLWD	120860180003001	VERNFLMA	121339702002101
DNLNFWLM	120830027011047	MIAMFLWD	120860180003043	VERNFLMA	121339702002103
DNLNFWLM	120830027011051	MIAMFLWD	120860182001012	VERNFLMA	121339702002104
DNLNFWLM	120830027011052	MIAMFLWD	120860182001013	VERNFLMA	121339702002105
DNLNFWLM	120830027011053	MIAMFLWD	120860189002016	VERNFLMA	121339702002106

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DNLNFWLM	120830027011054	MIAMFLWD	120860189003013	VERNFLMA	121339702002108
DNLNFWLM	120830027011062	MIAMFLWD	120860196001013	VERNFLMA	121339702002111
DNLNFWLM	120830027011064	MIAMFLWD	120869809001005	VERNFLMA	121339702002113
DNLNFWLM	120830027011065	MIAMFLWM	120860060022014	VERNFLMA	121339702002116
DNLNFWLM	120830027011066	MIAMFLWM	120860060022064	VERNFLMA	121339702002117
DNLNFWLM	120830027011068	MIAMFLWM	120860090142004	VERNFLMA	121339702002125
DNLNFWLM	120830027011069	MIAMFLWM	120860091001003	VERNFLMA	121339702002128
DNLNFWLM	120830027011072	MIAMFLWM	120869805001164	VERNFLMA	121339702002135
DNLNFWLM	120830027011075	MIAMFLWM	120869805001203	VERNFLMA	121339702002136
DNLNFWLM	120830027011076	MICCFLLB	120090652341004	VERNFLMA	121339702002137
DNLNFWLM	120830027011080	MICCFLLB	120090652341006	VERNFLMA	121339702002139
DNLNFWLM	120830027011081	MICCFLLB	120090652361026	VERNFLMA	121339702002141
DNLNFWLM	120830027011082	MLBRFLMA	120090652341004	VERNFLMA	121339702002142
DNLNFWLM	120830027011083	MLBRFLMA	120090652341029	VERNFLMA	121339702002144
DNLNFWLM	120830027011085	MLBRFLMA	120090652361026	VERNFLMA	121339702002146
DNLNFWLM	120830027011086	MLBRFLMA	120090713012071	VERNFLMA	121339702002151
DNLNFWLM	120830027011088	MLBRFLMA	120090713012095	VERNFLMA	121339702002157
DNLNFWLM	120830027011089	MLBRFLMA	120090713012098	VERNFLMA	121339702002160
DNLNFWLM	120830027011090	MLBRFLMA	120090713012100	VERNFLMA	121339702002162
DNLNFWLM	120830027011093	MLBRFLMA	120090713012106	VERNFLMA	121339702002167
DNLNFWLM	120830027011094	MLBRFLMA	120090713012109	VERNFLMA	121339702002168
DNLNFWLM	120830027011100	MLBRFLMA	120090713012111	VERNFLMA	121339702002175
DNLNFWLM	120830027011101	MLBRFLMA	120090713012112	VERNFLMA	121339702002177
DNLNFWLM	120830027011102	MLBRFLMA	120090713012113	VERNFLMA	121339702002185
DNLNFWLM	120830027011105	MLBRFLMA	120090713012119	VERNFLMA	121339702002186
DNLNFWLM	120830027011106	MLBRFLMA	120090713012127	VERNFLMA	121339702002187
DNLNFWLM	120830027011109	MLBRFLMA	120090713321172	VERNFLMA	121339702002188
DNLNFWLM	120830027011111	MLBRFLMA	120090713321240	VERNFLMA	121339702002189
DNLNFWLM	120830027011112	MLBRFLMA	120090713321241	VERNFLMA	121339702002191
DNLNFWLM	120830027011113	MLBRFLMA	120090713321244	VERNFLMA	121339702002193
DNLNFWLM	120830027011115	MLBRFLMA	120090713321246	VERNFLMA	121339703021039
DNLNFWLM	120830027011116	MLBRFLMA	120090713321248	VERNFLMA	121339703021048
DNLNFWLM	120830027011117	MLBRFLMA	120090713321304	VERNFLMA	121339703021053
DNLNFWLM	120830027011122	MLTNFLRA	120910201004058	VERNFLMA	121339703021054
DNLNFWLM	120830027011125	MLTNFLRA	121130101001117	VERNFLMA	121339703021059
DNLNFWLM	120830027012023	MLTNFLRA	121130101001147	VERNFLMA	121339703021062
DNLNFWLM	120830027012024	MLTNFLRA	121130101001155	VERNFLMA	121339703021063
DNLNFWLM	120830027012027	MLTNFLRA	121130101001156	VERNFLMA	121339703021068
DNLNFWLM	120830027012029	MLTNFLRA	121130101001157	VERNFLMA	121339703021069
DNLNFWLM	120830027012032	MLTNFLRA	121130101001161	VERNFLMA	121339703021070
DNLNFWLM	120830027012034	MLTNFLRA	121130101001175	VERNFLMA	121339703021071
DNLNFWLM	120830027012036	MLTNFLRA	121130101003064	VERNFLMA	121339703021073

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DNLNFWLM	120830027012038	MLTNFLRA	121130101003067	VERNFLMA	121339703021075
DNLNFWLM	120830027012048	MLTNFLRA	121130101003068	VERNFLMA	121339703021080
DNLNFWLM	120830027012053	MLTNFLRA	121130101003074	VERNFLMA	121339703021082
DNLNFWLM	120830027012056	MLTNFLRA	121130101003076	VERNFLMA	121339703021099
DNLNFWLM	120830027012063	MLTNFLRA	121130101003091	VERNFLMA	121339703021100
DNLNFWLM	120830027012067	MLTNFLRA	121130101003095	VERNFLMA	121339703021101
DNLNFWLM	120830027012068	MLTNFLRA	121130101003111	VERNFLMA	121339703021109
DNLNFWLM	120830027012071	MLTNFLRA	121130101003122	VERNFLMA	121339703021128
DNLNFWLM	120830027012104	MLTNFLRA	121130104001000	VERNFLMA	121339703021129
DNLNFWLM	120830027012121	MLTNFLRA	121130104001014	VERNFLMA	121339703021131
DNLNFWLM	120830027012134	MLTNFLRA	121130104001015	VERNFLMA	121339703021136
DNLNFWLM	120830027012138	MLTNFLRA	121130104001016	VERNFLMA	121339703021137
DNLNFWLM	120830027012139	MLTNFLRA	121130104001021	VERNFLMA	121339703021139
DNLNFWLM	120830027012142	MLTNFLRA	121130104001022	VERNFLMA	121339703021146
DNLNFWLM	120830027012144	MLTNFLRA	121130104001026	VERNFLMA	121339703021147
DNLNFWLM	120830027012146	MLTNFLRA	121130104001032	VERNFLMA	121339703021159
DNLNFWLM	120830027013012	MLTNFLRA	121130104001033	VERNFLMA	121339703021161
DNLNFWLM	120830027013013	MLTNFLRA	121130104001035	VERNFLMA	121339703021164
DNLNFWLM	120830027013018	MLTNFLRA	121130104001036	VERNFLMA	121339703021170
DNLNFWLM	120830027013019	MLTNFLRA	121130104001065	VERNFLMA	121339703021171
DNLNFWLM	120830027013023	MLTNFLRA	121130104001090	VERNFLMA	121339703021172
DNLNFWLM	120830027013028	MLTNFLRA	121130104002005	VERNFLMA	121339703021178
DNLNFWLM	120830027013032	MLTNFLRA	121130104002014	VERNFLMA	121339703021184
DNLNFWLM	120830027013036	MLTNFLRA	121130104002015	VERNFLMA	121339703021199
DNLNFWLM	120830027013059	MLTNFLRA	121130104002016	VERNFLMA	121339703021202
DNLNFWLM	120830027021005	MLTNFLRA	121130104002024	VERNFLMA	121339703021206
DNLNFWLM	120830027021026	MLTNFLRA	121130104002049	VERNFLMA	121339703021215
DNLNFWLM	120830027023007	MLTNFLRA	121130104002075	VERNFLMA	121339703021236
DNLNFWLM	120830027023094	MLTNFLRA	121130104002082	VERNFLMA	121339703021245
DNLNFWLM	120830027023099	MLTNFLRA	121130104002100	VERNFLMA	121339703023001
DNLNFWLM	120830027023102	MLTNFLRA	121130104002104	VERNFLMA	121339703023003
DNLNFWLM	120830027023104	MLTNFLRA	121130104002110	VERNFLMA	121339703023017
DNLNFWLM	120830027024005	MLTNFLRA	121130104002118	VERNFLMA	121339703023029
DNLNFWLM	120830027024006	MLTNFLRA	121130104002119	VERNFLMA	121339703023030
DNLNFWLM	120830027024008	MLTNFLRA	121130105022008	VERNFLMA	121339703031023
DNLNFWLM	120830027024040	MLTNFLRA	121130107024033	VERNFLMA	121339703031024
DRBHFLMA	120110107023000	MLTNFLRA	121130107024106	VERNFLMA	121339703031026
DRBHFLMA	120990076161000	MLTNFLRA	121130108082012	VERNFLMA	121339703031027
DYBHFLMA	121270812003000	MLTNFLRA	121130108082016	VERNFLMA	121339703031033
DYBHFLMA	121270832061106	MLTNFLRA	121130108082017	VRBHFLBE	120610505014042
DYBHFLMA	121270832072016	MLTNFLRA	121130108082022	VRBHFLBE	120610505014044
DYBHFLMA	121270832073086	MLTNFLRA	121130108082025	VRBHFLBE	120610505014046

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WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
DYBHFLB	120350602071098	MLTNFLRA	121130108082027	VRBHFLBE	120610505031033
DYBHFLB	120350602071160	MLTNFLRA	121130108082030	VRBHFLBE	120610505034049
DYBHFLB	120350602071164	MLTNFLRA	121130108082032	VRBHFLBE	120610505042049
DYBHFLB	120350602071205	MLTNFLRA	121130108082033	VRBHFLBE	120610505051026
DYBHFLB	121270801001003	MLTNFLRA	121130108082043	VRBHFLMA	120610502002039
DYBHFLB	121270901011016	MLTNFLRA	121130108082048	VRBHFLMA	120610502003037
DYBHFLB	121270901012100	MLTNFLRA	121130108082052	VRBHFLMA	120610503012023
DYBHFLB	121270801001003	MLTNFLRA	121130108082053	VRBHFLMA	120610503012024
DYBHFLPO	121270832072016	MLTNFLRA	121130108082056	VRBHFLMA	120610503012174
EGLFLIH	120090664001006	MLTNFLRA	121130108082060	VRBHFLMA	120610503022034
EORNFLMA	120090711001040	MLTNFLRA	121130108082061	VRBHFLMA	120610503023013
EORNFLMA	120090712001001	MLTNFLRA	121130108082062	VRBHFLMA	120610503024037
EORNFLMA	120950166022041	MLTNFLRA	121130108082066	VRBHFLMA	120610504011103
EORNFLMA	120950167041231	MLTNFLRA	121130108082068	VRBHFLMA	120610504021052
EORNFLMA	120950167041288	MLTNFLRA	121130108082069	VRBHFLMA	120610506021005
EORNFLMA	120950167041289	MLTNFLRA	121130108082073	VRBHFLMA	120610506033019
FRBHFLFP	120890502022026	MLTNFLRA	121130108082083	VRBHFLMA	120610506061064
FRBHFLFP	120890502023020	MLTNFLRA	121130108082084	VRBHFLMA	120610506063053
FRBHFLFP	120890502031011	MLTNFLRA	121130108082093	VRBHFLMA	120610506063068
FRBHFLFP	120890503013030	MLTNFLRA	121130108082108	VRBHFLMA	120610506064001
FRBHFLFP	120890503013045	MLTNFLRA	121130108082119	VRBHFLMA	120610507021026
FRBHFLFP	120890503013053	MLTNFLRA	121130108082120	VRBHFLMA	120610507032052
FRBHFLFP	120890503034037	MLTNFLRA	121130108082121	VRBHFLMA	120610507032057
FTGRFLMA	120310101032009	MLTNFLRA	121130108083002	VRBHFLMA	120610507032063
FTGRFLMA	120310101032019	MLTNFLRA	121130108083006	VRBHFLMA	120610507033070
FTGRFLMA	120310101032057	MLTNFLRA	121130108083008	VRBHFLMA	120610507033075
FTLDFLCY	120110502071000	MLTNFLRA	121130108083011	VRBHFLMA	120610507033077
FTLDFLCY	120110502072016	MLTNFLRA	121130108083021	VRBHFLMA	120610507033078
FTLDFLCY	120110502081015	MLTNFLRA	121130108083025	VRBHFLMA	120610507041040
FTLDFLJA	120110601204031	MLTNFLRA	121130108083028	VRBHFLMA	120610507051004
FTLDFLJA	120110601204041	MLTNFLRA	121130108083058	VRBHFLMA	120610507051081
FTLDFLJA	120110702051003	MLTNFLRA	121130108083062	VRBHFLMA	120610508041056
FTLDFLJA	120110702051018	MLTNFLRA	121130108083072	VRBHFLMA	120610508042012
FTLDFLJA	120110702091007	MLTNFLRA	121130108083083	VRBHFLMA	120610508043025
FTLDFLJA	120110704012000	MLTNFLRA	121130108083084	VRBHFLMA	120610508043030
FTLDFLMR	120110407023024	MLTNFLRA	121130108083086	VRBHFLMA	120610508043035
FTLDFLMR	120110423021024	MLTNFLRA	121130108083089	VRBHFLMA	120610508043038
FTLDFLMR	120110423021026	MLTNFLRA	121130108083100	VRBHFLMA	120610508043045
FTLDFLMR	120110433021035	MLTNFLRA	121130108083144	VRBHFLMA	120610508043111
FTLDFLMR	120110801025000	MLTNFLRA	121130108083150	VRBHFLMA	120610508043112
FTLDFLMR	120110801025020	MLTNFLRA	121130108091015	VRBHFLMA	120610509021029
FTLDFLMR	120110801025024	MLTNFLRA	121130108093049	VRBHFLMA	120610509023103

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
FTLDFLMR	120110901021007	MLTNFLRA	121130108093100	VRBHFLMA	120610509023105
FTLDFLMR	120110901021012	MNDRFLAV	120310144133009	VRBHFLMA	120610509023111
FTLDFLMR	120110901021015	MNDRFLLO	120310144121021	VRBHFLMA	120610509023113
FTLDFLMR	120110901021016	MNDRFLLO	120310144121138	VRBHFLMA	120610509023115
FTLDFLOA	120110502072016	MNDRFLLO	120310144133009	VRBHFLMA	120610509023116
FTLDFLOA	120110502081015	MNDRFLLO	120310168062023	VRBHFLMA	120610509023119
FTLDFLOA	120110503013012	MNDRFLLO	120310168063029	VRBHFLMA	120610509023122
FTLDFLPL	120110414002002	MNDRFLLO	120310168063032	VRBHFLMA	120610509023123
FTLDFLPL	120110427003034	MNDRFLLO	121090208061001	VRBHFLMA	120610509023127
FTLDFLPL	120110610013029	MNDRFLLW	120310168063029	VRBHFLMA	120610509023129
FTLDFLPL	120110701013034	MNDRFLLW	120310168063032	VRBHFLMA	120610509023131
FTLDFLPL	120110906025000	MNDRFLLW	121090208041007	VRBHFLMA	120610509023132
FTLDFLPL	120111106003084	MNDRFLLW	121090208041010	VRBHFLMA	120610509023134
FTLDFLPL	120111106003121	MNDRFLLW	121090208051018	VRBHFLMA	120610509023137
FTLDFLPL	120111106003140	MNDRFLLW	121090208051033	VRBHFLMA	120610509023139
FTLDFLPL	120111106003157	MNDRFLLW	121090208052009	VRBHFLMA	120610509023146
FTLDFLSG	120110601204031	MNDRFLLW	121090208052042	VRBHFLMA	120610509023147
FTLDFLSG	120110601204035	MNDRFLLW	121090208061001	VRBHFLMA	120610509023149
FTLDFLSG	120110601204036	MNDRFLLW	121090208071001	VRBHFLMA	120610509023150
FTLDFLSG	120110601204038	MNDRFLLW	121090208071028	VRBHFLMA	120610509032019
FTLDFLSG	120110601204041	MNDRFLLW	121090209023059	VRBHFLMA	120610509032020
FTLDFLSU	120110601111013	MNSNFLMA	121130101001004	VRBHFLMA	120610509032021
FTLDFLSU	120110601112043	MNSNFLMA	121130101001042	VRBHFLMA	120610509032023
FTLDFLWN	120110703141004	MNSNFLMA	121130101001045	VRBHFLMA	120610509032033
FTLDFLWN	120110703152002	MNSNFLMA	121130101001046	VRBHFLMA	120610509041045
FTLDFLWN	120110703152004	MNSNFLMA	121130101001115	VRBHFLMA	120610509041051
FTPRFLMA	120610509023149	MNSNFLMA	121130101001161	VRBHFLMA	120610509041216
FTPRFLMA	120610509041272	MNSNFLMA	121130101001162	VRBHFLMA	120610509041226
FTPRFLMA	120610509041298	MNSNFLMA	121130101001189	VRBHFLMA	120610509041227
FTPRFLMA	121113804002056	MNSNFLMA	121130101002012	VRBHFLMA	120610509041234
FTPRFLMA	121113805001041	MNSNFLMA	121130101002013	VRBHFLMA	120610509041251
FTPRFLMA	121113805006000	MNSNFLMA	121130101002016	VRBHFLMA	120610509041252
FTPRFLMA	121113807002030	MNSNFLMA	121130101002017	VRBHFLMA	120610509041255
FTPRFLMA	121113807002063	MNSNFLMA	121130101002018	VRBHFLMA	120610509041272
FTPRFLMA	121113807002114	MNSNFLMA	121130101002019	VRBHFLMA	120610509041275
FTPRFLMA	121113808001004	MNSNFLMA	121130101002020	VRBHFLMA	120610509041277
FTPRFLMA	121113808001012	MNSNFLMA	121130101002026	VRBHFLMA	120610509041298
FTPRFLMA	121113808001017	MNSNFLMA	121130101002027	VRBHFLMA	120610509041299
FTPRFLMA	121113808001032	MNSNFLMA	121130101002028	VRBHFLMA	120610509042053
FTPRFLMA	121113808001038	MNSNFLMA	121130101002029	VRBHFLMA	120610509042055
FTPRFLMA	121113808001039	MNSNFLMA	121130101002035	VRBHFLMA	120610509042060
FTPRFLMA	121113808001050	MNSNFLMA	121130101002037	VRBHFLMA	120610509042064

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
FTPRFLMA	121113808001094	MNSNFLMA	121130101002044	VRBHFLMA	120610509042073
FTPRFLMA	121113808001095	MNSNFLMA	121130101002048	VRBHFLMA	120610509042086
FTPRFLMA	121113808001158	MNSNFLMA	121130101002049	VRBHFLMA	120610509042087
FTPRFLMA	121113808001159	MNSNFLMA	121130101002061	VRBHFLMA	120610509042088
FTPRFLMA	121113809011017	MNSNFLMA	121130101002091	VRBHFLMA	120610509042100
FTPRFLMA	121113809011023	MNSNFLMA	121130101002092	VRBHFLMA	120619800001005
FTPRFLMA	121113809011077	MNSNFLMA	121130101002100	VRBHFLMA	121113811021014
FTPRFLMA	121113809011080	MNSNFLMA	121130101002117	VRBHFLMA	121113822004007
FTPRFLMA	121113809011225	MNSNFLMA	121130101002118	WELKFLMA	120830005011189
FTPRFLMA	121113810001005	MNSNFLMA	121130101002124	WELKFLMA	121079513001027
FTPRFLMA	121113810002001	MNSNFLMA	121130101002129	WELKFLMA	121079513001032
FTPRFLMA	121113810002016	MNSNFLMA	121130101002131	WELKFLMA	121079513001033
FTPRFLMA	121113810002075	MNSNFLMA	121130101002142	WELKFLMA	121079513001035
FTPRFLMA	121113811021014	MNSNFLMA	121130101002147	WELKFLMA	121079513001036
FTPRFLMA	121113811021021	MNSNFLMA	121130101002152	WELKFLMA	121079513001068
FTPRFLMA	121113811021030	MNSNFLMA	121130101002155	WELKFLMA	121079513001071
FTPRFLMA	121113811021035	MNSNFLMA	121130101002156	WELKFLMA	121079513001112
FTPRFLMA	121113811021038	MNSNFLMA	121130101002157	WELKFLMA	121079513002003
FTPRFLMA	121113811021057	MNSNFLMA	121130101002162	WELKFLMA	121079513003023
FTPRFLMA	121113811021066	MNSNFLMA	121130101002163	WELKFLMA	121079513003046
FTPRFLMA	121113811021113	MNSNFLMA	121130101002170	WELKFLMA	121079513003049
FTPRFLMA	121113812043006	MNSNFLMA	121130101002171	WELKFLMA	121079513003057
FTPRFLMA	121113812043046	MNSNFLMA	121130101002175	WELKFLMA	121079513003060
FTPRFLMA	121113813001017	MNSNFLMA	121130101002180	WELKFLMA	121079513003061
FTPRFLMA	121113813001023	MNSNFLMA	121130101002181	WELKFLMA	121079513003064
FTPRFLMA	121113813001035	MNSNFLMA	121130101002195	WELKFLMA	121079513003067
FTPRFLMA	121113814012017	MNSNFLMA	121130101002196	WELKFLMA	121079513003078
FTPRFLMA	121113814012036	MNSNFLMA	121130101002198	WELKFLMA	121079513003081
FTPRFLMA	121113814021040	MNSNFLMA	121130101002200	WELKFLMA	121079513003083
FTPRFLMA	121113814021082	MNSNFLMA	121130101002202	WELKFLMA	121079513003084
FTPRFLMA	121113814021083	MNSNFLMA	121130101002222	WELKFLMA	121079513003093
FTPRFLMA	121113814021118	MNSNFLMA	121130101002236	WELKFLMA	121079514021052
FTPRFLMA	121113814021121	MNSNFLMA	121130101002250	WELKFLMA	121079514021069
FTPRFLMA	121113814021148	MNSNFLMA	121130101002263	WELKFLMA	121079514021072
FTPRFLMA	121113814021159	MNSNFLMA	121130101002264	WELKFLMA	121079514021073
FTPRFLMA	121113814021160	MNSNFLMA	121130101002266	WELKFLMA	121079514021084
FTPRFLMA	121113814021162	MNSNFLMA	121130101002286	WELKFLMA	121079514021086
FTPRFLMA	121113814021163	MNSNFLMA	121130101002288	WELKFLMA	121079514021097
FTPRFLMA	121113814021168	MNSNFLMA	121130101002295	WELKFLMA	121079514021099
FTPRFLMA	121113814021193	MNSNFLMA	121130101002300	WELKFLMA	121079514021111
FTPRFLMA	121113814021196	MNSNFLMA	121130101002302	WELKFLMA	121079514021113
FTPRFLMA	121113815023050	MNSNFLMA	121130101002304	WELKFLMA	121079514022026

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
FTPRFLMA	121113816031004	MNSNFLMA	121130101002308	WELKFLMA	121079514022032
FTPRFLMA	121113821082000	MNSNFLMA	121130101002318	WELKFLMA	121079514022034
FTPRFLMA	121113821091003	MNSNFLMA	121130101003017	WELKFLMA	121079514022035
FTPRFLMA	121113821091013	MNSNFLMA	121130101003019	WELKFLMA	121079514022042
FTPRFLMA	121113821091025	MNSNFLMA	121130101003020	WELKFLMA	121079514022043
FTPRFLMA	121113821091101	MNSNFLMA	121130101003026	WELKFLMA	121079514022062
FTPRFLMA	121113821091108	MNSNFLMA	121130101003027	WELKFLMA	121079514022069
FTPRFLMA	121113821091185	MNSNFLMA	121130101003029	WELKFLMA	121079514022070
FTPRFLMA	121113821091195	MNSNFLMA	121130101003034	WELKFLMA	121079514023041
FTPRFLMA	121113821091198	MNSNFLMA	121130101003035	WELKFLMA	121079514023055
FTPRFLMA	121113821091368	MNSNFLMA	121130101003040	WELKFLMA	121079514023057
FTPRFLMA	121113822002001	MNSNFLMA	121130101003041	WPBHFLAN	120990033002035
FTPRFLMA	121113822002004	MNSNFLMA	121130101003043	WPBHFLAN	120990037002008
FTPRFLMA	121113822002011	MNSNFLMA	121130101003044	WPBHFLGA	120990059181003
FTPRFLMA	121113822002015	MNSNFLMA	121130101003045	WPBHFLGA	120990077101000
FTPRFLMA	121113822002019	MNSNFLMA	121130101003055	WPBHFLGA	120990077101001
FTPRFLMA	121113822002024	MNSNFLMA	121130101003056	WPBHFLGA	120990077101007
FTPRFLMA	121113822002025	MNSNFLMA	121130101003057	WPBHFLGA	120990077622008
FTPRFLMA	121113822002032	MNSNFLMA	121130101003058	WPBHFLGA	120990077654000
FTPRFLMA	121113822002036	MNSNFLMA	121130101003059	WPBHFLGR	120990002053004
FTPRFLMA	121113822002041	MNSNFLMA	121130101003064	WPBHFLGR	120990002152023
FTPRFLMA	121113822002066	MNSNFLMA	121130101003067	WPBHFLGR	120990002153025
FTPRFLMA	121113822002068	MNSNFLMA	121130101003068	WPBHFLGR	120990003011016
FTPRFLMA	121113822002086	MNSNFLMA	121130101003082	WPBHFLGR	120990003011023
FTPRFLMA	121113822002092	MNSNFLMA	121130101003083	WPBHFLGR	120990003041025
FTPRFLMA	121113822002094	MNSNFLMA	121130101003084	WPBHFLGR	120990005071023
FTPRFLMA	121113822002095	MNSNFLMA	121130101003093	WPBHFLGR	120990007031024
FTPRFLMA	121113822002098	MNSNFLMA	121130101003095	WPBHFLGR	120990078221060
FTPRFLMA	121113822002100	MNSNFLMA	121130101003111	WPBHFLGR	120990078221071
FTPRFLMA	121113822002101	MNSNFLMA	121130101003120	WPBHFLGR	120990078281030
FTPRFLMA	121113822002102	MNSNFLMA	121130101003122	WPBHFLGR	120990079121031
FTPRFLMA	121113822002103	MNSNFLMA	121130101003125	WPBHFLGR	120990079121037
FTPRFLMA	121113822002104	MNSNFLMA	121130101003131	WPBHFLGR	120999801001002
FTPRFLMA	121113822002106	MNSNFLMA	121130101003175	WPBHFLGR	120999802001027
FTPRFLMA	121113822002115	MNSNFLMA	121130101003179	WPBHFLGR	120999802001030
FTPRFLMA	121113822002122	MNSNFLMA	121130101003187	WPBHFLHH	120990014031011
FTPRFLMA	121113822002124	MNSNFLMA	121130101003188	WPBHFLHH	120990018023009
FTPRFLMA	121113822002125	MNSNFLMA	121130104002049	WPBHFLHH	120990019071026
FTPRFLMA	121113822002134	MNSNFLMA	121130108083002	WPBHFLHH	120990033002035
FTPRFLMA	121113822002135	MNSNFLMA	121130108083021	WPBHFLHH	120990037002008
FTPRFLMA	121113822002138	MNSNFLMA	121130108083025	WPBHFLHH	120990078361000
FTPRFLMA	121113822002156	MNSNFLMA	121130108083028	WPBHFLHH	120999801001002

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
FTPRFLMA	121113822002163	MRTHFLVE	120879710012005	WPBHFLHH	120999805001021
FTPRFLMA	121113822002165	MRTHFLVE	120879710012032	WPBHFLHH	120999805001029
FTPRFLMA	121113822002166	MRTHFLVE	120879710022059	WPBHFLLE	120990037002008
FTPRFLMA	121113822002171	MRTHFLVE	120879711002020	WPBHFLRB	120990010021029
FTPRFLMA	121113822002172	MRTHFLVE	120879711002085	WPBHFLRB	120990014031011
FTPRFLMA	121113822002173	MRTHFLVE	120879712002013	WPBHFLRB	120990014042009
FTPRFLMA	121113822002177	MRTHFLVE	120879713001014	WPBHFLRB	120990014043003
FTPRFLMA	121113822002182	MXVLFLMA	120190301021004	WPBHFLRB	120990015002020
FTPRFLMA	121113822002183	MXVLFLMA	120190301021005	WPBHFLRP	120990077211002
FTPRFLMA	121113822002189	MXVLFLMA	120190301021010	WPBHFLRP	120990077211006
FTPRFLMA	121113822002190	MXVLFLMA	120190301021019	WPBHFLRP	120990077211028
FTPRFLMA	121113822002191	MXVLFLMA	120190301021024	WPBHFLRP	120990077211031
FTPRFLMA	121113822002217	MXVLFLMA	120190301021028	WPBHFLRP	120990077211035
FTPRFLMA	121113822002259	MXVLFLMA	120190301024002	WPBHFLRP	120990077231006
FTPRFLMA	121113822003004	MXVLFLMA	120190301024028	WPBHFLRP	120990077531016
FTPRFLMA	121113822003007	MXVLFLMA	120190301024029	WPBHFLRP	120990077531019
FTPRFLMA	121113822003011	MXVLFLMA	120190301042012	WPBHFLRP	120990077531034
FTPRFLMA	121113822003012	MXVLFLMA	120190301042032	WPBHFLRP	120990077582004
FTPRFLMA	121113822003016	MXVLFLMA	120190301042053	WPBHFLRP	120990077591036
FTPRFLMA	121113822003017	MXVLFLMA	120190301042059	WPBHFLRP	120990077591037
FTPRFLMA	121113822003022	MXVLFLMA	120190301042068	WPBHFLRP	120990077591040
FTPRFLMA	121113822003026	NDADFLAC	120860001091021	WPBHFLRP	120990077591042
FTPRFLMA	121113822003027	NDADFLAC	120860001091094	WPBHFLRP	120990077591043
FTPRFLMA	121113822003028	NDADFLAC	120860001281019	WPBHFLRP	120990077591061
FTPRFLMA	121113822003031	NDADFLAC	120860001302008	WPBHFLRP	120990077591062
FTPRFLMA	121113822003032	NDADFLAC	120860001303007	WPBHFLRP	120990077591064
FTPRFLMA	121113822003035	NDADFLBR	120860005014018	WPBHFLRP	120990077591065
FTPRFLMA	121113822003040	NDADFLBR	120860093122016	WPBHFLRP	120990077591066
FTPRFLMA	121113822003044	NDADFLBR	120860094002046	WPBHFLRP	120990078081012
FTPRFLMA	121113822003046	NDADFLBR	120860099042007	WPBHFLRP	120990078081032
FTPRFLMA	121113822003049	NDADFLBR	120860100051009	WPBHFLRP	120990078081039
FTPRFLMA	121113822003054	NDADFLBR	120860100053017	WPBHFLRP	120990078082004
FTPRFLMA	121113822003056	NDADFLBR	120860100053018	WPBHFLRP	120990078082039
FTPRFLMA	121113822003064	NDADFLGG	120111006002030	WPBHFLRP	120990078091001
FTPRFLMA	121113822003065	NDADFLGG	120860002041017	WPBHFLRP	120990078181020
FTPRFLMA	121113822003066	NDADFLGG	120860002041043	WPBHFLRP	120990078181025
FTPRFLMA	121113822003067	NDADFLGG	120860004141001	WPBHFLRP	120990079121084
FTPRFLMA	121113822003069	NDADFLGG	120860098071003	WPBHFLRP	120990079121097
FTPRFLMA	121113822003073	NDADFLGG	120860098073005	WPBHFLRP	120990079121099
FTPRFLMA	121113822003074	NDADFLLOL	120860097042007	WPBHFLRP	120990079121108
FTPRFLMA	121113822003079	NKLRFLMA	120879702001008	WPBHFLRP	120990079121198
FTPRFLMA	121113822003084	NKLRFLMA	120879702001019	WPBHFLRP	120990079121228

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
FTPRFLMA	121113822003088	NKLRFLMA	120879702001061	WPBHFLRP	120990079121846
FTPRFLMA	121113822003089	NSBHFLMA	121270832072016	WPBHFLRP	120990079121848
FTPRFLMA	121113822003094	NSBHFLMA	121270832073086	WPBHFLRP	120990079121851
FTPRFLMA	121113822003095	NSBHFLMA	121270832091050	WPBHFLRP	120990079121856
FTPRFLMA	121113822003099	NSBHFLMA	121270832091062	WPBHFLRP	120990079121865
FTPRFLMA	121113822003100	NSBHFLMA	121270832091075	WPBHFLRP	120999801001002
FTPRFLMA	121113822003108	NSBHFLMA	121270832091094	WWSPFLHI	120530407011095
FTPRFLMA	121113822003119	NSBHFLMA	121270832091096	WWSPFLHI	120530407011096
FTPRFLMA	121113822003126	NSBHFLMA	121270832091112	WWSPFLHI	120530407011134
FTPRFLMA	121113822003135	NSBHFLMA	121270832091115	WWSPFLHI	120530415022004
FTPRFLMA	121113822003136	NSBHFLMA	121270832091239	WWSPFLHI	120530416002039
FTPRFLMA	121113822004007	NSBHFLMA	121270832092024	WWSPFLHI	120530416003066
FTPRFLMA	121113822004041	NSBHFLMA	121270832092035	YNFNFLMA	120050002011002
FTPRFLMA	121113822004051	NSBHFLMA	121270832092036	YNFNFLMA	120050002011147
FTPRFLMA	121113822004123	NSBHFLMA	121270910242012	YNFNFLMA	120050002011174
FTPRFLMA	121113822004178	NWBYFLMA	120010022011007	YNFNFLMA	120050002011179
FTPRFLMA	121113822004183	NWBYFLMA	120010022011009	YNFNFLMA	120050002011188
FTPRFLMA	121113822004199	NWBYFLMA	120010022011021	YNFNFLMA	120050002011191
FTPRFLMA	121113822004209	NWBYFLMA	120010022011028	YNFNFLMA	120050002011193
FTPRFLMA	121113822004227	NWBYFLMA	120010022011031	YNFNFLMA	120050002011198
FTPRFLMA	121113822004236	NWBYFLMA	120010022011050	YNFNFLMA	120050002011644
FTPRFLMA	121113822004253	NWBYFLMA	120010022011051	YNFNFLMA	120050002011646
FTPRFLMA	121113822004254	NWBYFLMA	120010022011052	YNFNFLMA	120050002012004
FTPRFLMA	121113822004266	NWBYFLMA	120010022011064	YNFNFLMA	120050002012012
FTPRFLMA	121113822004267	NWBYFLMA	120010022011077	YNFNFLMA	120050003001000
FTPRFLMA	121113822004269	NWBYFLMA	120010022011084	YNFNFLMA	120050003001015
FTPRFLMA	121113822004279	NWBYFLMA	120010022012012	YNFNFLMA	120050003001019
FTPRFLMA	121113822004280	NWBYFLMA	120010022012013	YNFNFLMA	120050003001021
FTPRFLMA	121113822004285	NWBYFLMA	120010022012016	YNFNFLMA	120050003001022
FTPRFLMA	121113822004293	NWBYFLMA	120010022012018	YNFNFLMA	120050003001041
FTPRFLMA	121119800001009	NWBYFLMA	120010022012039	YNFNFLMA	120050003001043
FTPRFLMA	121119800001012	NWBYFLMA	120010022012041	YNFNFLMA	120050003001046
GCSPFLCN	120190311011059	NWBYFLMA	120010022012042	YNFNFLMA	120050003001048
GCSPFLCN	120190311011090	NWBYFLMA	120010022012062	YNFNFLMA	120050003001068
GCSPFLCN	120190311051009	NWBYFLMA	120010022012065	YNFNFLMA	120050003001069
GCSPFLCN	120190311051015	NWBYFLMA	120010022012070	YNFNFLMA	120050003001099
GCSPFLCN	120190311051020	NWBYFLMA	120010022012074	YNFNFLMA	120050003001101
GCSPFLCN	120190311051021	NWBYFLMA	120010022022003	YNFNFLMA	120050003001102
GCSPFLCN	120190311051023	NWBYFLMA	120010022022006	YNFNFLMA	120050003001104
GCSPFLCN	120190311051039	NWBYFLMA	120010022022008	YNFNFLMA	120050003001106
GCSPFLCN	120190311051053	NWBYFLMA	120010022022010	YNFNFLMA	120050003001111
GCSPFLCN	120190311051088	NWBYFLMA	120010022022011	YNFNFLMA	120050003001113

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
GCSPFLCN	120190311051089	NWBYFLMA	120010022022012	YNFNFLMA	120050003001121
GCSPFLCN	120190311051090	NWBYFLMA	120010022023002	YNFNFLMA	120050003001124
GCSPFLCN	120190311051147	NWBYFLMA	120010022023014	YNFNFLMA	120050003001128
GCSPFLCN	120190311051153	NWBYFLMA	120010022023019	YNFNFLMA	120050003001131
GCSPFLCN	120190311051154	NWBYFLMA	120010022023023	YNFNFLMA	120050003001134
GCSPFLCN	120190311051155	NWBYFLMA	120010022023025	YNFNFLMA	120050003001136
GCSPFLCN	120190311051165	NWBYFLMA	120010022023031	YNFNFLMA	120050003001137
GCSPFLCN	120190311051166	NWBYFLMA	120010022023033	YNFNFLMA	120050003001138
GCSPFLCN	120190312001033	NWBYFLMA	120010022023048	YNFNFLMA	120050003001163
GCSPFLCN	120190312001052	NWBYFLMA	120010022023050	YNFNFLMA	120050003001164
GCSPFLCN	120190312001053	NWBYFLMA	120010022023054	YNFNFLMA	120050003001209
GCSPFLCN	120190312001059	NWBYFLMA	120010022023059	YNFNFLMA	120050003001220
GCSPFLCN	120190312001061	NWBYFLMA	120010022023063	YNFNFLMA	120050003001226
GCSPFLCN	120190312001069	NWBYFLMA	120010022023066	YNFNFLMA	120050003001257
GCSPFLCN	120190312001070	NWBYFLMA	120010022023068	YNFNFLMA	120050003001261
GCSPFLCN	120190312002000	NWBYFLMA	120010022023070	YNFNFLMA	120050003001262
GCSPFLCN	120190312002055	NWBYFLMA	120010022023075	YNFNFLMA	120050003001263
GCSPFLCN	120190312002062	NWBYFLMA	120010022023082	YNFNFLMA	120050003001264
GCSPFLCN	120190312002076	NWBYFLMA	120010022023085	YNFNFLMA	120050003001270
GCSPFLCN	120190312002086	NWBYFLMA	120010022023089	YNFNFLMA	120050003002012
GCSPFLCN	120190312003001	NWBYFLMA	120010022101008	YNFNFLMA	120050003002013
GCSPFLCN	120190312003005	NWBYFLMA	120010022101011	YNFNFLMA	120050003002016
GCSPFLCN	120190312003007	NWBYFLMA	120010022101018	YNFNFLMA	120050003002018
GCSPFLCN	120190312003008	NWBYFLMA	120010022101019	YNFNFLMA	120050003002025
GCSPFLCN	120190312003024	NWBYFLMA	120010022101020	YNFNFLMA	120050003002026
GCSPFLCN	120190313003022	NWBYFLMA	120010022101022	YNFNFLMA	120050003002028
GCSPFLCN	120190314002041	NWBYFLMA	120010022101023	YNFNFLMA	120050003002042
GCSPFLCN	120190315001016	NWBYFLMA	120010022101026	YNFNFLMA	120050003002073
GCSPFLCN	120190315001018	NWBYFLMA	120010022101040	YNFNFLMA	120050003003000
GCSPFLCN	120190315001030	NWBYFLMA	120010022101042	YNFNFLMA	120050003003001
GCSPFLCN	120190315001037	NWBYFLMA	120010022101048	YNFNFLMA	120050003003002
GCSPFLCN	120190315001074	NWBYFLMA	120010022101049	YNFNFLMA	120050003003007
GCSPFLCN	120190315001080	NWBYFLMA	120010022101050	YNFNFLMA	120050003003013
GCSPFLCN	120190315001085	NWBYFLMA	120010022101073	YNFNFLMA	120050003003014
GCSPFLCN	120190315001091	NWBYFLMA	120010022101074	YNFNFLMA	120050003003018
GCSPFLCN	120190315001093	NWBYFLMA	120010022101077	YNFNFLMA	120050003003036
GCSPFLCN	120190315001096	NWBYFLMA	120010022101085	YNFNFLMA	120050003003040
GCSPFLCN	120190315001105	NWBYFLMA	120010022101087	YNFNFLMA	120050003003041
GCSPFLCN	120190315001106	NWBYFLMA	120010022101090	YNFNFLMA	120050003003054
GCSPFLCN	120190315001131	NWBYFLMA	120010022101091	YNFNFLMA	120050003003199
GCSPFLCN	120190315001140	NWBYFLMA	120010022101093	YNFNFLMA	120050003003200
GCSPFLCN	120190315001146	NWBYFLMA	120010022101094	YNFNFLMA	120050003003201

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
GCSPFLCN	120190315001152	NWBYFLMA	120010022101099	YNFNFLMA	120050003004000
GCSPFLCN	120190315001153	NWBYFLMA	120010022101119	YNFNFLMA	120050003004006
GCSPFLCN	120190315002027	NWBYFLMA	120010022101123	YNFNFLMA	120050003004014
GCSPFLCN	120190315002040	NWBYFLMA	120010022101132	YNFNFLMA	120050003004030
GCSPFLCN	120190315002043	NWBYFLMA	120010022101133	YNFNFLMA	120050003004031
GCSPFLCN	120190315002060	NWBYFLMA	120010022101136	YNFNFLMA	120050003004032
GCSPFLCN	120190315002069	NWBYFLMA	120010022101169	YNFNFLMA	120050003004033
GCSPFLCN	120190315002070	NWBYFLMA	120010022101173	YNFNFLMA	120050003004034
GCSPFLCN	120190315002078	NWBYFLMA	120010022101178	YNFNFLMA	120050003004035
GCSPFLCN	120190315002079	NWBYFLMA	120010022101180	YNFNFLMA	120050003004038
GCSPFLCN	120190315002083	NWBYFLMA	120010022101186	YNFNFLMA	120050003004041
GCSPFLCN	120190315002090	NWBYFLMA	120010022101191	YNFNFLMA	120050003004043
GCSPFLCN	120190315002095	NWBYFLMA	120010022101192	YNFNFLMA	120050003004044
GCSPFLCN	120190315002096	NWBYFLMA	120010022101200	YNFNFLMA	120050003004046
GCSPFLCN	120190315002097	NWBYFLMA	120010022101208	YNFNFLMA	120050003004048
GCSPFLCN	121079501001004	NWBYFLMA	120010022103009	YNFNFLMA	120050003004050
GCSPFLCN	121079501001005	NWBYFLMA	120010022103010	YNFNFLMA	120050003004051
GCSPFLCN	121079501001009	NWBYFLMA	120010022103011	YNFNFLMA	120050003004053
GCSPFLCN	121079501001028	NWBYFLMA	120010022103016	YNFNFLMA	120050003004060
GCSPFLCN	121079501003001	NWBYFLMA	120010022103017	YNFNFLMA	120050003004062
GCSPFLCN	121079502021000	NWBYFLMA	120010022103019	YNFNFLMA	120050003004064
GCVLFLMA	120599601001002	NWBYFLMA	120010022103023	YNFNFLMA	120050003004066
GCVLFLMA	120599601001006	NWBYFLMA	120010022103029	YNFNFLMA	120050003004068
GCVLFLMA	120599601001017	NWBYFLMA	120010022103032	YNFNFLMA	120050003004070
GCVLFLMA	120599601001018	NWBYFLMA	120010022103036	YNFNFLMA	120050003004071
GCVLFLMA	120599601001021	NWBYFLMA	120010022103044	YNFNFLMA	120050003004073
GCVLFLMA	120599601001023	NWBYFLMA	120010022103050	YNFNFLMA	120050003004076
GCVLFLMA	120599601001024	NWBYFLMA	120010022103052	YNFNFLMA	120050003004077
GCVLFLMA	120599601001026	NWBYFLMA	120010022103059	YNFNFLMA	120050003004083
GCVLFLMA	120599601001027	NWBYFLMA	120010022103078	YNFNFLMA	120050003004084
GCVLFLMA	120599601001028	NWBYFLMA	120010022103079	YNFNFLMA	120050003004088
GCVLFLMA	120599601001030	NWBYFLMA	120010022103081	YNFNFLMA	120050003004089
GCVLFLMA	120599601001031	NWBYFLMA	120010022103082	YNFNFLMA	120050003004090
GCVLFLMA	120599601001032	NWBYFLMA	120010022103084	YNFNFLMA	120050003004097
GCVLFLMA	120599601001033	NWBYFLMA	120419501004006	YNFNFLMA	120050003004104
GCVLFLMA	120599601001044	NWBYFLMA	120419501004016	YNFNFLMA	120050003004107
GCVLFLMA	120599601001046	NWBYFLMA	120419501004118	YNFNFLMA	120050003004117
GCVLFLMA	120599601001051	NWBYFLMA	120419501004120	YNFNFLMA	120050003004118
GCVLFLMA	120599601001053	NWBYFLMA	120419501004125	YNFNFLMA	120050003004119
GCVLFLMA	120599601001054	NWBYFLMA	120419501004140	YNFNFLMA	120050003004120
GCVLFLMA	120599601001055	NWBYFLMA	120419502011026	YNFNFLMA	120050003004124
GCVLFLMA	120599601001056	NWBYFLMA	120419502011031	YNFNFLMA	120050003004130

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #	WC CLI	CENSUS BLOCK #
GCVLFLMA	120599601001057	NWBYFLMA	120419502011032	YNFNFLMA	120050003004133
GCVLFLMA	120599601001058	NWBYFLMA	120419502011036	YNFNFLMA	120050003004135
GCVLFLMA	120599601001059	NWBYFLMA	120419502011037	YNFNFLMA	120050003004138
GCVLFLMA	120599601001066	NWBYFLMA	120419502011048	YNFNFLMA	120050003004140
GCVLFLMA	120599601001072	NWBYFLMA	120419502011059	YNFNFLMA	120050003004158
GCVLFLMA	120599601001073	NWBYFLMA	120419502011060	YNFNFLMA	120050003004160
GCVLFLMA	120599601001074	NWBYFLMA	120419502011071	YNFNFLMA	120050003004166
GCVLFLMA	120599601001076	NWBYFLMA	120419502011073	YNFNFLMA	120050003004167
GCVLFLMA	120599601001077	NWBYFLMA	120419502011081	YNFNFLMA	120050003004170
GCVLFLMA	120599601001078	NWBYFLMA	120419502011085	YNFNFLMA	120050003004171
GCVLFLMA	120599601001079	NWBYFLMA	120419502011170	YNFNFLMA	120050004001037
GCVLFLMA	120599601001080	NWBYFLMA	120419502011171	YNFNFLMA	120050004001040
GCVLFLMA	120599601001086	NWBYFLMA	120419502011172	YNFNFLMA	120130102003029
GCVLFLMA	120599601001087	NWBYFLMA	120419502011173	YNFNFLMA	120130102003033
GCVLFLMA	120599601001089	NWBYFLMA	120419502031000	YNFNFLMA	120130102003034
GCVLFLMA	120599601001092	NWBYFLMA	120419502031004	YNFNFLMA	120130102003035
GCVLFLMA	120599601001095	NWBYFLMA	120419502031010	YNFNFLMA	120130102003040
GCVLFLMA	120599601002001	NWBYFLMA	120419502031015	YNFNFLMA	120130102003046
GCVLFLMA	120599601002002	NWBYFLMA	120419502031016	YNFNFLMA	120130102003054
GCVLFLMA	120599601002008	NWBYFLMA	120419502031021	YNFNFLMA	120130102003065
GCVLFLMA	120599601002023	NWBYFLMA	120419502031025	YNFNFLMA	120130102003072
GCVLFLMA	120599601002039	NWBYFLMA	120419502031026	YNFNFLMA	120130102003073
GCVLFLMA	120599601002041	NWBYFLMA	120419502031028	YNFNFLMA	120130102003247
GCVLFLMA	120599601002042	NWBYFLMA	120419502031031	YNFNFLMA	120632111003181
GCVLFLMA	120599601002043	NWBYFLMA	120419502032002	YNFNFLMA	121339703011001
GCVLFLMA	120599601002044	NWBYFLMA	120419502032003	YNFNFLMA	121339703011200
GCVLFLMA	120599601002049	NWBYFLMA	120419502032016	YNFNFLMA	121339703011201
GCVLFLMA	120599601002054	NWBYFLMA	120419502032019	YNFNFLMA	121339703011209
GCVLFLMA	120599601002057	NWBYFLMA	120419502032020	YNFNFLMA	121339703011210
GCVLFLMA	120599601002070	NWBYFLMA	120419502032025	YNFNFLMA	121339703011211
GCVLFLMA	120599601002071	NWBYFLMA	120419502032029	YNFNFLMA	121339703011213
GCVLFLMA	120599601002075	NWBYFLMA	120419502032030	YNFNFLMA	121339703011390
GCVLFLMA	120599601002076	NWBYFLMA	120419502032032	YNFNFLMA	121339703011397
GCVLFLMA	120599601002077	NWBYFLMA	120419502032033	YNFNFLMA	121339703011398
GCVLFLMA	120599601002078	NWBYFLMA	120419502032040	YNTWFLMA	120174504001012
GCVLFLMA	120599601002083	NWBYFLMA	120419502032048	YNTWFLMA	120174504001013
GCVLFLMA	120599601002084	NWBYFLMA	120419502032049	YNTWFLMA	120174504001015
GCVLFLMA	120599601002097	NWBYFLMA	120419502033000	YNTWFLMA	120174504001018
GCVLFLMA	120599604001001	NWBYFLMA	120419502033003	YNTWFLMA	120174504001021
GCVLFLMA	120599604001003	NWBYFLMA	120419502033005	YNTWFLMA	120174504001022
GCVLFLMA	120599604001005	NWBYFLMA	120419502033007	YNTWFLMA	120174504001023
GCVLFLMA	120599604001006	NWBYFLMA	120419502033011	YNTWFLMA	120174504001024

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AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
GCVLFLMA	120599604001007	NWBYFLMA	120419502033014	YNTWFLMA	120174504001064
GCVLFLMA	120599604001008	NWBYFLMA	120419502033017	YNTWFLMA	120174504001065
GCVLFLMA	120599604001014	NWBYFLMA	120419502033018	YNTWFLMA	120174504004020
GCVLFLMA	120599604001017	NWBYFLMA	120419502033021	YNTWFLMA	120174504004025
GCVLFLMA	120599604001018	NWBYFLMA	120419502033023	YNTWFLMA	120174504004038
GCVLFLMA	120599604001021	NWBYFLMA	120419502033028	YNTWFLMA	120759704002431
GCVLFLMA	120632101002009	NWBYFLMA	120419502033029	YNTWFLMA	120759704003103
GCVLFLMA	120632101002011	NWBYFLMA	120419502033031	YNTWFLMA	120759704003112
GCVLFLMA	120632101002013	NWBYFLMA	120419502033033	YNTWFLMA	120759704003123
GCVLFLMA	120632101002069	NWBYFLMA	120419502033034	YNTWFLMA	120759704003187
GCVLFLMA	120632101002070	NWBYFLMA	120419502033036	YNTWFLMA	120759707001002
GCVLFLMA	120632102001000	NWBYFLMA	120419502033041	YNTWFLMA	120759707001005
GCVLFLMA	120632102001002	NWBYFLMA	120419502033046	YNTWFLMA	120759707001015
GCVLFLMA	120632102001004	NWBYFLMA	120419502033049	YNTWFLMA	120759707001036
GCVLFLMA	120632102001006	NWBYFLMA	120419502041000	YNTWFLMA	120759707001056
GCVLFLMA	120632102001007	NWBYFLMA	120419502041086	YNTWFLMA	120759707001121
GCVLFLMA	120632102001008	NWBYFLMA	120419502041087	YNTWFLMA	120759707001124
GCVLFLMA	120632102001010	OKHLFLMA	121270830032144	YNTWFLMA	120759707001125
GCVLFLMA	120632102001011	OKHLFLMA	121270830032149	YNTWFLMA	120759707001126
GCVLFLMA	120632102001012	OKHLFLMA	121270830032266	YNTWFLMA	120759707001127
GCVLFLMA	120632102001013	OKHLFLMA	121270830032269	YNTWFLMA	120759707001131
GCVLFLMA	120632102001015	OKHLFLMA	121270830032270	YNTWFLMA	120759707001132
GCVLFLMA	120632102001016	OKHLFLMA	121270830032296	YNTWFLMA	120759707001164
GCVLFLMA	120632102001017	OKHLFLMA	121270830032297	YNTWFLMA	120759707001170
GCVLFLMA	120632102001018	OKHLFLMA	121270830032299	YNTWFLMA	120759707001212
GCVLFLMA	120632102001020	OKHLFLMA	121270830032304	YNTWFLMA	120759707002000
GCVLFLMA	120632102001021	OKHLFLMA	121270830032306	YNTWFLMA	120759707002007
GCVLFLMA	120632102001023	OKHLFLMA	121270830032307	YNTWFLMA	120759707002094
GCVLFLMA	120632102001024	OKHLFLMA	121270830032308	YNTWFLMA	120759707003062
GCVLFLMA	120632102001043	OKHLFLMA	121270830032309	YULEFLMA	120890503011015
GCVLFLMA	120632102002000	OKHLFLMA	121270830032315	YULEFLMA	120890503011016
GCVLFLMA	120632102002004	OKHLFLMA	121270830032327	YULEFLMA	120890503011017
GCVLFLMA	120632102002006	OKHLFLMA	121270832091182	YULEFLMA	120890503011021
GCVLFLMA	120632102002007	OLTWFLN	120299701021000	YULEFLMA	120890503011023
GCVLFLMA	120632102002015	OLTWFLN	120299701021001	YULEFLMA	120890503011031
GCVLFLMA	120632102002019	OLTWFLN	120299701021198	YULEFLMA	120890503011037
GCVLFLMA	120632102002030	OLTWFLN	120299701021199	YULEFLMA	120890503011056
GCVLFLMA	120632102002031	OLTWFLN	120299701021204	YULEFLMA	120890503011059
GCVLFLMA	120632102002036	OLTWFLN	120299701021206	YULEFLMA	120890503011065
GCVLFLMA	120632102002042	OLTWFLN	120299701021211	YULEFLMA	120890503011068
GCVLFLMA	120632102002053	OLTWFLN	120299701021212	YULEFLMA	120890503011069
GCVLFLMA	120632102002056	OLTWFLN	120299701021215	YULEFLMA	120890503011075

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Date: June 29, 2017

AT&T Florida's Retained ETC Service Area**EXHIBIT B****CAF II Funded Census Blocks Served by AT&T Florida Wire Centers***

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
GCVLFLMA	120632102002062	OLTWFLN	120299701021216	YULEFLMA	120890503011101
GCVLFLMA	120632102002067	OLTWFLN	120299701021220	YULEFLMA	120890503011103
GCVLFLMA	120632102002068	OLTWFLN	120299701021222	YULEFLMA	120890503011117
GCVLFLMA	120632102002069	OLTWFLN	120299701021226	YULEFLMA	120890503012036
GCVLFLMA	120632102002072	OLTWFLN	120299701021228	YULEFLMA	120890503012048
GCVLFLMA	120632102002073	OLTWFLN	120299701021229	YULEFLMA	120890503012050
GCVLFLMA	120632102002074	OLTWFLN	120299701021230	YULEFLMA	120890503012051
GCVLFLMA	120632102002075	OLTWFLN	120299701021231	YULEFLMA	120890503012052
GCVLFLMA	120632102002077	OLTWFLN	120299701021233	YULEFLMA	120890503012053
GCVLFLMA	120632103001000	OLTWFLN	120299701021234	YULEFLMA	120890503012093

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

EXHIBIT B

AT&T Florida's Retained ETC Service Area

CAF II Funded Census Blocks Served Exclusively by AT&T Wire Centers in Another State*

WC CLI	WC State	CENSUS BLOCK #	WC CLI	WC State	CENSUS BLOCK #
FMTNALMT	AL	120330039001219	FMTNALMT	AL	120330039003197
FMTNALMT	AL	120330039002001	FMTNALMT	AL	120330039003202
FMTNALMT	AL	120330039002002	FMTNALMT	AL	120330039003262
FMTNALMT	AL	120330039002003	FMTNALMT	AL	120330039003272
FMTNALMT	AL	120330039002177	FMTNALMT	AL	120330039003284
FMTNALMT	AL	120330039002180	FMTNALMT	AL	120330039003297
FMTNALMT	AL	120330039002187	FMTNALMT	AL	120330039003298
FMTNALMT	AL	120330039002192	FMTNALMT	AL	120330039003299
FMTNALMT	AL	120330039002197	FMTNALMT	AL	120330039003302
FMTNALMT	AL	120330039002202	FMTNALMT	AL	120330039003306
FMTNALMT	AL	120330039002224	FMTNALMT	AL	120330039003315
FMTNALMT	AL	120330039002226	FMTNALMT	AL	120330039003320
FMTNALMT	AL	120330039003000	FMTNALMT	AL	120330039003330
FMTNALMT	AL	120330039003007	FMTNALMT	AL	120330039003333
FMTNALMT	AL	120330039003013	FMTNALMT	AL	120330039003336
FMTNALMT	AL	120330039003023	FMTNALMT	AL	120330039003341
FMTNALMT	AL	120330039003027	FMTNALMT	AL	120330039003347
FMTNALMT	AL	120330039003032	FMTNALMT	AL	120330039003349
FMTNALMT	AL	120330039003034	FMTNALMT	AL	120330039003350
FMTNALMT	AL	120330039003038	FMTNALMT	AL	120330039003351
FMTNALMT	AL	120330039003051	FMTNALMT	AL	120330039003356
FMTNALMT	AL	120330039003072	FMTNALMT	AL	120330039003361
FMTNALMT	AL	120330039003076	FMTNALMT	AL	120330039003366
FMTNALMT	AL	120330039003081	FMTNALMT	AL	120330039003387
FMTNALMT	AL	120330039003084	FMTNALMT	AL	120330040001103
FMTNALMT	AL	120330039003088	FMTNALMT	AL	120330040001122
FMTNALMT	AL	120330039003093	FMTNALMT	AL	120330040001124
FMTNALMT	AL	120330039003101	FMTNALMT	AL	120330040001128
FMTNALMT	AL	120330039003103	FMTNALMT	AL	120330040001140
FMTNALMT	AL	120330039003109	FMTNALMT	AL	120330040001149
FMTNALMT	AL	120330039003123	FMTNALMT	AL	120330040001151
FMTNALMT	AL	120330039003124	FMTNALMT	AL	120330040001163
FMTNALMT	AL	120330039003133	FMTNALMT	AL	120330040001178
FMTNALMT	AL	120330039003151	FMTNALMT	AL	120330040001180
FMTNALMT	AL	120330039003163	FMTNALMT	AL	120330040001182
FMTNALMT	AL	120330039003169	FMTNALMT	AL	120330040001184
FMTNALMT	AL	120330039003183	FMTNALMT	AL	120330040001206
FMTNALMT	AL	120330039003184	FMTNALMT	AL	120330040001211

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

EXHIBIT B

AT&T Florida's Retained ETC Service Area

CAF II Funded Census Blocks Served Exclusively by AT&T Wire Centers in Another State*

WC CLLI	WC State	CENSUS BLOCK #	WC CLLI	WC State	CENSUS BLOCK #
FMTNALMT	AL	120330039003192	FMTNALMT	AL	120330040003149
FMTNALMT	AL	120330039003196			

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

EXHIBIT B

AT&T Florida's Retained ETC Service Area

Extremely High Cost Census Blocks Served by AT&T Florida Wire Centers*

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
ARCHFLMA	120010022101069	GCVLFLMA	120632101002006	NWBYFLMA	120010022101172
ARCHFLMA	120010022101113	GCVLFLMA	120632101002008	NWBYFLMA	120010022103038
BKVLFLJF	120530402021001	GCVLFLMA	120632101002071	NWBYFLMA	120759701021020
BKVLFLJF	120530402021004	GSVLFLMA	120010019072053	NWBYFLMA	120759701021026
BLDWFLMA	120890505041128	GSVLFLMA	120010019072059	OKHLFLMA	121270832091188
BLGLFLMA	120990079121394	GSVLFLMA	120010019072073	OKHLFLMA	121270832091190
BNNLFLMA	120350602061118	GSVLFLMA	120010019072080	OLTWFLLN	120299701021193
BNNLFLMA	120350602071280	GSVLFLMA	120010021011029	OLTWFLLN	120299702001101
BRSNFLMA	120759701021020	HBSDLFLMA	120850014042039	PACEFLPV	121130103001028
BRSNFLMA	120759701021026	HBSDLFLMA	120850015002079	PCBHFLNT	120050002011496
BRSNFLMA	120759701021133	HBSDLFLMA	120850016021005	PLCSFLMA	120350601041003
BRSNFLMA	120759704002001	HLWDFLPE	120110703141006	PLTKFLMA	121079501002053
BRSNFLMA	120759704002184	HLWDFLPE	120111103353006	PLTKFLMA	121079501003064
BRSNFLMA	120759704002435	HMSTFLEA	120860114015122	PLTKFLMA	121079502021045
BRSNFLMA	120759704003038	HMSTFLEA	120860114015125	PLTKFLMA	121079505001103
BRSNFLMA	120759705002009	HMSTFLHM	120860114043182	PLTKFLMA	121079505001104
CDKYFLMA	120759704001084	HMSTFLHM	120860115003253	PNSCFLFP	120330036083002
CDKYFLMA	120759704001095	HWTHFLMA	120010020002084	PNSCFLFP	120330036112031
CDKYFLMA	120759704002131	JAY FLMA	121130101001088	PRRNFLMA	120860115003100
CFLDFLMA	120759701021020	JAY FLMA	121130101001103	PRRNFLMA	120860115003112
CFLDFLMA	120759701021026	JAY FLMA	121130101001163	PRRNFLMA	120860115003115
CFLDFLMA	120759702001084	JAY FLMA	121130101001165	PRRNFLMA	120860115003180
CFLDFLMA	120759703012031	JAY FLMA	121130101001185	PRRNFLMA	120860115003188
CFLDFLMA	120759704001002	JAY FLMA	121130101002205	PRRNFLMA	120860198003012
CNTMFLLE	120330036083002	JAY FLMA	121130102004005	PRRNFLMA	120860198003018
CNTMFLLE	121130103001028	JCVLFLOW	120310101031100	PRSNFLFD	120350602071280
COCOFLMA	120090612023041	JPTRFLMA	120850015002079	PRSNFLFD	121270901012169
CSCYFLBA	120299701021175	KYHGFLMA	120190311062028	PRSNFLFD	121270901021060
CSCYFLBA	120299701021177	LKCYFLMA	120231103001068	PRSNFLFD	121270901022072
CSCYFLBA	120299701021193	LKCYFLMA	120231103001267	SBSTFLFE	120610509041024
CSCYFLBA	120299701024030	LKCYFLMA	120231103002140	SBSTFLFE	120610509041069
CSCYFLBA	120299702001011	LYHNFLOH	120050002011220	SGKYFLMA	120879716001187
CSCYFLBA	121239504001061	LYHNFLOH	120050002011278	SNFRFLMA	121270832091052
DBRYFLMA	121270909041029	LYHNFLOH	120050002011298	SNFRFLMA	121270832091188
DELDFLMA	121270832061085	LYHNFLOH	120050014042006	STAGFLSH	121090211012088
DELDFLMA	121270832061105	MCNPFLMA	120010020003040	SYHSFLCC	121339703011034
DNLNFWLM	120759707001021	MCNPFLMA	120010021011029	SYHSFLCC	121339703011362
DNLNFWLM	120759707001068	MIAMFLAL	120860049011015	SYHSFLCC	121339703011369
DNLNFWLM	120759707001072	MIAMFLAP	120860049011015	TRENFLMA	120419502031036
DNLNFWLM	120830026013299	MIAMFLPL	120860141001017	TTVLFLMA	120090612023041
DYBHFLMA	121270832061105	MIAMFLWD	120860180003065	TTVLFLMA	120950166012082
DYBHFLMA	120350602071280	MICCFLLB	120090652341012	VERNFLMA	121339703021233

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

EXHIBIT B

AT&T Florida's Retained ETC Service Area

Extremely High Cost Census Blocks Served by AT&T Florida Wire Centers*

WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #	WC CLLI	CENSUS BLOCK #
EORNFLMA	120950166012082	MLBRFLMA	120090652341012	VRBHFLMA	120610507053003
FRBHFLFP	120890503012012	MLBRFLMA	120090713012099	VRBHFLMA	120610508043113
FTLDLWN	120110703141006	MNSNFLMA	121130101001163	VRBHFLMA	120610509041040
FTPRFLMA	121113811021070	MNSNFLMA	121130101001165	VRBHFLMA	120610509041054
FTPRFLMA	121113822002109	MNSNFLMA	121130101002053	VRBHFLMA	120610509041221
FTPRFLMA	121113822002129	MNSNFLMA	121130101002082	VRBHFLMA	120610509041225
FTPRFLMA	121113822003047	MNSNFLMA	121130101002122	VRBHFLMA	120610509041228
FTPRFLMA	121113822003080	MNSNFLMA	121130101002205	VRBHFLMA	120610509041237
FTPRFLMA	121113822004001	MNSNFLMA	121130101002247	WELKFLMA	121079505001104
FTPRFLMA	121113822004132	MNSNFLMA	121130101002284	WPBHFLRP	120990079121094
FTPRFLMA	121113822004175	MNSNFLMA	121130101002311	YNFNFLMA	120050003002120
FTPRFLMA	121113822004220	MNSNFLMA	121130101003000	YNFNFLMA	120050003002132
FTPRFLMA	121113822004226	MNSNFLMA	121130101003013	YNFNFLMA	120050003004004
FTPRFLMA	121113822004270	MNSNFLMA	121130101003022	YNFNFLMA	120050003004005
FTPRFLMA	121113822004274	MNSNFLMA	121130101003138	YNFNFLMA	120632111002104
GCSPFLCN	120190312001124	MNSNFLMA	121130101003157	YNTWFLMA	120759704002435
GCSPFLCN	120190312003023	MNSNFLMA	121130101003169	YNTWFLMA	120759704002468
GCSPFLCN	120190315001090	MXVLFLMA	120190301042003	YNTWFLMA	120759707001021
GCSPFLCN	120190315001149	NSBHFLMA	121270832091046	YNTWFLMA	120759707001072
GCVLFLMA	120599604001020	NSBHFLMA	121270832091052	YULEFLMA	120890503011076
GCVLFLMA	120632101002004	NWBYFLMA	120010022101069	YULEFLMA	120890503012142

* Where a portion of a listed census block falls outside AT&T Florida's traditional footprint, AT&T Florida is retaining its ETC designation only in the portion of the census block that is within AT&T's traditional footprint.

Item 4

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05611-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Thompson) *POE*
Office of the General Counsel (Corbari) *TR* *JK* *73*

RE: Docket No. 170070-EQ – Petition for approval of revised standard offer for energy purchase from cogenerators and renewable generating facilities and standard offer contract for purchases of firm capacity and energy, by Florida Public Utilities Company.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 170072-EQ, 170075-EQ, 170076-EQ, and 170077-EQ.

Case Background

Section 366.91(3), Florida Statutes (F.S.) requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable energy generators and small qualifying facilities. Florida Public Service Commission (Commission) Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan. On March 30, 2017, Florida Public Utilities Company (FPUC) filed a

petition for approval of its revised standard offer rate schedule and standard offer contract, in accordance with the rules cited above and Rules 25-9.003, 25-17.0825, and 25-17.0832, F.A.C.

Because FPUC, an IOU, does not own or operate any electric generating units, it does not have any avoidable units on which to base its standard offer contract. Rule 25-17.250(1), F.A.C., requires that, under these circumstances, the standard offer contract be based on avoiding or deferring a planned purchase. FPUC currently purchases all of its electric power through purchased power agreements in its Northeast Division from Jacksonville Electric Authority (JEA), and in its Northwest Division from Gulf Power Company (Gulf). FPUC is currently in negotiations with Florida Power & Light (FPL) to become the full requirements supplier for the Northeast Division once the contract with JEA expires on December 31, 2017.

The Commission has jurisdiction over this standard offer contract pursuant to Sections 366.04 through 366.06, and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the revisions to the standard offer rate schedule and standard offer contract filed by Florida Public Utilities Company?

Recommendation: Yes. FPUC's revised standard offer rate schedule and standard offer contract conform to all the requirements of Rule 25-17.0825, and Rules 25-17.200 through 25-17.310, F.A.C., and reflect the avoidable costs associated with FPUC's power purchase agreements. Staff recommends that the revisions to the rate schedule and standard offer contract filed by FPUC be approved as filed. (Thompson)

Staff Analysis: Pursuant to Rule 25-17.250, F.A.C., an IOU must continuously make available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with a design capacity of 100 kilowatt (kW) or less. FPUC does not own or operate any of its own electric generating facilities and thus does not file a Ten-Year Site Plan. Instead, FPUC purchases its electric energy under long-term, full requirements contracts with wholesale providers.

The standard offer rate schedule consists of three components: (1) the Standard Offer-As Available schedule (SOA); (2) the Standard Offer- Firm Schedule (SOF); and (3) the Standard Offer Contract. The SOA and SOF consolidate FPUC's previous REN and COG tariffs, as approved by this Commission in Order No. PSC-16-0531-PAA-EQ,¹ issued November 22, 2016. Revisions to FPUC's standard offer contract and rate schedule, in type-and-strike format, are included as Attachment A to this recommendation. The capacity and energy payments under the proposed rate schedule depend on the terms of FPUC's wholesale contracts with its suppliers for FPUC's Northeast Division and Northwest Division.

Northeast Division

At present, JEA is the full requirements supplier for FPUC's Northeast Division, which consists of Fernandina Beach and Amelia Island. FPUC is currently in negotiations with FPL to become the full requirements supplier for the Northeast Division once the contract with JEA expires on December 31, 2017. In response to Staff's First Data Request, FPUC provided estimates of the annual payments to an operator with a 10 MW facility, operating at a capacity factor of 80 percent, for a RF/QF operator located inside the service territory with FPL as the full requirements supplier.²

Northwest Division

At present, Gulf is the full requirements supplier for FPUC's Northwest Division, which consists of portions of Jackson, Calhoun, and Liberty counties. In response to Staff's First Data Request, FPUC provided estimates of the annual payments to an operator with a 10 MW facility,

¹Order No. PSC-16-0531-PAA-EQ, issued November 22, 2016, in Docket No. 160074-EQ, *In re: Petition for approval of new standard offer rate schedule for energy purchases from cogenerators and renewable facilities and for approval of standard offer contract for purchased of firm capacity and energy, by Florida Public Utilities Company*.

²Document No. 05135-17, dated May 31, 2017, in Docket No. 170070-EQ.

operating at a capacity factor of 80 percent, for a RF/QF operator located inside the service territory.³

Conclusion

FPUC's standard offer contract and related rate schedule conform to all the requirements of Rule 25-17.0825, and Rules 25-17.200 through 25-17.310, F.A.C., and reflect the avoidable costs associated with FPUC's purchased power agreements. Staff recommends that the revisions to the rate schedule and standard offer contract filed by FPUC be approved as filed.

³Document No. 05135-17, dated May 31, 2017, in Docket No. 170070-EQ.

Issue 2: Should this docket be closed?

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

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

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 1

**STANDARD OFFER RATE SCHEDULES
FOR PURCHASES FROM COGENERATORS & RENEWABLE GENERATING FACILITIES
ORIGINAL VOLUME NO. I
OF
FLORIDA PUBLIC UTILITIES COMPANY
FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION**

Communications concerning this Tariff should be addressed to:

Florida Public Utilities Company
1750 S. 14th Street, Ste. 200
Fernandina Beach, FL 32034
Attn: Director, Regulatory Affairs

| Issued by: Jeffry Householder, President

Effective: ~~NOV 11 2016~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 2

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Effective: ~~NOV 11 2016~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
No. 3
Original Volume No. I

~~Original Sheet-First Revised Sheet~~

TERRITORY SERVED

FPUC serves the following divisions:

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties. Currently, Gulf Power is Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northwest Florida Division.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County. Jacksonville Electric Authority is ~~currently~~ Florida Public Utilities Company's Full Requirements Wholesale Power Supplier for the Northeast Florida Division.

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Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 4

MISCELLANEOUS GENERAL INFORMATION

Florida Public Utilities Company was incorporated under the Laws of Florida in 1924 and adopted its present corporate name in 1927.

It is principally engaged in the distribution and sale of natural gas and electricity. Its operations are entirely within the State of Florida.

The general office of the Company is located at:

1641 Worthington Road, Suite 220
West Palm Beach, Florida 33409

Division offices are located at:

2825 Pennsylvania Avenue
Marianna, Florida 32448-4004

and

780 Amelia Island Parkway
Fernandina Beach, Florida 32034

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Effective: ~~NOV 11 2016~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
No. 5
Original Volume No. I

Original Sheet-First Revised Sheet

TECHNICAL TERMS AND ABBREVIATIONS

When used in the Rules and Regulations or the rate schedules in this volume, the following terms shall have the meanings defined below:

- A. Applicant – any person, firm, or corporation applying for electric service from the Company at one location.
- B. Avoided Cost – shall be equal to the costs avoided by the Company's respective Full Requirements Wholesale Power Suppliers for its Northwest and Northeast Florida Divisions at the time the purchase is made, as calculated by the Full Requirements Wholesale Power Suppliers in accordance with FPSC Rules 25-17.0825 and 17.0832, F.A.C., when making equivalent purchases of energy and/or capacity from a QF or from a QS, as that term is defined at Sheet No. 22.
- C. Capacity Factor – the total kilowatt hours of energy delivered to the Company during a specified period, divided by the product of: (1) the maximum kilowatt capacity contractually committed for delivery to the Company by the QF during that same specified period and (2) the sum of the total hours during that same period less those hours during which the Company was unable to accept energy and capacity deliveries from the QF.
- D. Capacity Rating – the QF's maximum generating capability, expressed in kilowatts, connected to the Company's electric system.
- E. Company – Florida Public Utilities Company acting through its duly authorized officers or employees within the scope of their respective duties.
- F. Customer – any person, firm, or corporation purchasing electric service at one location from the Company under Rules and Regulations of the Company.
- G. Energy – current delivered, expressed in kilowatt-hours.
- H. Full Requirements Wholesale Power Supplier - the wholesale power supplier providing energy and capacity to FPUC under a service contract that includes a load following obligation, whereby the supplier is required to meet the demand on FPUC's distribution system as that demand fluctuates on an hour by hour basis.
- I. KW or Kilowatt – one thousand (1,000) watts.
- J. KWh or Kilowatt-hour – one thousand (1,000) watt-hours.
- K. Month – the period between any two (2) regular readings of the QF's meters at approximately thirty (30) day intervals.

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Florida Public Utilities Company
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TECHNICAL TERMS AND ABBREVIATIONS

- L. Qualifying Facility or QF - means a cogenerator, small power producer, or non-utility generator that either through self-certification to, or certification by, the Federal Energy Regulatory Commission ("FERC") meets the criteria established by the FERC pursuant to the Public Utility Regulatory Policies Act of 1978, as amended, ("PURPA") or as otherwise designated by Florida Public Service Commission ("FPSC") under Rule 25-17.080, Florida Administrative Code. For purposes of this tariff, the term shall also include a Renewable Generating Facility.
- M. Power Factor - ratio of kilowatts to kilovolt-amperes.
- N. Renewable Generating Facility - means an electrical generating unit or group of units at a single site, interconnected for synchronous operation and delivery of electricity to an electric utility, where the primary energy in British Thermal Units (BTUs) used for the production of electricity is from one or more of the following sources: hydrogen produced from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power, or waste heat from a commercial or industrial manufacturing process, consistent with Rules 25-17.210 and 25-17.220, Florida Administrative Code
- O. Service Line - all wiring between the Company's main line or transformer terminals and the point of connection to the QF's service entrance.
- P. Single Service - one set of facilities over which the QF may deliver electric power to the Company.
- Q. Year - a period of three hundred sixty-five (365) consecutive days except that in a year having a date of February twenty-nine (29) such year shall consist of three hundred sixty-six (366) consecutive days.

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F.P.S.C. Standard Offer Rate Schedule
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INDEX OF RULES AND REGULATIONS

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Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 8

RULES AND REGULATIONS

Applicable to As-Available and Firm Standard Offer Rate Schedules

1. General

Company shall furnish service under its rate schedules and these Rules and Regulations as approved from time to time by the Florida Public Service Commission and in effect at the time. These Rules and Regulations shall govern all service except as specifically modified by the terms and conditions of the rate schedules or written contracts. Copies of currently effective Rules and Regulations are available at the office of the Company.

Unless otherwise specifically provided in any applicable rate schedule or in a written contract by or with Company, the term of any agreement shall become operative on the day the Qualifying Facility commences delivery of electric energy and/or capacity to the Company and shall continue for a period of one (1) year and continuously thereafter until cancelled by three (3) or more days' notice by either party.

2. Application for Service

An application for service will be required by Company from each Applicant. The application or contract for service shall be in writing. Such application shall contain the information necessary to determine the type of service desired and the conditions under which service will be rendered.

The application or depositing of any sum of money by the Applicant shall not require Company to render service until the expiration of such time as may be reasonable required by Company to determine if Applicant has complied with the provisions of these Rules and Regulations and as may reasonably be required by Company to install the required facilities.

3. Election of Rate Schedule

Optional rates are available for the purchase of electric energy by the Company from a Qualifying Facility, namely, As-Available Energy and Firm Power. These optional rates and the conditions under which they are applicable are set forth in Company's Rate Schedule SOA and Rate Schedule SOF. Upon application for service or upon request, Applicant or Qualifying Facility shall elect the applicable rate schedule best suited to his requirements. Once the Qualifying Facility has elected a rate schedule, no change shall be allowed during the remaining term of the then existing contract.

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Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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RULES AND REGULATIONS (Continued)

4. Deposits

An initial deposit in the first year of operation may be required of a Qualifying Facility who is also a purchasing customer of the Company and whose monthly dollar value of purchases from the Company are estimated to exceed the monthly dollar value of sales to the Company. Such deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the company exceed by the greatest amount the Company estimated purchased from the Qualifying Facility. The initial deposit shall be equal to twice the amount of the difference estimated for that month and shall be paid upon interconnection. For each year thereafter, a review of actual sales and purchases between the Qualifying Facility and the Company shall be made to determine the actual month of maximum difference. The deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.

In lieu of a cash deposit, a Qualifying Facility may,

- (a) Furnish a satisfactory guarantor to secure payment of bills for the service requested, with such guarantor required to be a customer of the Company with a satisfactory payment record.
- (b) Furnish an irrevocable letter of credit from a bank.
- (c) Furnish a surety bond.

Retention by Company, prior to a final settlement, of said deposit shall not be considered as payment or part payment of any bill for service. Company shall, however, apply said deposit against unpaid bills for service. In such case, Qualifying Facility shall be required to restore deposit to original amount within 30 days.

Company shall pay interest on deposits annually at the rate of two per cent (2%) per annum. No Qualifying Facility shall be entitled to receive interest on his deposit until and unless the deposit has been in existence for a continuous period of six months; then he shall be entitled to receive interest from the day of placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

Upon discontinuance of service, the deposit and accrued interest shall be credited against the final account and the balance, if any, shall be returned promptly to the qualifying Facility, but in no event later than fifteen (15) days after service is discontinued.

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F.P.S.C. Standard Offer Rate Schedule
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RULES AND REGULATIONS (Continued)

5. Metering

Company shall specify the type of meter or meters that shall be installed to properly measure purchases of capacity and energy from Qualifying Facility. The cost of such meters and their installation shall be borne by the Qualifying Facility. Time-differentiated recording meters may be required by the Company when:

- (a) A time record of measured capacity and/or energy purchased is required by the Company to determine the proper billing units.

When a Qualifying Facility is also a purchasing Customer of the Company, the measurement of such purchases by the Qualifying Facility shall be through a separate meter or meters apart from the meter or meters measuring sales to the Company. The cost of meters for measuring purchases by Customer shall be borne by the Company.

Before installation and periodically thereafter, each meter shall be tested and adjusted using methods and accuracy limits prescribed or approved by the Florida Public Service Commission. Periodic test and inspection intervals shall not exceed the maximum period allowed by the Florida Public Service commission.

If, on test, the meter is found to be in error in excess of the prescribed accuracy limits, fast or slow, the amount of refund or charge to the Qualifying Facility shall be determined by methods prescribed or approved by the Florida Public Service Commission.

In the event of stoppage or failure of any meter to register, Qualifying Facility may be paid for such period on an estimated basis; using data on electric energy delivered to Company in a similar period or such other data as may be reasonably obtainable to aid in determining estimated deliveries.

6. Billing and Payments

A. Meter Reading and Payment Schedules

Each Qualifying Facility's meter will be read by the Company at monthly intervals as near as possible to the last day of each calendar month. The Company will prepare the bill and render payment to the Qualifying Facility for purchases during the preceding calendar month within twenty (20) business days following the day the meter is read. Details of the billing units and the applicable rates will accompany payment.

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F.P.S.C. Standard Offer Rate Schedule
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RULES AND REGULATIONS (Continued)

B. Selection of Billing Methodology

Qualifying Facility may elect to make either simultaneous purchases and sales or net sales to the Company. Once made, the selection of a billing methodology may be changed at the option of the Qualifying Facility, subject to the following provisions:

- (1) not more frequently than once every twelve (12) month;
- (2) to coincide with the next Fuel and Purchased Power Cost Recovery Factor billing period;
- (3) upon at least thirty (30) days' advance written notice;
- (4) upon the installation by the Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the Qualifying Facility for such metering equipment and its installation;
- (5) upon completion and approval by the Company of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the Qualifying Facility for such alterations; and
- (6) where the election to change billing methods will not contravene the provisions of the tariff under which the Qualifying Facility receives service from the Company or any other previously agreed upon contractual provisions between the Qualifying Facility and the Company.

Should Qualifying Facility elect to make simultaneous purchases and sales, purchases of electric service by the Qualifying Facility from the Company shall be billed at the retail rate schedule under which the Qualifying Facility would receive service as a non-generating customer of the Company; sales of electricity by the Qualifying Facility to the Company shall be purchased at the Company's applicable rate for such purchases.

Should Qualifying Facility elect to make net sales, the monthly energy and capacity sales to the Company shall be purchased at the Company's applicable rate for such purchases. For those months during which Qualifying Facility is a net purchaser, purchases shall be billed at the Company's retail rate schedule under which the Qualifying Facility would receive service as a non-generating customer of the Company.

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RULES AND REGULATIONS (Continued)

Where simultaneous purchases and sales are made by Qualifying Facility, payments to Qualifying Facility may, at the option of Qualifying Facility, be shown as a credit to Qualifying Facility's bill. Details of the billing units and the applicable rates will accompany the bill to Qualifying Facility. A credit will not exceed the amount of the Qualifying Facility's bill from Company and the excess, if any, will be paid to the Qualifying Facility.

7. Interconnection and Standards

Rule 25-17.87 of the Florida Public Service Commission will apply. Copies of this rule are available upon request at the office of the Company.

8. Responsibilities of Qualifying Facilities Providing Power for Purchase by Company

Company shall have the right to enter the premises of Qualifying Facility at all reasonable hours for the purpose of making such inspection of Qualifying Facility's installation as may be necessary for the proper application of Company's rate schedules and Rules and Regulations for installing, removing, testing, or replacing its apparatus or property; for reading meters; and for the entire removal of Company's property in event of termination of service for any reason.

All property of Company installed in or upon a Qualifying Facility's premises used and useful in supplying service is placed there under the Qualifying Facility's protection. All reasonable care shall be exercised by the Qualifying Facility to prevent loss or damage to such property and, ordinary wear and tear excepted, Qualifying Facility will be held liable for any such loss of property or damage thereto and shall pay to Company the cost of necessary repairs or replacements.

Qualifying Facility will be held responsible for breaking the seals, tampering or interfering with Company's meter or meters or other equipment of Company installed on Qualifying Facility's premises, and no one except employees of Company will be allowed to make any repairs or adjustments to any meter or other piece of apparatus belonging to Company except in case of emergency.

Qualifying Facility shall not increase the capacity rating of its electric generating equipment connected to the Company's system without first notifying Company in writing and obtaining written consent.

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F.P.S.C. Standard Offer Rate Schedule
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RULES AND REGULATIONS (Continued)

Company shall have the right, if necessary; to construct its poles, lines and circuits on Qualifying Facility's property and to place its transformers and other apparatus on the property or within the buildings of Qualifying Facility, at a point or points convenient for such purposes, and Qualifying Facility shall provide suitable space for such installation.

Company shall have the right to require, if necessary, the installation of such remote metering equipment as may be necessary for Qualifying Facility to properly monitor Company's load at the delivery point of the Company's Full Requirements Wholesale Power Supplier on the system to which Qualifying Facility is connected. The cost of such installation shall be borne by Qualifying Facility.

9. Responsibilities and Obligations of Company

Company will use reasonable diligence to purchase electric energy and/or capacity from Qualifying Facility as may be practically and safely allowable within the limits of load and line capacity on the Company's system to which Qualifying Facility is connected. Company may interrupt its purchases hereunder, however, for the purpose of making necessary alterations and repairs, but only for such time as may be reasonable or unavoidable, and Company shall give Qualifying Facility, except in case of emergency, reasonable notice of its intention so to do, and shall endeavor to arrange such interruption so as to inconvenience Qualifying Facility as little as possible.

Whenever Company deems an emergency warrants interruption or limitation in the service being rendered, such interruption or limitation shall not constitute a breach of contract and shall not render Company liable for damages suffered thereby or excuse Qualifying Facility from further fulfillment of the contract.

Company shall not be liable to Qualifying Facility for any loss, injury, or damage from use of Qualifying Facility's equipment or from the use of electric service furnished by Company or from the connection of Company's facilities with Qualifying Facility's wiring and equipment.

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Original Sheet No. 14

RULES AND REGULATIONS (Continued)

10. Force Majeure

Except for payment of bills due, neither the Company nor the Qualifying Facility shall be liable in damage to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraint of rules and peoples, civil disturbances, explosions, breakage or accident to machinery or electric lines, temporary failure of electric supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Qualifying Facility or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

11. Discontinuance of Service

The Company reserves the right, but assumes no liability for failure so to do, to discontinue service to or from any Qualifying Facility for cause as follows:

A. Without notice,

- (1) If a dangerous condition exists on Qualifying Facility's wiring or energy-generation devices.
- (2) Because of a fraudulent use of the service or tampering with Company's equipment.
- (3) Upon request by Qualifying Facility, subject to any existing agreement between Qualifying Facility and Company as to unexpired term of service.

B. After five (5) working days' notice in writing,

- (1) For nonpayment of bill for electric service.
- (2) For refusal or failure to make a deposit or increase a deposit, when requested, to assure payment of bills.
- (3) For a violation of these Rules and Regulations which Qualifying Facility refuses or neglects to correct.

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F.P.S.C. Standard Offer Rate Schedule
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RULES AND REGULATIONS (Continued)

12. Reconnection of Service

When service shall have been disconnected for any of the reasons set forth in these Rules and Regulations, Company shall not be required to restore service until the following conditions have been met by Qualifying Facility.

A. Where service was discontinued without notice,

- (1) The dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of fifty two dollars (\$52.00) shall be paid.
- (2) All bills for service due Company by reason of fraudulent use or tampering shall be paid, a deposit to guarantee the payment of future bills shall be made, and a reconnection fee of fifty two dollars (\$52.00) shall be paid.
- (3) If reconnection is requested on the same premises after discontinuance, a reconnection fee of fifty two dollars (\$52.00) shall be paid.

B. Where service was discontinued with notice,

- (1) Satisfactory arrangements for payment of all bills for service then due shall be made and a reconnection fee of fifty two dollars (\$52.00) shall be paid.
- (2) A satisfactory guarantee of payment for all future bills shall be furnished and a reconnection fee of fifty two dollars (\$52.00) shall be paid.
- (3) The violation of these Rules and Regulations shall be corrected and a reconnection fee of fifty two dollars (\$52.00) shall be paid.

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F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

Original Sheet No. 16

RULES AND REGULATIONS (Continued)

13. Limits of Purchases/Changes

Company reserves the right, subject to regulatory authority having jurisdiction, to limit, restrict or refuse service that will jeopardize the reliable, safe and proper operation of its distribution system and/or jeopardize service to existing Customers at fair and reasonable rates. Qualifying Facilities providing energy and/or capacity hereunder further recognize that the applicable avoided cost may change, from time to time, and payments hereunder will change to reflect the appropriate avoided cost. In the event that any change in applicable federal or state law renders service under this tariff uneconomic or otherwise unduly burdensome to the Company and its customers or the FPSC denies cost recovery for any purchases made pursuant to this tariff, the Company may seek relief from its obligations hereunder from the appropriate jurisdictional authority.

14. Special Contracts

The Company and a Qualifying Facility may enter into a separately negotiated contract for the purchase of capacity and/or energy which varies from the terms and conditions specified in these Rules and Regulations and rate schedules. All such contracts will be filed with the Florida Public Service Commission in accordance with its applicable rules and regulations.

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F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 17

SOA Rate Schedule

STANDARD OFFER AS AVAILABLE (SOA) RATE SCHEDULE

Availability

The Company will purchase energy offered by any Qualifying Facility with delivery to either of the two individually operated areas served by the Company, both of which are located in the northern part of Florida.

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County.

Applicability

To any Qualifying Facility located in the State of Florida and producing energy for sale to the Company on an As-Available basis. As-Available Energy is described by Florida Public Service Commission (FPSC) Rule 25-17.0825, F.A.C. and is energy produced and sold by a Qualifying Facility on an hour-by-hour basis for which contractual commitments as to the time, quantity, or reliability of delivery are not required.

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

All service pursuant to this schedule is subject to FPSC Rules 25-17.080 through 25-17.091, Florida Administrative Code.

Rate for Purchases by the Company

1. Capacity Rates

- A. Capacity payments to Qualifying Facilities will not be paid under this Rate Schedule. Capacity payments to Qualifying Facilities may be obtained under Rate Schedule SOF, Firm Power, or pursuant to a negotiated contract.

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F.P.S.C. Standard Offer Rate Schedule
Sheet No. 18
Original Volume No. I

⊖ First Revised signal

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

- A. As-Available energy is purchased at a unit cost based on the Avoided Cost, as defined in this Tariff, as applicable to the relevant Company Division. Payments for As-Available Energy to the QF shall only be made for energy that the Company can utilize to meet total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-1. Details on Jacksonville Electric Authority's avoided costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
- D. Energy payments to a QF will be reduced by: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QF; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QF.

3. Negotiated Rates

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

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F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 19

SOA Rate Schedule (Continued)

Continued from Sheet No. 18

4. Charges to Qualifying Facility
- A. Customer charge for meter reading, billing and other administrative costs shall be equal to the currently monthly customer facilities charge as set forth in the rate schedule which is applicable to the QF for the purchase of energy from the Company.
 - B. Interconnection Charge for Non-Variable Utility Expenses
The QF shall bear the cost required for the interconnecting the QF, including metering. The QF shall have the option of payment in full for interconnection or making equal monthly installment payments with interest over a period not exceeding 36 months toward the full cost of such interconnection. In the event that the QF elects the monthly installment option, the initial contract term of service shall not be less than the total months over which such installment payments are to be made.
 - C. Interconnection Charge for Variable Utility Expenses
The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.
 - D. Taxes and Assessments
The Qualifying Facility shall be billed monthly an amount equal to any taxes, assessments or other impositions, for which the Company is liable as a result of its purchases of As-Available Energy produced by the Qualifying Facility. In the event the Company receives a tax benefit as a result of its purchases of As-Available Energy produced by the Qualifying Facility, the Qualifying Facility shall be entitled to a refund in an amount equal to such benefit.

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Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 20

SOA Rate Schedule (Continued)

Continued from Sheet No. 19

Terms of Service

1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
2. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
3. A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - A. In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.
 - B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.
4. The Company shall specify the point of interconnection and voltage level.
5. The Company will, under the provisions of this schedule, require an agreement with the Qualifying Facility upon the Company's filed Standard Interconnection Agreement for parallel operation between the Qualifying Facility and the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standards for Safety and Interconnection where applicable.
6. Service under this Schedule is subject to the Rules and Regulations of the Company and the Rules and Regulations of the Florida Public Service Commission.

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F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 21

SOA Rate Schedule (Continued)

Continued from Sheet No. 20

7. The minimum term for any standard offer contract entered into pursuant to this rate schedule shall be five (5) years from the in-service date of the avoided unit up to a maximum of the life of the avoided unit for any qualifying facility that is a co-generator or small power producer with a design capacity of 100 KW or less, or ten (10) years from the in-service date of the avoided unit up to a maximum of the life of the avoided unit for a qualifying renewable generating facility.

Special Provisions

1. Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.
2. For a Qualifying Facility in the Company's service territory that wishes to contract with another electric utility which is directly or indirectly interconnected with the Company, the Company will, upon request, provide information on the availability and the terms and conditions of the specified desired transmission service.

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F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

Original Sheet No. 22

SOF Rate Schedule

STANDARD OFFER FIRM (SOF) RATE SCHEDULE

Availability

The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Small Qualifying Facility" ("Standard Offer Contract"), purchase firm capacity and energy offered by any Qualifying Facility with a design capacity of 100 KW or less or from a Renewable Generating Facility qualifying for this Schedule in accordance with Rule 25-17.250, Florida Administrative Code. For purposes of this SOF Rate Schedule only, both of these types of facilities shall also be referred to jointly herein as Qualified Seller or "QS".

The Company will purchase firm capacity and energy under this schedule offered by any Qualified Seller located within the State of Florida with delivery to either of the two individually operated areas served by the Company, both of which are located in the northern part of Florida.

The Northwest Florida (Marianna) Division serves various cities and towns and rural communities in Jackson, Calhoun and Liberty Counties.

The Northeast Florida (Fernandina Beach) Division serves Amelia Island, located in Nassau County.

Applicability

To Qualifying Facilities, with a design capacity of 100 KW or less, as specified in FPSC Rule 25-17.0832(4)(a) producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract" or to a Renewable Generating Facility producing capacity and energy for sale to the Company on a firm basis pursuant to the conditions of this Schedule and the Company's "Standard Offer Contract." Firm capacity and energy are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF or Renewable Generating Facility pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

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F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 23

SOF Rate Schedule (Continued)

Continued from Sheet No. 22

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

All service pursuant to this schedule is subject to FPSC Rules 25-17.080 through 25-17.091, Florida Administrative Code.

Purchases under this schedule are subject to the Company's current standards for safety and interconnection and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Qualifying Sellers that:

- A. Beginning upon the date, as prescribed by the FPSC, that a Standard Offer is deemed available, execute the Company's Standard Offer Contract for the purchase of firm capacity and energy; and
- B. Commit to commence deliveries of firm capacity and energy no later than the date specified by the QS's owner or representative. Such deliveries will continue for a minimum of ten (10) years from the anticipated in-service date of the Company's Avoided unit or resource up to a maximum of the life of the Company's Avoided unit or resource.

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F.P.S.C. Standard Offer Rate Schedule
No. 24
Original Volume No. I

Original-First Revised Sheet

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

- A. Firm Capacity and Energy are purchased at a unit cost, based on the Avoided Cost, as defined in this Tariff, for the relevant Company Division. Payments to the QS shall only be made for capacity and energy that the Company can utilize to meet its total system load for the division to which the deliveries are made.
- B. Details on Gulf Power's avoided capacity and energy costs, the current Full Requirements Wholesale Power Supplier for the Northwest Division, can be reviewed in their Rate Schedule COG-2. Details on Jacksonville Electric Authority's avoided capacity and energy costs, as the current Full Requirements Wholesale Power Supplier for the Northeast Division, can be reviewed in their Renewable Energy Standard Offer Contract within their Tariff.
- C. Payments will be made to the Qualifying Seller at the Avoided Cost for the applicable delivery division for each KW of billing capacity and kwh of energy provided - less: (1) the amount of any charges assessed by the Company's Full Requirements Wholesale Power Supplier to the Company pursuant to contract as a result of the delivery of energy to the Company by the QS; and (2) any additional administrative, technical, or legal costs incurred by the Company as a direct result of the delivery of energy to the Company by the QS.
- D. In the event that a delivery of energy and capacity by a QS does not allow the Company to avoid a capacity payment to its Full Requirements Wholesale Power Supplier, the QS will only be eligible for an Energy payment and will not receive payments for delivery of Billing Capacity.
- E. A fixed percentage factor for avoided line losses (if any) will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.

2. Determination of Billing Capacity:

- A. The billing capacity in any month shall be based upon the KW capacity supplied by the QS during that month or a previous month valued at a rate equal to the Company's respective Full Requirements Wholesale Power Supplier's avoided cost of the same amount of capacity during the relevant period as calculated in accordance with FPSC Rule 25-17.0832, F.A.C. and reflected in the Full Requirements Wholesale Power Supplier's tariff on file

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Cancels Seventh Revised Sheet No. 23

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F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 25

SOF Rate Schedule (Continued)

Continued from Sheet No. 24

3. Measurement

A. The QS's capacity input shall be measured on a time-differentiated demand meter. A QS within the territory served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from a QS outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the Company's Full Requirements Wholesale Power Supplier.

4. Charges to the QS:

A. Customer charge for meter reading, billing and other administrative costs shall be equal to the currently monthly customer facilities charge as set forth in the rate schedule which is applicable to the QS for the purchase of energy from the Company.

B. Interconnection Charge for Non-Variable Utility Expenses

The QS shall bear the cost required for the interconnecting the QS, including metering. The QS shall have the option of payment in full for interconnection or making equal monthly installment payments with interest over a period not exceeding 36 months toward the full cost of such interconnection. In the event that the QS elects the monthly installment option, the initial contract term of service shall not be less than the total months over which such installment payments are to be made.

C. Interconnection Charge for Variable Utility Expenses

The Qualifying Seller shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Seller if no sales to the Company were involved.

D. Taxes and Assessments

The Qualifying Seller shall be billed monthly an amount equal to any taxes, assessments or other impositions, for which the Company is liable as a result of its purchases of Firm Capacity and Energy produced by the Qualifying Seller. In the event the Company receives a tax benefit as a result of its purchases of Firm Capacity and Energy produced by the Qualifying Seller, the Qualifying Seller shall be entitled to a refund in an amount equal to such benefit.

Issued by: Jeffrey Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

Original Sheet No. 26

SOF Rate Schedule (Continued)

Continued from Sheet No. 25

Term of Service

1. It shall be the QS's responsibility to inform the Company in writing of any change in the QS's electric generating capacity.
2. Any electric service delivered by the Company to the QS shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
3. A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - A. In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Seller's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Seller. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.
 - B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Seller and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Seller exceed the actual sales to the Company in that month.
4. The Company shall specify the point of interconnection and voltage level.
5. The Company will, under the provisions of this schedule, require an agreement with the Qualifying Seller upon the Company's filed Standard Interconnection Agreement for parallel operation between the Qualifying Seller and the Company. The Qualifying Seller shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standards for Safety and Interconnection where applicable.
6. Service under this Schedule is subject to the rules and regulations of the Company and the rules and regulations of the Florida Public Service Commission.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

Original Sheet No. 27

SOF Rate Schedule (Continued)

Continued from Sheet No. 26

Special Provisions

1. Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.
2. For a Qualifying Seller in the Company's service territory that wishes to contract with another electric utility which is directly or indirectly interconnected with the Company, the Company will, upon request, provide information on the availability and the terms and conditions of the specified desired transmission service.
3. As a means of protecting the Company's customers from the possibility of a Qualifying Seller not coming on line as provided for under an executed Standard Offer Contract and in order to provide the Company with additional and immediately available funds for its use to secure replacement and reserve power in the event that the QS fails to successfully complete construction and come on line in accord with the executed Standard Offer Contract, the Company requires that a cash completion security deposit equal to \$20 per KW of the nameplate capacity of the QS's generator unit(s) at the time the Company's Standard Offer Contract is executed by the QS. At the election of the QS, the completion security deposit may be phased in such that one half of the total deposit due is paid at contract execution and the remainder within 12 months after contract execution.

Depending on the nature of the QS's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's Standard Offer Contract, one of the following, at the Company's discretion, may be used as an alternative to a cash deposit as a means of securing the completion of the QS's project in accord with the executed Standard Offer Contract:

1. an unconditional, irrevocable direct pay letter; or
2. surety bond; or
3. other means acceptable to the Company.

The Company will cooperate with each QS seeking an alternative to a cash security deposit as an acceptable means of securing the completion of the QS's installation in accord with an executed Standard Offer Contract. The Company will endeavor in good faith to accommodate an equivalent to a cash security deposit which is in the best interests of both the QS and the Company's customers.

In the case of a governmental solid waste QS, pursuant to Subsection 366.91 (3), Florida Statutes and FPSC Rule 25-17.091, F.A.C., the following will be acceptable to the Company.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. 1

Original Sheet No. 28

SOF Rate Schedule (Continued)

Continued from Sheet No. 27

The unsecured promise of a municipal, county, or state government that it will pay the actual damages incurred by the Company because the governmental Facility fails to come on line prior to the planned in-service date for the Avoided unit or resource.

4. Given the terms and conditions ultimately set in the Standard Offer Contract, additional security requirements may be specified by the Company.
5. Company may decline to execute a Standard Offer Contract and seek relief from the FPSC, in accordance with FPSC Rule 5-17.0832(c), Florida Administrative Code, if the Company perceives that the offer will exceed the load requirements on its system or it obtains material evidence showing that because the qualifying facility is not financially or technically viable, it is unlikely that the committed capacity and energy would be made available to the utility by the date specified in the standard offer.

Issued by: Jeffrey Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
Original Volume No. I

Original Sheet No. 29

FLORIDA PUBLIC UTILITIES COMPANY

STANDARD OFFER CONTRACT FOR FIRM PURCHASES FROM
SMALL QUALIFYING FACILITIES AND
QUALIFYING RENEWABLE GENERATING FACILITIES
WITNESSETH:

That, in consideration of the terms and covenants hereinafter contained and incorporated herein by reference, the parties hereto agree as follows:

1. The customer has a means of generating electric energy at the following location:

and agrees to meet Florida Public Service Commission Rule 25-17.87, Interconnection and Standards. This rule outlines the general standards for safety and interconnection to Company lines and is attached hereto as Exhibit.

2. The generating plant is described as follows:

A. Qualifying small power producer __ or cogenerator ____.

B. Power Source (solar, wind, steam, hydro, etc.)_____.

C. Manufacturer's Name and Address:

D. Manufacturer's Reference Number, Type, Style, Model Number, etc.:

E. Manufacturers Serial Number:

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 30

Continued from Sheet 29

F. Name Plate Rating:

G. Maximum Rate of Energy Delivery to Company ____ KVA.

H. Normal Rate of Energy Delivery to Company ____ KVA.

I. Firm Capacity Delivered to Company ____ KW.

J. Normal Monthly Energy Delivery to Company ____ KWH.

K. Other Pertinent Data:

3. The Qualifying Facility agrees to abide by the terms and provisions of Rate Schedule SOF, which is attached hereto as an Exhibit, and included in Company's Standard Offer Rate Schedule on file with the Florida Public Service Commission.
4. Energy and capacity (if applicable) purchased by Company from Qualifying Facility under the terms of this contract will be paid for in accordance with Rate Schedule SOF as approved by the Florida Public Service Commission, which may be modified from time to time in accordance with applicable law.
5. Standby, maintenance and supplementary power for the operation of the electric generating system and associated cogeneration plant load, if applicable, will be supplied separately under the Company's applicable filed standard rate schedules.
6. The Qualifying Facility shall pay the Company on or before the effective date of this Agreement a charge of _____(Dollars) for equipment modifications and services furnished solely due to the interconnection of the Qualifying facility's generator to the Company's system. The Qualifying Facility may, at its option, pay the above amount in _____ equal monthly installments beginning with the effective date of this Agreement. In such event Qualifying Facility agrees to pay Company by the 15th of each month _____(Dollars) per month, plus interest at the 30-day Commercial Paper Rate as published in the Wall Street Journal, on the first business day of the month.

When Qualifying Facility has elected to make the above payment in installments, Qualifying Facility agrees to pay Company any amount which may be due Company by Qualifying facility on any account according to the terms of this Agreement, Qualifying Facility hereby waives all exemptions under the constitution and laws of the State of Florida, or any other state as to personal property and agrees to pay all costs of collecting any such amounts, including a reasonable attorney's fee if said amounts are not paid when due.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 31

Continued from Sheet No. 30

7. The metering system for the electric generating equipment will be installed by Company at Qualifying Facility's expense. The meter(s) for purchase of energy and capacity (if applicable) will be located to measure the net output of the generator or the net surplus of energy from the Qualifying Facility's installation.
8. If at any time Qualifying Facility desires to decrease or increase the capacity to be maintained by Qualifying facility as set forth in this Agreement, Qualifying Facility shall give written notice thereof, to Company and Company shall as soon thereafter as reasonably practical, submit to Qualifying Facility a proposal outlining the rates, terms and conditions under which such changes in capacity may be rendered subject to the rules, regulations and conditions under which Company may then be operating.
9. In the event the Qualifying Facility's maximum output of capacity to the Company at any time exceeds the capacity required to be maintained by ten percent (10%) or more Qualifying Facility shall be liable for all resulting damage to Company's facilities and equipment and Company may interrupt the service without notice to Qualifying Facility but shall be under no duty to do so.
10. Company reserves the right, subject to regulatory authority having jurisdiction, to limit, restrict or refuse service that may jeopardize the safe and proper operation of its distribution system and/or alterations in its contractual requirements of supply from its Full Requirements Wholesale Power Supplier that may jeopardize service to existing Customers and/or existing Qualifying Facilities. Therefore, from time to time, Company, upon prior notice to Qualifying Facility may decline to accept Energy and/or Capacity delivered hereunder during any given hour, due to an emergency condition, or due to the reasons set forth below. Company shall not be obligated to purchase and may require curtailed or reduced deliveries of Energy and/or Capacity, to the extent necessary to maintain the reliability and integrity of any part of Company's system, or if Company determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to Company's customers. Company shall use commercially reasonable efforts to give Qualifying Facility as much prior notice as reasonably practicable of its intent to refuse, curtail or reduce its acceptance of Energy and/or Capacity pursuant to this Section 10 and will use commercially reasonable efforts to minimize the frequency and duration of such occurrences. Such interruptions shall not constitute a breach of this Agreement.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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Original Sheet No. 32

Continued from Sheet No. 31

11. The Company reserves the right, but assumes no liability for failure so to do, to discontinue service from the Qualifying Facility for cause as follows:

- A. Without notice if a dangerous condition exists as a result of energy delivered by the Qualifying Facility to Company.
- B. After five (5) working days' notice in writing, for a violation of the Company's Tariff Rules and Regulations which Qualifying Facility refuses or neglects to correct.

When service has been disconnected for any of the reasons set forth in this Section 11, Company shall not be required to restore service until the following conditions have been met by the Qualifying Facility:

- A. Where service was discontinued without notice, the dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of fifty-two dollars (\$52.00) shall be paid.
- B. Where service was discontinued with notice, the violation of Section 12 of this Agreement shall be corrected and a reconnection fee of fifty-two dollars (\$52.00) shall be paid.

12. Notwithstanding any other provisions of this Agreement, Company shall have the right to terminate this Agreement, by written notice to Seller giving the reasons therefore, without cause, liability or obligation, if any approval from any Governmental Body having jurisdiction thereof necessary for Company to enter into this Agreement or to allow full recovery by Company from its customers of all payments required to be made by this Agreement shall no longer be in full force and effect, and some portion or all of such payments shall have become disqualified for such recovery in contravention of FPSC Order No. 25668, issued February 23, 1992.

13. Liability insurance in the amount of \$_____ indemnifying Company against loss or liability due to the presence or operation of Qualifying Facility's generator and interconnections shall be furnished by Qualifying Facility and certified by his agent annually and upon any change of the policy.

14. A surety bond in the amount of \$_____ shall be required to guarantee repayment to Company any monies that may be due Company for Interconnection costs borne by Company in Qualifying Facility's behalf. If applicable, a second surety bond in the amount of \$_____ shall be required to guarantee capacity payment refunds and penalties in the event of Qualifying Facility's failure to deliver capacity in accordance with this Agreement.

Issued by: Jeffry Householder, President

Effective:

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
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Continued from Sheet No. 32

15. Qualifying Facility agrees to accept and be bound by all rules and regulations of Company in connection with the service hereby covered, which are now or may hereafter be filed with, issued or promulgated by the Florida Public Service.
16. Qualifying Facility ___is/___ is not directly interconnected to Company. If Qualifying Facility is not directly interconnected to Company amounts of energy delivered to the wheeling utility in excess the amount scheduled for delivery to Company shall be classified as inadvertent energy. Such inadvertent energy flows shall be resolved between the Qualifying Facility and the wheeling utility and will not affect the energy scheduled and delivered from the wheeling utility to the Company. Company shall only be responsible for payments for energy scheduled for delivery, delivered to, and metered at, the delivery point between the wheeling utility and the Company.
17. Whenever written notice is required to be given by either party it shall be by registered mail, return receipt required. Any period designated for notice shall commence on the date of mailing.
18. This Agreement shall become effective on the _____ day of _____, and shall be in full force and effect for a period of _____ (years) and shall continue thereafter until terminated by either party by written notice sixty (60) days prior to termination. This Agreement shall be binding upon and extend to the heirs, or successors and assigns of the respective parties hereto shall not be assigned without prior written consent of Company.
19. This Agreement is to be consummated only by the written approval of Company as required below; no other contract and no other agreement, consideration or stipulation modifying or changing the tenure thereof shall be recognized or binding unless they are so approved.
20. Any notice required or permitted hereunder shall be in writing and shall be: (i) personally delivered; (ii) transmitted by posted prepaid certified mail; (iii) transmitted by a recognized overnight courier service; or (iv) transmitted by electronic mail with a request for electronic receipt confirmation, to the receiving Party as follows, as elected by the Party giving such notice:

<u>For Qualifying Facility</u>	<u>For Company</u>
With a copy to:	P. Mark Cutshaw Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, Florida 32034 mcutshaw@fpuc.com

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Effective:

Florida Public Utilities Company
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Continued from Sheet No. 33

21. All notices and other communications shall be deemed to have been duly given on: (i) the date of receipt if delivered personally; (ii) the date of receipt if transmitted by mail; (iii) the date of receipt if transmitted by courier; or (iv) the date of transmission with confirmation if transmitted by electronic mail, whichever shall first occur. Any Party may change its address or other contact information for purposes hereof by notice to the other Party.
22. Within ten (10) days of execution, Company shall submit this Agreement to the FPSC in accordance with Rule 25-17.0825(1)(b), F.A.C. Qualifying Facility and Company each agree to abide by any and all applicable regulatory rulings or orders issued by the FPSC or any other Governmental Body having jurisdiction with regard to the matters governed by this Agreement.
23. This Agreement may be executed in two (2) or more counterparts, all of which will be considered one and the same Agreement and each of which will be deemed an original.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Attest:

FLORIDA PUBLIC UTILITIES COMPANY

By _____
Title _____
Date _____

Attest:

("QUALIFYING FACILITY")

By _____
Title _____
Date _____

Issued by: Jeffry Householder, President

Effective:

Item 5



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Thompson) *POE*
Office of the General Counsel (Cuello) *SAC* *TH*

RE: Docket No. 170072-EQ – Petition for approval of amended standard offer contract and amended interconnection agreement, by Duke Energy Florida, LLC.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 170070-EQ, 170075-EQ, 170076-EQ, and 170077-EQ

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable generating facilities and small qualifying facilities. Florida Public Service Commission (Commission) Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan. On March 30, 2017, Duke Energy Florida, Inc. (DEF) filed a petition for approval of its amended standard offer contract and rate schedule and amended interconnection agreement based on its 2017 Ten-Year Site Plan. The standard offer contract

Docket No. 170072-EQ

Date: June 29, 2017

requires execution of the interconnection agreement; however, the interconnection agreement can be utilized without the standard offer contract.

The Commission has jurisdiction over this standard offer contract pursuant to Sections 366.04 through 366.06 and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the amended standard offer contract and associated rate schedule and amended interconnection agreement filed by Duke Energy Florida?

Recommendation: Yes. The provisions of the amended standard offer contract and associated rate schedule, along with the updated interconnection agreement, conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. The updated interconnection agreement provides the Utility an opportunity to limit the physical capacity of any new connection based on testing results. Staff recommends that the revisions to the rate schedule and standard offer contract, as well as the updated interconnection agreement be approved as filed. (Matthews)

Staff Analysis:

Standard Offer Contract

Rule 25-17.250, F.A.C., requires that DEF, an IOU, continuously makes available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rule 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the Utility's next avoidable fossil-fueled generating unit identified in its most recent Ten-Year Site Plan or, if no avoided unit is identified, its next avoidable planned purchase. DEF has identified a 228 MW natural gas-fueled combustion turbine (CT) facility as its next planned generating unit in its 2017 Ten-Year Site Plan. The projected in-service date of the unit is June 1, 2024.

The RF/QF operator may elect to make no commitment as to the quantity or timing of its deliveries to DEF, and to have a committed capacity of zero (0) MW. Under such a scenario, the energy is delivered on an as-available basis and the operator receives only an energy payment. Alternatively, the RF/QF operator may elect to commit to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator, in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2024), and thereafter begin receiving capacity payments in addition to the energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payments options tend to be lower in the later

years of the contract term because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 below, estimates the annual payments for each payment option available under the amended standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 95 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin in 2024, reflecting the projected in-service date of the avoided unit (June 1, 2024).

**Table 1 – Estimated Annual Payments to a 50 MW Renewable Facility
(95% Capacity Factor)**

Year	Energy Payment	Capacity Payment (By Type)			
		Normal	Levelized	Early	Early Levelized
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
2018	10,914	-	-	-	-
2019	8,896	-	-	-	-
2020	7,374	-	-	-	-
2021	7,703	-	-	-	-
2022	8,159	-	-	2,003	2,321
2023	8,417	-	-	2,054	2,324
2024	8,784	1,529	1,751	2,105	2,328
2025	9,122	2,687	3,007	2,158	2,332
2026	9,518	2,754	3,012	2,211	2,335
2027	9,654	2,823	3,016	2,267	2,339
2028	9,856	2,894	3,021	2,323	2,343
2029	10,073	2,966	3,026	2,382	2,347
2030	10,307	3,040	3,032	2,441	2,351
2031	10,801	3,116	3,037	2,502	2,356
2032	11,373	3,194	3,042	2,565	2,360
2033	11,738	3,274	3,048	2,629	2,365
2034	12,126	3,356	3,054	2,694	2,369
2035	12,728	3,440	3,060	2,762	2,374
2036	13,245	3,526	3,066	2,831	2,379
2037	13,811	3,614	3,072	2,902	2,384
Total	204,600	42,211	41,244	38,828	37,606
NPV (2018\$)	100,862	16,647	16,647	16,647	16,647

Source: DEF's Response to Staff's First Data Request¹

Along with the updated avoided unit and payment information, DEF's 2017 amended standard offer contract includes content not seen in previous versions. Section 6.3 requires any RF/QF wishing to sell environmental attributes (EAs) to provide notice to DEF of its intent to sell the EAs, along with a "reasonable opportunity to offer to purchase such EAs." In its first data request, staff asked DEF to provide an explanation of the term "reasonable opportunity," along with a discussion of how this term relates to the right of first refusal which was expressly disallowed in standard offer contracts. DEF responded that a reasonable opportunity simply

¹Document No. 04583-17, dated May 2, 2017, in Docket No. 170072-EQ.

means that it would have the same opportunity to purchase the EAs at the same terms and conditions as any other potential purchaser, and that the term “reasonable opportunity” does not rise to the level of a right of first refusal. Staff is persuaded that the inclusion of this section does not conflict with the Commission’s intent.²

Interconnection Agreement

The updated interconnection agreement contains two notable revisions. The first revision is a requirement that, in order to proceed with the project, the RF/QF must provide DEF with written notification of its intent to continue to the next study phase of the project after each previous study phase is completed, and also of its intent to proceed with construction. The second revision is a section noting DEF’s right to limit the physical capacity of any RF/QF connection based on the results of static and dynamic testing.

The type-and-strike format versions of the amended standard offer contract and associated rate schedule, as well as the updated interconnection agreement, are included as Attachment A to this recommendation. All of the changes made to DEF’s tariff sheets are consistent with the updated avoided unit.

Conclusion

The provisions of DEF’s amended standard offer contract and associated rate schedule, as filed on March 30 2017, conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. The updated interconnection agreement provides the Utility an opportunity to limit the physical capacity of any new connection based on testing results. Staff recommends that the revisions to the rate schedule and standard offer contract, as well as the updated interconnection agreement be approved as filed.

²Order No. PSC-09-0643-FOF-EI, issued September 22, 2009, in Docket No. 080501-EI, *In re: Petition for waiver of Rule 25-17.250(1) and (2)(a), F.A.C., which requires Progress Energy Florida to have a standard offer contract open until a request for proposal is issued for same avoided unit in standard offer contract, and for approval of standard offer contract.*

Issue 2: Should this docket be closed?

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

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

EXHIBIT B

**AMENDED STANDARD OFFER CONTRACT
(Legislative format)**

Tariff Sheets:

**9.404, 9.406, 9.408, 9.412, 9.415, 9.416, 9.417, 9.418, 9.419, 9.420, 9.424,
9.425, 9.428, 9.430, 9.432, 9.435, 9.436, 9.437, 9.438, 9.439, 9.440, 9.441,
9.455, 9.456, 9.457, 9.458, 9.459, 9.467 and 9.468**

DUKE ENERGY FLORIDA



SECTION NO. IX
~~THIRD-FOURTH REVISED SHEET NO. 9.404~~
CANCELS ~~SECOND-THIRD REVISED SHEET~~
NO. 9.404

**STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY
AND ENERGY FROM A RENEWABLE ENERGY PRODUCER
OR QUALIFYING FACILITY LESS THAN 100 KW**

THIS STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY (hereinafter referred to as the "Contract") is made and entered this ____ day of _____, ____ (hereinafter referred to as the "Execution Date"), by and between _____ (hereinafter the Renewable Energy Provider/Qualifying Facility ("RF/QF"), and Duke Energy Florida, Inc. d/b/a Duke Energy (hereinafter "DEF"), a private utility corporation organized and existing under the laws of the State of Florida. The RF/QF and DEF shall be individually identified herein as the "Party" and collectively as the "Parties". This Contract contains ~~five~~six Appendices which are incorporated into and made part of this Contract: Appendix A: Monthly Capacity Payment Calculation; Appendix B: Termination Fee; Appendix C: Detailed Project Information; Appendix D: Rate Schedule COG-2; Appendix E: Agreed Upon Payment Schedules and Other Mutual Agreements; and Appendix F: Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17.310, F.A.C.

WITNESSETH:

WHEREAS, the RF/QF desires to sell, and DEF desires to purchase electricity to be generated by the RF/QF consistent with Florida Statutes 366.91 (2006) and FPSC Rules 25-17.080 through 25-17.310 F.A.C.; and

WHEREAS, the RF/QF will acquire an interconnection/transmission service agreement with the utility in whose service territory the Facility is to be located, pursuant to which the RF/QF assumes contractual responsibility to make any and all transmission-related arrangements (including ancillary services) between the RF/QF and the Transmission Provider for delivery of the Facility's firm capacity and energy to DEF. The Parties recognize that the Transmission Provider may be DEF and that the transmission service will be provided under a separate agreement; and

WHEREAS, the FPSC has approved this Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer; and

WHEREAS, the RF/QF guarantees that the Facility is capable of delivering firm capacity and energy to DEF for the term of this Contract in a manner consistent with the provision of this Contract;

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE:



SECTION No. IX
FOURTH-FIFTH REVISED SHEET NO. 9.408
CANCELS THIRD-FOURTH REVISED SHEET NO. 9.408

"Base Capacity Payment" or "BCP" means capacity payment rates defined in Appendix D and further defined by the selection of Option A,B,C or D in Section 9.2 or in Appendix E if applicable.

"Base Year" means the year that this Contract was approved by the FPSC.

"Business Day" means any day except a day upon which banks licensed to operate in the State of Florida are authorized, directed or permitted to close, Saturday, Sunday or a weekday that is observed as a public holiday in the State of Florida.

"CAMD" means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator (collectively with any local, state, regional, or federal entity given jurisdiction over a program involving transferability of Environmental Attributes).

"Capacity" means the minimum average hourly net capacity (generator output minus auxiliary load) measured over the Committed Capacity Test Period.

"Capacity Delivery Date" means the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test.

"Capacity Payment" means the payment defined in Section 9.2 and Appendix A.

"Committed Capacity" or "CC" means the capacity in kW that the RF/QF commits to sell to DEF, the amount of which shall be determined in accordance with Section 7 and shall be greater than zero.

"Committed Capacity Test" means the testing of the capacity of the Facility performed in accordance with the procedures set forth in Section 8.

"Committed Capacity Test Period" means a test period of twenty-four (24) consecutive hours.

"Completed Permits Date" means the date by which the RF/QF must complete licensing and certification, and obtain all federal, state and local governmental, environmental, and licensing approvals required to initiate construction of the Facility including Qualifying Facility status. This date is specified in Section 4.

"Completion/Performance Security" means the security described in Section 11.

"Conditions Precedent" shall have the meaning assigned to it in Section 5.

"Contract" means this standard offer contract for the purchase of Firm Capacity and Energy from a Renewable Energy Producer or Qualifying Facility with a nameplate capacity of less than 100 kW.

"Credit Support Provider" means any Person that has provided an RF/QF Guarantee in connection with this Agreement.

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"Eligible Collateral" means (i) a Letter of Credit from a Qualified Institution or (ii) cash deposit provided to DEF by RF/QF or a combination of (i), and/or (ii) as outlined in Section 11.

"Energy" means megawatt-hours generated by the Facility of the character commonly known as three-phase, sixty hertz electric energy that is delivered at a nominal voltage at the Electrical Interconnection Point.

"Environmental Attributes" or "EA" means all attributes of an environmental or other nature that are created or otherwise arise from the Facility's generation of electricity from a renewable energy source in contrast with the generation of electricity using nuclear or fossil fuels or other traditional resources. Forms of such attributes include, without limitation, any and all environmental air quality credits, green credits, renewable energy credits ("RECs"), carbon credits, emissions reduction credits, certificates, tags, offsets, allowances, or similar products or rights, howsoever entitled, (i) resulting from the avoidance of the emission of any gas, chemical, or other substance, including but not limited to, mercury, nitrogen oxide, sulfur dioxide, carbon dioxide, carbon monoxide, particulate matter or similar pollutants or contaminants of air, water or soil gas, chemical, or other substance, and (ii) attributable to the generation, purchase, sale or use of Energy from or by the Facility, or otherwise attributable to the Facility during the Term. Environmental Attributes include, without limitation, those currently existing or arising during the Term under local, state, regional, federal, or international legislation or regulation relevant to the avoidance of any emission described in this Contract under any governmental, regulatory or voluntary program, including, but not limited to, the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other programs, laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency ("CAMD") or successor administrator (collectively with any local, state, regional, or federal entity given jurisdiction over a program involving transferability of Environmental Attributes.).

"Event of Default" has the meaning assigned to it in Section 14.

"Execution Date" has the meaning assigned to it in the opening paragraph of this Contract.

"Exemplary Early Capacity Payment Date" means the exemplary date used to calculate Capacity Payments for Option B and D. This date is specified in Section 4. The actual Capacity Payments for Option B and D will be calculated based upon the Required Capacity Delivery Date.

"Expiration Date" means the final date upon which this Contract can be executed. This date is specified in Section 4.

"Facility" means all equipment, as described in this Contract, used to produce electric energy and, and all equipment that is owned or controlled by the RF/QF required for parallel operation with the Transmission System. In the case of a cogenerator the Facility includes all equipment that is owned or controlled by the RF/QF to produce useful thermal energy through the sequential use of energy.

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~~THIRD-FOURTH REVISED SHEET NO. 9.412~~
~~CANCELS SECOND-THIRD REVISED SHEET~~
NO. 9.412

“Qualifying Facility” or “QF” means a cogenerator, small power producer, or non-utility generator that has been certified or self-certified by the FERC as meeting certain ownership, operating and efficiency criteria established by the Federal Energy Regulatory Commission pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”), the criteria for which are currently set forth in 18 C.F.R. § 292, *et seq.* (2006), Section 210 of PURPA, 16 U.S.C. § 824a-3 (2005), 16 U.S.C. 796 *et seq.* (2006), and Section 1253 of EPCA 2005, Pub. L. No. 109-58, § 1253, 119 Stat. 594 (2005) or, alternatively, analogous provisions under the laws of the State of Florida.

“Qualified Institution” means the domestic office of a United States commercial bank or trust company or the United States branch of a foreign bank having total assets of at least ten billion dollars (\$10,000,000,000) (which is not an affiliate of either party) and a general long-term senior unsecured debt rating of A- or higher (as rated by Standard & Poor’s Ratings Group), or A3 or higher (as rated by Moody’s Investor Services).

“Rate Schedule COG-1” means DEF’s Agreement for Purchase of As-Available Energy and/or Parallel Operation with a Qualifying Facility as approved by the FPSC and as may be amended from time to time.

“REC” means renewable energy credits, green tags, green tickets, renewable certificates, tradable renewable energy credits (“T-REC”) or any tradable certificate that is produced by a renewable generator in addition to and in proportion to the production of electrical energy.

“Reduction Value” has the meaning assigned to it in Appendix B.

“Remedial Action Plan” has the meaning assigned to it in Section 20.3.

“Renewable Facility” or “RF/QF” means an electrical generating unit or group of units at a single site, interconnected for synchronous operation and delivery of electricity to an electric utility, where the primary energy in British Thermal Units used for the production of electricity is from one or more of the following sources: hydrogen produced from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power or waste heat from a commercial or industrial manufacturing process.

“Required Capacity Deliver Date” means the date specified in Appendix E. In the event that no Required Capacity Delivery Date is specified in Appendix E then the RF/QF shall achieve the Capacity Delivery Date on or before the Avoided Unit In-Service Date

“RF/QF Entities” has the meaning assigned to it in Section 16.

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SECTION No. IX
~~TENTH ELEVENTH~~ REVISED SHEET NO. 9.415
CANCELS ~~NINTH TENTH~~ REVISED SHEET NO.
9.415

3. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall end at 12:01 a.m. on the Termination Date, (the "Term") unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date of the Facility is not accomplished by the RF/QF before the Required Capacity Delivery Date (or such later date as may be permitted by DEF pursuant to Section 7), this Contract shall be rendered null and void and DEF's shall have no obligations under this Contract.

4. Minimum Specifications and Milestones

As required by FPSC Rule 25-17.0832(4)(e), the minimum specifications pertaining to this Contract and milestone dates are as follows:

Avoided Unit	Undesignated Combustion Turbine
Avoided Unit Capacity	<u>228849</u> MW
Avoided Unit In-Service Date	June 1, 2024
Avoided Unit Heat Rate	<u>10,672,239</u> BTU/kWh
Avoided Unit Variable O&M	<u>0.0951152¢</u> per kWh in mid-2017 dollars escalating annually at 2.50%
Avoided Unit Life	35 years
Capacity Payments begin	Avoided Unit In-Service Date unless Option B, or D is selected or amended in Appendix E
Termination Date	May 31, 2034 (10 years) unless amended in Appendix E
Minimum Performance Standards – On Peak Availability Factor*	95%
Minimum Performance Standards – Off Peak Availability Factor	95%
Minimum Availability Factor Required to qualify for a Capacity payment	75%
Expiration Date	April 1, 20187
Completed Permits Date	June 1, 2022
Exemplary Early Capacity Payment Date	January 1, 20223

* RF/QF performance shall be as measured and/or described in Appendix A.

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SECTION No. IX
~~SIXTH-SEVENTH~~ REVISED SHEET NO. 9.416
CANCELS ~~FIFTH-SIXTH~~ REVISED SHEET NO. 9.416

5. Conditions Precedent

- (a) Unless otherwise waived in writing by DEF, on or before the Drop Dead Date, RF/QF shall satisfy the following Conditions Precedent:
- (i) RF/QF shall have obtained firm transmission service necessary to deliver Capacity and energy from the Facility to the Electrical Interconnection Point, in a form and substance satisfactory to RF/QF in its sole discretion;
 - (ii) RF/QF shall have obtained the Project Consents and any other Consents for which it is responsible under the terms hereof in a form and substance satisfactory to RF/QF in its sole discretion;
 - (iii) RF/QF shall have entered into Financing Documents relative to the construction of the Facility and have achieved Financial Closing in a form and substance satisfactory to RF/QF in its sole discretion;
 - (iv) RF/QF shall have entered into the Project Contracts in a form and substance satisfactory to RF/QF in its sole discretion;
 - (v) RF/QF shall have obtained insurance policies or coverage in compliance with Section 17;
 - (vi) Each Party shall have delivered to the other Party (i) a copy of its constitutional documents (certified by its corporate secretary as true, complete and up-to-date) and (ii) a copy of a corporate resolution approving the terms of this Contract and the transactions contemplated hereby and authorizing one or more individuals to execute this Contract on its behalf (such copy to have been certified by its corporate representative as true, complete and up-to-date);
 - (vii) RF/QF shall have obtained Qualifying Facility status from either the FPSC or FERC. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts a copy of the certification of QF status filing and any re-filings required to reflect subsequent changes to the previously certified Facility.
- (b) Promptly upon satisfaction of the Conditions Precedent to be satisfied, the Party having satisfied the same shall deliver to the other Party a certificate evidencing such satisfaction. DEF may waive the satisfaction of a Condition Precedent at its sole discretion. Such waiver must be made in writing. Subject to there being no Event of Default which has occurred and/or is continuing as of the date upon which the last of such certificates is delivered, the date of such last certificate shall constitute the effective date of this Contract (the "Effective Date").
- (c) Unless all Conditions Precedent are satisfied on or before the Drop Dead Date or such Conditions Precedent are waived in writing, this Contract shall terminate on such date and neither Party shall have any further liability to the other Party hereunder.
- (d) RF/QF shall achieve the Capacity Delivery Date on or before the Required Capacity Delivery Date.

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~~THIRDFOURTH~~-REVISED SHEET NO. 9.417
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- (e) RF/QF shall ensure that before the initial Committed Capacity Test:
 - (a) the Facility shall have been constructed so that the Committed Capacity Test may be duly and properly undertaken in accordance with Section 7; and
 - (b) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the electrical interconnection and operating agreement required by the Transmission Provider, provided, however, that such physical connection shall be made consistent with the terms hereof.
- 6. Sale of Electricity by the RF/QF
 - 6.1 Consistent with the terms hereof, the RF/QF shall sell to DEF and DEF shall purchase from the RF/QF electric power generated by the Facility. The purchase and sale of electricity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. The billing methodology may be changed at the option of the RF/QF, subject to the provisions of Appendix D.
 - 6.2 Ownership and Offering For Sale Of Renewable Energy Attributes

Subject to the right of refusal of DEF set forth in Section 6.3, the RF/QF shall retain any and all rights to own and to sell any and all Environmental Attributes associated with the electric generation of the Facility.
 - ~~6.3~~ In the event that the RF/QF decides to sell any or all EAs that result from the electric generation of the RF/QF during the term of this Contract, the RF/QF shall provide notice to the Company of its intent to sell such EAs and provide the Company a reasonable opportunity to offer to purchase such EAs.
 - ~~6.34~~ The RF/QF shall not rely on interruptible or curtailable standby service for the start up requirements (initial or otherwise) of the Facility.
 - ~~6.45~~ The RF/QF shall be responsible for the scheduling of required transmission and for all costs, expenses, taxes, fees and charges associated with the delivery of energy to DEF. The RF/QF shall enter into a transmission service agreement with the Transmission Provider in whose service territory the Facility is to be located and the RF/QF shall make any and all transmission-related arrangements (including interconnection and ancillary services) between the RF/QF and the Transmission Provider for delivery of the Facility's firm Capacity and energy to DEF. The Capacity and energy amounts paid to the RF/QF hereunder do not include transmission losses. The RF/QF shall be responsible for transmission losses that occur prior to the point at which the RF/QF's energy is delivered to DEF. The Parties recognize that the Transmission Provider may be DEF and that

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if DEF is the Transmission Provider, the transmission service will be provided under a separate agreement.

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FIFTH-SIXTH REVISED SHEET NO. 9.418
CANCELS FOURTH-FIFTH REVISED SHEET
NO. 9.418

7. Committed Capacity/Capacity Delivery Date

~~7.1~~ In the event that the RF/QF elects to make no commitment as to the quantity or timing of its deliveries to DEF, then its Committed Capacity as defined in the following Section 7.2 shall be zero (0) MW. If the Committed Capacity is zero (0) MW, Sections 7.2 through Section 7.7 and all of Section 8 shall not apply.

7.12 If the RF/QF commits to sell capacity to DEF, the amount of which shall be determined in accordance with this Section 7. Subject to Section 7.34, the Committed Capacity is set at _____ kW, with an expected Capacity Delivery Date on or before the Required Capacity Delivery Date.

7.23 Capacity testing of the Facility (each such test a Committed Capacity Test) shall be performed in accordance with the procedures set forth in Section 8. The Demonstration Period for the first Committed Capacity Test shall commence no earlier than ninety (90) days before the Required Capacity Delivery Date and testing must be completed before the Avoided Unit In-Service Date or an earlier date in Appendix E. The first Committed Capacity Test shall not be successfully completed unless the Facility demonstrates a Capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 7.12. Subject to Section 8.1, the RF/QF may schedule and perform up to three (3) Committed Capacity Tests to satisfy the requirements of the Contract with respect to the first Committed Capacity Test.

7.34 In addition to the first Committed Capacity Test, DEF shall have the right to require the RF/QF, after notice of no less than ten (10) Business Days prior to such proposed event, to validate the Committed Capacity by means of a Committed Capacity Test at any time, up to two (2) times per year, the results of which shall be provided to DEF within seven (7) calendar days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be set at the lower of the Capacity tested or the Committed Capacity as set forth in Section 7.12. Provided however, any such second test requested within a twelve (12) month period must be for cause.

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9.419

- 7.45** Notwithstanding anything contrary to the terms hereof, the Committed Capacity may not exceed the amount set forth in Section 7.12 without the consent of DEF, which consent shall be granted in DEF's sole discretion.
- 7.56** Unless Option B or D as contained in Appendix D or Appendix E is chosen by RF/QF, DEF shall make no Capacity Payments to the RF/QF prior to the Avoided Unit In-Service Date.
- 7.67** The RF/QF shall be entitled to receive Capacity Payments beginning on the Capacity Delivery Date, provided the Capacity Delivery Date occurs before the Required Capacity Delivery Date (or such later date permitted by DEF). If the Capacity Delivery Date does not occur before the Required Capacity Delivery Date, DEF shall immediately be entitled to draw down the Completion/Performance Security in full.

8. Testing Procedures

- 8.1** The Committed Capacity Test must be completed successfully within the Demonstration Period, which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the RF/QF by means of a written notice to DEF delivered at least thirty (30) calendar days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test ordered by DEF under any of the provisions of this Contract. DEF shall have the right to be present onsite to monitor firsthand any Committed Capacity Test required or permitted under this Contract.
- 8.2** The Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net kW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. The Committed Capacity Test Period shall commence at the time designated by the RF/QF pursuant to Section 8.1 or at such time requested by DEF pursuant to Section 7.34; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that DEF is notified of, and consents to, such earlier time.
- 8.3** Normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period.

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- 8.4 The Capacity of the Facility shall be the minimum hourly net output in kW (generator output minus auxiliary) measured over the Committed Capacity Test Period.

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FOURTH-FIFTH REVISED SHEET NO. 9.420
CANCELS THIRD-FOURTH REVISED SHEET NO. 9.420

- 8.5 The Committed Capacity Test shall be performed according to standard industry testing procedures for the appropriate technology of the RF/QF.
- 8.6 The results of any Committed Capacity Test, including all data related to Facility operation and performance during testing, shall be submitted to DEF by the RF/QF within seven (7) calendar days of the conclusion of the Committed Capacity Test. The RF/QF shall certify that all such data is accurate and complete.
9. Payment for Electricity Produced by the Facility
- 9.1 Energy
- 9.1.1 ~~DEF agrees to pay the RF/QF for energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in DEF's approved Rate Schedule COG-1, as it may be amended from time to time if the Committed Capacity pursuant to Section 7.2 is set to zero. If the Committed Capacity is greater than zero MW, then DEF agrees to pay the RF/QF for energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in Appendix D, as it may be amended from time to time. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule COG-1 or Appendix D whichever applies as approved and on file with the FPSC.~~
- 9.1.2 DEF may, at its option, limit deliveries under this Contract to 110% of the Committed Capacity as set forth in Section 7. In the event that DEF chooses to limit deliveries, any energy in excess of 110% of the Committed Capacity will be paid for at the rates defined in Rate Schedule COG-1 and shall not be included in the calculations in Appendix A hereto.
- 9.2 Capacity
- DEF agrees to pay the RF/QF for the Capacity described in Section 7 in accordance with the rates and procedures contained in Appendix D, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option _____ of Appendix D or an alternative rate schedule in Appendix E. The RF/QF understands and agrees that Capacity Payments will only be made if the Capacity Delivery Date occurs before the Required Capacity Delivery Date and the Facility is delivering firm Capacity and Energy to DEF. Once so selected, this Option, the Firm Capacity Rate and/or the Firm Energy Rate cannot be changed for the term of this Contract.

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NO. 9.424

- 11.2** The choice of the type of Eligible Collateral by the RF/QF may be selected from time to time by the RF/QF and upon receipt of substitute Eligible Collateral, DEF shall promptly release such the Eligible Collateral that has been replaced by the substitute Eligible Collateral. Following any termination of this Contract, the Parties shall mutually agree to a final settlement of all obligations under this Contract which such period shall not exceed 90 days from such termination date unless extended by mutual agreement between the Parties. After such settlement, any remaining Eligible Collateral posted by the RF/QF that has not been drawn upon by DEF pursuant to its rights under this Contract shall be returned to the RF/QF. Any dispute between the Parties regarding such final settlement shall be resolved according to applicable procedures set forth in Section 20.9.
- 11.3** Draws, Replenishment - DEF may draw upon Eligible Collateral provided by the RF/QF following the occurrence of an Event of Default or pursuant to the other provisions of this Contract in order to recover any damages to which DEF is entitled to under this Contract. In the event of such a draw then, except in the circumstance when this Contract otherwise terminates, the RF/QF shall within five (5) Business Days replenish the Eligible Collateral to the full amounts required.

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FIFTH SIXTH REVISED SHEET NO. 9.425
CANCELS FOURTH FIFTH REVISED SHEET NO. 9.425

11.4 ~~In the event that the (a) Capacity Delivery Date occurs before the Required Capacity Delivery Date and (b) the ACBF is equal to or greater than 95% for the first twelve (12) months following the Capacity Delivery Date then DEF will return the Completion/Performance Security to the RF/QF within ninety (90) days of the first anniversary of the Capacity Delivery Date. In the event that the Capacity Delivery Date does not occur before the Required Capacity Delivery Date then DEF shall immediately be entitled to draw down the Completion/Performance Security in full. In the event that the ACBF is less than 95% for any of the first twelve (12) months following the Capacity Delivery Date then DEF shall retain be entitled to draw upon the Completion/Security, until the ACBF is equal to or greater than 95% for 12 consecutive months. Upon the completion of twelve (12) consecutive months with the ACBF greater than or equal to 95% then DEF will return the Completion/Performance Security within ninety (90) days.~~

11.5 Reporting - RF/QF shall promptly notify DEF of any circumstance that results in RF/QF's failure to be in compliance with the RF/QF Performance Security Requirements of this Section 11. From time to time, at DEF's written request, RF/QF shall provide DEF with such evidence as DEF may reasonably request, that RF/QF Letter of Credit or Security Account is in full compliance with this Contract.

12. Termination Fee and Security

12.1 In the event that the RF/QF receives Capacity Payments pursuant to Option B, Option C, or Option D of Appendix D or any Capacity Payment schedule in Appendix E that differs from a Normal Capacity Payment Rate as calculated in FPSC Rule 25-17.0832(6)(a), then upon the termination of this Contract, the RF/QF shall owe and be liable to DEF for the Termination Fee. The RF/QF's obligation to pay the Termination Fee shall survive the termination of this Contract. DEF shall provide the RF/QF, on a monthly basis, a calculation of the Termination Fee.

12.1.1 The Termination Fee shall be secured by the RF/QF by: (i) an unconditional, irrevocable, standby letter(s) of credit issued by a Qualified Institution in form and substance acceptable to DEF (including provisions (a) permitting partial and full draws and (b) permitting DEF to draw upon such Letter of Credit, in full, if such Letter of Credit is not renewed or replaced at least twenty (20) Business Days prior to its expiration date); (ii) a bond issued to DEF by a financially sound company in form and substance acceptable to DEF in its sole discretion; or (iii) a cash deposit with DEF (any of (i), (ii), or (iii), the "Termination Security").

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- (j) if, at any time after the Capacity Delivery Date, the RF/QF reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 7.12 (as such level may be reduced by Section 7.34) within twelve (12) months following the occurrence of such event of Force Majeure; or
- (k) either Party breaches any material provision of this Contract not specifically mentioned in this Section 14;
- (l) the RF/QF fails to maintain its status as a Qualifying Facility.
- (m) the RF/QF sells any energy or firm capacity to an entity other than DEF.

15. Rights in the Event of Default

- 15.1** Upon the occurrence of any of the Events of Default in Section 14, the DEF may, at its option:
- 15.1.1** immediately terminate this Contract, without penalty or further obligation, except as set forth in Section 15.2, by written notice to the RF/QF, and offset against any payment(s) due from DEF to the RF/QF, any monies otherwise due from the RF/QF to DEF;
 - 15.1.2** enforce the provisions of the Completion/Performance Security pursuant to Section 11 and/or the Termination Security requirement pursuant to Section 12 hereof, as applicable; and
 - 15.1.3** exercise any other remedy(ies) which may be available to DEF at law or in equity.
- 15.2** Termination shall not affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

16. Indemnification

- 16.1** DEF and the RF/QF shall each be responsible for its own facilities. DEF and the RF/QF shall each be responsible for ensuring adequate safeguards for other DEF customers, DEF's and the RF/QF's personnel and equipment, and for the protection of its own generating system. Each Party (the "Indemnifying Party") agrees, to the extent permitted by applicable law, to indemnify, pay, defend, and hold harmless the other Party (the "Indemnified Party") and its officers, directors, employees, agents and contractors (hereinafter called respectively, "DEF Entities" and "RF/QF Entities") from and against any and all claims, demands, costs or expenses for loss, damage, or injury to persons or property of the Indemnified Party (or to third parties) directly caused by, arising out of, or resulting from:

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SECTION No. IX
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~~CANCELS SECOND-THIRD REVISED SHEET NO. 9.430~~

- 17.2 The RF/QF Insurance for liability shall have a minimum limit of five million dollars (\$5,000,000.00) per occurrence for bodily injury (including death) or property damage. This liability limit can be met by any combination of commercial general and excess liability insurance policies.
- 17.3 To the extent that the RF/QF Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the Effective Date of this Contract or an earlier date. Furthermore, to the extent the RF/QF Insurance is on a "claims made" basis, the RF/QF's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the RF/QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the RF/QF during the term of this Contract.
- 17.4 The RF/QF shall provide DEF with a copy of any material communication or notice related to the RF/QF Insurance within ten (10) Business Days of the RF/QF's receipt or issuance thereof.
- 17.5 DEF shall be designated as an additional named insured under the RF/QF Insurance (except Workers' Compensation). The RF/QF Insurance shall be be primary to any coverage maintained by DEF and provide, where permitted by law, waiver of any rights of subrogation against DEF. Any deductibles or retentions shall be the sole responsibility of RF/QF. RF/QF's compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of RF/QF's liability or otherwise affect RF/QF's indemnification obligations pursuant to this Contract. Any failure to comply with all of these provisions shall not be deemed a waiver of any rights of DEF under this Contractor with respect to any insurance coverage required hereunder. DEF may request the RF/QF to provide a copy of any or all of its required insurance policies, including endorsements in which DEF is included as an additional insured for any claims filed relative to this Contract.

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- 18.4** The Party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party and such Party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such Party deems to be unfavorable.
- 18.5** If the RF/QF suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the RF/QF may, upon notice to DEF temporarily adjust the Committed Capacity as provided in Sections 18.6 and 18.7. Such adjustment shall be effective the first calendar day immediately following DEF's receipt of the notice or such later date as may be specified by the RF/QF. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.
- 18.6** If the Facility is rendered completely inoperative as a result of Force Majeure, the RF/QF shall temporarily set the Committed Capacity equal to 0 kW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 kW, DEF shall have no obligation to make Capacity Payments hereunder.
- 18.7** If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the RF/QF shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.
- 18.8** Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provisions of this Contract, upon such cessation or cure, DEF shall have right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this Section 18.8. Any such Committed Capacity Test required by DEF shall be additional to any Committed Capacity Test under Section 7.34.
- 18.9** During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 18.5 all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix A.

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20. General Provisions

20.1 Project Viability

To assist DEF in assessing the RF/QF's financial and technical viability, the RF/QF shall provide the information and documents requested in Appendix C or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract and to the extent the documents are available. All documents to be considered by DEF must be submitted at the time this Contract is presented to DEF. Failure to provide the following such documents may result in a determination of non-viability by DEF.

20.2 Permits

The RF/QF hereby agrees to obtain and maintain any and all permits, certifications, licenses, consents or approvals of any governmental authority which the RF/QF is required to obtain as a prerequisite to engaging in the activities specified in this Contract.

20.3 Project Management

If requested by DEF, the RF/QF shall submit to DEF its integrated project schedule for DEF's review within sixty (60) calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty (60) calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. ~~If requested by DEF, the RF/QF shall submit monthly progress reports in a form satisfactory to DEF within fifteen (15) calendar days after the close of each month from the first month following the Effective Date until the Capacity Delivery Date. The RF/QF every calendar month until the Capacity Delivery Date and shall notify DEF of any changes in such schedules within ten (10) calendar days after such changes are determined. If for any reason, DEF has reason to believe that RF/QF may fail to achieve the Capacity Delivery Date, then, upon DEF's request, RF/QF shall submit to DEF, within ten (10) business days of such request, a remedial action plan ("Remedial Action Plan") that sets forth a detailed description of RF/QF's proposed course of action to promptly achieve the Capacity Delivery Date. Delivery of a Remedial Action Plan does not relieve RF/QF of its obligation to the Capacity Delivery Date.~~ DEF shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. DEF's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

~~The RF/QF shall provide DEF with the final designer's/manufacturers generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current~~

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~~and direct elementary diagrams for review and inspection at DEF no later than one hundred eighty (180) calendar days prior to the initial synchronization date.~~

20.4—Assignment

~~Either Party may not assign this Contract, without the other Party's prior written approval, which approval may not be unreasonably withheld or delayed.~~

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The RF/QF shall provide DEF with the final designer's/manufacture's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct elementary diagrams for review and inspection at DEF no later than one hundred eighty (180) calendar days prior to the initial synchronization date.

20.4 Assignment

Either Party may not assign this Contract, without the other Party's prior written approval, which approval may not be unreasonably withheld or delayed.

The RF/QF shall be responsible for DEF's reasonable costs and expenses associated with the review, negotiation, execution and delivery of any such documents or information pursuant to such collateral assignment, including reasonable attorney's fees.

20.5 Disclaimer

In executing this Contract, DEF does not, nor should it be construed, to extend its credit or financial support for benefit of any third parties lending money to or having other transactions with the RF/QF or any assigns of this Contract.

20.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the RF/QF:

For DEF:

Duke Energy Florida
Cogeneration Manager DEF 155
299 First Avenue North
St. Petersburg, FL 33701

~~Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:~~

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Florida Power Corporation
d/b/a Duke Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701

Attention: Cogeneration Manager DEF 155

20.7 ~~Applicable Law~~

~~This Contract shall be construed in accordance with and governed by the laws of the State of Florida, and the rights of the parties shall be construed in accordance with the laws of the State of Florida.~~

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NO. 9.437

Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Duke Energy Florida, LLC

d/b/a Duke Energy

299 First Avenue North

St. Petersburg, FL 33701

Attention: Cogeneration Manager DEF 155

20.7 Applicable Law

This Contract shall be construed in accordance with and governed by the laws of the State of Florida, and the rights of the parties shall be construed in accordance with the laws of the State of Florida.

20.8 Taxation

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

The RF/QF shall hold DEF and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy and capacity from the RF/QF in lieu of other energy and capacity. Any savings in regards to taxes or assessments shall be included in the avoided cost payments made to the RF/QF to the extent permitted by law. In the event DEF becomes liable for additional taxes, assessments or impositions arising out of its transactions with the RF/QF under this tariff schedule or any related interconnection agreement or due to changes in laws affecting DEF's purchases of energy and capacity from the RF/QF occurring after the

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execution of an agreement under this tariff schedule and for which DEF would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under such agreement itself. DEF may bill the RF/OF monthly for such additional expenses or may offset them against amounts due to the RF/OF from DEF. Any savings in taxes, assessments or impositions that accrue to DEF as a result of its purchase of energy and capacity under this tariff schedule that are not already reflected in the avoided energy or avoided capacity payments made to the RF/OF hereunder, shall be passed on to the RF/OF to the extent permitted by law without consequential penalty or loss of such benefit to DEF.

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20.9 Resolution of Disputes

20.9.1 Notice of Dispute

In the event that any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or validity thereof should arise between the Parties (a "Dispute"), the Party may declare a Dispute by delivering to the other Party a written notice identifying the disputed issue.

20.9.2 Resolution by Parties

Upon receipt of a written notice claiming a Dispute, executives of both Parties shall meet at a mutually agreeable time and place within ten (10) business days after delivery of such notice and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Dispute. In such meetings and exchanges, a Party shall have the right to designate as confidential any information that such Party offers. No confidential information exchanged in such meetings for the purpose of resolving a Dispute may be used by a Party in litigation against the other Party. If the matter has not been resolved within thirty (30) calendar days of the disputing Party's notice having been issued, or if the Parties fail to meet within ten (10) business days as required above, either Party may initiate binding arbitration in St. Petersburg, Florida, conducted in accordance with the then current American Arbitration Association's ("AAA") Large, Complex Commercial Rules or other mutually agreed upon procedures.

20.10 Limitation of Liability

IN NO EVENT SHALL DEF, ITS PARENT CORPORATION, OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR MULTIPLE DAMAGES RESULTING FROM ANY CLAIM OR CAUSE OF ACTION, WHETHER BROUGHT IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER LEGAL THEORY.

20.11 Severability

~~If any part of this Contract, for any reason, is declared invalid or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Contract, which remainder shall remain in~~

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~~force and effect as if this Contract had been executed without the invalid or unenforceable portion.~~

~~20.12 Complete Agreement and Amendments~~

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

~~20.13 Survival of Contract~~

~~Subject to the requirements of Section 20.4, this Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors in interest and legal representatives.~~

~~20.14 Record Retention~~

~~Each Party shall maintain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder.~~

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20.11 Severability

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

20.12 Complete Agreement and Amendments

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

20.13 Survival of Contract

Subject to the requirements of Section 20.4, this Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and legal representatives.

20.14 Record Retention

Each Party shall maintain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder.

20.15 No Waiver

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

20.16 Set-Off

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DEF may at any time, but shall be under no obligation to, set off or recoup any and all sums due from the RF/QF against sums due to the RF/QF hereunder without undergoing any legal process.

20.17 — Change in Environmental Law or Other Regulatory Requirements

- (a) — As used herein, “Change(s) in Environmental Law or Other Regulatory Requirements” means the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental or regulatory issues and that takes effect after the Effective Date.
- (b) — The Parties acknowledge that Change(s) in Environmental Law or Other Regulatory Requirements could significantly affect the cost of the Avoided Unit (“Avoided Unit Cost Changes”) and agree that, if any such change(s) should affect the cost of the Avoided Unit more than the Threshold defined in Section 20.17(c) below, the Party affected by such change(s) may avail itself of the remedy set forth in Section 20.17(d) below as its sole and exclusive remedy.
- (c) — The Parties recognize and agree that certain Change(s) in Environmental Law or Other Regulatory Requirements may occur that do not rise to a level that the Parties desire to impact this Contract. Accordingly, the Parties agree that for the purposes of this Contract, such change(s) will not be deemed to have occurred unless the change in Avoided Cost resulting from such change(s) exceed a mutually agreed upon amount. This mutually agreed upon amount is attached to this Contract in Appendix E.

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SECTION No. IX
FOURTH-FIFTH REVISED SHEET NO. 9.440
CANCELS THIRD-FOURTH REVISED SHEET NO. 9.440

20.17 Change in Environmental Law or Other Regulatory Requirements

- (a) As used herein, "Change(s) in Environmental Law or Other Regulatory Requirements" means the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental or regulatory issues and that takes effect after the Effective Date.
- (b) The Parties acknowledge that Change(s) in Environmental Law or Other Regulatory Requirements could significantly affect the cost of the Avoided Unit ("Avoided Unit Cost Changes") and agree that, if any such change(s) should affect the cost of the Avoided Unit more than the Threshold defined in Section 20.17(c) below, the Party affected by such change(s) may avail itself of the remedy set forth in Section 20.17(d) below as its sole and exclusive remedy.
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law or Other Regulatory Requirements may occur that do not rise to a level that the Parties desire to impact this Contract. Accordingly, the Parties agree that for the purposes of this Contract, such change(s) will not be deemed to have occurred unless the change in Avoided Cost resulting from such change(s) exceed a mutually agreed upon amount. This mutually agreed upon amount is attached to this Contract in Appendix E.
- (d) If an Avoided Unit Cost Change meets the threshold set forth in Section 20.17(c) above, the affected Party may request the avoided cost payments under this Contract be recalculated and that the avoided cost payments for the remaining term of the Contract be adjusted based on the recalculation, subject to the approval of the FPSC. Any dispute regarding the application of this Section 20.17 shall be resolved in accordance with Section 20.9.

20.18 Provision of Information.

Within a reasonable period of time after receiving a written request therefore from the requesting Party, the other Party hereto shall provide the requesting Party with information that is reasonable and related to the non-requesting Party and/or the facilities or operations of the non-requesting Party that the requesting Party reasonably requires in order to comply with a Requirement of Law or any requirement of Generally Accepted Accounting Principles promulgated by the Financial Accounting Standards Board (or any successor thereto), (including, but not limited to, FIN 46-R) applicable to the requesting Party. In the event that a party requires information or reports that are not within its possession to meet financial reporting requirements, the parties will work in good faith to enable the requesting party to meet its financial reporting requirements.

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SECOND THIRD REVISED SHEET NO. 9.441
CANCELS FIRST SECOND REVISED SHEET
NO. 9.441

IN WITNESS WHEREOF, the RF/QF has executed this Contract on the date set forth below.

RF/QF

Signature

Print Name

Title

Date

IN WITNESS WHEREOF, DEF has acknowledged receipt of this executed Contract.

DUKE ENERGY FLORIDA, INC.

Signature

Print Name

Title

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Date

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~~TENTH-ELEVENTH~~ REVISED SHEET NO. 9.455
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TABLE 3
EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
DEF'S June 1, 2024 Undesignated CT
Renewable or Qualifying Facility Standard Offer Contract Avoided Capacity Payments

(\$/kW/MONTH)

Contract Year	<u>Option A</u>	<u>Option B</u>	<u>Option C</u>	<u>Option D</u>
	Normal Capacity Payment Starting on the Avoided Unit In-Service Date	Early Capacity Payment Starting on the Exemplary Capacity Payment Date	Levelized Capacity Payment Starting on the Avoided Unit In-Service Date	Early Levelized Capacity Payment Starting on the Exemplary Capacity Payment Date
2021				
2022		<u>3.713.36</u>		<u>4.193.80</u>
2023		<u>3.803.45</u>		<u>4.203.80</u>
2024	<u>4.824.37</u>	<u>3.903.53</u>	<u>5.254.84</u>	<u>4.203.81</u>
2025	<u>4.944.48</u>	<u>4.003.62</u>	<u>5.264.85</u>	<u>4.213.82</u>
2026	<u>5.074.59</u>	<u>4.103.71</u>	<u>5.264.86</u>	<u>4.223.82</u>
2027	<u>5.194.70</u>	<u>4.203.81</u>	<u>5.274.87</u>	<u>4.223.83</u>
2028	<u>5.324.82</u>	<u>4.303.90</u>	<u>5.284.87</u>	<u>4.223.83</u>
2029	<u>5.464.94</u>	<u>4.414.00</u>	<u>5.294.88</u>	<u>4.243.84</u>
2030	<u>5.595.07</u>	<u>4.524.10</u>	<u>5.404.89</u>	<u>4.243.85</u>
2031	<u>5.735.19</u>	<u>4.634.20</u>	<u>5.414.90</u>	<u>4.253.86</u>
2032	<u>5.885.32</u>	<u>4.754.31</u>	<u>5.424.91</u>	<u>4.263.86</u>
2033	<u>6.025.46</u>	<u>4.874.41</u>	<u>5.434.92</u>	<u>4.273.87</u>
2034	<u>6.175.59</u>	<u>4.994.52</u>	<u>5.444.93</u>	<u>4.283.88</u>

- The Capacity Payment schedules contained in this Contract assume a term of ten years from the Avoided Unit In-Service Date. In the event the RF/QF requests a term greater than ten years but less than the Avoided Unit Life then DEF shall prepare a schedule of Capacity Payments for the requested term. Such Capacity Payment rates shall be calculated utilizing the value-of-deferral methodology described in FPSC Rule 25-17.0832(6).

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2. The RF/QF may also request an alternative Capacity Payment rate stream from DEF as authorized by Rule 25-17.250(4). Regardless of the Capacity Payment rate stream requested by the RF/QF, the cumulative present value of the capital cost payments made to the RF/QF over the term of the Contract shall not exceed the cumulative present value of the capital cost payments had such payments been made pursuant to FPSC Rule 25-17.0832(4)(g)(i). Fixed operation and maintenance expense shall be calculated to conform with FPSC Rule 25-17.0832(6)(b). Such an alternative Capacity Payment rate shall be subject to the Termination Fee in Appendix B.

In the event that alternative Capacity Payment rates are agreed upon, such Capacity Payment rate schedule shall be attached to the Contract in Appendix E.

B. Energy Rates

Payments Prior to the Avoided Unit In-Service Date

1. The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on DEF's actual hourly avoided energy costs which are calculated by DEF in accordance with FPSC Rule 25-17.0825, F.A.C.

The calculation of payments to the RF/QF shall be based on the sum over all hours of the billing period, of the product of each hour's avoided energy cost times the amount of energy (kWh) delivered to DEF from the Facility for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

2. Upon request of the RF/QF, DEF shall provide the RF/QF the option of receiving energy payments based on DEF's year-by-year projection of system incremental costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel conditions plus a mutually agreed upon market volatility risk premium. ~~If this option is chosen, such payments will be calculated on an annual basis and the first year's estimated payment schedule shall be attached to this Contract in Appendix E.~~

Payments Starting on Avoided Unit In-Service Date

The calculation of payments to the RF/QF for energy delivered to DEF on and after the Avoided Unit In-Service Date shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's Firm Energy Rate

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(¢/kWh); and (b) the amount of energy (kWh) delivered to DEF from the Facility during that hour.

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9.457

For any period during which energy is delivered by the RF/QF to DEF, the Firm Energy Rate in cents per kilowatt hour (\$/kWh) shall be the following on an hour-by-hour basis: the lesser of (a) the As-Available Energy Rate and (b) the Avoided Unit Energy Cost. The Avoided Unit Energy Cost, in cents per kilowatt - hour (\$/kWh) shall be defined as the product of (a) the Avoided Unit Fuel Cost and (b) the Avoided Unit Heat Rate; plus (c) the Avoided Unit Variable O&M.

For the purposes of this agreement, the Avoided Unit Fuel Cost shall be determined from gas price published in Platts Inside FERC, Gas Market Report, first of the month posting for Florida Gas Transmission ("FGT") Zone 3, plus other charges, surcharges and percentages that are in effect from time to time.

The Parties may mutually agree to fix a minority portion of the base firm energy payments associated with the Avoided Unit and amortize that fixed portion, on a present value basis, over the term of the Contract. Such fixed firm energy payments may, at the option of the RF/QF, start as early as the Avoided Unit In-Service Date. For purposes of this paragraph, "base firm energy payments associated with the Avoided Unit" means the energy costs of the Avoided Unit to the extent that the Avoided Unit would have been operated. If this option is mutually agreed upon, it will be attached to this Contract in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

~~For informational purposes only, the estimated incremental avoided energy costs for the next five years are as follows. The following estimates include variable operation and maintenance expenses:~~

<u>Applicable Period</u>	<u>Average \$/KWH</u>	<u>On-Peak \$/KWH</u>	<u>Off Peak \$/KWH</u>
2016	3.5	3.5	3.4
2017	3.6	3.7	3.5
2018	3.7	3.8	3.6
2019	3.7	3.8	3.6
2020	3.9	4.0	3.8

As required in Section 25-17.0825, F.A.C., information relating to as-available energy cost projections will be provided within 30 days of a written request for such projections by any interested person.

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9.458

ESTIMATED UNIT FUEL COST

The estimated unit fuel costs listed below are associated with the Avoided Unit and are based on current estimates of the price of natural gas.

\$/MMBTU

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>3.41</u>	<u>3.49</u>	<u>3.84</u>	<u>4.64</u>	<u>5.34</u>	<u>5.96</u>	<u>6.19</u>	<u>6.43</u>	<u>6.67</u>

As required in Section 25-17.0832, F.A.C., the estimated fuel costs associated with DEF's Avoided Unit are based on current estimates of the price of natural gas and will be provided within 30 days of a written request for such projections by any interested person.

DELIVERY VOLTAGE ADJUSTMENT

DEF's average system line losses are analyzed annually for the prior calendar year, and delivery efficiencies are developed for the transmission, distribution primary, and distribution secondary voltage levels. This analysis is provided in the DEF's Procedures For Changing The Real Power Loss Factor (currently Attachment Q) in its Open Access Transmission Tariff and DEF's fuel cost recovery filing with the FPSC. An adjustment factor, calculated as the reciprocal of the appropriate delivery efficiency factor, is applicable to the above determined energy costs if the RF/QF is within DEF's service territory to reflect the delivery voltage level at which RF/QF energy is received by the DEF.

The current delivery voltage adjustment factors are:

<u>Delivery Voltage</u>	<u>Adjustment Factor</u>
Transmission Voltage Delivery	1.01368
Primary Voltage Delivery	1.02368
Secondary Voltage Delivery	1.0629533

PERFORMANCE CRITERIA

Payments for firm Capacity are conditioned on the RF/QF's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the Required Capacity Delivery Date.

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EFFECTIVE:



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9.458

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm Capacity Payments through a performance based calculation as detailed in Appendix A to the Contract.

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EFFECTIVE:



SECTION No. IX
SECOND-THIRD REVISED SHEET NO. 9.459
CANCELS FIRST-SECOND REVISED SHEET
NO. 9.459

METERING REQUIREMENTS

The RF/QFs within the territory served by DEF shall be required to purchase from DEF hourly recording meters to measure their energy deliveries to DEF. Energy purchases from the RF/QFs outside the territory of DEF shall be measured as the quantities scheduled for interchange to DEF by the entity delivering Firm Capacity and Energy to DEF.

~~For the purpose of this Contract, the on-peak hours shall be those hours occurring April 1 through October 31, from 11:00 a.m. to 10:00 p.m., and November 1 through March 31, from 6:00 a.m. to 12:00 noon and 5:00 p.m. to 10:00 p.m. prevailing Eastern time. DEF shall have the right to change such on-peak Hours by providing the RF/QF a minimum of thirty calendar days' advance written notice.~~

BILLING OPTIONS

A RF/QF, upon entering into this Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to DEF, or net sales to DEF; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a RF/QF selling as-available energy enters into this Contract for the sale of firm capacity and energy; 2) when a Contract expires or is lawfully terminated by either the RF/QF or DEF; 3) when the RF/QF is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene the provisions of FPSC Rule 25-17.0832 or a contract between the RF/QF and DEF.

If a RF/QF elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written note to DEF; 2) the installation by DEF of any additional metering equipment reasonably required to effect the change in billing and upon payment by the RF/QF for such metering equipment and its installation; and 3) upon completion and approval by DEF of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the RF/QF for such alteration(s).

Payments due a RF/QF will be made monthly and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the RF/QF and the applicable avoided energy rates at which payment are being made shall accompany the payment to the RF/QF.

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SECTION No. IX
~~TENTH-ELEVENTH REVISED SHEET NO. 9.467~~
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9.467

SCHEDULE 2
TO RATE SCHEDULE COG-2CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS -
NORMAL CAPACITY OPTION PARAMETERS

Where, for one year deferral:

		<u>Value</u>
VAC_m	= DEF's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	<u>4.8237</u>
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	<u>1.31709</u>
I_n	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Avoided Unit with an in-service date of year n ;	770.85 <u>697.2</u> <u>7</u>
O_n	= total fixed operation and maintenance expense, for the year n , in mid-year dollars per kilowatt per year, of the Avoided Unit;	3.873 <u>.67</u>
i_p	= annual escalation rate associated with the plant cost of the Avoided Unit;	2.50%
i_o	= annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;	2.50%
r	= annual discount rate, defined as DEF's incremental after-tax cost of capital;	<u>6.8592%</u>
L	= expected life of the Avoided Unit;	35
n	= year for which the Avoided Unit is deferred starting with the Avoided Unit In-Service Date and ending with the Termination Date.	2024

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SECTION No. IX
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9.468

**FIXED VALUE OF DEFERRAL PAYMENTS -
EARLY CAPACITY OPTION PARAMETERS**

A_m	=	monthly avoided capital cost component of Capacity Payments to be made to the RF/QF starting as early as two years prior to the Avoided Unit In-Service Date, in dollars per kilowatt per month;	3.1354
i_p	=	annual escalation rate associated with the plant cost of the Avoided Unit;	2.50%
n	=	year for which early Capacity Payments to a RF/QF are to begin;	2022
F	=	the cumulative present value of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued for a period of 10 years;	304.22 276.38
r	=	annual discount rate, defined as DEF's incremental after-tax cost of capital;	6.8592%
t	=	the Term, in years, of the Contract for the purchase of firm capacity commencing prior to the in-service date of the Avoided Unit;	4413
G	=	the cumulative present value of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued until the Termination Date.	204.80

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EFFECTIVE:

EXHIBIT C

**ECONOMIC / FINANCIAL ASSUMPTIONS
and K FACTOR**

DUKE ENERGY FLORIDA

**Duke Energy Florida
Renewable Standard Offer Contract
Economic Assumptions**

CAPITALIZATION RATIOS

Debt	47.0%
Preferred	0.0%
Equity	53.0%

DISCOUNT RATE

6.85%

RATE OF RETURN

Debt	4.20%
Preferred	0.00%
Equity	10.50%

BOOK DEPRECIATION LIFE

35 Years

INCOME TAX RATE

Effective	35.26%
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TAX DEPRECIATION LIFE

15 Years

OTHER TAXES AND INS.

0.99%

**Duke Energy Florida
Renewable Standard Offer Contract
Unit Information**

PLANT TYPE: Combustion Turbine Facility

NET CAPACITY: 228 MW

BOOK LIFE: 35 Years

INTALLED COST (IN-SERVICE YEAR 2024)

TOTAL INSTALLED COST (\$/KW)	697.27
DIRECT CONSTRUCTION COST (\$/KW) (2017)	569.14
AFUDC AMOUNT (\$/KW)	30.60
ESCALATION	97.53
FIXED O & M (\$/KW-YR) (2017)	3.08
VARIABLE O & M (\$/KWH) (2017)	9.51
K FACTOR	1.317

EXHIBIT E

**AMENDED INTERCONNECTION AGREEMENT
(Legislative copy)**

Tariff Sheets:
9.700 through 9.717

DUKE ENERGY FLORIDA



SECTION No. IX
~~FIRST SECOND REVISED SHEET No. 9.700~~
CANCELS ~~FIRST REVISED SHEET No. 9.700~~

INTERCONNECTION AGREEMENT

INTERCONNECTION ARRANGEMENTS AND COST RESPONSIBILITY

1.0 1-0 Purpose

1.1. This Interconnection Agreement ("Agreement") sets forth the terms and conditions pursuant to which _____ ("QF") has agreed to comply with and pay Duke Energy Florida, LLC ("Company") to interconnect with Company's electrical system. This Agreement provides the procedures for the scheduling of construction for the Company's Interconnection Facilities as well as the cost responsibility of a QF Facility for the payment of Interconnection Costs. This Agreement also provides for operating, testing, and inspection procedures for the safe parallel operation of the Facility with the Company's electrical system. This Agreement applies to QF's directly interconnected with the Company's system and providing all net electrical output for sale to the Company. All requirements contained herein shall apply in addition to and not in lieu of the provisions of the Power Purchase Agreement.

2.0 2-0 Definitions

2.1. 2-1 — "Agreement" means this Interconnection Agreement.

2.2. 2-1 — "Company" means Duke Energy Florida, LLC.

2.3. 2-2 — "Company's Interconnection Facilities" means all equipment located on the Company's side of the Point of Delivery, including without limitation, equipment for connection, switching, transmission, distribution, protective relaying and safety

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EFFECTIVE: October 44, 2048



SECTION No. IX
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provisions which in the Company's sole discretion are required to be installed for the delivery into the Company's system, measurement of electric energy injected into the Company's system, and upgrades to the Company's electrical system required for the Company to receive, use, and deliver the energy to Company's load, including all metering and telemetering equipment installed for the measurement of such energy delivered by the Facility, regardless of the Facility's location in relation to the Point of Delivery.

2.4. ~~2.3~~—"Default" means the failure of a breaching Party to cure its breach under this Agreement.

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EFFECTIVE: October 44, 2046



SECTION No. IX
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2.5. 2.4—“Emergency Condition” means (a) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is existing on the Company’s system; (b) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is likely to result in any of the following: (i) loss or damage to the Facility and/or the Company’s system, (ii) disruption of generation by the Facility, (iii) disruption of service or stability on the Company’s system, and/or (iv) endangerment to human life or public safety; and/or, (c) any circumstance that requires action by the Company’s System Operator to comply with standing NERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to the Facility, loss or damage to the Company’s system, disruption of generation by the Facility, disruption of service on the Company’s system, an abnormal condition on the Company’s system, and/or endangerment to human life or safety. An Emergency Condition will be an excuse to QF’s performance only if such condition is not due to QF’s negligence, willful misconduct, and/or failure to perform as required under this Agreement.

2.6. 2.5—“Execution Date” means the date on which the Company Parties executes this Agreement.

2.7. 2.6—“Facility” means all equipment used to produce electrical output and, for a cogeneration facility, used to produce useful thermal energy through the sequential use of energy.

2.8. 2.7—“Facilities Study” means a written cost estimate of all the required materials and labor to complete the interconnection of the Facility with the Company’s electrical system, and an estimate of the date by which construction of the interconnection will be completed.

2.9. 2.8—“Feasibility Study” means a review of the alternatives and operational requirements reasonably available to interconnect the Facility to the Company’s electric system and identification of a feasible interconnection alternative.

2.10. 2.9—“Indemnified Party” has the meaning assigned to it in Section 12.1.

2.11. 2.10—“Indemnifying Party” has the meaning assigned to it in Section 12.2.

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EFFECTIVE: October 11, 2016



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~~FIRST SECOND REVISED SHEET No. 9.701~~
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2.12.2-11—“Interconnection Costs” means the actual costs incurred by the Company under this Agreement and for the Company’s Interconnection Facilities, including, without limitation, the cost of equipment, engineering, communication, labor, and operations, maintenance, and administrative activities.

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EFFECTIVE: October 11, 2016



SECTION No. IX
~~FIRST-SECOND REVISED SHEET No. 9.702~~
~~CANCELS FIRST REVISED SHEET No. 9.702~~

2.13.2.12—“Interconnection Costs Offset” means the estimated costs included in the Interconnection Costs that the Company would have incurred if it were not purchasing electric energy from the Facility but instead would have provided electrical service to the Facility as if it were a non-generating customers.

2.14.2.13—“Interconnection Request Application” means a form used to provide the Company with the information required to study an interconnection request.

2.15.2.14—“Part(y)(ies)” means the Company or/and the QF.

2.16.2.15—“Point of Delivery” means the point(s) on the Company’s side of the electrical system where electric energy generated exclusively by the Facility is delivered into the Company system pursuant to this Agreement.

2.17.2.16—“Point of Metering” means the point(s) where electric energy made available for delivery to the Company, subject to adjustment for losses to the Point of Delivery that are the sole responsibility of the QF, is measured.

2.18.2.17—“Power Purchase Agreement” means either the (i) Agreement for Purchase of As-Available Energy, (ii) the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW or (iii) a negotiated contract based upon (i) or (ii).

2.19.2.18—“Qualifying Facility” or “QF” means a facility that meets the requirements defined in FPSC Rule 25-17.080. For the purposes of this Agreement only, a Distributed Resource as defined in the Institute of Electrical and Electronics Engineers (“IEEE”) Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time, will be deemed to be a QF, consistent with the Stipulation approved by the Florida Public Service Commission in Order No. PSC-06-0707-PAA-EI, issued August 18, 2006 in Docket No. 060410-EL.

2.20.2.19—“QF Insurance” has the meaning assigned to it in Section 13.1.

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EFFECTIVE: October 11, 2016



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FIRST-SECOND REVISED SHEET No. 9.702
CANCELS FIRST REVISED SHEET No. 9.702

2.21.2-20—“System Impact Study” means a preliminary written cost estimate of all the Company’s Interconnection Facilities, including without limitation, required materials and labor to complete the interconnection and a preliminary estimate of the date by which construction of the interconnection will be completed.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL.
EFFECTIVE: October 11, 2018



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.703~~
~~CANCELS SECOND REVISED SHEET No. 9.703~~

3.0 3.0—Submission of Plans and Development of Interconnection Schedules and Cost Estimates

- 3.1. 3.1—No later than sixty (60) days after the Execution Date, the QF shall specify the date it desires the Company's Interconnection Facilities to be available for receipt of the electric energy and shall complete and submit, along with a deposit to cover Company's costs to perform interconnection studies, an Interconnection Request Application, to the Company. At such time, the QF shall deliver to the Company the Facility's preliminary design, engineering, and operational specifications for purposes of interconnecting with Company's system. Based upon the information provided, the Company shall consider the reasonable alternatives available to interconnect the QF in a Feasibility Study within sixty (60) days after all information requested by the Company is provided by the QF.
- 3.2. The OF shall, within thirty (30) days from receipt of the Feasibility Study, send written notification to the Company as to whether or not it will continue the Facility to the next study phase. The Company will consider no response as OF's withdrawal of the Facility from further consideration. No more than thirty (30) days following receipt of such notice, the Company and the QF shall meet and discuss interconnection alternatives and the QF's reasonable preference for interconnecting the Facility to the Company's electrical system. Once the QF has communicated a reasonable interconnection preference, the Company shall develop in a System Impact Study preliminary written Interconnection Costs and scheduling estimates for the Company's Interconnection Facilities within sixty (60) days after all information requested by the Company is provided by the QF. The schedule developed hereunder will indicate when the QF's final electrical plans must be submitted to the Company pursuant to section Section 3.2-3 hereof.
- 3.3. 3.—The OF shall, within thirty (30) days from receipt of the System Impact Study, send written notification to the Company as to whether or not it will continue the Facility to the next study phase. The Company will consider no response as OF's withdrawal of the Facility from further consideration. The Along with such notification, the QF shall submit the Facility's final design, engineering, and operational specifications and all revisions to the information previously submitted under section Section 3.1 hereof to the Company no later than the date specified pursuant to the last sentence of Section 3.1 hereof, unless such date is modified in the Company's sole discretion. Based upon the information provided and within sixty (60) days after the information is provided, the Company shall update its written Interconnection Costs and schedule estimates, provide the estimated time period required for construction of the Company's Interconnection Facilities, and specify the date by which the Company must receive notice from the QF

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EFFECTIVE: October 11, 2016



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to initiate construction, which date shall, to the extent practical, be consistent with the QF's schedule for delivery of energy into the Company's system in a Facilities Study.

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EFFECTIVE: October 11, 2016



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.703704~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

The OF shall, within one hundred eighty (180) days from receipt of the Facilities Study, send written notification to the Company as to whether or not it will initiate construction of the Facility. The Company will consider no response as OF's withdrawal of the Facility from further consideration. The final electrical plans shall include the following information, unless all or a portion of such information is waived by the Company in its discretion:

- a. a.——Physical layout drawings, including dimensions;
- b. b.——All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;
- c. e.——Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the Facility's proposed system and to be able to make a coordinated system;
- d. d.——Power requirements in watts and vars;
- e. e.——Expected radio-noise, harmonic generation and telephone interference factor;
- f. f.——Synchronizing methods;
- g. g.——Facility operating/instruction manuals; and
- h. h.——The maximum amount of energy anticipated to be delivered to the Company.

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EFFECTIVE: October 11, 2016



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 8.700704~~
CANCELS ~~FIRST-SECOND REVISED SHEET~~

The final design specification documents delivered by the QF shall be labeled as "FINAL", and shall be signed, sealed, and dated by a licensed Florida Professional Engineer for purposes of establishing the final design submitted by the QF based on which Company will determine impacts to its system and construct interconnection facilities for the QF to interconnect with the system.

3.4. 3.3—Any subsequent change in the final electrical plans shall be submitted to the Company and the QF understands and agrees that any such changes could affect the Company's schedules and Interconnection Costs as previously estimated. The QF understands that any changes in system design after the "FINAL" design is submitted shall be deemed as material or significant design changes by the QF and may result in Company terminating this Agreement and re-starting the interconnection process, as may be determined by the Company in its sole discretion. The QF shall be responsible for all costs incurred by Company as a result of any modifications to the "FINAL" design.

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EFFECTIVE: October 11, 2016



SECTION No. IX
~~SECOND THIRD REVISED SHEET No. 9.703706~~
~~CANCELS FIRST SECOND REVISED SHEET~~

3.5. 3.4—Without limiting the QF's responsibility to pay for all costs under this Agreement, the QF understands and agrees that the QF shall pay the actual costs incurred by the Company to develop all estimates pursuant to ~~section Sections 3.1 and through 3.2-3~~ hereof and to evaluate any changes proposed by the QF as a result of the final design specifications. ~~At the Company's option, advance payment for these cost estimates may be required, in which event the~~The Company will issue an adjusted bill reflecting actual costs following completion of the cost estimates.

3.6. 3.5—The Parties agree that any cost or scheduling estimates provided by the Company hereunder shall be prepared in good faith but shall not be binding. The Company may modify such schedules as necessary to accommodate contingencies that affect the Company's ability to initiate or complete the Company's Interconnection Facilities and actual costs will be used as the basis for all final charges hereunder.

3.7. 3.6—All studies required for interconnection and the construction of any interconnection facilities required shall be placed in the queue in a non-discriminatory and non-preferential manner relative to any other interconnection requests so that Company can process all interconnection requests to the Company's system in accordance with the Company's current practices and operational procedures.

3.8. The Company reserves the right to perform static and dynamic tests, incorporating the Facility in the Company's models, that may limit/reduce the amount of physical capacity that OF can interconnect at Facility. In such case, the Company will report the limitation to the OF who may then decide to adjust its capacity level for the next level of study.

3.9. The Company will consider failure by the OF to meet any of the schedule deadlines herein as a withdrawal of the Facility from further consideration.

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EFFECTIVE: October 44, 2016



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.708708~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

4.0 ~~4.0~~ Payment Obligations for Interconnection Costs:

4.1. ~~4.1~~—The Company shall have no obligation to initiate construction of the Company's Interconnection Facilities prior to a written notice from the QF agreeing to the Company's interconnection design requirements and notifying the Company to initiate its activities to construct the Company's Interconnection Facilities; provided, however, that such notice shall be received not later than the date specified by the Company under Section ~~3-2~~ hereof. The QF shall be liable for and agrees to pay all Interconnection Costs incurred by the Company.

4.2. ~~4.2~~—The QF agrees to pay all of the Company's actual Interconnection Costs as such costs are incurred and billed in accordance with the Power Purchase Agreement, if applicable.— Such amounts shall be billed pursuant to ~~section~~ Section 4.2.1 if the QF elects the payment option permitted by FPSC Rule 25-17.087(3). Otherwise the QF shall be billed pursuant to ~~section~~ Section 4.2.2. If the QF does not have a Power Purchase Agreement for the Facility, then the QF agrees to pay the amounts billed by Company within thirty (30) days after Company notifies the QF that such interconnection work has been completed.

4.2.1. ~~4.2.1~~—Upon a showing of credit worthiness, the QF shall have the option of making monthly installment payments for Interconnection Costs over a period no longer than ~~thirty-six~~ (36) months. The period selected is _____ months. Principal payments will be based on the estimated Interconnection Costs less the Interconnection Costs Offset, divided by the repayment period in months to determine the monthly principal payment. Payments will be invoiced in the first month following first incurrence of Interconnection Costs by the Company. Invoices to the QF will include principal payments plus interest on the unpaid balance, if any, calculated at a rate equal to the thirty (30) day highest grade commercial paper rate as published in the Wall Street Journal on the first business day of each month. The final payment or payments will be adjusted to cause the sum of principal payments to equal the actual Interconnection Costs.

4.2.2. ~~4.2.2~~—When Interconnection Costs are incurred by the Company, such costs will be billed to the QF to the extent that they exceed the Interconnection Costs Offset. The QF agrees to provide, at least fifteen (15) calendar days before the initiation of interconnection field work, cash or a letter of credit as adequate assurances, in a form acceptable to Company in its sole discretion, to cover the estimated Interconnection Costs.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 14, 2016



**DUKE
ENERGY.**
No. 9.706

SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.706708~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

4.3. ~~4.3~~—If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 11, 2016



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.706Z~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

5.0 ~~5.0~~ Payment Obligation for Operation, Maintenance and Repair of the Company's Interconnection Facilities-

5.1. The QF shall be billed monthly for the costs associated with the operation, maintenance, and repair of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

5.2. The QF shall pay a monthly charge equal to 0.50% of the Interconnection Costs less the Interconnection Costs Offset.

6.0 ~~6.0~~ Schematic Diagram

6.1. Exhibit B-1, attached hereto and made a part hereof, is a schematic diagram showing the major circuit components connecting the Facility and ~~with the Company's~~ ~~{substation} electrical system~~ and showing the Point of Delivery and the Point of Metering and/or Point of Ownership, if different. All switch number designations initially left blank on Exhibit B-1 will be inserted by the Company on or before the date on which the Facility first operates in parallel with the Company's system.

7.0 ~~7.0~~ Operating Standards

7.1. ~~7.1~~—The QF and the Company will independently provide for the safe operation of their respective facilities, including periods during which the other Party's facilities are unexpectedly energized or de-energized.

7.2. ~~7.2~~—The QF shall reduce, curtail, or interrupt electrical generation or take other appropriate action for so long as it is reasonably necessary, which in the judgment of the QF or the Company may be necessary to operate and maintain a part of either Party's system, to address, if applicable, an Emergency Condition on either Party's system. The QF shall also reduce, curtail, or interrupt electrical generation during the situations defined in Rule 25-17.086, F.A.C.

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SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.706Z~~
CANCELS ~~FIRST-SECOND REVISED SHEET~~

7.3. ~~7.3~~—The operation and net energy deliveries to the Company from the QF shall not exceed the amount studied and approved by the Company's pursuant to the studies performed under this Agreement.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2016



No. 9.708

SECTION No. IX
~~SECOND THIRD REVISED SHEET No. 9.7078~~
~~CANCELS FIRST SECOND REVISED SHEET~~

7.4. ~~7.4~~—The QF shall not operate the Facility's electric generation equipment in parallel with the Company's system without prior written consent of the Company. Such consent shall not be given until the QF has satisfied all criteria under the Power Purchase Agreement, if applicable and has:

- (i) ~~(i)~~—submitted to and received consent from the Company of its as-built electrical specifications;
- (ii) ~~(ii)~~—demonstrated to the Company's satisfaction that the Facility is in compliance with the insurance requirements of the Power Purchase Agreement, if applicable; and
- (iii) ~~(iii)~~—demonstrated to the Company's satisfaction that the Facility is in compliance with all regulations, rules, orders, or decisions of any governmental or regulatory authority having jurisdiction over the Facility's generating equipment or the operation of such equipment.

7.5. ~~7.5~~—Any proposed modifications to the electrical equipment of the Facility will be submitted to the Company for approval. It is further understood that the scope of some modifications may require new interconnection studies that will result in additional interconnections costs along with other costs detailed in Section 5 of the Agreement, and such costs shall be the sole responsibility of the QF. After any approved Facility modifications are completed, the QF shall not resume parallel operation with the Company's system until the QF has demonstrated that it is in compliance with all the requirements of ~~section~~ Section 8.2 hereof.

7.6. ~~7.6~~—The QF shall be responsible for coordination and synchronization of the Facility's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the utility's system.

7.7. ~~7.7~~—The Company shall have the right to open and lock, with a Company padlock, manual disconnect switch numbers(s) _____ and isolate the Facility's generation system without prior notice to the QF. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 14, 2016



SECTION No. IX
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1. ~~1.~~ Emergency Conditions and/or maintenance repair and construction requirements;
2. ~~2.~~ hazardous conditions existing on the Facility's generating or protective equipment as determined by the Company;
3. ~~3.~~ adverse effects of the Facility's generation to the Company's other electric consumers and/or system as determined by the Company;
4. ~~4.~~ failure of the QF to maintain any required insurance; or

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EFFECTIVE: October 11, 2016



SECTION No. IX
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5. ~~5.~~—failure of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Facility's electric generating equipment or the operation of such equipment.

7.8. ~~7.8~~—The Facility's electric generation equipment shall not be operated in parallel with the Company's system when auxiliary power is being provided from a source other than the Facility's electric generation equipment.

7.9. ~~7.9~~—Neither Party shall operate switching devices owned by the other Party, except that the Company may open the manual disconnect switch number(s) _____ owned by the QF pursuant to section ~~Section~~ 7.7 hereof.

7.10. ~~7.10~~—Should one Party desire to change the operating position of a switching device owned by the other Party, the following procedures shall be followed:

- (i) ~~(i)~~—The Party requesting the switching change shall orally agree with an authorized representative of the other Party regarding which switch or switches are to be operated, the requested position of each switching device, and when each switch is to be operated.
- (ii) ~~(ii)~~—The Party performing the requested switching shall notify the requesting Party when the requested switching change has been completed.
- (iii) ~~(iii)~~—Neither Party shall rely solely on the other party's switching device to provide electrical isolation necessary for personnel safety. Each Party will perform work on its side of the Point of Ownership as if its facilities are energized or test for voltage and install grounds prior to beginning work.
- (iv) ~~(iv)~~—Each Party shall be responsible for returning its facilities to approved operating conditions, including removal of grounds, prior to the Company authorizing the restoration of parallel operation.

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EFFECTIVE: October 11, 2016



SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.708g~~
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(v) ~~(v)~~—The Company shall install one or more red tags on all open switches. Only Company personnel on the Company's switching and tagging list shall remove and/or close any switch bearing a Company red tag under any circumstances.

~~7.11.~~ ~~7.11~~—Should any essential protective equipment fail or be removed from service for maintenance or construction requirements, the Facility's electric generation equipment shall be disconnected from the Company's system. To accomplish this disconnection, the QF shall either (i) open the generator breaker number(s) _____; or (ii) open the manual disconnect switch number(s) _____.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2016



No. 9.710

SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.700710~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

~~7.11.1.~~ ~~7.11.1~~—If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.

~~7.11.2.~~ ~~7.11.2~~—If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.

8.0 ~~8.0~~—Inspection and Testing

~~8.1.~~ ~~8.1~~—The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:

- ~~(i)~~ ~~(i)~~—electrical checks on all relays and verification of settings electrically;
- ~~(ii)~~ ~~(ii)~~—cleaning of all contacts;
- ~~(iii)~~ ~~(iii)~~—complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and
- ~~(iv)~~ ~~(iv)~~—visual inspection of the general condition of the relays.

~~8.2.~~ ~~8.2~~—In the event that any essential relay or protective equipment is found to be inoperative or in need of repair, the QF shall notify the Company of the problem and cease parallel operation of the generator until repairs or replacements have been made. The QF shall be responsible for maintaining records of all inspections and repairs and shall make said records available to the Company upon request.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2046



No. 9.710

SECTION No. IX
~~SECOND-THIRD REVISED SHEET No. 9.709710~~
~~CANCELS FIRST-SECOND REVISED SHEET~~

8.3. ~~8.3~~—The Company shall have the right to operate and test any of the Facility's protective equipment to assure accuracy and proper operation. This testing shall not relieve the QF of the responsibility to assure proper operation of its equipment and to perform routine maintenance and testing.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 11, 2016



SECTION No. IX
FIRST-SECOND REVISED SHEET No. 9.7110
CANCELS ORIGINAL FIRST REVISED SHEET

9.1. 9.1—Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing:

To The Company: System Dispatcher on Duty
Title: System Dispatcher
Telephone: (727) 384-7211
Facsimile: (727) 384-7865

To The OF: _____
Title: _____
Telephone: _____
Facsimile: _____

To The Company: System Dispatcher on Duty _____

Title: System Dispatcher

Telephone: (727) 384-7211

Telecopier: (727) 384-7865 To The OF: Name: _____

Title: _____

Telephone: _____

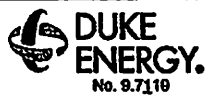
Telecopier: _____

9.2. 9.2—Each Party shall provide as much notification as practicable to the other Party regarding planned outages of equipment that may affect the other Party's operation.

9.3. Communication for contract administrative purposes may be made to the following persons:

To The Company:
Title: Wholesale/Renewable Manager
Address: 299 First Avenue North
Mail Code FL-155
St Petersburg, FL 33701

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EFFECTIVE: October 11, 2016



SECTION No. IX
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Telephone: (727) 820-4597
Facsimile: (727) 820-4598

To The OE:
Title: _____
Address: _____

Telephone: _____
Facsimile: _____

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EFFECTIVE: October 44, 2046



SECTION No. IX
~~FIRST-SECOND REVISED SHEET No. 9.749712~~
~~CANCELS ORIGINAL FIRST REVISED SHEET~~

10.0 ~~10.0~~ Standards

10.1 ~~10.1~~ Interconnection with, and delivery into, the Company's system must be accomplished in accordance with the provisions of FPSC Rule 25-17.087. Additionally, as provided in FPSC Order No. PSC-06-0707-PAA-EL, issued August 18, 2006, in Docket No. 060410-EL, for a QF that is a Distributed Resource, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction.

10.2 ~~10.1~~ The following minimum guidelines shall also be met:

- a. ~~a.~~ The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.
- b. ~~b.~~ The regulator control shall be capable of maintaining the generator output voltage within limits from no-load up to rated output. The limits for voltage shall be the nominal operating voltage, plus or minus 5%.
- c. ~~c.~~ The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean squared) of harmonics than the Company's normal harmonic content at the interconnection point.
- d. ~~d.~~ The QF's generating equipment shall be designed, operated, and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with the Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. Capacitors shall not be so large as to permit self-excitation of the QF's generator field.

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EFFECTIVE: October 44, 2018



**DUKE
ENERGY.**

No. 9.749712

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~~CANCELS ORIGINAL FIRST REVISED SHEET~~

e. e.—Direct current (DC) generators may be operated in parallel with the Company's system through a synchronous inverter. The inverter must meet all the criteria in this Agreement.

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EFFECTIVE: October 44, 2016



SECTION No. IX
~~ORIGINAL—FIRST REVISED SHEET~~ No.
CANCELS ORIGINAL SHEET No. 9.713

11.0 ~~11.0~~—QF Standing and Qualification

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

12.0 ~~12.~~—Insurance

12.1. ~~12.1~~—The QF shall procure or cause to be procured and shall maintain throughout the entire Term of this Agreement, a policy or policies of liability insurance issued by an insurer acceptable in the state of Florida on a standard "Insurance Services Office" commercial general liability and/or excess liability form or equivalent and Workers' Compensation in accordance with the statutory requirements of the state of Florida (such policy or policies, collectively, the "QF Insurance"). A certificate of insurance shall be delivered to the Company at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QF Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Agreement, and (b) premises and operations liability, (c) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Agreement or (ii) caused by operation of the Facility or any of the QF's equipment Without limiting the foregoing, the QF Insurance must be reasonably acceptable to the Company. Any premium assessment or deductible shall be for the account of the QF and not the Company.

12.2. ~~12.2~~—The QF Insurance for liability shall have a minimum limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury (including death) or property damage. This liability limit can be met by any combination of commercial general and excess liability insurance policies.

12.3. ~~12.3~~—To the extent that the QF Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the Effective Date of this Agreement or an earlier date. Furthermore, to the extent the QF Insurance is on a "claims made" basis, the QF's duty

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EFFECTIVE: October 44, 2048



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to provide insurance coverage shall survive the termination of this Agreement until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QF during the term of this Agreement.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2016



SECTION No. IX
FIRST REVISED SHEET No. 9.714
CANCELS ORIGINAL SHEET No. 9.7143

~~12.4.~~~~12.4~~—The QF shall provide the Company with a copy of any material communication or notice related to the QF Insurance within ten (10) Business Days of the QF's receipt or issuance thereof.

~~12.5.~~~~12.5~~—The Company shall be designated as an additional named insured under the QF Insurance (except Workers' Compensation). The QF Insurance shall be primary to any coverage maintained by the Company and provide, where permitted by law, waiver of any rights of subrogation against the Company. Any deductibles or retentions shall be the sole responsibility of QF. QF's compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of QF's liability or otherwise affect QF's indemnification obligations pursuant to this Agreement. Any failure to comply with all of these provisions shall not be deemed a waiver of any rights of the Company under this Agreement with respect to any insurance coverage required hereunder. The Company may request the QF to provide a copy of any or all of its required insurance policies, including endorsements in which the Company is included as an additional insured for any claims filed relative to this Agreement.

13.0 ~~13.~~-Event of Default

~~13.1.~~~~13.1~~—Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 13.2, the defaulting Party shall have five (5) Business Days from receipt of the Default notice within which to cure such Default.

~~13.2.~~~~13.2~~—If a Default is not cured as provided in this Section, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section ~~Section~~ will survive termination of this Agreement.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 11, 2016



SECTION No. IX
FIRST REVISED SHEET NO. 9.715
CANCELS ORIGINAL SHEET No. 8.7153

14.0 ~~14.~~ Termination

14.1. ——— This Agreement shall terminate upon any of the following events:

- (a) at the time when the nature of the QF's service changes in such a way as to alter the manner in which the QF delivers power to the Company; or
- (b) pursuant to the procedure set forth in Section 13.2; or
- (c) as set forth in Section 3.3; or
- (d) termination of the Power Purchase Agreement; or
- (e) upon 30 days' notice by the QF to the Company.

15.0 ~~15.~~ Assignment

15.1. ——— Any assignment by QF of this Agreement and the rights and obligations hereunder shall be made only with the written consent of the Company, which consent shall not be unreasonably withheld and shall be subject to credit, payment, tax, and performance assurances.

16.0 ~~16.~~ Governing Law and Jurisdiction:

16.1. This Agreement and the rights and duties hereunder shall be governed by and construed, enforced and performed in accordance with the Laws of the State of Florida, without regard to principles of conflicts of law.

17.0 ~~17.~~ Mutual Representations

17.1. QF and Company each hereby represents and warrants to the other the following: (i) each has the capacity, authority, and power to execute, deliver, and perform under this

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EFFECTIVE: October 14, 2016



SECTION No. IX
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Agreement; (ii) this Agreement constitutes legal, valid, and binding obligations enforceable against it; (iii) each person who executes this Agreement on behalf of each party has full and complete authority to execute and bind such party to this Agreement as an authorized representative of such party; (iv) each is acting on its own behalf and has made its own independent decision to bind itself under this Agreement; and, (v) each has completely read, fully understands, and voluntarily accepts every provision of this Agreement.

18.0 18-Entire Agreement

18.1. This Agreement constitutes the entire agreement and arrangement between the QF and Company relating to the subject matter herein. This Agreement shall not be binding and effective unless duly executed by an authorized officer of QF and delivered by QF to Company, and upon receipt of such duly executed document is executed by Company and delivered by Company to QF.

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SECTION No. IX
FIRST REVISED SHEET No. 9.718
CANCELS ORIGINAL SHEET No. 9.7164

EXHIBIT B-1

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2046



SECTION No. IX
FIRST REVISED SHEET No. 9.718
CANCELS ORIGINAL SHEET No. 9.7184

**Exhibit B-1 will be unique for each Facility
and must be complete prior to parallel
operation with the Company**

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2018



SECTION No. IX
FIRST REVISED SHEET No. 9.717
CANCELS ORIGINAL SHEET No. 9.7176

IN WITNESS WHEREOF, the QF has executed this Agreement on the date set forth below.

QF

Signature

Print Name

Title

Date

IN WITNESS WHEREOF, the Company has acknowledged receipt of this executed Agreement.

DUKE ENERGY FLORIDA, LLC

Signature

Print Name

Title

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2018



SECTION No. IX
FIRST REVISED SHEET No. 9.717
CANCELS ORIGINAL SHEET No. 9.7176

Date

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: October 44, 2016

Item 6

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05603-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Thompson) *PoE*
Office of the General Counsel (Murphy) *CM TH*

RE: Docket No. 170075-EQ – Petition for approval of revisions to standard offer contract and rate schedule COG-2, by Tampa Electric Company.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 170070-EQ, 170072-EQ, 170076-EQ, & 170077-EQ

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable energy generators and small qualifying facilities. Florida Public Service Commission (Commission) Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission by April 1 of each year, a standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan. On March 31, 2017, Tampa Electric Company (TECO) filed a petition for approval of its revised standard offer contract and rate schedule COG-2 based on its 2017 Ten-Year Site Plan. The Commission has jurisdiction over this standard offer contract pursuant to Sections 366.04 through 366.06 and 366.91, F.S.

Discussion of Issues

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

Recommendation: Yes. The provisions of TECO's revised standard offer contract and schedule COG-2 conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. TECO's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that TECO's revised tariff sheets for the standard offer contract and revised schedule COG-2 be approved as filed. (Thompson)

Staff Analysis: Rule 25-17.250, F.A.C., requires that TECO, an IOU, continuously make available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatt (kW) or less. Pursuant to Rule 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the Utility's next avoidable fossil-fueled generating unit as identified in its most recent Ten-Year Site Plan, or if no avoided unit is identified, its next avoidable planned purchase. TECO has identified a 220 megawatt (MW) natural gas-fired combustion turbine as its next avoidable fossil-fueled generating unit in its 2017 Ten-Year Site Plan. The projected in-service date of the unit is May 1, 2021.

The RF/QF operator may elect to make no commitment as to the quantity or timing of its deliveries to TECO, and to have a committed capacity of zero (0) MW. Under such a scenario, the energy is delivered on an as-available basis and the operator receives only an energy payment. Alternatively, the RF/QF operator may elect to commit to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering the agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator, in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires an IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case, May 1, 2021), and thereafter will receive capacity payments in addition to the energy payments. If either the early or levelized option is selected, then the operator will begin to receive capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment option tend to be lower in the later years of the contract term because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 below, estimates the annual payments for each payment option available under the revised standard offer contract to an operator with a 50 MW facility, operating at an 80 percent capacity factor, which is the minimum capacity factor required to qualify for full capacity payments. Normal and levelized capacity payments begin 2021, reflecting the projected in-service date of the avoided unit (May 1, 2021).

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

Year	Energy Payment \$(000)	Capacity Payment (By Type)			
		Normal \$(000)	Levelized \$(000)	Early \$(000)	Early Levelized \$(000)
2018	9,107	-	-	2,793	3,278
2019	10,999	-	-	2,862	3,289
2020	12,097	-	-	2,933	3,301
2021	12,324	2,626	3,011	3,006	3,313
2022	12,912	4,005	4,527	3,081	3,326
2023	12,772	4,104	4,543	3,157	3,338
2024	13,570	4,206	4,560	3,236	3,351
2025	14,486	4,310	4,578	3,316	3,364
2026	14,948	4,417	4,595	3,398	3,378
2027	15,736	4,527	4,613	3,483	3,392
2028	16,419	4,640	4,632	3,569	3,406
2029	16,987	4,755	4,651	3,658	3,421
2030	18,284	4,873	4,670	3,749	3,436
2031	19,128	4,994	4,690	3,842	3,451
2032	19,451	5,118	4,710	3,937	3,466
2033	21,217	5,245	4,731	4,035	3,482
2034	22,769	5,375	4,753	4,135	3,499
2035	21,767	5,509	4,774	4,238	3,516
2036	21,651	5,645	4,797	4,343	3,533
2037	22,082	5,785	4,820	4,451	3,550
Total	328,706	80,133	77,656	71,222	68,091
NPV (2018\$)	169,445	38,306	38,306	38,306	38,306

Source: TECO's Response to Staff's First Data Request¹

¹Document No. 05111-17, dated May 31, 2017, in Docket No. 170075-EQ.

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

Conclusion

The provisions of TECO's revised schedule COG-2 for the standard offer contract conform to all of the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that TECO's revised tariff sheets for the standard offer contract and revised schedule COG-2 be approved as filed.

Issue 2: Should this docket be closed?

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

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



~~THIRTEENTH-FOURTEENTH~~ REVISED SHEET NO. 8.010
CANCELS ~~TWELFTH-THIRTEENTH~~ REVISED SHEET NO.
8.010

COGENERATION and SMALL POWER PRODUCTION

Title	Sheet No.
<u>Schedule COG-1, As-Available Energy:</u> Standard Rate for Purchase of As-Available Energy from Qualifying Cogeneration and Small Power Production Facilities (Qualifying Facilities)	8.020
<u>Appendix A</u> - Methodology to be Used in the Calculation of Avoided Energy Cost - Schedule COG-1	8.101
<u>Standard Offer Contract:</u> Standard Offer Contract for the Purchase of Contracted Capacity and Associated Energy from a Renewable Generating Facility or a Small Qualifying Facility	8.202
<u>Evaluation Procedure for Standard Offer Contracts</u>	8.266
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ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



ORIGINAL SHEET NO. 8.202

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

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

WITNESSETH:

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

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

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

1. **Definitions:**

- a. **Actual Capacity:** "Actual Capacity" shall mean the amount of Anticipated Capacity, as defined below, that can be made available to the Company at the Delivery Point and which the CEP has confirmed: (1) through performance testing prior to the Commercial In-Service Date, as defined below; and (2) at any time thereafter upon the Company's request.
- b. **Anticipated Capacity:** "Anticipated Capacity" shall mean the amount of capacity that the CEP intends to make available to the Company at the Delivery Point in _____ kW or in _____ MW from the Facility beginning on or before _____, the in-service date of the Designated Avoided Unit, as defined below.
- c. **Associated Energy:** "Associated Energy" shall mean the energy generated at the Facility, as defined below, by the generating source designated to supply Contracted Capacity and which is delivered to the Company at the Delivery Point, as defined below.
- d. **Company Transmission Service:** "Company Transmission Service" shall mean the network transmission service required through the Company's transmission system to deliver Associated Energy from the Delivery Point to the Company's native load customers.
- e. **Construction Commencement Date:** "Construction Commencement Date" shall mean the date on which the CEP's: (1) on-site activity is coordinated and continuous; and (2) active construction efforts are undertaken and on-going relative to the actual construction of major project features other than site preparation work; provided, however, that such date shall occur no later than _____.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

- f. **Contracted Capacity:** "Contracted Capacity" shall mean the amount of Actual Capacity in _____ kW or in _____ MW that the CEP commits to reserve, make available and supply to the Company from its Facility on a firm, first-call, subordinate-to-no-other-entity-or-party, on-call, as-needed basis, and for which the Company commits to pay the CEP.
- g. **Delivery Point:** "Delivery Point" shall mean: (1) the Interconnection Point, as described below, if the Facility is directly interconnected to the Company's transmission system; or (2) a point on the Company's transmission system, mutually agreed to by the Parties, at which the CEP shall deliver Contracted Capacity and Associated Energy via a third-party transmission service provider, if the Facility is not directly interconnected to the Company's transmission system.
- h. **Designated Avoided Unit:** "Designated Avoided Unit." shall mean the generating unit, from among those units identified in the Appendices C through F to the Company's COG-2 Tariff as the Company's avoided units, selected by the CEP as the unit the CEP wishes to help avoid, or defer, and upon which capacity and energy payments to the CEP will be based. The CEP selects the Designated Avoided Unit from Appendix _____ of Rate Schedule COG-2.
- i. **Eastern Prevailing Time:** "Eastern Prevailing Time" or "EPT" shall mean the time in effect in the Eastern Time Zone of the United States of America, whether Eastern Standard Time or Eastern Daylight Time.
- j. **Evaluation Procedure:** "Evaluation Procedure" shall mean the procedure used by the Company to evaluate each eligible standard offer contract received by the Company as to its technical reliability, viability and financial stability, as well as other relevant information, in accordance with FPSC Rule 25-17.0832, F.A.C., and the Company's Procedure for Processing Standard Offer Contracts as defined in Rate Schedule COG-2. The criteria used to evaluate standard offer contracts are attached hereto as Appendix I.
- k. **Extended Facility In-Service Date:** "Extended Facility In-Service Date" shall mean an extension of the Facility In-Service Date, as defined below, for a period not to exceed five (5) months which may be granted in accordance with Section 7 below.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

- l. **Facility:** "Facility" shall mean the CEP's proposed generating facility described in greater detail in Section 2, below.
- m. **Facility In-Service Date:** "Facility In-Service Date" shall mean the date on which the Facility is available to supply Contracted Capacity and deliver Associated Energy to the Company (also referred to in the electric power industry as the commercial in-service date or commercial operation date).
- n. **FERC:** "FERC" shall mean the Federal Energy Regulatory Commission or any similar or successor governmental body exercising the same or equivalent jurisdiction.
- o. **Interconnection Point:** "Interconnection Point" shall mean the plant busbar connection to the high side of the Facility's step-up transformer(s) where Contract Capacity and Associated Energy shall be delivered to the transmission service provider that serves the Facility. The Interconnection Point shall be specified in detail in the Interconnection Agreement (see Appendix III).
- p. **Non-Dispatched Capacity:** "Non-Dispatched Capacity" shall mean the amount of Contracted Capacity that the Company declines to schedule or request during any given hour, due to an emergency condition, or any other condition/reason. The Company shall adjust the Dispatch Schedule, as defined below, as soon as practical to reflect the amount of Non-Dispatched Capacity, or ignore scheduled capacity levels altogether (if conditions require immediate action to protect the integrity and/or reliability of the Company's generating system and/or transmission system); however, the Company shall make reasonable efforts to minimize departures from the Dispatch Schedule.
- q. **Non-Dispatched Energy:** "Non-Dispatched Energy" shall mean the energy associated with Non-Dispatched Capacity and which the Company declines to accept during any given hour, due to an emergency condition, or any other condition/reason.
- r. **Qualifying Facility:** "Qualifying Facility" shall mean a cogeneration facility, or small power production facility, that satisfies the definition of, and qualifies as, a Qualifying Facility in accordance with the provisions of Subpart B of Subchapter K, Part 292 of Chapter I, Title 18, Code of Federal Regulations (C.F.R.), promulgated by the FERC, as the same may be amended from time to time, and must be "new capacity" pursuant to the Public Utilities Regulatory Policies Act of 1978 (PURPA), construction of which began on or after November 9, 1978.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

- s. **Renewable Generating Facility:** "Renewable Generating Facility" shall mean a generating facility that satisfies the definition of, and qualifies as, a renewable generating facility in accordance with the provisions of Section 366.91, Florida Statutes and Rule 25-17.210 (1), F.A.C.
 - t. **Small Qualifying Facility:** "Small Qualifying Facility" shall mean a Qualifying Facility with a design capacity of 100 kW or less, as defined by subsection 25-17.080(3), F.A. C.
 - u. **Third-Party Transmission Services:** "Third-Party Transmission Services" shall mean the firm transmission service(s) and ancillary services required to deliver Contracted Capacity and Associated Energy from the Facility to the Company's transmission system if the Facility is not directly interconnected to the Company's transmission system.
2. **CEP's Proposed Facility:** The CEP contemplates installing and operating a Facility designed to produce a maximum of _____ kilowatts (kW) to be located at _____, which shall be and remain the specific site of the Facility providing Contracted Capacity and Associated Energy under this Contract throughout the Term, as described below, of this Contract. The Facility is designed, operated and controlled to satisfy the interconnection requirements of the Company's transmission system or the third-party transmission service provider that serves the Facility, as applicable. The Facility shall: (a) satisfy the Company's Open Access Transmission Tariff ("OATT") requirements and/or all non-FERC jurisdictional interconnection and/or transmission service agreements required by the CEP to deliver Contracted Capacity and Associated Energy to the Company, as applicable, to be designated a Company network resource and receive network transmission service from the Company; (b) be fully dispatchable in the manner set forth in Appendix ___ of Rate Schedule COG-2; and (c) be an existing Renewable Generating Facility or a Small Qualifying Facility or a Renewable Generating Facility or a Small Qualifying Facility that the CEP proposes to construct and operate.
3. **Term:** The "Term" of this Contract shall commence immediately upon its execution by the Parties and shall terminate at 12:01 A.M. on the later of: (a) the last day of the tenth year following the in-service date of the avoided unit, or (b) _____ (a date selected by the CEP provided that such date is no later than the day after the last day of the life of the avoided unit identified in Section 1h above).

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

4. **Company's Capacity and Energy Purchase Commitment:** The Company agrees to purchase all Contracted Capacity and Associated Energy, excluding Non-Dispatched Energy, generated at the Facility and provided to the Company at the Delivery Point by the CEP pursuant to this Contract, excluding the amount of capacity and energy consumed by the Facility's station service equipment (such as generator auxiliaries, emissions control and monitoring equipment, fuel handling equipment, etc.) and all transmission system losses incurred by the CEP to effect delivery of Contracted Capacity and Associated Energy to the Delivery Point.
5. **Non-Dispatched Capacity and Non-Dispatched Energy Restriction:** To the extent that there is Non-Dispatched Capacity and Non-Dispatched Energy during a given hour, such Non-Dispatched Capacity and Non-Dispatched Energy shall not be made available or sold by the CEP, or otherwise used in any way or disposed of, without the Company's prior written consent.
6. **Responsibilities for Interconnection Service, Third-Party Transmission Service and Company Transmission Service:** It is the responsibility of the CEP to request and secure the required interconnection service from the transmission service provider that serves the CEP's Facility, whether a third-party transmission service provider or the Company transmission service provider. If the Facility is not located within the Company's transmission system, it is the responsibility of the CEP to request and secure the required third-party transmission service(s) required to deliver Contracted Capacity and Associated Energy to the Company's transmission system. It is the responsibility of the CEP to: (i) satisfy the third-party transmission provider's, or the Company's, OATT requirements and/or all non-FERC jurisdictional interconnection and/or transmission service agreements required by the CEP to deliver Contracted Capacity and Associated Energy to the Company, as applicable; (ii) arrange and pay to interconnect the Facility to the third-party transmission service provider; (iii) become and continue to be an eligible customer under the third-party transmission provider's OATT, or the Company's OATT, as applicable, during the Term; and (iv) request and purchase all required firm Third-Party Transmission Services and interconnection service, if applicable, in a timely manner to satisfy the provisions of this Contract.

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

Continued from Sheet No. 8.214

7. **Extension of Facility In-Service Date:** The CEP may request and the Company may grant, at its sole discretion, an Extended Facility In-Service Date provided, however, that the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract. If the Facility In-Service Date is delayed and an Extended Facility In-Service Date has not been granted, or the Extended Facility In-Service Date is not satisfied, the CEP shall be subject to the applicable provisions of the Completion Security subsection of the Security Guarantees section of this Contract, which may be requested by the CEP and may be granted by the Company, at its sole discretion.
8. **Billing Methodology:** The billing methodology applicable to the Company's purchase, and the CEP's sale, of Contract Capacity and Associated Energy pursuant to this Contract shall be: (i) () Net Billing Arrangement; or (ii) () Simultaneous Purchase and Sale Arrangement, such purchases being arranged from the interconnecting utility and sales being made to the Company. Once made, the selection of a billing methodology may only be changed in accordance with FPSC Rule 25-17.082, F.A.C., and shall be in accordance with the following provisions:
- a. upon at least 30 days advance written notice to the Company; and
 - b. upon installation by the Company of any additional metering equipment reasonably required to effect the change in billing methodology; and
 - c. upon payment by the CEP for such metering equipment and its installation; and
 - d. upon the Company's approval and completion of any alterations to the Interconnection Point that are reasonably required to effect the change in billing methodology and upon payment by the CEP for such alterations.

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

Continued to Sheet No. 8.216

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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

Continued from Sheet No. 8.215

9. **Payment:**

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

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

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

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

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

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

Continued to Sheet No. 8.218

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



ORIGINAL SHEET NO. 8.218

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

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

b. Contracted Capacity Payment:

- i. **Dispatch Requirements:** In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
- ii. **Commencement of Contracted Capacity Payments:** The CEP elects to receive, and the Company agrees to commence calculating, Contracted Capacity payments in accordance with this Contract starting with the first Monthly Period following _____.
- iii. **Contracted Capacity Payment Options:** The following five (5) options are available to the CEP for payment of Contracted Capacity delivered by the CEP:
 1. Value of Deferral Capacity Payments;
 2. Early Capacity Payments;
 3. Levelized Capacity Payments;
 4. Early Levelized Capacity Payments; or
 5. Other Contracted Capacity Payment Option agreed upon by the Parties that best satisfies the financing requirements of the Facility. Such Other Contracted Capacity Payment Option is described as follows:

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

Continued from Sheet No. 8.222

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

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

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

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

Continued to Sheet No. 8.226

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



FIRST REVISED SHEET NO. 8.228
CANCELS ORIGINAL SHEET NO. 8.228

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

13. **Production and Maintenance Schedule:** During the Term, the CEP agrees to the following:
- a. The CEP shall provide the Company in writing prior to April 1st of each calendar year an estimate of the amount of electricity to be generated by the CEP and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages of the Facility or reductions to the amount of Contracted Capacity that the CPE can make available at the Delivery Point.
 - b. By July 1st of each calendar year, the Company shall notify the CEP in writing whether the requested scheduled maintenance period(s) for the Facility are acceptable. If the Company cannot accept any of the requested period(s), the Company shall advise the CEP of the time period closest to the requested period(s) when the outage(s) can be scheduled. The CEP shall only schedule outages during periods approved by the Company and such approval shall not be unreasonably withheld. Once the schedule has been established and approved, either Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed.
 - c. During the Term, the CEP shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with the Company. The CEP shall ensure that operating personnel are on duty at all times, twenty-four (24) clock hours per calendar day and seven (7) calendar days per week. Additionally, during the Term, the CEP shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder.
 - d. The Company shall not be obligated to purchase and may require curtailed or reduced deliveries of Associated Energy, to the extent necessary to maintain the reliability and integrity of any part of the Company's system, or if the Company determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to the Company's Customers. The Company shall give the CEP prior notice, if practicable, of its intent to refuse, curtail or reduce the Company's acceptance of Associated Energy pursuant to this subsection and will act to minimize the frequency and duration of such occurrences.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

- e. The Company shall not be required to accept or purchase Associated Energy during any period in which, due to operational circumstances, acceptance or purchase of such Associated Energy would result in the Company's incurring costs greater than those which it would incur by generating an equal additional amount of energy with its own resources. The Company shall give the CEP as much prior notice as practicable of its intent not to accept Associated Energy pursuant to this subsection.
 - f. The CEP shall promptly update the yearly generation schedule and maintenance schedule of the Facility as soon as any change to such schedules are determined to be necessary;
 - g. The CEP shall comply with reasonable requirements of the Company regarding day-to-day or hour-by-hour communications between the Parties relative to the performance of this Contract.
14. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Available Schedule"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch Schedule for Fridays will include Saturday, Sunday, and Monday schedules. The CEP's Available Schedule and the Company's Dispatch Schedule during holiday periods will be similarly adjusted to include the holiday period. The CEP shall control and operate the Facility in accordance with the Company's Dispatch Schedule.

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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15. **Additional Criteria:** The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications. Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing during the Term:
- a. The CEP shall provide monthly generation estimates for the Facility by December 1 for the next calendar year; and
 - b. The CEP shall promptly update its yearly generation schedule for the Facility when any changes are determined necessary; and
 - c. The CEP shall agree to reduce generation from the Facility or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
 - d. The CEP shall coordinate scheduled outages of the Facility with the Company.
16. **Automatic Generation Control:** At the Company's discretion, the CEP will operate the Facility with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.
17. **CEP's Obligation if the CEP Receives Payments Pursuant to Contracted Capacity Payment Options 2, 3, 4, or 5:** The Parties recognize that Rule 25-17.0832, F. A. C., may require the repayment by the CEP of all, or a portion of any, Capacity Payments made to the CEP pursuant to Contracted Capacity Payment Options 2, 3, 4, or 5 of Section 9.b.iii if the CEP fails to perform pursuant to the terms and conditions of this Contract. To ensure that the CEP will satisfy its obligation to make any such repayments, the following provisions will apply:
- The Company shall establish a Repayment Account to accrue the sum of the capacity payments that may have to be repaid by the CEP to the Company. Amounts shall be added to the Repayment Account each month through _____, in the amount of the Company's payments to the CEP for capacity delivered prior to _____. Beginning on _____, the difference between the

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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Contracted Capacity payment made to the CEP and the "normal" Contracted Capacity payment calculated pursuant to Contracted Capacity payment option 1 (Value of Deferral Payments) in COG-2 will also be added each month to the Repayment Account, so long as the payment made to the CEP is greater than the monthly payment the CEP would have received if it had selected Contracted Capacity Payment Option 1 in Section 6.b.iii. The annual balance in the Repayment Account shall accrue interest at an annual rate of ~~7.956~~9.76%.

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

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

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

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ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 19, 2012~~



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

18. **Ownership and Offering For Sale of Renewable Energy Attributes:** A CEP that owns and/or operates a Renewable Generating Facility retains any and all rights to own and sell any and all environmental attributes associated with the electrical generation of such Renewable Generating Facility, including but not limited to any and all renewable energy certificates, "green tags", or other tradeable environmental interests (collectively "RECs"), of any description. In the event that the CEP decides to sell any such environmental attributes during the term of this Contract, the CEP shall provide notice to the Company of its intent to sell such environmental attributes and provide the Company a reasonable opportunity to offer to purchase such environmental attributes.
19. **Changes in Environmental and Governmental Regulations:** This Contract may be re-opened, at the election of either Party, as a result of new environmental and other regulatory requirements enacted during the Term that affect the Company's full avoided costs of the unit on which this Contract is based.
20. **Non-Performance Provisions:** The CEP shall not receive a Contracted Capacity payment during any month during the Term in which the CEP fails to meet the MPS for Monthly Availability and Monthly Capacity Factor of the Company's Designated Avoided Unit as defined in Rate Schedule COG-2, Appendix _____. In addition, if for any month starting _____, the CEP fails to achieve the MPS, and the Monthly Contracted Capacity Payment that would have been made to the CEP pursuant

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: August 7, 2009



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

21. Default:

- a. Mandatory Default:** The CEP shall be in default under this Contract if it:
- i. is dissolved (other than pursuant to a consolidation, amalgamation or merger); or
 - ii. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; or
 - iii. makes a general assignment, arrangement or composition with or for the benefit of its creditors; or
 - iv. institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; or
 - v. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; or

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ISSUED BY: C. R. Black, President

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- vi. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
 - vii. fails to perform in accordance with Section 11.b.
 - viii. fails to maintain its status as a Renewable Energy Facility or small Qualifying Facility as required herein; or
 - ix. fails to achieve, on both accounts, a minimum Monthly Availability Factor of fifty percent (50%) and fails to achieve a minimum Monthly Capacity Factor of fifty percent, during the same month, for twelve (12) consecutive months starting .
- b. **Optional Default:** The Company may declare the CEP to be in default if:
- i. at any time prior to _____, and after Monthly Contracted Capacity Payments have begun, the Company has sufficient reason to believe that the CEP is unable to deliver the entire amount of Contracted Capacity; or
 - ii. after Monthly Capacity Payments have begun, the CEP fails each month, for twenty-four (24) consecutive months, to meet the MPS; or
 - iii. the CEP refuses, is unable or anticipatorily breaches its obligation to deliver the entire amount of Contracted Capacity after _____.
- c. **Default Remedy:** In the event of default by the CEP, the total Repayment Account balance shall become due and payable within 20 business days of receipt of written notice, as reimbursement for the Early Capacity Payments made to the CEP by the Company. The CEP's obligation to reimburse the Company in the amount of the balance in the Repayment Account shall survive the termination of this Contract. Such reimbursement shall not be construed to constitute liquidated damages and shall in no way limit the right of the Company to pursue all its remedies at law or in equity against the CEP.

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ISSUED BY: C. R. Black, President

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22. **General Provisions:**

- a. **Permits:** The CEP hereby agrees to seek to obtain any and all governmental permits, certifications, or other authority the CEP is required to obtain as a prerequisite to engaging in the activities provided for in this Contract. The Company hereby agrees to seek to obtain, at the CEP's expense, any and all governmental permits, certifications or other authority the Company is required to obtain as a prerequisite to engaging in the activities described in this Contract
- b. **Indemnification:** The Company and the CEP shall each be responsible for its own facilities in ensuring adequate safeguards for other Company customers, the Company and Energy Provider personnel and equipment, and for the protection of its own generating system. The Company and the CEP shall each indemnify and save the other harmless from any and all claims, demands, costs, or expense for loss, damage, or injury to persons or property of the other caused by, arising out of, or resulting from:
 - i. any act or omission by a Party or that Party's contractors, agents, servants and employees in connection with the installation or operation of that Party's generation system or the operation thereof in connection with the other Party's system; and
 - ii. any defect in, failure of, or fault related to a Party's generation system; and
 - iii. the negligence of a Party or negligence of that Party's contractors, agents servants and employees; and
 - iv. any other event or act that is the result of, or proximately caused by a Party.
- c. **Insurance:** The CEP shall deliver to the Company, at least fifteen (15) days prior to the start of any interconnection work, a certificate of insurance certifying the CEP's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the CEP as named insured, and the Company as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering the liabilities accepted under this Contract arising out of the interconnection to the Facility, or caused by operation of any of the Facility's equipment or by the CEP's failure to maintain its equipment in satisfactory and safe operating condition.

ISSUED BY: C. R. Black, President

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

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

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

e. Representations, Warranties, and Covenants of the CEP

The CEP represents and warrants that as of the date this Contract is executed:

- i. **Organization, Standing and Qualification:** The CEP is a (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of and has all necessary power and authority to carry on its business as presently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The CEP is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on the Company.
- ii. **Due Authorization, No Approvals, No Defaults, etc.:** Each of the execution, delivery and performance by the CEP of this Contract has been duly authorized by all necessary action on the part of the CEP, does not require any approval, except as has been heretofore obtained, of the (shareholders, partners, or others, as applicable) of the CEP or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the CEP, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the (articles of incorporation, bylaws, or other as applicable) of the CEP, or any agreement,

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

- iii. **Compliance with Laws:** The CEP has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The CEP is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the CEP or the Company. By entering into this Contract, the CEP represents and warrants that Facility is a renewable facility pursuant to Rule 25-17.210(1) and(2) F.A.C. or a QF with a design capacity of 100 kW, or less, pursuant to Rule 17.080 F.A.C. and confirms such representation and warranty with the signature of the CEP's authorized representative on this Contract.
- iv. **Governmental Approvals:** Except as expressly contemplated herein, neither the execution and delivery by the CEP of this Contract, nor the consummation by the CEP of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the CEP has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefore).
- v. **No Proceedings:** There are no actions, suits, proceedings or investigations pending or, to the knowledge of the CEP, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the CEP's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The CEP has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. CEP is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- f. **Conditions Precedent:** Notwithstanding any other provisions of this Contract including the provisions of Section 20.b, the Company shall have the right to terminate this Contract by notice to the CEP, without cause, liability or obligation, if

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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

- i. The CEP satisfies the Construction Commencement Date;
- ii. If the Facility is a small Qualifying Facility, on or before the Facility In-Service Date: The CEP secures certification of the Facility as a Qualifying Facility as defined herein and as certified by the FERC.
- iii. If the Facility is a small Qualifying Facility, on or before the Facility In-Service Date, and at all times throughout the remaining Term, such Facility shall maintain its status as a Qualifying Facility as defined herein and as certified by the FERC. By the end of the first quarter of each calendar year, the CEP shall furnish the Company a notarized certificate by an officer of the CEP certifying that the Facility has continuously maintained qualifying status on a calendar year basis since the commencement of the Term.
- iv. Within 9 months after the effective date of this Contract: The CEP secures any and all land use and zoning approvals reasonably necessary to obtain construction financing and authorizes the commencement of construction of the Facility on a basis not substantially adverse to the Company;
- v. Within 9 months after the effective date of this Contract: The CEP has secured all other environmental and construction permits and other governmental approvals reasonably necessary to obtain construction financing and to begin construction of the Facility on a basis not substantially adverse to the Company;
- vi. Within 9 months after the effective date of this Contract: The CEP achieves closing of financing for construction of the Facility;
- vii. On or before _____, the CEP provides to the Company written evidence of the rights to adequate fuel supply for the Facility in a form satisfactory to the Company;

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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- viii. Within 9 months after the effective date of this Contract: The CEP provides evidence in writing in a form satisfactory to the Company indicating and substantiating the ownership of or the right to use the real property at the specific site upon which the Facility will be located; and
- ix. Within 9 months after the effective date of this Contract: The CEP provides sufficient information satisfactory to the Company describing the technical capability and experience of the Facility's technology, including the environmental performance of the Facility.
- g. **Assignment:** The Company and the CEP shall have the right to assign its benefits under this Contract, but the CEP shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.
- h. **Disclaimer:** In executing this Contract, the Company does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the CEP or any assignee of this Contract.
- i. **Notification:** For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Contract, the Parties designate the following to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions changing such designate.

For: the CEP _____ _____ _____ _____ _____	For: the Company c/o Manager-Wholesale Contracts, Wholesale Marketing and Sales Tampa Electric Company 702 North Franklin Street (33602) P.O. Box 111 Tampa, Florida 33601
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- j. **Governing Law and Jurisdiction:** This Contract shall be governed by and construed and enforced in accordance with the laws, rules, and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time. With respect to any suit, action or proceedings relating to this Contract, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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

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

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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- l. **Taxation:** In the event that the Company becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Services determination, through audit, ruling or other authority, that the Company's payments to the CEP for capacity under Options B, C, or D are not fully deductible when paid (additional tax liability), the Company may bill the CEP monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these capacity payments are not currently deductible for federal and/or state income tax purposes. The Company, at its option, may offset these costs against amounts due the CEP hereunder. These costs would be calculated so as to place the Company in the same economic position in which it would have been if the entire capacity payments had been deductible in the period in which the payments were made. If the Company decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with the Company.
- m. **Severability:** If any part of this Contract, for any reason, be declared invalid, or unenforceable by a court or public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of this Contract, which remainder shall remain in force and effect as if this Contract had been executed without the invalid or unenforceable portion.
- n. **Complete Contract and Amendments:** All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Contract are hereby abrogated. No amendment or modification to this Contract shall be binding unless it shall be set forth in writing and duly executed by both Parties to this Contract.
- o. **Incorporation of Rate Schedule:** The Parties agree that this Contract shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.
- p. **Survival of Contract:** This Contract, as it may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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CANCELS FIRST REVISED SHEET NO. 8.262

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- q. **Record Retention:** The CEP agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all CEP entities to retain for the same period all such records.
- r. **No Waiver:** No waiver of any of the terms and conditions of this Contract shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The failure of a Party to insist, in any instance, on the strict performance of any of the terms and conditions hereof shall not be construed as a waiver of such Party's right in the future to insist on such strict performance.
- s. **Set-off:** The Company may at any time, but shall be under no obligation to, set off any and all sums due from the CEP against sums due to the CEP hereunder.
- t. **Assistance With the Company FIN 46R Compliance:** Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require the Company to evaluate whether the CEP must be consolidated, as a variable interest entity (as defined in FIN 46R), in the financial statements of the Company. The CEP agrees to fully cooperate with the Company and make available to the Company all financial data and other information, as deemed necessary by the Company, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R. If the result of a the evaluation under FIN 46R indicates that the CEP must be consolidated in the financial statements of the Company, the CEP agrees to provide financial statements, together with other required information, as determined by the Company, for inclusion in disclosures contained in the footnotes to the financial statements and in the Company's required filings with the Securities and Exchange Commission ("SEC"). The CEP shall provide this information to the Company in a timeframe consistent with the Company's earnings release and SEC filing schedules, to be determined at the Company's discretion. The CEP also agrees to fully cooperate with the Company and the Company's independent auditors in completing an assessment of the CEP's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of the Company. The Company will treat any information provided by the CEP in satisfying Section 22(s) as confidential information and shall only disclose such information to the extent required by accounting and SEC rules and any applicable laws.

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



ORIGINAL SHEET NO. 8.264

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

WITNESSES:

Name of Capacity and Energy Provider

By: _____

Its: _____

WITNESSES:

Tampa Electric Company

By: _____

Its: _____

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.266

**EVALUATION PROCEDURE
FOR STANDARD OFFER CONTRACTS**

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

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

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

EVALUATION PARAMETERS:

1. **Technical Viability:**
 - a. What is the technology being proposed?
 - b. Has the technology been demonstrated or commercially applied? Please explain.
 - c. Has the CEP previously utilized this technology elsewhere?
 - Construction: Please provide performance record and experience with project technology.
 - Operations: Please provide operator's experience and performance record in comparable facilities.
 - d. Has a project feasibility study been conducted by an Independent Engineer to assess the project technology and its potential effect on the project's financial results? Please explain.
 - e. What thermal efficiency must be maintained by the unit(s) in order to retain status as a qualifying facility ("QF")?
2. **Fuel Supply:**
 - a. What is the primary fuel type?
 - b. What are the annual fuel requirements? (primary/alternate)
 - c. Has primary fuel supply been secured? Is the fuel supply domestic, cross-border or foreign? What the term of the fuel supply agreement?
 - d. Is an alternate fuel required?

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DATE EFFECTIVE: May 22, 2007



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

3. **Reliability:**

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

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DATE EFFECTIVE: May 22, 2007



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- g. Site Control: Has the project's location been identified? Has the site been secured? Does the site require specific environmental considerations, i.e. wetlands, etc.? Please explain.
4. **Developer's Qualifications:**
- a. Project's Financial Stability: The Company will assess the creditworthiness of the project developer and/or its guarantor, if any, and determine in the Company's reasonable sole discretion if the project developer's level of unsecured credit is sufficient to provide the required Security to the Company. Please provide detail for the project developer or its guarantor, if any: (a) audited year-end financial statements (including balance sheet, income statement, and statement of cash flows) for the past three fiscal years, and (b) senior unsecured bond ratings from Moody's Investors Service and Standard and Poor's, if applicable.
- b. Developer's Experience: Has developer any projects in operation? Has developer any other projects under construction? Please provide details for each previous Independent Power Production or QF projects undertaken by the developer, including but not limited to:
- i. Financial arrangements and Institutions,
 - ii. Fuel contracts,
 - iii. Scheduling/project control information,
 - iv. Regulatory treatment,
 - v. Ownership structure, i.e. partnership, limited partnership, contract buy-outs, etc., and
 - vi. Total operating experience and performance.
- c. Project Financing: Has project financing been secured? Will ownership equity in project be 15% or greater? Will the project be structured as a non-recourse financing project? Please provide detail.
- d. Working Capital: Has long-term working capital been secured? Are sufficient reserves available to fund 6 months of debt service? Are sufficient funds available to cover 6 months of O&M expenses? Does project have warranties for key operating equipment during the first year of operations? Please provide detail.
5. **Additional Information:** Please provide the following additional general information to assist the Company in evaluating your Standard Offer Contract
- a. Standard Offer Committed Capacity (MW):
 - b. Size and type of generation:
 - c. Any existing or planned capacity commitments or energy sales to other utilities, if so provide detail:

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DATE EFFECTIVE: June 30, 2009



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- d. Will the project directly interconnect into the Company's transmission grid? Please explain:
- e. If the project is located external to the Company's retail service area, how will the power be delivered to the Company? Please explain:
- f. Will steam host use a portion of electric generation, if so provide detail:
- g. Please provide developer's ownership structure for this project:
- h. Developer's insurance carrier:
 - o Property damage insurance:
 - o Business interruption insurance:
 - o Rating of insurance carrier:
- i. Please provide estimates of the following:
 - o Expected annual metered electric output,
 - o Expected annual metered useful thermal output, in Btu/hr X operating hours/year,
 - o Expected annual metered fuel input, in Btu/hr X operating hours/year
- j. Other:

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



ORIGINAL SHEET NO. 8.284

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

SCHEDULE: COG-2, firm capacity and energy

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.286

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

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

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

1. execute a Company Standard Offer Contract for the Company's purchase of firm capacity and energy; and
2. commit to commence deliveries of firm capacity and energy no later than the in-service date of the Designated Avoided Unit, and to continue such deliveries through the later of the last day of the tenth year following the in-service date of the avoided unit or the date selected by the CEP that is no later than the day after the last day of the life of the avoided unit.

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

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

Option 1 - Value of Deferral Capacity Payments:

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

Option 2 - Early Capacity Payments:

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

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

Option 3 - Levelized Capacity Payments:

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

Option 4 - Early Levelized Capacity Payments:

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

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

Option 5 - Other

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

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

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

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DATE EFFECTIVE: May 22, 2007



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

2. **Standard Energy Payment Rates:**

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

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

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

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

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

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DATE EFFECTIVE: July 29, 2008



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3. **Fixed Energy Payment Options:**

- a. **Fixed As-Available Energy Payments:** In accordance with FPSC Rule 25-17.250(6)(a) F.A.C., the CEP may elect Fixed As-Available Energy Payments for the period prior to the in-service date of the avoided unit. The Fixed As-Available Energy Payments shall be based on the Company's year-by-year projection of system incremental fuel costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions plus a fuel market volatility risk premium mutually agreed upon by the Company and the CEP and approved by the FPSC.
- b. **Fixed Base Energy Payments:** At the election of the CEP, a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the Company and the CEP, may be fixed and amortized on a present value basis over the term of the contract starting as early as the in-service date of the CEP's generating facility pursuant to FPSC Rule 25-17.250(6)(b) F.A.C. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have been operated. The Company shall develop a schedule of such Fixed Base Energy Payments for the consideration of the CEP based on the expressed interests of the CEP. Should the CEP select Fixed Base Energy Payments, the Company may require additional associated security considerations which will also be mutually agreed upon by the Company and the CEP and approved by the FPSC.

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

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

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DATE EFFECTIVE: July 29, 2008



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2. **Monthly Availability and Monthly Capacity Factor:** Upon achieving commercial in-service status, payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the CEP and subject to the provision that the CEP equals or exceeds the MPS for Monthly Availability and Monthly Capacity Factor of the Company's Designated Avoided Unit, as defined in Appendices C through F of this schedule, on which the Standard Offer Contract is based.
3. **CEP's Obligation if CEP Receives Capacity Payments Under Capacity Payments Options 2, 3, 4, or 5:** The CEP's payment option choice pursuant to Paragraph 6.b.iii of the Company's Standard Offer Contract may result in payments made by the Company for capacity delivered prior to the in-service date of the avoided unit. Similarly, Levelized and Early-Levelized, and front-end loaded Other Capacity Payments for capacity delivered on or after the in-service date of the avoided unit, may also exceed the year-by-year value of deferring the Designated Avoided Unit as specified in this Agreement. The Parties recognize that capacity payments that exceed the year-by-year value of deferring the avoided unit may have to be repaid by the CEP in the event the CEP fails to perform pursuant to the terms and conditions of the Company's Standard Offer Contract.

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

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

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

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

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DATE EFFECTIVE: May 22, 2007



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

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

The CEP shall owe the Company and be liable for the current balance in the Repayment Account. The annual balance in the Repayment Account shall accrue interest at an annual rate of 7.88%. The Company agrees to notify the CEP monthly as to the current Repayment Account balance.

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

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

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

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CANCELS SEVENTH REVISED SHEET NO. 8.306**

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

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

4. Additional Criteria:

- a. The CEP shall provide monthly generation estimates by December 1 for the next calendar year; and
- b. The CEP shall promptly update its yearly generation schedule when any changes are determined necessary; and
- c. The CEP shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
- d. The CEP shall coordinate scheduled outages with the Company;
- e. The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications.

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

Rate Schedule	Adjustment Factor
RS, GS	1.0512
GSD, SBF	1.0477
IS, SBI	1.0178

Continued to Sheet No. 8.308

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: December 30, 2016



ORIGINAL SHEET NO. 8.308

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

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



SECOND REVISED SHEET NO. 8.312
CANCELS FIRST REVISED SHEET NO. 8.312

Continued from Sheet No. 8.308

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

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

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

CHARGES/CREDITS TO THE CEP:

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

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

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

RATE SCHEDULE	BASIC SERVICE CHARGE (\$)	RATE SCHEDULE	BASIC SERVICE CHARGE (\$)
RS	15.00		
GS	18.00	GST	20.00
GSD (secondary)	30.00	GSDT (secondary)	30.00
GSD (primary)	130.00	GSDT (primary)	130.00
GSD (subtrans.)	990.00	GSDT (subtrans.)	990.00
SBF (secondary)	55.00	SBFT (secondary)	55.00
SBF (primary)	155.00	SBFT (primary)	155.00
SBF (subtrans.)	1,015.00	SBFT (subtrans.)	1,015.00
IS (primary)	622.00	IST (primary)	622.00
IS (subtrans.)	2,372.00	IST (subtrans.)	2,372.00
SBI (primary)	647.00		
SBI (subtrans.)	2,397.00		

Continued to Sheet No. 8.314

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: November 1, 2013



FIRST REVISED SHEET NO. 8.314
CANCELS ORIGINAL SHEET NO. 8.314

If CEP takes service under Rate Rider GSLM-2 or GSLM-3, an additional Basic Service Charge of \$200.00 will apply.

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

2. **Interconnection Charge for Non-Variable Utility Expenses:** The CEP shall bear the cost required for interconnection including the metering. The CEP shall have the option of payment in full for interconnection or make equal monthly installment payments over a 36 month period together with interest at the rate then prevailing for 30 days highest grade commercial paper; such rate to be determined by the Company 30 days prior to the date of each payment.
3. **Interconnection Charge for Variable Utility Expenses:** The CEP shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These costs include a) the Company's inspections of the interconnection and b) maintenance of any equipment beyond that which would be required to provide normal electric service to the CEP with respect to other Customers with similar load characteristics.
4. **Taxes and Assessments:** The CEP shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of firm capacity and energy produced by the CEP.

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

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

TERMS OF SERVICE:

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: November 1, 2013



ORIGINAL SHEET NO. 8.316

2. Any electric service delivered by the Company to the CEP shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.
3. A billing security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - a. In the first year of operation, the security deposit should be based upon the singular month in which the CEP's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the CEP. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit should be required upon interconnection.
 - b. For each year thereafter, a review of the actual sales and purchases between the CEP and the utility shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the CEP exceed the actual sales to the utility in that month.
4. The Company will, under the provisions of this Schedule, require an agreement with the CEP upon the Company's filed Standard Offer Contract.
5. Service under this rate schedule is subject to the rules and regulations of the Company and the FPSC.

SPECIAL PROVISIONS:

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.318

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

3. In accordance with FPSC Rule 25-17.089, F.A.C., upon request by a CEP, the Company shall provide transmission service in accordance with its OATT to wheel As-Available Energy or firm capacity and energy produced by the CEP from the CEP to another electric utility.
4. The rates, terms, and conditions for any transmission and ancillary services provide to the CEP shall be those approved by the FERC and contained in the Company's OATT.
5. A CEP may apply for transmission and ancillary services from the Company in accordance with the Company's OATT. Requests for service must be submitted on the Company's Open Access Same-Time Information System ("OASIS"). The Company's contact person, phone number and address is posted and updated on the OASIS and can be viewed by the public on the Internet at the address: http://www.enx.com/FOA_Contacts.html. A copy of the Company's OATT is also posted at the address: http://www.enx.com/FOA/teco_home.html.
6. If the CEP is located outside of the Company's transmission area, then the CEP must arrange for long term firm 3rd-party transmission, ancillary services and an Interconnection Agreement on all necessary external transmission paths for the term of the contract.

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.322

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

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

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

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

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

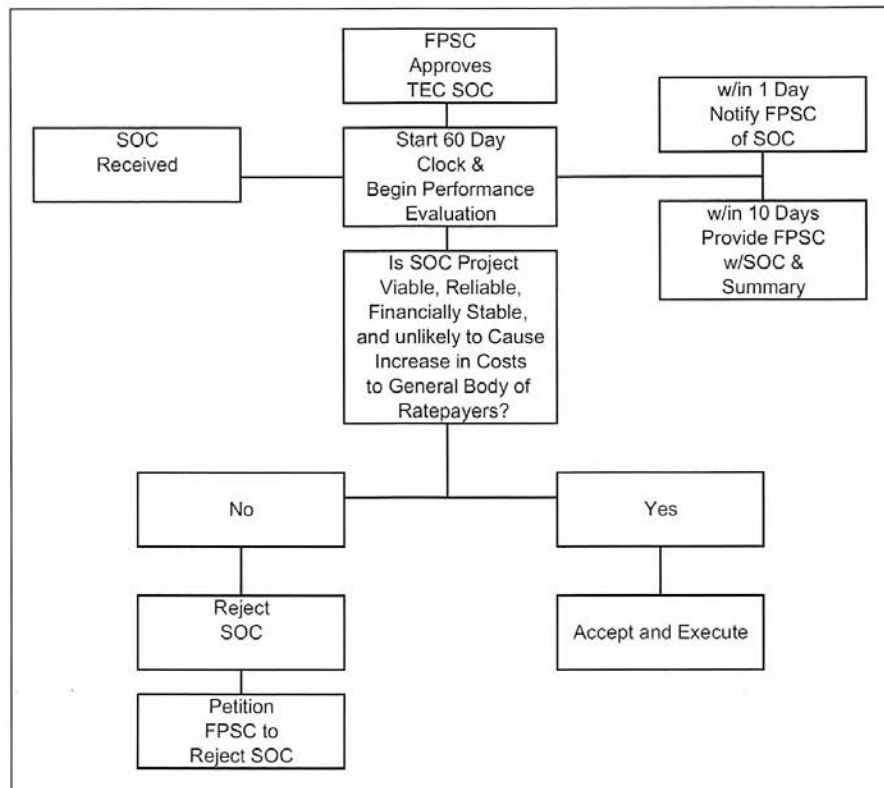
ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.324

PROCEDURE FOR PROCESSING STANDARD OFFER CONTRACTS



ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



~~SEVENTH-EIGHTH~~ REVISED SHEET
NO. 8.326
CANCELS ~~SIXTH-SEVENTH~~ REVISED
SHEET NO. 8.326

**RATE SCHEDULE COG-2
TABLE OF APPENDICES**

APPENDIX	TITLE	SHEET NO.
A	VALUE OF DEFERRAL METHODOLOGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2020-2021 COMBUSTION TURBINE <ul style="list-style-type: none">• Minimum Performance Standard• Parameters for Avoided Unit Capacity Costs• Exemplary Capacity Payment Schedules• Parameters for Avoided Unit Energy Costs	8.406
D	RESERVED FOR FUTURE USE	-
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



ORIGINAL SHEET NO. 8.328

**RATE SCHEDULE COG-2
APPENDIX A
VALUE OF DEFERRAL METHODOLOGY**

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

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

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

$$VAC_m = 1/12 [K I_n (1-R_p) / (1-R_p)^L + O_n]$$

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.332

- I_n = total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n , including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed;
- O_n = total fixed operation and maintenance expense for the year n , in mid-year \$/kW/year, of the Designated Avoided Unit(s);
- i_p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s);
- i_o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);
- r = annual discount rate, defined as the Company's incremental after tax cost of capital;
- L = expected life of the Designated Avoided Unit(s); and
- $R_p = (1 + i_p) / (1 + r)$
- n = year for which the Designated Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy.

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

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

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DATE EFFECTIVE: May 22, 2007



ORIGINAL SHEET NO. 8.334

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

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

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

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

$$A_c = F [(1 - R_p) / (1 - R_p^t)]$$

Where:

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

$$A_o = G [(1 - R_o) / (1 - R_o^t)]$$

Where:

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

Continued from Sheet No. 8.334

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

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

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Designated Avoided Unit(s);
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with FPSC Rule 25-17.0832, paragraph 6(a) for Levelized Capacity Payments or with paragraph 6(b) for Early Levelized Capacity Payments, F.A.C.

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

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

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

Continued to Sheet No. 8.338

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



ORIGINAL SHEET NO. 8.338

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

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

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

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

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

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

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



FIRST REVISED SHEET NO. 8.352
CANCELS ORIGINAL SHEET NO. 8.352

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

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

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

1. The system load is the actual system load at the Hour Ending with the clock hour (HE).
2. The first allocation of load for production costing is to those units that are base loaded at a certain level for operating reasons. The remainder of the load is allocated to units available for economic dispatch through the use of incremental cost curves.
3. The fuel costs associated with each of the Company's units operating at its allocated level of generation is determined by using the individual units input/output equation, its heat rate performance factor and the composite price of supplemental fuel.
4. The Company's own production cost for each hour of operation at a particular generation level equals the sum of the individual units' fuel cost for that hour. The production cost, thus determined, consists of the composite price of replacement fuel based on supplemental purchases and the incremental heat rate for the generating system.
5. The Company's total cost equals its own production cost (paragraph 4 above), identified variable O&M, plus the cost of any off-system purchases to serve native load.
6. Native load includes all firm and non-firm retail load.
7. The cost of off-system firm and non-firm variable purchases is defined as the highest energy cost energy block purchased for native load during the hour.
8. Firm interchange sales are included in production cost calculations.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



**SECOND REVISED SHEET NO. 8.356
CANCELS FIRST REVISED SHEET NO. 8.356**

Continued from Sheet No. 8.352

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

Continued to Sheet No. 8.376

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013



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

Continued from Sheet no. 8.356

SUPPLEMENTAL FUEL:

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

AVOIDED ENERGY COST CALCULATIONS:

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

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

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

Continue to Sheet No. 8.378

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



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

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

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

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

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

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

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

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

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

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

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

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

Example: (Firm Standby Time-of-Day)

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

Adjustment Factor for Line Losses:
1.0561

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

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

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

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DATE EFFECTIVE: June 19, 2012



ORIGINAL SHEET NO. 8.392

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



FIRST REVISED SHEET NO. 8.394
CANCELS ORIGINAL SHEET NO. 8.394

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



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

EXHIBIT 1

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

Given:

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

First Calculation (WITHOUT CEP):

Production Cost at 1560 MWs = \$20,275/hour

Second Calculation (WITH CEP):

Production Cost at 1510 MWs = \$19,500/hour

Third Calculation (CEP Rate \$/MWH):

Actual Hourly Avoided Energy Cost = $(\$20,275/\text{hour} - \$19,500/\text{hour}) / (50 \text{ MW})$

or

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

EXHIBIT 2

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

Given:

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

First Calculation:

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

Second Calculation:

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

Third Calculation (CEP Rate \$/MWH):

Actual Hourly Avoided Energy Cost at 1 MW (system lambda¹) =
(\$18,900/hour - \$18,882.50/hour) / (1 MW)

or

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

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

EXHIBIT 3

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

Given:

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

Step 1 (Calculations for First 30 MWs)

First Calculation (Without CEP):

Production Cost at 1530 MWs = \$20,590/hour

Second Calculation (With CEP):

Production Cost at 1500 MWs = \$20,050/hour

Third Calculation:

Actual Hourly Avoided Energy Cost at 30 MWs =
 $(\$20,590/\text{hour}) - (\$20,050/\text{hour}) = \$540/\text{hour}$

Step 2 (Calculations for Remaining 20 MWs)

First Calculation:

Production Cost at 1530 MWs = \$20,590/hour

Second Calculation:

Production Cost at 1529 MWs = \$20,571.50/hour

Third Calculation:

Actual Hourly Avoided Energy Cost at 1 MW (system λ^1) for 20 MWs =
 $(\$20,590/\text{hour} - \$20,571.50/\text{hour}) \times (20 \text{ MWs}) = \$370/\text{hour}$

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

Composite Actual Hourly Avoided Energy Cost of 50 MW Block = $(\$540 + \$370) / 50 \text{ MW}$
or

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

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

EXHIBIT 4

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

Given:

Actual CEP Energy = 50 MWs
The Company's Maximum Available Generation = 1500 MWs
The Company's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sales = 20 MWs¹
Off-System Purchase¹ = 10 MWs Costing \$400/hour

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

Or

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

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



~~SEVENTH-EIGHTH~~ REVISED SHEET
NO. 8.406
CANCELS ~~SIXTH-SEVENTH~~ REVISED
SHEET NO. 8.406

**RATE SCHEDULE COG-2
APPENDIX C**

~~2020-2021~~ COMBUSTION TURBINE

This Designated Avoided Unit is a 220 MW (winter rating) natural gas-fired combustion turbine with a May 1, ~~2020~~2021, in-service date.

MINIMUM PERFORMANCE STANDARDS

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

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch

Continued to Sheet No. 8.408

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



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

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

3. **Automatic Generation Control:** At the Company's discretion, the CEP will operate the Facility with Automatic Generation Control (AGC) equipment, speed governors, and voltage regulators in-service, except at such times when operational constraints of the equipment prevent AGC operation.
4. **Start-up Time:** Upon notification by the Company, the CEP's Facility shall provide its capacity within 15 minutes from a cold-start condition to maximum capacity.
5. **Minimum Run Time:** Minimum run time for the CEP's unit shall be 1 hour.

BASIS FOR MONTHLY CAPACITY PAYMENT CALCULATION:

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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

2. **Monthly Capacity Factor:** In addition to the MPS for Monthly Availability, the CEP shall provide capacity into the Company's electric grid in order to meet or exceed a Monthly Capacity Factor of 80%. The Monthly Capacity Factor for the period April 1st through October 31st shall be defined as the sum of 80% of the Monthly Average On-peak Operating Factor plus 20% of the Monthly Average Off-peak Operating Factor. The Monthly Capacity Factor for the period November 1st through March 31st shall be defined as the sum of 90% of the Monthly Average On-peak Operating Factor plus 10% of the Monthly Average Off-peak Operating Factor.
 - a. **Operating Factor:** The CEP shall endeavor to provide capacity in the amount dispatched by the Company. The Company may at times request capacity in an amount that exceeds the Committed Capacity as declared by CEP the previous day.

However, the Operating Factor may not exceed 100% and shall be defined as the actual energy received during each hour that the CEP unit is dispatched by the Company divided by the lesser of the CEP's Committed Capacity or the capacity requested by the Company for that hour, expressed to the nearest whole percentile.
 - b. **Monthly Average On-peak Operating Factor:** The monthly average of the Operating Factor for all hours the CEP unit has been dispatched during On-peak Hours will be termed the Monthly Average On-peak Operating Factor.
 - c. **Monthly Average Off-peak Operating Factor:** The monthly average of the Operating Factor for all hours the CEP unit has been dispatched during Off-peak Hours will be termed the Monthly Average Off-peak Operating Factor.
3. **Off-Peak and On-Peak Hours:** Those weekday hours occurring April 1 through October 31, from 12:00 noon to 9:00 p.m. and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and from 6:00 p.m. to 10:00 p.m. All other weekday hours and weekends shall be deemed Off-peak Hours including the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company shall have the right to change such On-peak Hours by providing written notice to CEP a minimum of 90 calendar days prior to such change.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



FOURTH REVISED SHEET NO. 8.416
CANCELS THIRD REVISED SHEET NO. 8.416

Continued from Sheet No. 8.414

4. **Annual Scheduled Maintenance:** Each year the CEP shall prepare, coordinate, and provide by April 1st all planned maintenance with the Company. The Company will review and approve annual/major scheduled maintenance by July 1st for the balance of the current year and following calendar year. A maximum of 10 days (240 hours) each year for annual maintenance and a maximum of 4 weeks (672 hours) every fifteenth year for major maintenance will be allowed. Scheduled maintenance shall not be planned during January, July, August, or December. At the option of the CEP and with written consent from the Company, scheduled outage time may be utilized during any other months to improve the CEP's Availability and Capacity Factors and such scheduled outage hours will be disregarded from the Monthly Availability Factor and Capacity Factor calculations. However, once allowable maintenance hours have been utilized, all other hours during the year will be considered in Availability and Capacity Factor calculations.
5. **Monthly Capacity Payment:** Starting with the CEP's Commercial In-Service Date, for months when the CEP unit has been dispatched (provided that CEP has achieved at least a 90% Monthly Availability Factor), the Monthly Capacity Payment for each Monthly Period shall be calculated according to the following:
 - a. In the event that the Monthly Capacity Factor is less than 80%, no Monthly Capacity Payment shall be paid to the CEP. That is:

$$\text{MCP} = \$0$$

- b. In the event that the Monthly Capacity Factor is greater than or equal to 80% but less than 90%, the Monthly Capacity Payment shall be calculated from the following formula:

$$\text{MCP} = [(\text{BCC}) \times (.02 \times (\text{CF} - 45))] \times \text{CC}$$

Continued on Sheet No. 8.418

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 21, 2015



ORIGINAL SHEET NO. 8.418

- c. In the event that the Monthly Capacity Factor is greater than or equal to 90%, the Monthly Capacity Payment shall be calculated from the following formula:

$$\text{MCP} = (\text{BCC}) \times \text{CC}$$

Where:

- MCP = Monthly Capacity Payment in dollars.
BCC = Base Capacity Credit in \$/KW-Month (*as exemplified by the Payment Schedules included in this Appendix for the minimum contract term under Capacity Payment Options 1, 2, 3 and 4.*)
CC = Contracted Capacity in KW
CF = Monthly Capacity Factor; or

During April 1 - October 31:

$$= 80\% \times \text{Monthly Average On-peak Operating Factor} + 20\% \times \text{Monthly Average Off-peak Operating Factor}$$

During November 1 - March 31:

$$= 90\% \times \text{Monthly Average On-peak Operating Factor} + 10\% \times \text{Monthly Average Off-peak Operating Factor}$$

6. **Non-Dispatch Condition:** The CEP may be entitled to a Monthly Capacity Payment (BCC x CC) even if the CEP's unit was not dispatched by the Company during a Monthly Period. In this instance however, in order to cover the Company's operating reserve criteria, the CEP unit must have achieved a minimum Monthly Availability Factor of 90% for the Monthly Period to be eligible to receive a Monthly Capacity Payment.

In the event the CEP unit is dispatched during one but not the other (On-peak vs. Off-peak) period during the month, the CEP's Monthly Average Operating Factor for the "non-dispatched" period will be set equal to the Monthly Average Operating Factor achieved during the "dispatched" period, for the purpose of calculating the Monthly Capacity Factor, as defined in Paragraph 2 above.

The CEP may be entitled to a Monthly Capacity Payment when the CEP's unit is out of service during the month for allowable scheduled maintenance in accordance with the Paragraph 4 above.

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



~~NINTH-TENTH~~ REVISED SHEET NO.
8.422
CANCELS ~~EIGHT-NINTH~~ REVISED
SHEET NO. 8.422

Continued from Sheet No. 8.418

PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (5/1/2021) of the Company's Designated Avoided Unit, a 220MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

		VALUE
VAC _m	= Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	6.406 <u>6.90</u>
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year	4.3834 <u>4.181</u>
I _n	= total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWIP, of the Designated Avoided Unit(s) with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Designated Avoided Unit that would have been paid had the Designated Avoided Unit(s) been constructed	795.2084 <u>3.83</u>
O _n	= total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	13.16 <u>13.49</u>
i _p	= annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	2.5% <u>2.5%</u>
i _o	= annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.4% <u>2.4%</u>
r	= discount rate, defined as the Company's incremental after tax cost of capital;	6.98% <u>6.976%</u>

Continued to Sheet No. 4.424

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~NINTH-TENTH~~ REVISED SHEET NO.
8.424
CANCELS ~~EIGHTH-NINTH~~ REVISED
SHEET NO. 8.424

Continued from Sheet No. 8.422

L	=	expected life of the Designated Avoided Unit(s); and	30 30
n	=	year for which the Designated Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm capacity and energy.	2020 2021
A _m	=	monthly early capacity payments to be made to the CEP for each month of the contract year n, in \$/kW/month, if payments start in 2015;	3,784.07
m	=	Earliest year in which early capacity payments to the CEP may begin;	2016 2017*
F	=	the cumulative present value, in the year contractual payments will begin, of the avoided capital cost component of capacity payments over the term of the contract which would have been made had capacity payments commenced with the anticipated in-service date of the Designated Avoided Unit(s);	404.324 39.81*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	14 14*

* Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.

Continued to Sheet No. 8.426

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~NINTH-TENTH~~ REVISED SHEET NO.
8.426
CANCELS ~~EIGHTH-NINTH~~ REVISED
SHEET NO. 8.426

Continued from Sheet No. 8.424

2020 COMBUSTION TURBINE - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1				
		NORMAL PAYMENT		EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo
5/1/16	4/30/17					3.78
5/1/17	4/30/18				4.27	3.87
5/1/18	4/30/19			4.85	4.38	3.97
5/1/19	4/30/20		5.55	4.97	4.48	4.07
5/1/20	4/30/21	6.40	5.69	5.10	4.60	4.17
5/1/21	4/30/22	6.56	5.83	5.22	4.71	4.27
5/1/22	4/30/23	6.73	5.98	5.35	4.83	4.38
5/1/23	4/30/24	6.89	6.12	5.49	4.95	4.49
5/1/24	4/30/25	7.07	6.28	5.62	5.07	4.60
5/1/25	4/30/26	7.24	6.43	5.76	5.20	4.71
5/1/26	4/30/27	7.42	6.59	5.90	5.32	4.83
5/1/27	4/30/28	7.60	6.76	6.05	5.46	4.95
5/1/28	4/30/29	7.79	6.92	6.20	5.59	5.07
5/1/29	4/30/30	7.99	7.10	6.35	5.73	5.20

2021 COMBUSTION TURBINE - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
NON-LEVELIZED PAYMENT OPTIONS

		OPTION 1		OPTION 2		
		NORMAL PAYMENT		EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/21	Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17
FROM	TO	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo
-	-	-	-	-	-	-

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~NINTH TENTH~~ REVISED SHEET NO.
8.426
CANCELS ~~EIGHTH NINTH~~ REVISED
SHEET NO. 8.426

<u>5/1/17</u>	<u>4/30/18</u>	-	-	-	-	<u>4.07</u>
<u>5/1/18</u>	<u>4/30/19</u>	-	-	-	<u>4.60</u>	<u>3.90</u>
<u>5/1/19</u>	<u>4/30/20</u>	-	-	<u>5.23</u>	<u>4.71</u>	<u>3.74</u>
<u>5/1/20</u>	<u>4/30/21</u>	-	<u>5.98</u>	<u>5.36</u>	<u>4.83</u>	<u>3.58</u>
<u>5/1/21</u>	<u>4/30/22</u>	<u>6.90</u>	<u>6.13</u>	<u>5.49</u>	<u>4.95</u>	<u>3.43</u>
<u>5/1/22</u>	<u>4/30/23</u>	<u>7.07</u>	<u>6.28</u>	<u>5.63</u>	<u>5.07</u>	<u>3.28</u>
<u>5/1/23</u>	<u>4/30/24</u>	<u>7.25</u>	<u>6.44</u>	<u>5.76</u>	<u>5.20</u>	<u>3.15</u>
<u>5/1/24</u>	<u>4/30/25</u>	<u>7.43</u>	<u>6.60</u>	<u>5.91</u>	<u>5.33</u>	<u>3.01</u>
<u>5/1/25</u>	<u>4/30/26</u>	<u>7.61</u>	<u>6.76</u>	<u>6.05</u>	<u>5.46</u>	<u>2.89</u>
<u>5/1/26</u>	<u>4/30/27</u>	<u>7.80</u>	<u>6.93</u>	<u>6.21</u>	<u>5.60</u>	<u>2.77</u>
<u>5/1/27</u>	<u>4/30/28</u>	<u>7.99</u>	<u>7.10</u>	<u>6.36</u>	<u>5.73</u>	<u>2.65</u>
<u>5/1/28</u>	<u>4/30/29</u>	<u>8.19</u>	<u>7.28</u>	<u>6.52</u>	<u>5.88</u>	<u>2.54</u>
<u>5/1/29</u>	<u>4/30/30</u>	<u>8.39</u>	<u>7.46</u>	<u>6.68</u>	<u>6.02</u>	<u>2.43</u>
<u>5/1/30</u>	<u>4/30/31</u>	<u>8.60</u>	<u>7.64</u>	<u>6.84</u>	<u>6.17</u>	<u>2.33</u>

Continued to Sheet No. 8.427

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~FOURTH~~FIFTH REVISED SHEET NO.
8.427
CANCELS ~~THIRD~~FOURTH REVISED
SHEET NO. 8.427

Continued from Sheet No. 8.426

2020 COMBUSTION TURBINE - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
LEVELIZED PAYMENT OPTIONS

		OPTION 3				
		LEVELIZED NORMAL PAYMENT				
CONTRACT YEAR		Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17	Starting 5/1/16
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo
5/1/16	4/30/17					4.24
5/1/17	4/30/18				4.76	4.26
5/1/18	4/30/19			5.36	4.78	4.28
5/1/19	4/30/20		6.09	5.38	4.79	4.29
5/1/20	4/30/21	6.96	5.61	5.40	4.81	4.31
5/1/21	4/30/22	6.99	5.64	5.42	4.83	4.33
5/1/22	4/30/23	7.02	5.66	5.45	4.85	4.34
5/1/23	4/30/24	7.04	5.69	5.47	4.87	4.36
5/1/24	4/30/25	7.07	5.71	5.49	4.89	4.38
5/1/25	4/30/26	7.10	5.74	5.51	4.91	4.40
5/1/26	4/30/27	7.13	5.76	5.54	4.93	4.42
5/1/27	4/30/28	7.16	5.79	5.56	4.95	4.44
5/1/28	4/30/29	7.19	5.82	5.59	4.98	4.46
5/1/29	4/30/30	7.22	5.85	5.61	5.00	4.48

2021 COMBUSTION TURBINE - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
LEVELIZED PAYMENT OPTIONS

		OPTION 3				
		LEVELIZED NORMAL PAYMENT				
CONTRACT YEAR		Starting 5/1/21	Starting 5/1/20	Starting 5/1/19	Starting 5/1/18	Starting 5/1/17
FROM	TO	\$/KW-mo	\$/KW-mo	\$/KW-mo	\$/KW-mo	\$/KW-mo

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~FOURTH-FIFTH~~ REVISED SHEET NO.
8.427
CANCELS ~~THIRD-FOURTH~~ REVISED
SHEET NO. 8.427

5/1/17	4/30/18	-	-	-	-	4.58
5/1/18	4/30/19	-	-	-	5.13	4.59
5/1/19	4/30/20	-	-	5.78	5.15	4.61
5/1/20	4/30/21	-	6.56	5.80	5.17	4.62
5/1/21	4/30/22	7.51	6.58	5.82	5.18	4.64
5/1/22	4/30/23	7.53	6.61	5.85	5.20	4.66
5/1/23	4/30/24	7.56	6.63	5.87	5.22	4.68
5/1/24	4/30/25	7.59	6.66	5.89	5.24	4.70
5/1/25	4/30/26	7.62	6.68	5.91	5.26	4.71
5/1/26	4/30/27	7.65	6.71	5.94	5.29	4.73
5/1/27	4/30/28	7.68	6.74	5.96	5.31	4.75
5/1/28	4/30/29	7.71	6.77	5.98	5.33	4.77
5/1/29	4/30/30	7.74	6.79	6.01	5.35	4.79
5/1/30	4/30/31	7.77	6.82	6.04	5.38	4.82

Continued to Sheet No. 8.428

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~SEVENTH-EIGHTH~~ REVISED SHEET
NO. 8.428
CANCELS ~~SIXTH-SEVENTH~~ REVISED
SHEET NO. 8.428

Continued from Sheet No. 8.427

BASIS FOR MONTHLY ENERGY PAYMENT CALCULATION:

1. **Energy Payment Rate:** Prior to the in-service date of the avoided unit, the CEP's Energy Payment Rate shall be the Company's As-Available Energy Payment Rate (AEPR), as described in Appendix B. Starting the in-service date of the avoided unit, the basis for determining the Energy Payment Rate will be whether:
 - a. The Company has dispatched the CEP's unit on AGC; or
 - b. The Company has dispatched the CEP's unit off AGC and the CEP is operating its unit at or below the dispatched level; or
 - c. The Company has dispatched the CEP's unit off AGC but the CEP is operating its unit above the dispatched level; or
 - d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

Note: For any given hour the CEP unit must be operating on AGC a minimum of 30 minutes to qualify under case (a).

The CEP's total monthly energy payment shall equal; (1) the sum of the hourly energy at the Unit Energy Payment Rate (UEPR), when the CEP's unit was dispatched by the Company, plus (2) the sum of the hourly energy at the corresponding hourly AEPR when the CEP's unit was operating at times other than when the Company dispatched the unit.

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR for energy provided in Paragraph 1.a, Paragraph 1.b and that portion of the energy provided up to the dispatched level in Paragraph 1.c as defined above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of ~~10,046~~10,944 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

Continued to Sheet No. 8.434

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~July 10, 2014~~



~~SEVENTH-EIGHTH~~ REVISED SHEET
NO. 8.434
CANCELS ~~SIXTH-SEVENTH~~ REVISED
SHEET NO. 8.434

Continued from Sheet No. 8.428

FC = Fuel Component of the Energy Payment in \$/MWH as defined by:

$$FC = \frac{10,78010,944 \text{ Btu/kWh} \times FP}{1,000}$$

where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC$$

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Market Area Transportation (ITS-1), including usage and surcharges.

FRP = then currently approved FGT Company tariff Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.

Continued to Sheet No. 8.436

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



~~NINTH-TENTH~~ REVISED SHEET NO.
8.436
CANCELS ~~EIGHTH-NINTH~~ REVISED
SHEET NO. 8.436

Continued from Sheet No. 8.428

PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, 2020, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
O_v = total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	2,122.18
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	10,780 10,944

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 9, 2016~~



SECOND REVISED SHEET NO. 8.438
CANCELS FIRST REVISED SHEET NO. 8.438

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



TWENTIETH REVISED SHEET NO. 8.440
CANCELS NINETEENTH REVISED SHEET NO. 8.440

RESERVE FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



FIRST REVISED SHEET NO. 8.442
CANCELS ORIGINAL SHEET NO. 8.442

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



FIRST REVISED SHEET NO. 8.444
CANCELS ORIGINAL SHEET NO. 8.444

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



FIRST REVISED SHEET NO. 8.446
CANCELS ORIGINAL SHEET NO. 8.446

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



SECOND REVISED SHEET NO. 8.448
CANCELS FIRST REVISED SHEET NO. 8.448

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



TWENTY-SECOND REVISED SHEET NO. 8.450
CANCELS TWENTY-FIRST REVISED SHEET NO. 8.450

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



SECOND REVISED SHEET NO. 8.452
CANCELS FIRST REVISED SHEET NO. 8.452

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



SECOND REVISED SHEET NO. 8.454
CANCELS FIRST REVISED SHEET NO. 8.454

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



SECOND REVISED SHEET NO. 8.456
CANCELS FIRST REVISED SHEET NO. 8.456

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



SECOND REVISED SHEET NO. 8.458
CANCELS FIRST REVISED SHEET NO. 8.458

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



TWENTY-SECOND REVISED SHEET NO. 8.460
CANCELS TWENTY-FIRST REVISED SHEET NO. 8.460

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.700

**GENERAL STANDARDS FOR SAFETY
AND INTERCONNECTION OF COGENERATION AND
SMALL POWER PRODUCTION FACILITIES TO
THE ELECTRIC UTILITY SYSTEM**

The following section is based on Florida Public Service Commission (FPSC) Rule 25-17.087, Florida Administrative Code, (F.A.C.), Interconnection and Standards and is applicable throughout Tampa Electric Company's (the Company's) service area:

1. The Company shall interconnect with any qualifying facility (qf) which:
 - a. is in its service area;
 - b. requests interconnection;
 - c. agrees to meet system standards specified in this Rule;
 - d. agrees to pay the cost of interconnection; and
 - e. signs an interconnection agreement.
2. Nothing in this rule shall be construed to preclude the Company from evaluating each request for interconnection on its own merits and modifying the general standards specified in this Rule to reflect the result of such an evaluation.
3. Where the Company refuses to interconnect with a qf or attempts to impose unreasonable standards pursuant to subsection (2) of this rule, the qf may petition the FPSC for relief. The Company shall have the burden of demonstrating to the FPSC why interconnection with the qfs should not be required or that the standards the Company seeks to impose on the qfs pursuant to subsection (2) are reasonable.
4. Upon a showing of credit worthiness, the qfs shall have the option of making monthly installment payments over a period no longer than 36 months toward the full cost of interconnection. However, where the qfs exercises that option, the Company shall charge interest on the amount owing. The Company shall charge such interest at the 30 day highest grade commercial paper rate. In any event, no the Company may not bear the cost of interconnection.

Continued to Sheet No. 8.705

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.705

Continued from Sheet No. 8.700

5. **Application for Interconnection:** A qf shall not operate electric generating equipment in parallel with the Company's electric system without the prior written consent of the Company. Formal application for interconnection shall be made by the qf prior to the installation of any generation related equipment. This application shall be accompanied by the following:

- a. Physical layout drawings, including dimensions;
- b. All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;
- c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the proposed system and to be able to make a coordinated system;
- d. Power characteristics in watts and vars;
- e. Expected radio-noise, harmonic generation and telephone interference factor;
- f. Synchronizing methods; and
- g. Operating/instruction manuals.

Any subsequent change in the system must also be submitted for review and written approval prior to actual modification. The above mentioned review, recommendations and approval by the Company do not relieve the qf from complete responsibility for the adequate engineering design, construction and operation of the qf equipment and for any liability for injuries to property or persons associated with any failure to perform in a proper and safe manner for any reason.

Continued to Sheet No. 8.710

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.710

Continued from Sheet No. 8.705

6. **Personnel Safety:** Adequate protection and safe operational procedures must be developed and followed by the joint system. These operating procedures must be approved by both the Company and the qf. The qf shall be required to furnish, install, operate and maintain in good order and repair, and be solely responsible for, without cost to the Company, all facilities required for the safe operation of the generation system in parallel with the Company's system.

The qf shall permit the Company's employees to enter upon its property at any reasonable time for the purpose of inspection and/or testing the qf's equipment, facilities, or apparatus. Such inspections shall not relieve the qf from its obligation to maintain its equipment in safe and satisfactory operating condition.

The Company's approval of isolating devices used by the qf will be required to ensure that these will comply with the Company's switching and tagging procedure for safe working clearances.

- a. **Disconnect switch:** A manual disconnect switch, of the visible load break type, to provide a separation point between the qf's generation system and the Company's system, shall be required. The Company will specify the location of the disconnect switch. The switch shall be mounted separate from the meter socket and shall be readily accessible to the Company and be capable of being locked in the open position with a Company padlock. The Company may reserve the right to open the switch (i.e., isolating the qf's generation system) without prior notice to the qf. To the extent practicable, however, prior notice shall be given.

Continued to Sheet No. 8.715

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.715

Continued from Sheet No. 8.710

Any of the following conditions shall be cause for disconnection:

- i. The Company's system emergencies and/or maintenance requirements; Hazardous conditions existing on the qf's generating or protective equipment as determined by the Company;
- ii. Adverse effects of the qf's generation to the Company's other electric consumers and/or system as determined by the Company;
- iii. Failure of the qf to maintain any required insurance; or
- iv. Failure of the qf to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the qf's electric generating equipment or the operation of such equipment.

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

- i. Any act or omission by a party, or that party's contractors, agents, servants and employees in connection with the installation or operation of that party's generation system or the operation thereof in connection with the other party's system;
- ii. Any defect in, failure of, or fault related to a party's generation system;
- iii. The negligence of a party or negligence of that party's contractors, agents, servants or employees; or

Continued to Sheet No. 8.720

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999



FIRST REVISED SHEET NO. 8.720
CANCELS ORIGINAL SHEET NO. 8.720

Continued from Sheet No. 8.715

- iv. Any other event or act that is the result of, or proximately caused by a party.

For the purpose of this paragraph, the term party shall mean either the Company or QF, as the case may be.

With respect to a QF that is the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), Florida Statutes, or the successor thereto), the obligations of Customer set forth in Paragraph 6.b above shall be subject to Section 768.28 (or the successor thereto), including the limitations contained therein. With respect to a QF that is the United States of America, or agency or subdivision thereof, the obligations set forth in the first sentence of Paragraph 6.b shall not apply. In either case, the Company reserves its rights under Section 768.28 (or the successor thereto), and the Federal Tort Claims Act (or the successor thereto), as applicable, including, but not limited to, the right to pursue legislative relief.

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

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

Tampa Electric Company
Risk Management Department
P. O. Box 111
Tampa, FL 33601

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

Continued to Sheet No. 8.725

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013



FIRST REVISED SHEET NO. 8.725
CANCELS ORIGINAL SHEET NO. 8.725

Continued from Sheet No. 8.720

iii. The policy providing such coverage for a Negotiated Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence. The Parties may negotiate the amount of insurance over \$1,000,000.

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

v. The QF shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company.

vi. As an alternative to the foregoing insurance requirement, the QF may self-insure upon receiving the Company's prior written approval. The Company will provide the QF with written notification of approval or disapproval of a self-insurance application with 30 business days after the Company's receipt of all documentation required to support the application. In the event that the Company approves QF's request to self-insure, QF shall provide proof of its continuing ability to self-insure to the Company on an annual basis, or more frequently if requested by the Company. Notwithstanding the foregoing, the minimum insurance coverage amount set forth above shall be limited for the state, a state agency or subdivision (as those terms are defined in Section 768.28(2), or the successor thereto), to the maximum dollar amounts set forth in Section 768.28(5), or the successor thereto.

7. **Protection and Operation:** It will be the responsibility of the QF to provide all devices necessary to protect the QF's equipment from damage by the abnormal conditions and operations which occur on the Company system that result from interruptions and restorations of service by the Company's equipment and personnel. The QF shall protect its generator and associated equipment from overvoltage, undervoltage, overload, short circuits (including ground fault condition), open circuits, phase unbalance and reversal, over or under frequency condition, and other injurious electrical conditions that may arise on the Company's system and any reclose attempt by the Company.

The Company may reserve the right to perform such tests as it deems necessary to ensure safe and efficient protection and operation of the QF's equipment.

Continued to Sheet No. 8.730

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.730

Continued from Sheet No. 8.725

- a. **Loss of source:** The qf shall provide, or the Company will provide at the qf's expense, approved protective equipment necessary to immediately, completely, and automatically disconnect the qf's generation from the Company's system in the event of a fault on the qf's system, a fault on the Company's system, or loss of source on the Company's system. Disconnection must be completed within the time specified by the Company in its standard operating procedure for its electric system for loss of a source on the Company's system.

This automatic disconnecting device may be of the manual or automatic reclose type and shall not be capable of reclosing until after service is restored by the Company. The type and size of the device shall be approved by the Company depending upon the installation. Adequate test data or technical proof that the device meets the above criteria must be supplied by the qf to the Company. The Company shall approve a device that will perform the above functions at minimal capital and operating costs to the qf.

- b. **Coordination and Synchronization:** The qf shall be responsible for coordination and synchronization of the qf's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the Company's system.

- c. **Electrical characteristics:** Single phase generator interconnections with the Company are permitted at power levels up to 20 KW. For power levels exceeding 20 KW, a three phase balanced interconnection will normally be required. For the purpose of calculating connected generation, 1 horsepower equals 1 kilowatt. The qf shall interconnect with the Company at the voltage of the available distribution or transmission line of the Company for the locality of the interconnection, and shall utilize one of the standard connections (single phase, three phase, wye, delta) as approved by the Company.

Continued to Sheet No. 8.735

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.735

Continued from Sheet No. 8.730

The Company may reserve the right to require a separate transformation and/or service for a qf's generation system, at the qf's expense. The qf shall bond all neutrals of the qf's system to the Company's neutral, and shall install a separate driven ground with a resistance value which shall be determined by the Company and bond this ground to the qf's system neutral.

- d. **Exceptions.** A qf's generator having a capacity rating that can:
- i. Produce power in excess of one half of the minimum Company customer requirements of the interconnected distribution or transmission circuit; or
 - ii. produce power flows approaching or exceeding the thermal capacity of the connected Company distribution or transmission lines or transformers; or
 - iii. adversely affect the operation of the Company or other Company customer's voltage, frequency or overcurrent control and protection devices; or
 - iv. adversely affect the quality of service to other Company customers; or
 - v. interconnect at voltage levels greater than distribution voltages, will require more complex interconnection facilities as deemed necessary by the Company.

8. **Quality of Service:** The qf's generated electricity shall meet the following minimum guidelines:

- a. **Frequency:** The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.
- b. **Voltage:** The regulator control shall be capable of maintaining the generator output voltage within limits for loads from no-load up to rated output. The limits for voltage shall be the nominal operating voltage level, plus or minus 5%.

Continued to Sheet No. 8.740

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.740

Continued from Sheet No. 8.735

- c. **Harmonics:** The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean square) of harmonics than the Company's normal harmonic content at the interconnection point.
- d. **Power Factor:** The qf's generation system shall be designed, operated and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. (Capacitors shall not be so large as to permit self-excitation of the qf's generator field).
- e. **DC Generators:** Direct current generators may be operated in parallel with the Company's system through a synchronous inverter. The inverter must meet all criteria in these rules.

9. **Metering:** The actual metering equipment required, its voltage rating, number of phases, size, current transformers, potential transformers, number of inputs and associated memory is dependent on the type, size and location of the electric service provided. In situations where power may flow both in and out of the qf's system, power flowing into the qf's system will be measured separately from power flowing out of the qf's system.

The Company will provide, at no additional cost to the qf, the metering equipment necessary to measure capacity and energy deliveries to the qf. The Company will provide, at the qf's expense, the necessary additional metering equipment to measure capacity and energy deliveries by the qf to the Company.

10. **Cost Responsibility:** The qf is required to bear all costs associated with the change-out, upgrading or addition of protective devices, transformers,

Continued to Sheet No. 8.745

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.745

Continued from Sheet No. 8.740

lines, services, meters, switches, and associated equipment and devices beyond that which would be required to provide normal service to the qf if the qf were a non-generating customer. These costs shall be paid by the qf to the Company for all material and labor that is required. Prior to any work being done by the Company, the Company shall supply the qf with a written cost estimate of all its required materials and labor and an estimate of the date by which construction of the interconnection will be completed. This estimate shall be provided to the qf within 60 days after the qf provides the Company with its final electrical plans. The Company shall also provide project timing and feasibility information to the qf.

11. The Company shall submit, to the FPSC, a standard agreement for the interconnection by qfs as part of their Standard Offer contract or contracts required by FPSC Rule 25-17.0832(3), F.A.C.

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

Item 7

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05615-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Thompson) *PoE*
Office of the General Counsel (Murphy) *TM*

RE: Docket No. 170076-EQ – Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1, by Gulf Power Company.

AGENDA: 07/13/17 –Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 170070-EQ, 170072-EQ, 170075-EQ, and 170077-EQ

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable energy generators and small qualifying facilities. Florida Public Service Commission (Commission) Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission by April 1 of each year, a standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan. On April 3, 2017, Gulf Power Company (Gulf) filed a petition for approval of its revised standard offer contract and rate schedule REF-1 for renewable energy facilities or small qualifying facilities based on its 2017 Ten-Year Site Plan.

Docket No. 170076-EQ

Date: June 29, 2017

The Commission has jurisdiction over this standard offer contract pursuant to Sections 366.04 through 366.06 and 366.91, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the revised standard offer contract and schedule REF-1 filed by Gulf Power Company?

Recommendation: Yes. The provisions of Gulf's revised standard offer contract and schedule REF-1 conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. Gulf's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that Gulf's revised standard offer contract and schedule REF-1 be approved as filed. (Thompson)

Staff Analysis: Rule 25-17.250, F.A.C., requires that Gulf, an IOU, continuously makes available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rule 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the Utility's next avoidable fossil-fueled generating unit identified in its most recent Ten-Year Site Plan or, if no avoided unit is identified, its next avoidable planned purchase. Gulf has identified a natural gas-fired facility consisting of three combustion turbine units totaling 654 megawatt (MW), as its next planned fossil-fueled generating unit in its 2017 Ten-Year Site Plan. The projected in-service date of this facility is June 1, 2023.

The RF/QF operator may elect to make no commitment as to the quantity or timing of its deliveries to Gulf, and to have a committed capacity of zero (0) MW. Under such a scenario, the energy is delivered on an as-available basis and the operator receives only an energy payment. Alternatively, the RF/QF operator may elect to commit to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator, in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires the IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2023), and thereafter begin receiving capacity payments in addition to the energy payments. If either the early or levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payments options tend to be lower in the later years of the contract term because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 below, estimates the annual payments for each payment option available under the revised standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 95 percent and meeting the minimum requirement specified in the contract to qualify for full capacity payments. Normal and levelized capacity payments begin in 2023, reflecting the projected in-service date of the avoided unit (June 1, 2023).

**Table 1- Estimated Annual Payments to a 50 MW Renewable Facility
(95% Capacity Factor)**

Year	Energy Payment \$(000)	Capacity Payment (By Type)			
		Normal \$(000)	Levelized \$(000)	Early \$(000)	Early Levelized \$(000)
2018	11,342	-	-	1,556	1,798
2019	12,335	-	-	1,598	1,812
2020	12,882	-	-	1,642	1,827
2021	13,406	-	-	1,686	1,842
2022	13,765	-	-	1,732	1,858
2023	14,580	1,593	1,775	1,779	1,875
2024	15,554	2,773	3,058	1,828	1,891
2025	16,277	2,849	3,084	1,877	1,908
2026	16,865	2,926	3,111	1,928	1,926
2027	17,584	3,006	3,139	1,981	1,944
2028	17,907	3,091	3,167	2,035	1,963
2029	18,923	3,174	3,196	2,090	1,982
2030	19,015	3,262	3,225	2,147	2,001
2031	19,490	3,353	3,256	2,205	2,021
2032	20,493	3,444	3,287	2,265	2,042
2033	21,347	3,538	3,320	2,327	2,063
2034	22,337	3,634	3,353	2,390	2,085
2035	23,338	3,733	3,387	2,455	2,108
2036	24,665	3,834	3,422	2,522	2,131
2037	25,792	3,938	3,458	2,591	2,154
Total	357,898	48,147	47,238	40,635	39,232
NPV (2018\$)	184,125	21,479	21,479	21,479	21,479

Source: Gulf's Response to Staff's First Data Request¹

¹Document No. 05114-17, dated May 31, 2017, in Docket No. 170076-EQ.

Gulf's standard offer contract and schedule REF-1, in type-and-strike format, are included as Attachment A. All of the changes made to the tariff sheets are consistent with the updated avoided unit. Revisions include updates to dates and payment information which reflect the current economic and financial assumptions for the avoided unit costs.

Conclusion

The provisions of Gulf's revised standard offer contract and schedule REF-1 conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that Gulf's revised standard offer contract and schedule REF-1 be approved as filed.

Issue 2: Should this docket be closed?

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

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



Section No. IX
Third Revised Sheet No. 9.81
Canceling Second Revised Sheet No. 9.81

**STANDARD OFFER CONTRACT RATE FOR PURCHASE OF
FIRM CAPACITY AND ENERGY FROM A RENEWABLE ENERGY
FACILITY OR SMALL QUALIFYING FACILITY
(Schedule REF-1)**

PAGE:	EFFECTIVE DATE:
1 of 16	July 17, 2014

For purposes of this Rate Schedule the term "Renewable Energy Facility" means a facility that produces electrical energy from one or more of the sources stated in Florida Public Service Commission (FPSC) Rule 25-17.210 (1), Florida Administrative Code (F.A.C.). Also, the term "Small Qualifying Facility" means a facility with a design capacity of 100 KW or less as defined in FPSC Rule 25-17.080, F.A.C. Both "Renewable Energy Facility" and "Small Qualifying Facility" are herein referred to as "Facility".

AVAILABILITY:

Gulf Power Company (Company) will purchase firm capacity and energy under this schedule from any Facility that produces electrical energy for delivery to the Company, irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. The offer to purchase such capacity and energy is continuously available to any Facility and will remain open until revised by the Company upon approval of the FPSC or until closed pursuant to FPSC Rule 25-17.250 (2), F.A.C. The Company may negotiate and contract with any Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of firm capacity and energy pursuant to FPSC Rules 25-17.240 and 25-17.0832, F.A.C.

APPLICABILITY:

This offer is applicable to any Facility meeting the requirements of FPSC Rules 25-17.210, 25-17.220, and/or 25-17.0832, F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Renewable Standard Offer Contract." Firm capacity and energy are described by the FPSC in its Rule 25-17.0832, F.A.C., and are produced and sold by a Facility pursuant to a negotiated or Renewable Standard Offer Contract and subject to certain contractual provisions as to quantity, time, and reliability of delivery.

CHARACTER OF SERVICE:

The character of service for purchases from Facilities directly interconnected with the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. The character of service for purchases from Facilities indirectly interconnected with the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the utility delivering firm capacity and energy from the Facility.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Eighth Revised Sheet No. 9.82
Canceling Seventh Revised Sheet No. 9.82

PAGE	EFFECTIVE DATE
2 of 15	June 9, 2018

(Continued from Schedule REF-1, Sheet No. 9.81)

LIMITATIONS:

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Facilities that:

- A. Beginning upon the date, as prescribed by the FPSC, that a Renewable Standard Offer is deemed available, execute the Company's Renewable Standard Offer Contract for the purchase of firm capacity and energy; and
- B. Commit to commence deliveries of firm capacity and energy no later than the date specified by the Facility's owner or representative, or the anticipated in-service date of the Company's generating facility or purchased power resource ("Avoided Unit or Resource") that is designated herein. Such deliveries will continue for a minimum of ten (10) years from the anticipated in-service date of the Company's Avoided Unit or Resource up to a maximum of the life of the Company's Avoided Unit or Resource.

DETERMINATION OF FACILITY'S COMMITTED CAPACITY VALUE

Prior to execution of a Renewable Standard Offer Contract, or negotiated contract, between the Company and a Facility, the Company will determine the Facility's capacity value in relation to the Company's Avoided Unit or Resource during the term of the contract as provided in FPSC Rules 25-17.240 (2), 25-17.250 (1), and 25-17.0832 (3) and (4) F.A.C. The "Committed Capacity" will be used as the basis for capacity payments to be received by the Facility from the Company during the term of the Renewable Standard Offer Contract.

RATES FOR PURCHASES BY THE COMPANY

Firm capacity is purchased in accordance with the provisions of paragraph A below at a unit cost, in dollars per kilowatt per month, based on the value of the Avoided Unit or Resource that Gulf has designated below for purposes of the Renewable Standard Offer. The Avoided Unit is currently designated as 654 MWs of Combustion Turbine generation with a June 1, 2023 anticipated in-service date. Energy is purchased at a unit cost, in cents per kilowatt-hour, at the Company's energy rates in accordance with the provisions of paragraph B below.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Original Sheet No. 9.83

PAGE	EFFECTIVE DATE
3 of 16	May 22, 2007

(Continued from Schedule REF-1, Sheet No. 9.82)

A. Firm Capacity Rates

Four options, 1, 2, 3, and 4, as set forth in this paragraph, are available to calculate payments for firm capacity that is produced by the Facility and delivered to the Company. The capacity payment will be the product of the Facility's Committed Capacity and the applicable rate from the Facility's chosen capacity payment option. Once selected, an option shall remain in effect for the term of the contract with the Company. Tariff Sheet 9.85 contains the monthly rate per kilowatt in accordance with Options 1 through 4, of firm capacity the Facility has contractually committed to deliver to the Company and is based on the minimum contract term for an agreement pursuant to this Rate Schedule which extends ten (10) years after the anticipated in-service date of the Company's Avoided Unit or Resource. Payment schedules for other options specified within will be made available by the Company within thirty days (30) days if requested by a Facility. At a maximum, firm capacity and energy shall be delivered for a period of time equal to the anticipated plant life of the Avoided Unit or Resource, commencing with the anticipated in-service date of the Avoided Unit or Resource.

In addition to capacity payment Options 1 through 4 below, the Facility may elect a payment stream for the capital component of the Company's Avoided Unit or Resource, including front-end loaded capacity payments, that best meets the Facility's financing requirements. Early capacity payments consisting of the capital component of the Company's Avoided Unit or Resource may, at the election of the Facility, commence any time after the actual in-service date of the Facility and before the anticipated in-service date of the Company's Avoided Unit or Resource. Regardless of the payment stream elected by the Facility, the cumulative present value (CPV) of the capital cost payments made to the Facility over the term of the Renewable Standard Offer Contract shall not exceed the CPV of the capital cost payments which would have been made to the Facility pursuant to FPSC Rule 25-17.0832 (4)(g)(1), F.A.C. Fixed operation and maintenance expense shall be calculated in accordance with FPSC Rule 25-17.0832 (6) F.A.C.

Option 1 - Value of Deferral Capacity Payments - Value of Deferral Capacity Payments shall commence on the anticipated in-service date of the Company's Avoided Unit or Resource, provided the Facility is delivering firm capacity and energy to the Company. Capacity payments under this option shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Avoided Unit or Resource, and shall be equal to the value of the year-by-year deferral of the Avoided Unit or Resource, calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832 (4)(g)(1), F.A.C.

Option 2 - Early Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Company's Avoided Unit or Resource with an in-service date specified above. The Facility shall select

ISSUED BY: Susan Story



Section No. IX
Original Sheet No. 9.84

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(Continued from Schedule REF-1, Sheet No. 9.83)

the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Early Capacity Payments shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Avoided Unit or Resource. Avoided capacity payments shall be calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832 (4)(g)(2), F.A.C. At the option of the Facility, Early Capacity Payments may commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Company's Avoided Unit or Resource provided the Facility is delivering firm capacity and energy to the Company. Where Early Capacity Payments are elected, the cumulative present value of the capacity payments made to the Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Facility had such payments been made pursuant to Option 1.

Option 3 - Levelized Capacity Payments - Levelized Capacity Payments shall commence on the anticipated in-service date of the Company's Avoided Unit or Resource, provided the Facility is delivering firm capacity and energy to the Company. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832 (4)(g)(3), F.A.C. The fixed operation and maintenance portion of the capacity payment shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit or Resource. Where Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Facility had such payment been made pursuant to Option 1.

Option 4 - Early Levelized Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Company's Avoided Unit or Resource with an in-service date specified above. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832 (4)(g)(4), F.A.C. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit or Resource. At the option of the Facility, Early Levelized Capacity Payments shall commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Company's Avoided Unit or Resource provided the Facility is delivering firm capacity and energy to the Company. The Facility shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Where Early Levelized Capacity Payments are elected, the cumulative present value of the

ISSUED BY: Susan Story



Section No. IX
~~Ninth~~Tenth Revised Sheet No. 9.85
Canceling ~~Eighth~~~~Ninth~~ Revised Sheet No. 9.85

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(Continued from Schedule REF-1, Sheet No. 9.84)

capacity payments made to the Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Facility had such payments been made pursuant to Option 1.

All capacity payments made by the Company prior to the anticipated in-service date of the Company's Avoided Unit or Resource are considered "Early Payments". The owner, owner's representative, or operator of the Facility, as designated by the Company, shall secure its obligation to repay, with interest, the accumulated amount of Early Payments to the extent that the cumulative present value of the capacity payments made to the Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Facility had such payments been made pursuant to Option 1, or to the extent that annual firm capacity payments made to the Facility in any year exceed that year's annual value of deferring the Company's Avoided Unit or Resource in the event the Facility defaults under the terms of its Renewable Standard Offer Contract with the Company. The Company will provide to the Facility monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company is set forth in Paragraph C of the SPECIAL PROVISIONS Section below.

**MONTHLY CAPACITY PAYMENT RATE (MCR)
BASED ON GULF'S CURRENTLY SPECIFIED
AVOIDED UNIT OR RESOURCE**

June - May Contract Period	Option 1 Normal \$/KW-MO	Option 2 Early \$/KW-MO	Option 3 Levelized \$/KW-MO	Option 4 Early Levelized \$/KW-MO
2016 to 2017	0.00	1.86	0.00	2.14
2017 to 2018	0.00	4.822.16	0.00	2.162.44
2018 to 2019	0.00	4.972.22	0.00	2.172.46
2019 to 2020	0.00	2.022.28	0.00	2.192.48
2020 to 2021	0.00	2.082.34	0.00	2.202.50
2021 to 2022	0.00	2.142.41	0.00	2.222.52
2022 to 2023	0.00	2.192.48	0.00	2.232.54
2023 to 2024	4.364.55	2.262.54	4.744.90	2.252.57
2024 to 2025	4.484.67	2.322.61	4.774.94	2.272.59
2025 to 2026	4.644.80	2.382.69	4.804.98	2.282.62
2026 to 2027	4.734.93	2.452.76	4.845.03	2.302.64
2027 to 2028	4.865.07	2.512.84	4.875.08	2.322.67
2028 to 2029	5.005.21	2.582.91	4.915.13	2.342.69
2029 to 2030	5.145.35	2.652.99	4.955.17	2.362.72
2030 to 2031	5.285.50	2.733.08	4.995.23	2.382.75
2031 to 2032	5.425.65	2.803.16	5.035.28	2.402.78
2032 to 2033	5.575.80	2.883.25	5.075.33	2.422.81

ISSUED BY: S. W. Connally, Jr.



Section No. IX
First Revised Sheet No. 9.86
Canceling Original Sheet No. 9.86

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(Continued from Schedule REF-1, Sheet No. 9.85)

The capacity payment for a given month will be added to the energy payment for such month and tendered by the Company to the Facility as a single payment as promptly as possible, normally by the twentieth business day following the day the meter is read.

B. Energy Rates

1. Payments Starting On In-Service Date of Avoided Unit or Resource: The Facility shall be paid at the Avoided Unit or Resource's energy rate for all energy delivered to the Company during each hour of the monthly billing period in which the Avoided Unit or Resource would have operated had the unit been installed. For each hour of the monthly billing period in which the Avoided Unit or Resource would not have operated, the Facility shall be paid for all energy delivered to the Company during that hour at the lesser of the Company's As-Available energy rate as described in its Rate Schedule COG-1, Sheet 9.3 or the Avoided Unit or Resource's energy rate.

The Avoided Unit or Resource's energy rate, in cents per kilowatt-hour, shall be the product of the Avoided Unit or Resource's applicable fuel cost and heat rate, plus the applicable variable operation and maintenance expense. All energy purchases shall be adjusted for losses from the point of metering to the point of interconnection.

2. Payments Prior To In-Service Date of Avoided Unit or Resource: The Company's As-Available energy rate, as described in Rate Schedule COG-1, Sheet 9.3, will be applied to all energy delivered by the Facility to the Company prior to the Avoided Unit or Resource's in-service date. As-available energy payments to the Facility shall be based on the sum, over all hours of the monthly billing period in which the Facility delivers energy to the Company, of the product of each hour's As-Available energy rate times the energy received by the Company during that hour. All energy purchases shall be adjusted for losses from the point of metering to the point of interconnection.

3. Fixed Energy Payments: Upon request by the Facility, the Company will provide the following fixed payment options for energy delivered to the Company.

- a. As-Available energy payments made prior to the Avoided Unit or Resource's in-service date shall be based on the Company's year-by-year projection of system incremental fuel costs, prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions. A fuel market volatility risk premium may be added to the energy payments upon mutual agreement between Company and Facility regarding the method or mechanism for determining such risk premium.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Original Sheet No. 9.87

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(Continued from Schedule REF-1, Sheet No. 9.86)

- b. Firm Energy Payments: Subsequent to the determination of full avoided cost and subject to provisions of FPSC Rule 25.17-0832 (3) (a) through (d), a mutually agreed portion of the Avoided Unit or Resource's base energy costs shall be fixed and amortized on a present value basis over the term of the contract starting as early as the in-service date of the Facility. Base energy costs associated with the Avoided Unit or Resource shall mean the energy costs that would have resulted had the Avoided Unit or Resource been operated.

PERFORMANCE CRITERIA

Payments from the Company for firm capacity are conditioned on the Facility's ability to maintain the following performance criteria:

A. Commercial In-Service Date

Capacity payments shall not commence until the Facility has attained and demonstrated, commercial in-service status. The commercial in-service date of a Facility shall be defined as the first day of the month following the successful completion of a test in which the Facility maintains an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Facility's Committed Capacity specified in its Renewable Standard Offer Contract for an entire test period. A Facility shall coordinate the selection of the test period with the Company to ensure that the performance of the Facility during this period is reflective of day-to-day operational conditions likely to be experienced by the Company's Avoided Unit or Resource if it were to be in actual operation during a similar period.

B. Facility Capacity Availability Requirement

Payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the Facility, subject to the condition that, beginning on the Avoided Unit or Resource's in-service date and continuing through the remainder of the contract term, the Facility maintains the minimum Equivalent Availability Factor (EAF) that is defined in the ANNUAL CAPACITY AVAILABILITY FACTOR DETERMINATION Section below for each 12 month performance period ending August 31. Failure to satisfy this availability requirement shall result in an obligation for repayment by the Facility of an amount calculated in accordance with the Capacity Repayment procedure contained in Paragraph A of the ANNUAL CAPACITY AVAILABILITY FACTOR DETERMINATION Section below.

ISSUED BY: Susan Story



Section No. IX
Fourth Revised Sheet No. 9.88
Canceling Third Revised Sheet No. 9.88

PAGE	EFFECTIVE DATE
8 of 16	June 8, 2018

(Continued from Schedule REF-1, Sheet No. 9.87)

For the first performance period of the Renewable Standard Offer Contract, the repayment obligation shall be determined as below, except that the period for which the availability requirement applies and which is subject to repayment shall begin on the Avoided Unit or Resource's in-service date and end on the August 31 immediately following the Avoided Unit or Resource's in-service date.

In addition to the foregoing, when early capacity payments have been elected and received, the failure of the Facility to satisfy the availability requirement set forth below shall also result in an obligation for additional repayments by the Facility to the Company. The amount of such additional repayment shall be equal to the difference between: (1) what the Facility would have been paid during the previous twelve months ending August 31 had it elected the normal payment option; and (2) what it was paid pursuant to the payment option selected. Prior to the in-service date of the Avoided Unit or Resource, all performance requirements as listed in Paragraph B of the following Section will apply at the time initial capacity and energy deliveries from the Facility commence.

ANNUAL CAPACITY AVAILABILITY FACTOR DETERMINATION

In October following each performance period, the Company will calculate the availability of the Facility over the most recent twelve month performance period ending August 31. For purposes of this Schedule, the annual capacity availability is determined using the NERC Generation Availability Data System (GADS) formula for EAF that is shown below. The Facility will be entitled to retain capacity payments received during the annual period if an EAF of 95% is maintained for each performance period. If the Facility fails to maintain this EAF, then the Facility will repay the Company a portion of the performance period capacity payments as calculated in accordance with the procedure in Paragraph A.

$$EAF = \{ [AH - (EUDH + EPDH + ESEDH)] / PH \} \times 100 (\%) \text{ where,}$$

AH = Available Hours
Sum of all SH, RSH, Pumping Hours, and Synchronous Condensing Hours.

EPDH = Equivalent Planned Derated Hours
Product of the Planned Derated Hours and the Size of Reduction, divided by the NMC.

ESEDH = Equivalent Seasonal Derated Hours
NMC less the NDC, times the Available Hours (AH), divided by the NMC.

EUDH = Equivalent Unplanned Derated Hours
Product of the Unplanned Derated Hours and the Size of Reduction, divided by the NMC.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fourth Revised Sheet No. 9.89
Canceling Third Revised Sheet No. 9.89

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(Continued from Schedule REF-1, Sheet No. 9.88)

- NDC = Net Dependable Capacity
NMC modified for ambient limitations.
- NMC = Capacity a unit can sustain over a specified period when not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.
- PH = Period Hours
Number of hours a unit was in the active state. A unit generally enters the active state on its commercial date.
- RSH = Reserve Shutdown Hours
Total number of hours the unit was available for service but not electrically connected to the transmission system for economic reasons.
- SH = Service Hours
Total number of hours a unit was electrically connected to the transmission system.

A. Capacity Repayment Calculation

The following conditions will determine the amount of the Facility's Capacity Repayment obligation:

1. If EAF is greater than or equal to 95%, then;
$$\text{Capacity Repayment (CR)} = 0$$
2. If EAF is less than 95% but equal to or greater than 60%, then;
$$\text{CR} = [\text{Monthly Capacity Rate (MCR)} \times \text{Committed Capacity (CC)} \times \text{Months in Performance Period (MPP)} \times ((95 - \text{EAF})/95)]$$
3. If EAF is less than 60%, then;
$$\text{CR} = \text{MCR} \times \text{CC} \times \text{MPP}$$

B. Additional Performance Criteria

1. The Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
2. The Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and

ISSUED BY: S. W. Connally, Jr.



Section No. IX
First Revised Sheet No. 9.90
Canceling Original Sheet No. 9.90

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(Continued from Schedule REF-1, Sheet No. 9.89)

3. The Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
4. The Facility shall coordinate scheduled outages with the Company; and
5. The Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications and;
6. The Facility must promptly notify the Company of its inability to supply any portion of its full Committed Capacity from the Facility. Failure of the Facility to notify the Company of a known derating or inability to meet its Committed Capacity obligation may, at the sole discretion of the Company, result in a determination of non-performance.

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to Facilities directly interconnected with the Company shall be adjusted according to the delivery voltage by dividing the energy delivered at that voltage by the following factors:

Transmission Voltage Delivery	1.01801#
Substation Voltage Delivery	1.03208##
Primary Voltage Delivery	1.05862###
Secondary Voltage Delivery	1.08576####

- # Any Facility interconnected at a voltage of 46 KV or above.
- ## Any Facility interconnected at a voltage on the low side of a substation below 46 KV and above 4 KV. This substation, where the Facility takes electricity on the low side, shall have transmission voltage on the high side (115, 69, or 46 KV) and distribution voltage on the low side (25, 12, or 4 KV).
- ### Any Facility interconnected at a distribution voltage, 4 to 25 KV inclusive.
- #### Any Facility interconnected at a voltage below 4 KV.

METERING REQUIREMENTS

Facilities directly interconnected with the Company shall pay the Company for meters required hereunder. Hourly demand recording meters shall be required for each individual generator unit comprising a Facility with a total installed capacity of 100 KW or more. Where the total installed capacity of the Facility is less than 100 KW, the Facility may select from either hourly demand recording meters, dual kilowatt-hour register time-of-day meters or standard kilowatt-hour meters. Meters shall be installed to measure the energy production from each generating unit of the

ISSUED BY: Mark Crosswhite



Section No. IX
Fourth Revised Sheet No. 9.91
Canceling Third Revised Sheet No. 9.91

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(Continued from Schedule REF-1, Sheet No. 9.90)

Facility as well as net delivered energy at the point of interconnection. Purchases from Facilities indirectly interconnected with the Company shall be measured as the quantities scheduled for interchange to the Company by the utility delivering firm capacity and energy to the Company.

BILLING OPTIONS

The Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period providing the Company is given at least thirty days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the Facility must pay; and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

A statement covering the charges and payments due the Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

CHARGES TO THE FACILITY

A. Base Charges

Monthly base charges for meter reading, billing and other applicable administrative costs shall be equal to the base charge applicable to a customer receiving retail service under similar load characteristics.

B. Interconnection Charge for Non-Variable Utility Expenses

The Facility, in accordance with Rule 25-17.087, F.A.C., shall bear the cost required for interconnection including the cost of metering and the cost of accelerating construction of any transmission or distribution system improvements required in order to accommodate the location chosen by the Facility. The Facility shall have the option of payment in full for interconnection or making equal monthly installment principle payments over a thirty-six (36) month period plus interest at the thirty (30) day commercial paper rate.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Second Revised Sheet No. 9.92
Canceling First Revised Sheet No. 9.92

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(Continued from Schedule REF-1, Sheet No. 9.91)

C. Interconnection Charge for Variable Utility Expenses

The Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection, and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Facility if no sales to the Company were involved.

D. Taxes and Assessments

The Facility shall hold the Company and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy and capacity from the Facility in lieu of other energy and capacity. Any savings in regards to taxes or assessments shall be included in the avoided cost payments made to the Facility to the extent permitted by law. In the event the Company becomes liable for additional taxes, assessments or impositions arising out of its transactions with the Facility under this tariff schedule or any related interconnection agreement or due to changes in laws affecting the Company's purchases of energy and capacity from the Facility occurring after the execution of an agreement under this tariff schedule and for which the Company would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under such agreement itself, the Company may bill the Facility monthly for such additional expenses or may offset them against amounts due to the Facility from the Company. Any savings in taxes, assessments or impositions that accrue to the Company as a result of its purchase of energy and capacity under this tariff schedule that are not already reflected in the avoided energy or avoided capacity payments made to the Facility hereunder, shall be passed on to the Facility to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

TERMS OF SERVICE

- A. It shall be the Facility's responsibility to inform the Company of any change in its electric generation capability.
- B. Any electric service delivered by the Company to the Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.
- C. A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:
 - 1. In the first year of operation, the security deposit shall be based upon the singular month in which the Facility's projected purchases from the Company exceed, by the greatest

ISSUED BY: S. W. Connally, Jr.



Section No. IX
First Revised Sheet No. 9.93
Canceling Original Sheet No. 9.93

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(Continued from Schedule REF-1, Sheet No. 9.92)

amount, the Company's estimated purchases from the Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.

2. For each year thereafter, a review of the actual sales and purchases between the Facility and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Facility exceed the actual sales to the Company in that month.
- D. The Company shall specify the point of interconnection and voltage level.
 - E. Facilities directly interconnected with the Company shall be required to sign the Company's filed Standard Interconnection Agreement in order to engage in parallel operations with the Company. The Facility shall recognize that its generation equipment and other related infrastructure may have unique interconnection requirements which will be separately addressed by modifications to the Company's General Standards for Safety and Interconnection where applicable.
 - F. Facilities indirectly interconnected with the Company are required to make all arrangements needed to deliver the capacity and energy purchased from the Facility by the Company to the Company's interchange point with the delivering utility.
 - G. Service under this Schedule is subject to the rules and regulations of the Company and the FPSC as well as other applicable federal and state legislation or regulations.

SPECIAL PROVISIONS

- A. Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the FPSC.
- B. A Facility directly interconnected with the Company may sell firm capacity and energy to a utility other than the Company. Where such agreements exist, the Company will provide transmission wheeling service to deliver the Facility's power to the purchasing utility or to an intermediate utility. In addition, the Company will provide transmission wheeling service through its territory for a Facility indirectly interconnected with the Company, for delivery of the Facility's power to the purchasing utility or to an intermediate utility. In either case, where existing Company transmission capacity exists, the Company will impose a charge for wheeling Facility capacity and energy, measured at the point of delivery to the Company.

The Facility shall be responsible for all costs associated with such wheeling including:

1. Wheeling charges;
2. Line losses incurred by the Company; and
3. Inadvertent energy flows resulting from such wheeling.

ISSUED BY: Mark Crosswhite



Section No. IX
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Energy delivered to the Company shall be adjusted before delivery to another utility.

Interstate transactions are defined as those determined to be in the jurisdiction of the Federal Energy Regulatory Commission (FERC).

Capacity delivered to the Company shall be adjusted before delivery to another utility. The following estimated adjustment factors are supplied for informational purposes only:

<u>Renewable Facility Delivery Voltage</u>	<u>Adjustment Factor</u>
Transmission Voltage Delivery	0.96758
Substation Voltage Delivery	0.94103
Primary Distribution Voltage Delivery	0.91001

All charges and adjustments for wheeling will be determined on a case-by-case basis.

Where wheeling power produced by a Facility for delivery to the Company or to another utility will impair the Company's ability to give adequate service to the rest of the Company's customers or place an undue burden on the Company, the Company may petition the FPSC for a waiver of this Special Provision B, or require the Facility to pay for the necessary transmission system improvements in accordance with the National Energy Policy Act of 1992, or other applicable Federal law.

In order to establish the appropriate transmission service arrangements, the Facility must contact:

Manager Transmission Services
Southern Company Services
Post Office Box 2625
Birmingham AL 35202

- C. As a means of protecting the Company's customers from the possibility of a Facility not coming on line as provided for under an executed Renewable Standard Offer Contract and in order to provide the Company with additional and immediately available funds for its use to secure replacement and reserve power in the event that the Facility fails to successfully complete construction and come on line in accord with the executed Renewable Standard Offer Contract, the Company requires that a cash completion security deposit equal to \$20 per kw of the nameplate capacity of the Facility's generator unit(s) at the time the Company's Renewable Standard Offer Contract is executed by the Facility. At the election of the Facility, the completion security deposit may be phased in such that one half of the total deposit due is paid at contract execution and the remainder within 12 months after contract execution.

ISSUED BY: Mark Crosswhite



Section No. IX
Original Sheet No. 9.95

PAGE	EFFECTIVE DATE
15 of 18	May 22, 2007

(Continued from Schedule REF-1, Sheet No. 9.94)

Depending on the nature of the Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's Renewable Standard Offer Contract, one of the following, at the Company's discretion, may be used as an alternative to a cash deposit as a means of securing the completion of the Facility's project in accord with the executed Renewable Standard Offer Contract:

1. an unconditional, irrevocable direct pay letter; or
2. surety bond; or
3. other means acceptable to the Company.

The Company will cooperate with each Facility seeking an alternative to a cash security deposit as an acceptable means of securing the completion of the Facility's installation in accord with an executed Renewable Standard Offer Contract. The Company will endeavor in good faith to accommodate an equivalent to a cash security deposit which is in the best interests of both the Facility and the Company's customers.

In the case of a governmental solid waste Facility, pursuant to Subsection 366.91 (3), Florida Statutes and FPSC Rule 25-17.091, F.A.C., the following will be acceptable to the Company:

The unsecured promise of a municipal, county, or state government that it will pay the actual damages incurred by the Company because the governmental Facility fails to come on line prior to the planned in-service date for the Avoided Unit or Resource.

- D. Election of Early Capacity Payments under an Option other than (1) through (4) above, and/or election of the Fixed Energy Payments will result in the Company's immediate re-evaluation of the completion security requirements as addressed above in order to determine the adequacy of such security instruments. Given the terms and conditions ultimately set in the Renewable Standard Offer Contract, additional security requirements may be specified by the Company.

ISSUED BY: Susan Story



Section No. IX
First Revised Sheet No. 9.96
Canceling Original Sheet No. 9.96

PAGE	EFFECTIVE DATE
16 OF 18	JULY 14, 2009

(Continued from Schedule REF-1, Sheet No. 9.95)

- E. The Company, in evaluating the viability of any particular offer may exercise its rights under FPSC Rule 25-17.0832(4)(c)(2)(b), F.A.C.
- F. In the event that the Facility decides to sell any or all Renewable Energy Certificates, Green Tags, or other tradable environmental interests (collectively "Environmental Interests") that result from the electric generation of the Facility during the term of an executed Renewable Standard Offer Contract, the Facility shall provide notice to the Company of its intent to sell such Environmental Interests and provide the Company a reasonable opportunity to offer to purchase such Environmental Interests.
- G. All Renewable Standard Offer Contracts for the purchase of capacity and energy from a Facility shall include a provision to reopen the contract, at the election of either party, limited to changes affecting the Company's full avoided costs of the unit on which the Renewable Standard Offer Contract is based as a result of new environmental or other regulatory requirements enacted during the term of the contract.

ISSUED BY: Susan Story



Section No. IX
Fourth Revised Sheet No. 9.97
Canceling Third Revised Sheet No. 9.97

**STANDARD OFFER CONTRACT FOR PURCHASE OF FIRM
CAPACITY AND ENERGY FROM A RENEWABLE ENERGY
FACILITY OR SMALL QUALIFYING FACILITY
("RENEWABLE STANDARD OFFER CONTRACT")**

PAGE 1 of 18	EFFECTIVE DATE JULY 17, 2014
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THIS AGREEMENT is made and entered into this ____ day of _____, ____ by and between _____, hereinafter referred to as the "Seller"; and Gulf Power Company, a corporation, hereinafter referred to as the "Company". The Seller and the Company shall collectively be referred to herein as the "Parties".

WITNESSETH:

WHEREAS, for purposes of this contract, the term "Renewable Energy Facility" means a facility that produces electrical energy from one or more of the sources stated in Florida Public Service Commission (FPSC) Rule 25-17.210 (1), Florida Administrative Code (F.A.C.), and the term "Small Qualifying Facility" means a facility with a design capacity of 100 KW or less as defined in FPSC Rule 25-17.080, F.A.C., thus, both "Renewable Energy Facility" and "Small Qualifying Facility" are herein referred to as "Facility"; and

WHEREAS, the Seller desires to sell, and the Company desires to purchase, firm capacity and energy to be generated by the Facility, such sale and purchase to be consistent with FPSC Rules 25-17.080 through 25-17.091; and

WHEREAS, the Seller, in accordance with FPSC Rule 25-17.087, F.A.C., has entered into an interconnection agreement with the utility that the Facility is directly interconnected, attached hereto as Appendix A; and

WHEREAS, the FPSC has approved the following standard contract for use in the acceptance of the Company's standard offer for the purchase of firm capacity and energy from Facilities.

NOW THEREFORE, for mutual consideration the Parties agree as follows:

ISSUED BY: S. W. Connally, Jr.



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Second Revised Sheet No. 9.98
Canceling First Revised Sheet No. 9.98

PAGE	EFFECTIVE DATE
2 of 18	JULY 7, 2016

(Continued from Standard Offer Contract, Sheet No. 9.97)

1. Facility

The Seller either contemplates installing and operating or has installed and is operating a Facility comprised in whole or in part of the following generator units located at

Unit	Description (Type)	Initial In-Service Date	KVA Nameplate Rating	KW Output Rating	Fuel Source	
					Primary	Secondary

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fifth Revised Sheet No. 9.99
Canceling Fourth Revised Sheet No. 9.99

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3 of 16	July 10, 2019

(Continued from Standard Offer Contract, Sheet No. 9.98)

The entire Facility, whether comprised in whole or in part of the generator units set forth above, is designed to produce a maximum of _____ kilowatts (KW) of electric power at an 85% power factor.

2. Term of the Agreement

This Agreement shall begin immediately upon its execution and the contemporaneous payment by the Seller to the Company of a completion security deposit in the amount of \$20.00 times each KW of nameplate capacity of the Facility's generator unit(s). This Agreement shall end at 12:01 A.M., _____, 20____ (date specified shall be no earlier than May 31, 2033).

Notwithstanding the foregoing, if construction and commercial operation of the Facility are not accomplished before June 1, 2023, the Company's obligations to the Seller under this Agreement shall be considered to be of no force and effect. The Company shall be entitled to retain and use the funds required by the Company as a completion security deposit under this section of the Agreement.

At the election of the Seller, the completion security deposit may be phased in such that one half of the total deposit due is paid upon contract execution and the remainder is to be paid within 12 months after contract execution. If the Seller elects to phase in payment of the completion security deposit due under this paragraph, the effective date of the contract shall be the date of execution provided, however, that the Company shall have no further obligation to the Seller if either installment of the completion security deposit is not timely received by the Company.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fourth Revised Sheet No. 9.100
Canceling Third Revised Sheet No. 9.100

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4 of 18	July 10, 2014

(Continued from Standard Offer Contract, Sheet No. 9.99)

Depending on the nature of the Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of this Agreement, one of the following, at the Company's discretion in accordance with the provisions of Schedule REF-1, may be used as an alternative to a cash deposit as a means of securing the completion of the project in accord with this Agreement:

- (a) an unconditional, irrevocable direct pay letter; or
- (b) surety bond; or
- (c) other means acceptable to the Company.

In the case of a governmental solid waste facility, pursuant to FPSC Rule 25-17.091, F.A.C., the following will be acceptable to the Company: the unsecured promise of a municipal, county, or state government to pay the actual damages incurred by the Company because the governmental facility fails to come on line prior to June 1, 2023.

The specific completion security vehicle agreed upon by the parties is: _____

(IN ORDER FOR THIS FORM OF CONTRACT TO BE USED TO TENDER ACCEPTANCE OF THE COMPANY'S STANDARD OFFER BY A SELLER OTHER THAN A GOVERNMENTAL SOLID WASTE FACILITY, THE ABOVE LINE MUST SPECIFY CASH DEPOSIT IN THE APPROPRIATE AMOUNT UNLESS THE SELLER HAS SECURED THE PRIOR WRITTEN CONSENT FROM THE COMPANY TO AN ALTERNATIVE COMPLETION SECURITY VEHICLE.)

3. Sale of Electricity by the Facility

The Company agrees to purchase firm capacity and energy generated at the Facility and transmitted to the Company by the Facility. The purchase and sale of firm capacity and energy pursuant to this Agreement shall be in accordance with the following billing methodology (choose one):

- () Net Billing Arrangement; or
- () Simultaneous Purchase and Sales Arrangement.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Second Revised Sheet No. 9.101
Canceling First Revised Sheet No. 9.101

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(Continued from Standard Offer Contract, Sheet No. 9.100)

The billing methodology chosen above may not be changed except in accordance with and subject to the following provisions of Rules 25-17.082 and 25-17.0832 F.A.C.:

- (a) when a Facility selling as-available energy enters into a negotiated contract or standard offer contract for the sale of firm capacity and energy; or
- (b) when a firm capacity and energy contract expires or is lawfully terminated by either the Facility or the purchasing utility; or
- (c) when the Facility is selling as-available energy and has not changed billing methods within the last twelve months; and
- (d) upon at least thirty days advance written notice to the Company;
- (e) upon the installation of any additional metering equipment reasonably required to effect the change in billing and upon payment by the Facility for such metering equipment and its installation;
- (f) upon completion and approval of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the Facility for such alterations; and
- (g) where the election to change billing methods will not contravene the provisions of Rule 25-17.0832 or the tariff under which the Facility receives electrical service, or any previously agreed upon contractual provision between the Facility and the Company.

4. Payment for Electricity Produced by the Facility

4.1 Energy

The Company agrees to pay the Seller for energy the Facility produces and delivers for sale to the Company. The purchase and sale of energy pursuant to this Agreement shall be in accordance with the rates and procedures contained in Paragraph B of the **RATES FOR PURCHASES BY THE COMPANY** section of Schedule REF-1 as it exists at the time this Agreement is properly submitted by the Seller to the Company as tendered acceptance of the Company's Standard Offer.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fourth Revised Sheet No. 9.102
Canceling Third Revised Sheet No. 9.102

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(Continued from Standard Offer Contract, Sheet No. 9.101)

For all energy delivered by the Facility to the Company, the Seller elects to be paid pursuant to the method described in:

- ☐ Paragraph B (1), or
- ☐ Paragraph B (3)(b),
and (if applicable);
- ☐ Paragraph B (2), or
- ☐ Paragraph B (3)(a)

of the **RATES FOR PURCHASES BY THE COMPANY** section of Schedule REF-1. If the Seller elects any payment method under Paragraph B (3), the details underlying the derivation of the associated energy payments will be described in an exhibit to this Standard Offer Contract. The Company will provide the Seller an energy payment schedule for the elected payment method within thirty (30) days after receipt of a Seller's request for such information.

4.2 Capacity

4.2.1 Anticipated Committed Capacity. The Facility is expected to deliver approximately _____ kilowatts of capacity, beginning on or about _____, 20____.
(Date specified may not be later than June 1, 2023.)

The Facility may finalize its Committed Capacity (CC) after initial facility testing, and specify when capacity payments are to begin, by completing Paragraph 4.2.2 at a date subsequent to the execution of this Agreement by the parties. However, the Seller must complete Paragraph 4.2.2 before June 1, 2023 in order to be entitled to any capacity payments pursuant to this Agreement. The final Committed Capacity set forth in Paragraph 4.2.2 shall not exceed plus or minus ten percent of the above estimate. The date specified in Paragraph 4.2.2 as the date on which capacity payments shall begin shall be no earlier than the date specified above, nor any later than June 1, 2023.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
~~Ninth~~Tenth Revised Sheet No. 9.103
Canceling ~~Eighth~~Ninth Revised Sheet No. 9.103

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7 of 18	June 30, 2018

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4.2.2 Actual Committed Capacity. The capacity committed by the Facility (Committed Capacity or CC) for the purposes of this Agreement is _____ kilowatts beginning _____, _____. The Seller is committing this amount of capacity based on its agreement and commitment that this capacity will maintain an Equivalent Availability Factor (EAF) of 95%. The EAF will be based on the economic operation of a combustion turbine generating facility (Avoided Unit) that Gulf has designated as the Avoided Unit for purposes of the Standard Offer. The Seller elects to receive, and the Company agrees to commence calculating, capacity payments in accordance with this Agreement starting with the first billing month following the date specified in this paragraph as the date on which capacity sales under this Agreement will begin.

4.2.3 Capacity Payments. The Seller chooses to receive capacity payments from the Company under Option _____ or _____ a customized payment stream as described in the Company's Schedule REF-1 of the Company Tariff for Retail Electric Service as it exists at the time this Agreement is properly submitted by the Seller to the Company as tendered acceptance of the Company Standard Offer. If the customized payment option is chosen by the Seller as the preferred capacity payment option, the details underlying the derivation of such payment stream will be described in an exhibit to this Standard Offer Contract.

The Capacity Payments to be made by the Company to the Seller are based upon the Avoided Unit that the Company has designated for purposes of the Standard Offer. The Capacity Payments to the Seller are based on an avoided gas-fired Combustion Turbine generating facility with the following economic assumptions:

Size: 654 MW total	Installed Costs (2023): \$598,564/kW
Discount Rate: 6.34%	AFUDC Rate: 7.25%
Annual Inflation: 2.72%	K-factor: 4.37751, 3782
Annual Capacity Factor: 9.712.9%	Fixed O & M: \$14.4218.57/kW-yr
Equivalent Availability: 95%	Unit Life: 40 years

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fourth Revised Sheet No. 9.104
Canceling Third Revised Sheet No. 9.104

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(Continued from Standard Offer Contract, Sheet No. 9.103)

The Company agrees it will pay the Seller a capacity payment. This capacity payment will be the product of the Facility's Committed Capacity and the applicable rate from the Seller's chosen capacity payment option in accordance with the Company's Schedule REF-1, as it exists at the time this Agreement is properly submitted by the Seller to the Company as tendered acceptance of the Company's Standard Offer. In the event either: (1) the date specified in Section 2 of this Agreement is later than June 1, 2033; or (2) the date specified in Paragraph 4.2.2 as the date capacity payments are to begin is one other than the dates shown in Schedule REF-1, a payment schedule will be calculated by the Company and attached to this agreement as Exhibit D. Under those circumstances, the payment schedule set forth in Exhibit D will be used in the calculation of capacity payments pursuant to this paragraph. The Company will provide the Seller a capacity payment schedule for the chosen payment method within thirty (30) days after receipt of a Seller's request for such information. The capacity payment for a given month will be added to the energy payment for such month and tendered by the Company to the Seller as a single payment as promptly as possible, normally by the twentieth business day following the day the meter is read.

In October following each performance period, the Company will calculate the availability of the Facility over the most recent twelve month period ending August 31. For purposes of this Agreement, availability means Equivalent Availability Factor (EAF) as defined by the North American Electric Reliability Council Generating Availability Data System (NERC GADS) or its successor's indice. If the availability (EAF) of the Facility is not equal to or greater than 0.95 (95%), then the Seller will repay the Company a portion of the performance period capacity payments as calculated in accordance with the procedure detailed in the **ANNUAL CAPACITY AVAILABILITY FACTOR DETERMINATION** section of Rate Schedule REF-1.

ISSUED BY: S. W. Connally, Jr.



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Second Revised Sheet No. 9.105
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(Continued from Standard Offer Contract, Sheet No. 9.104)

Repayment under this paragraph shall not be construed as a limitation of the Company's right to pursue a claim against the Seller in any appropriate court or forum for the actual damages the Company incurs as a result of non-performance or default.

5. Metering Requirements

Hourly demand recording meters shall be required for each individual generator unit comprising a Facility with a total installed capacity of 100 kilowatts or more. Where the total installed capacity of the facility is less than 100 kilowatts, the Facility may select any one of the following options (choose one):

- ☐ hourly demand recording meter(s);
- ☐ dual kilowatt-hour register time-of-day meter(s); or
- ☐ standard kilowatt-hour meter(s).

Unless special circumstances warrant, meters shall be read at monthly intervals on the approximate corresponding day of each meter reading period.

6. Electricity Production Schedule

During the term of this Agreement, the Seller agrees to:

- (a) Adjust reactive power flow in the interconnection so as to remain within the range of 85% leading to 85% lagging power factor;
- (b) Provide the Company, prior to October 1 of each calendar year (January through December), an estimate of the amount of firm capacity and energy to be generated by the Facility and delivered to the Company for each month of the following calendar year including the time, duration and magnitude of any planned outages or reductions in capacity;
- (c) Promptly update the yearly generation schedule and maintenance schedule as and when any changes may be determined necessary;
- (d) Coordinate its scheduled Facility outages with the Company;

ISSUED BY: S. W. Connally, Jr.



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Fourth Revised Sheet No. 9.106
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(Continued from Standard Offer Contract, Sheet No. 9.105)

- (e) Comply with reasonable requirements of the Company regarding day-to-day or hour-by-hour communications between the parties relative to the performance of this Agreement; and
- (f) Promptly notify the Company of the Facility's inability to supply any portion of its Committed Capacity. (Failure of the Seller to notify the Company of a known derating or inability to supply its full Committed Capacity from the Facility may, at the sole discretion of the Company, result in a determination of non-performance.)

7. The Seller's Obligation if the Seller Receives Early Capacity Payments

The Seller's payment option choice pursuant to paragraph 4.2.3 may result in payment by the Company for capacity delivered prior to June 1, 2023. The parties recognize that capacity payments received for any period through May 31, 2023, are in the nature of "early payment" for a future capacity benefit to the Company. To ensure that the Company will receive a capacity benefit for which early capacity payments have been made, or alternatively, that the Seller will repay the amount of early payments received to the extent the capacity benefit has not been conferred, the following provisions will apply:

The Company shall establish a Capacity Account. Amounts shall be added to the Capacity Account for each month through May 2023, in the amount of the Company's capacity payments made to the Seller pursuant to the Seller's chosen payment option from Schedule REF-1 or Exhibit D if applicable. The monthly balance in the Capacity Account shall accrue interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company thirty days prior to the date of each payment or posting of interest to the account. Commencing on June 1, 2023, there shall be deducted from the Capacity Account an Early Payment Offset Amount to reduce the balance in the Capacity Account. Such Early Payment Offset Amount shall be equal to that amount which the Company would have paid for

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Fourth Revised Sheet No. 9.107
Canceling Third Revised Sheet No. 9.107

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capacity in that month if the capacity payment had been calculated pursuant to Option 1 in Schedule REF-1 and the Seller had elected to begin receiving payment on June 1, 2023 minus the monthly capacity payment the Company makes to the Seller pursuant to the capacity payment option chosen by the Seller in paragraph 4.2.3.

The Seller shall owe the Company and be liable for the outstanding balance in the Capacity Account. The Company agrees to notify the Seller monthly as to the current Capacity Account balance. Prior to receipt of early capacity payments, the Seller shall execute a promise to repay any outstanding balance in the Capacity Account in the event of a default pursuant to this Agreement. Such promise shall be secured by means mutually acceptable to the Parties and in accordance with the provisions of Schedule REF-1.

The specific repayment assurance selected for purposes of this Agreement is:

Any outstanding balance in the Capacity Account shall immediately become due and payable, in full, in the event of default or at the conclusion of the term of this Agreement. The Seller's obligation to pay the balance in the Capacity Account shall survive termination of this Agreement.

8. Non-Performance Provisions

The Seller shall be entitled to receive a complete refund of the security deposit described in Section 2 of this contract (or in the event an alternative completion security vehicle is in effect, release of that completion security) upon the Facility's achieving commercial in-service status (which, for purposes of this Agreement, shall include the demonstration of capability to perform by actual delivery of firm capacity and energy to the Company) provided that this occurs prior to June 1, 2023 and that said

ISSUED BY: S. W. Connally, Jr.



Section No. IX
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commercial in-service status is maintained from the date of initial demonstration to, through and including June 1, 2023. The Seller shall not be entitled to any of its security deposit if the Facility fails to achieve commercial in-service status prior to June 1, 2023 and maintain that status to, through and including said date. Additionally, once construction of the Facility or any additions necessary for the Facility to have the capability to deliver the anticipated Committed Capacity and energy to the Company from the Facility has commenced, the Seller will allow Company representatives to review quarterly the construction progress to provide the Company with a level of assurance that the Facility will be capable of delivering the anticipated Committed Capacity from the Facility on or before June 1, 2023.

Additionally, failure of the Seller to notify the Company of a known derating or inability to supply its full Committed Capacity from the Facility may, at the sole discretion of the Company, result in a determination of non-performance. Upon such determination by the Company, capacity payments to the Seller shall be suspended for a period of time equal to the time of the known derating or inability to supply the full Committed Capacity from the Facility or six months, whichever shall be longer.

9. Default

9.1 Mandatory Default. The Seller shall be in default under this Agreement if: (1) Seller either voluntarily declares bankruptcy or becomes subject to involuntary bankruptcy proceedings; or (2) the Facility ceases all electric generation for either of the Company's peak generation planning periods (summer or winter) occurring in a consecutive 12 month period. For purposes of this Agreement, the Company's summer peak generation planning period shall be May through September and the Company's winter peak generation planning period shall be December through February. The months included in the Company's peak generation planning periods may be changed, at the sole discretion of the Company, upon 12 months prior notice to the Seller.

ISSUED BY: S. W. Connally, Jr.



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Canceling Third Revised Sheet No. 9.109

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(Continued from Standard Offer Contract, Sheet No. 9.108)

9.2 Optional Default. The Company may declare the Seller to be in default if: (1) at any time prior to June 1, 2023 and after capacity payments have begun, the Company has sufficient reason to believe that the Facility is unable to deliver its Committed Capacity; (2) because of a Seller's refusal, inability or anticipatory breach of its obligation to deliver its Committed Capacity after June 1, 2023; or (3) the Company has made three or more determinations of non-performance due to the failure of the Seller to notify the Company of a known derating or inability to supply Committed Capacity during any eighteen month period.

10. General Provisions

10.1 Permits. The Seller hereby agrees to obtain any and all governmental permits, certifications, or other authority the Seller and/or Facility are required to obtain as a prerequisite to engaging in the activities provided for in this Agreement. The Company hereby agrees to obtain any and all governmental permits certifications or other authority the Company is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement.

10.2 Indemnification. The Seller agrees to indemnify and save harmless the Company, its subsidiaries or affiliates, and their respective employees, officers, and directors, against any and all liability, loss, damage, cost or expense which the Company, its subsidiaries, affiliates, and their respective employees, officers, and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Seller in performing its obligations pursuant to this Agreement or the Seller's failure to abide by the provisions of this Agreement. The Company agrees to indemnify and save harmless the Seller against any and all liability, loss, damage, cost or expense which the Seller may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Company in performing its obligations pursuant to this Agreement or the Company's failure to abide by the provision of this Agreement. The Seller agrees to include the Company as an additional named insured in any liability insurance policy or policies the Seller obtains to protect the Seller's interests with respect to the Seller's indemnity and hold harmless assurances to parties contained in this Section.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Second Revised Sheet No. 9.110
Canceling First Revised Sheet No. 9.110

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(Continued from Standard Offer Contract, Sheet No. 9.109)

The Seller shall deliver to the Company at least fifteen days prior to the delivery of any capacity and energy under this Agreement, a certificate of insurance certifying the Seller's and Facility's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida, protecting and indemnifying the Seller and the Company as an additional named insured, their officers, employees, and representatives, against all liability and expense on account of claims and suits for injuries or damages to persons or property arising out of the Seller's and the Facility's performance under or failure to abide by the terms of this Agreement, including without limitation any claims, damages or injuries caused by operation of any of the Facility's equipment or by the Seller's failure to maintain the Facility's equipment in satisfactory and safe operating conditions, or otherwise arising out of the performance by the Seller of the duties and obligations arising under the terms and conditions of this Agreement.

The policy providing such coverage shall provide comprehensive general liability insurance, including property damage, with limits in an amount not less than \$1,000,000 for each occurrence. In addition, the above required policy shall be endorsed with a provision whereby the insurance company will notify the Company within thirty days prior to the effective date of cancellation or a material change in the policy. The Seller shall pay all premiums and other charges required or due in order to maintain such coverage as required under this section in force during the entire period of this Agreement beginning with the initial delivery of capacity and energy to the Company.

10.3 Taxes or Assessments. It is the intent of the parties under this provision that the Seller hold the Company and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy or capacity from the Facility in lieu of other energy or capacity and that any savings in regards to taxes or assessments be included in the avoided cost payments made to the Seller to the extent

ISSUED BY: S. W. Connally, Jr.



Section No. IX
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(Continued from Standard Offer Contract, Sheet No. 9.110)

permitted by law. In the event the Company becomes liable for additional taxes, assessments or imposition arising out of its transaction with the Seller under either this agreement or any related interconnection agreement or due to changes in laws affecting the Company's purchases of energy or capacity from the Facility occurring after the execution of this agreement and for which the Company would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under this agreement itself, the Company may bill the Seller monthly for such additional expenses or may offset them against amounts due the Seller from the Company. Any savings in taxes, assessments or impositions that accrue to the Company as a result of its purchase of energy and capacity under this agreement that are not already reflected in the avoided energy or avoided capacity payments made to the Seller hereunder, shall be passed on to the Seller to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

10.4 Force Majeure. If either party shall be unable, by reason of force majeure, to carry out its obligations under this Agreement, either wholly or in part, the party so failing shall give written notice and full particulars of such cause or causes to the other party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended during the continuance of such hindrance which, however, shall be extended for such period as may be necessary for the purpose of making good any suspension so caused. The term "force majeure" shall be taken to mean acts of God, strikes, lockouts or other industrial disturbances, wars, blockades, insurrections, riots, arrests and restraints of rules and people, environmental constraints lawfully imposed by federal, state or local government bodies, explosions, fires, floods, lightning, wind, perils of the sea provided, however, that no occurrences may be claimed to be a force majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the party attempting to make such claim. The Seller agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with the Company's system if the same are rendered inoperable

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Third Revised Sheet No. 9.112
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due to actions of the Seller, its agents, or force majeure events affecting the Facility or the interconnection with the Company. The Company agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by the Company or its agents.

10.5 Assignment. The Seller shall have the right to assign its benefits under this Agreement, but the Seller shall not have the right to assign its obligations and duties without the Company's prior written approval.

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

10.7 Notification. For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Agreement, the parties designate the following to be notified or to whom payment shall be sent until such time as either party furnishes the other party written instructions to contact another individual.

For Seller:

For Gulf Power Company:

Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola FL 32520-0780

10.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

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

ISSUED BY: S. W. Connally, Jr.



Section No. IX
Third Revised Sheet No. 9.113
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(Continued from Standard Offer Contract, Sheet No. 9.112)

10.10 Complete Agreement and Amendments. All previous communications or agreements between the parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless it shall be set forth in writing and duly executed by both parties to this Agreement and, if required, approved by the FPSC.

10.11 Incorporation of Schedule. The parties agree that this Agreement shall be subject to all of the provisions contained in the Company's published Schedule REF-1 as approved and on file with the FPSC, as the Schedule exists at the time this Agreement is properly submitted by the Facility to the Company as tendered acceptance of the Company's standard offer.

10.12 Survival of Agreement. This Agreement, as may be amended from time to time, shall be binding and insure to the benefit of the Parties' respective successors-in-interest and legal representatives.

11. Environmental Interests

In the event that the Seller decides to sell any or all Renewable Energy Certificates, Green Tags, or other tradable environmental interests (collectively "Environmental Interests") that result from the electric generation of the Facility during the term of this Agreement, the Seller shall provide notice to the Company of its intent to sell such Environmental Interests and provide the Company a reasonable opportunity to offer to purchase such Environmental Interests.

12. Changes in Environmental and Governmental Regulations

This contract may be reopened at the election of either party in the event that environmental or other regulatory requirements are enacted during the term of this contract which either (a) increase or (b) decrease the full avoided costs of the Avoided Unit. The parties may negotiate a threshold amount of change below which this reopener will not apply.

ISSUED BY: S. W. Connally, Jr.



Section No. IX
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(Continued from Standard Offer Contract, Sheet No. 9.113)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

GULF POWER COMPANY

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____

SELLER

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____

ISSUED BY: S. W. Connally, Jr.

Item 8

State of Florida



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Thompson) ^{PoE}
Office of the General Counsel (Corbari) ^{TK}

RE: Docket No. 170077-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 170070-EQ, 170072-EQ, 170075-EQ, & 170076-EQ

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires that each investor-owned utility (IOU) continuously offers to purchase capacity and energy from renewable generating facilities and small qualifying facilities. Florida Public Service Commission (Commission) Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan. On April 3, 2017, Florida Power & Light Company (FPL) filed a petition for approval of its revised standard offer contract and rate schedule based on its 2017 Ten-Year Site Plan. The Commission has jurisdiction over this standard offer contract pursuant to Sections 366.04 through 366.06, and 366.91, F.S.

Date: June 29, 2017

Discussion of Issues

Issue 1: Should the Commission approve the revised renewable energy tariff and standard offer contract filed by Florida Power & Light Company?

Recommendation: Yes. The provisions of FPL's revised renewable energy tariff and standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. FPL's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that FPL's revised renewable energy tariff and standard offer contract be approved as filed. (Thompson)

Staff Analysis: Rule 25-17.250, F.A.C., requires that FPL, an IOU, continuously makes available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent Ten-Year Site Plan or, if no avoided unit is identified, its next avoidable planned purchase. FPL has identified a 1,163 megawatt (MW) natural gas-fired combined cycle (CC) as its next fossil-fueled generating unit in its 2017 Ten-Year Site Plan. The projected in-service date of this unit is June 1, 2022.

The RF/QF operator may elect to make no commitment as to the quantity or timing of its deliveries to FPL, and to have a committed capacity of zero (0) MW. Under such a scenario, the energy is delivered on an as-available basis and the operator receives only an energy payment. Alternatively, the RF/QF operator may elect to commit to certain minimum performance requirements based on the identified avoided unit, such as being operational and delivering an agreed upon amount of capacity by the in-service date of the avoided unit, and thereby becomes eligible for capacity payments in addition to payments received for energy. The standard offer contract may also serve as a starting point for negotiation of contract terms by providing payment information to an RF/QF operator, in a situation where one or both parties desire particular contract terms other than those established in the standard offer.

In order to promote renewable generation, the Commission requires the IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2022), and thereafter, begin receiving capacity payments in addition to the energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 below, contains FPL's estimates of the annual payments for each payment option available under the revised standard offer contract to an operator with a 50 MW facility, operating at a capacity factor of 94 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin in 2022, reflecting the projected in-service date of the avoided CC unit (June 1, 2022).

**Table 1 - Estimated Annual Payments to a 50 MW Renewable Facility
(94% Capacity Factor)**

Year	Energy Payment \$(000)	Capacity Payment (By Type)			
		Normal \$(000)	Levelized \$(000)	Early \$(000)	Early Levelized \$(000)
2018	11,197	-	-	2,761	3,200
2019	14,915	-	-	2,816	3,200
2020	11,148	-	-	2,872	3,200
2021	10,984	-	-	2,929	3,200
2022	11,201	4,201	4,775	2,988	3,200
2023	11,133	4,289	4,775	3,048	3,200
2024	12,500	4,378	4,775	3,109	3,200
2025	12,420	4,470	4,775	3,171	3,200
2026	13,715	4,563	4,775	3,234	3,200
2027	14,650	4,658	4,775	3,299	3,200
2028	13,941	4,756	4,775	3,365	3,200
2029	14,672	4,855	4,775	3,432	3,200
2030	14,989	4,956	4,775	3,501	3,200
2031	14,375	5,060	4,775	3,571	3,200
2032	15,902	5,166	4,775	3,642	3,200
2033	16,620	5,274	4,775	3,715	3,200
2034	15,600	5,384	4,775	3,790	3,200
2035	16,001	5,497	4,775	3,865	3,200
2036	16,495	5,611	4,775	3,943	3,200
2037	16,657	5,729	4,775	4,022	3,200
Total	262,455	78,845	76,392	67,074	63,996
NPV (2018\$)	134,640	32,443	32,443	32,443	32,443

Source: FPL's Response to Staff's First Data Request¹

¹Document No. 05113-17, dated May 31, 2017, in Docket No. 170077-EQ.

Date: June 29, 2017

FPL's revised renewable energy tariff and standard offer contract, in type-and-strike format, are included as Attachment A to this recommendation. Revisions include updates to the avoided unit, dates, and payment information which reflect the current economic and financial assumptions for the avoided unit costs.

Conclusion

The provisions of FPL's revised renewable energy tariff and standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. FPL's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that FPL's revised renewable energy tariff and standard offer contract be approved as filed.

Issue 2: Should this docket be closed?

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

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

ATTACHMENT F

Complete Proposed Standard Offer Contract and Rate Schedule QS-2 in Legislative Format

FLORIDA POWER & LIGHT COMPANY

~~Eighth~~^{Ninth} Revised Sheet No. 9.030
Cancels ~~Seventh~~^{Eighth} Sheet No. 9.030

**STANDARD OFFER CONTRACT FOR THE PURCHASE OF
CAPACITY AND ENERGY FROM A RENEWABLE ENERGY FACILITY OR A QUALIFYING
FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (~~2024~~²⁰²² AVOIDED UNIT)**

THIS STANDARD OFFER CONTRACT (the "Contract") is made and entered this ____ day of _____, ____ by and between _____ (herein after "Qualified Seller" or "QS") a corporation/limited liability company organized and existing under the laws of the State of _____ and owner of a Renewable Energy Facility as defined in section 25-17.210 (1) F.A.C. or a Qualifying Facility with a design capacity of 100 KW or less as defined in section 25-17.250, and Florida Power & Light Company (hereinafter "FPL") a corporation organized and existing under the laws of the State of Florida. The QS and FPL shall be jointly identified herein as the "Parties". This Contract contains five Appendices; Appendix A, QS-2 Standard Rate for Purchase of Capacity and Energy; Appendix B, Pay for Performance Provisions; Appendix C, Termination Fee; Appendix D, Detailed Project Information and Appendix E, contract options to be selected by QS.

WITNESSETH:

WHEREAS, the QS desires to sell and deliver, and FPL desires to purchase and receive, firm capacity and energy to be generated by the QS consistent with the terms of this Contract, Section 366.91, Florida Statutes, and/or Florida Public Service Commission ("FPSC") Rules 25-17.082 through 25-17.091, F.A.C. and FPSC Rules 25-17.200 through 25.17.310.F.A.C.

WHEREAS, the QS has signed an interconnection agreement with FPL (the "Interconnection Agreement"), or it has entered into valid and enforceable interconnection/transmission service agreement(s) with the utility (or those utilities) whose transmission facilities are necessary for delivering the firm capacity and energy to FPL (the "Wheeling Agreement(s)");

WHEREAS, the FPSC has approved the form of this Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less; and

WHEREAS, the Facility is capable of delivering firm capacity and energy to FPL for the term of this Contract in a manner consistent with the provisions of this Contract; and

WHEREAS, Section 366.91(3), Florida Statutes, provides that the "prudent and reasonable costs associated with a QS energy contract shall be recovered from the ratepayers of the contracting utility, without differentiating among customer classes, through the appropriate cost-recovery clause mechanism" administered by the FPSC.

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

(Continued on Sheet No. 9.031)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~September 13, 2016~~

FLORIDA POWER & LIGHT COMPANY

~~First~~ Second Revised Sheet No. 9.031
Cancels ~~Original~~ First Sheet No. 9.031

(Continued from Sheet No. 9.030)

1. QS Facility

The QS contemplates, installing operating and maintaining a _____ KVA _____ generating facility located at _____ (hereinafter called the "Facility"). The Facility is designed to produce a maximum of _____ kilowatts ("KW") of electric power at an 85% lagging to 85% leading power factor. The Facility's location and generation capabilities are as described in the table below.

TECHNOLOGY AND GENERATOR CAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: County:
Generator Type (Induction or Synchronous)	
Type of Facility (Hydrogen produced from sources other than fossil fuels, biomass as defined in Section 25-17.210 (2) F.A.C., solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power, waste heat from sulfuric acid manufacturing operations: or <100KW cogenerator)	
Technology	
Fuel Type and Source	
Generator Rating (KVA)	
Maximum Capability (KW)	
Minimum Load	
Peaking Capability	
Net Output (KW)	
Power Factor (%)	
Operating Voltage (kV)	
Peak Internal Load KW	

The following sections (a) through (e) are applicable to Renewable Energy Facilities ("REFs") and section (4g) is only applicable to Qualifying Facilities with a design capacity of 100 KW or less:

- (a) If the QS is a REF, the QS represents and warrants that (i) the sole source(s) of fuel or power used by the Facility to produce energy for sale to FPL during the term of this Contract shall be such sources as are defined in and provided for pursuant to Sections 366.91(2) (a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C.; (ii) Fossil fuels shall be limited to the minimum quantities necessary for start-up, shut-down and for operating stability at minimum load; and (iii) the REF is capable of generating the amount of capacity pursuant to Section 5 of this Agreement without the use of fossil fuels.
- (b) The Parties agree and acknowledge that if the QS is a REF, the QS will not charge for, and FPL shall have no obligation to pay for, any electrical energy produced by the Facility from a source of fuel or power except as specifically provided for in paragraph 1(a) above.

(Continued on Sheet No. 9.032)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~September 13, 2016~~

FLORIDA POWER & LIGHT COMPANY

~~Tenth~~^{Eleventh} Revised Sheet No. 9.032
Cancels ~~Ninth~~^{Tenth} Revised Sheet No. 9.032

(Continued from Sheet No. 9.031)

- (c) If the QS is a REF, the QS shall, on an annual basis and within thirty (30) days after the anniversary date of this Contract and on an annual basis thereafter for the term of this Contract, deliver to FPL a report certified by an officer of the QS: (i) stating the type and amount of each source of fuel or power used by the QS to produce energy during the twelve month period prior to the anniversary date (the "Contract Year"); and (ii) verifying that one hundred percent (100%) of all energy sold by the QS to FPL during the Contract Year complies with Sections 1(a) and (b) of this Contract.
- (d) If the QS is a REF, the QS represents and warrants that the Facility meets the renewable energy requirements of Section 366.91(2)(a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2)-, F.A.C., and that the QS shall continue to meet such requirements throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books, records, or other documents of the QS that FPL deems necessary to verify that the Facility meets such requirements.
- (e) The Facility (i) has been certified or has self-certified as a "qualifying facility" pursuant to the Regulations of the Federal Energy Regulatory Commission ("FERC"), or (ii) has been certified by the FPSC as a "qualifying facility" pursuant to Rule 25-17.080(1). A QS that is a qualifying facility with a design capacity of less than 100 KW shall maintain the "qualifying status" of the Facility throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books and records or other documents of the Facility that FPL deems necessary to verify the Facility's qualifying status. On or before March 31 of each year during the term of this Contract, the QS shall provide to FPL a certificate signed by an officer of the QS certifying that the Facility has continuously maintained qualifying status.

2. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties (the "Effective Date") and shall have the termination date stated in Appendix E, unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date (as defined in Section 5.5) of the Facility is not accomplished by the QS before June 1, ~~2024~~²⁰²², or such later date as may be permitted by FPL pursuant to Section 5 of this Contract, FPL will be permitted to terminate this Contract consistent with the terms herein without further obligations, duties or liability to the QS.

3. Minimum Specifications

Following are the minimum specifications pertaining to this Contract:

- 1. The avoided unit ("Avoided Unit") on which this Contract is based is detailed in Appendix A.
- 2. This offer shall expire on April 1, ~~2017~~²⁰¹⁸.
- 3. The date by which firm capacity and energy deliveries from the QS to FPL shall commence is the in-service date of the Avoided Unit (or such later date as may be permitted by FPL pursuant to Section 5 of this contract) unless the QS chooses a capacity payment option that provides for early capacity payments pursuant to the terms of this Contract.
- 4. The period of time over which firm capacity and energy shall be delivered from the QS to FPL is as specified in Appendix E; provided, such period shall be no less than a minimum of ten (10) years after the in-service date of the Avoided Unit.
- 5. The following are the minimum performance standards for the delivery of firm capacity and energy by the QS to qualify for full capacity payments under this Contract:

	On Peak *	All Hours
Availability	94.0%	94.0%

* QS Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule QS-2 attached hereto as Appendix A

(Continued on Sheet No. 9.032.1)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~September 13, 2016~~

FLORIDA POWER & LIGHT COMPANY

First Revised Sheet No. 9.032.1
Cancels Original Sheet No. 9.032.1

(Continued from Sheet No. 9.032)

3.2 QS, at no cost to FPL, shall be responsible to:

3.2.1 Design, construct, and maintain the Facility in accordance with this Contract, applicable law, regulatory, and governmental approvals, any requirements of warranty agreements or similar agreements, prudent industry practice, insurance policies, and the Interconnection Agreement or Wheeling Agreement.

3.2.2 Perform all studies, pay all fees, obtain all necessary approvals and execute all necessary agreements (including the Interconnection Agreement or the Wheeling Agreement(s)) in order to schedule and deliver the firm capacity and energy to FPL.

3.2.3 Obtain and maintain all permits, certifications, licenses, consents or approvals of any governmental or regulatory authority necessary for the construction, operation, and maintenance of the Facility (the "Permits"). QS shall keep FPL reasonably informed as to the status of its permitting efforts and shall promptly inform FPL of any Permits it is unable to obtain, that are delayed, limited, suspended, terminated, or otherwise constrained in a way that could limit, reduce, interfere with, or preclude QS's ability to perform its obligations under this Contract (including a statement of whether and to what extent this circumstance may limit or preclude QS's ability to perform under this Contract.)

3.2.4 Demonstrate to FPL's reasonable satisfaction that QS has established Site Control, an agreement for the ownership or lease of the Facility's site, for the Term of the Contract.

3.2.5 Complete all environmental impact studies and comply with applicable environmental laws necessary for the construction, operation, and maintenance of the Facility.

3.2.6 At FPL's request, provide to FPL electrical specifications and design drawings pertaining to the Facility for FPL's review prior to finalizing design of the Facility and before beginning construction work based on such specifications and drawings, provided FPL's review of such specifications and design shall not be construed as endorsing the specification, and design thereof, or as any express or implied warranties including performance, safety, durability or reliability of the Facility. QS shall provide to FPL reasonable advance notice of any changes in the Facility and provide to FPL specifications and design drawings of any such changes.

3.2.7 Within fifteen (15) days after the close of each month from the first month following the Effective Date until the Capacity Delivery Date, provide to FPL a monthly progress report (in a form reasonably satisfactory to FPL) and agree to regularly scheduled meetings between representatives of QS and FPL to review such monthly reports and discuss QS's construction progress. The Monthly Progress Report shall indicate whether QS is on target to meet the Capacity Delivery Date. If, for any reason, FPL has reason to believe that QS may fail to achieve the Capacity Delivery Date, then, upon FPL's request, QS shall submit to FPL, within ten (10) business days of such request, a remedial action plan ("Remedial Action Plan") that sets forth a detailed description of QS's proposed course of action to promptly achieve the Capacity Delivery Date. Delivery of a Remedial Action Plan does not relieve QS of its obligation to meet the Capacity Delivery Date.

3.3 FPL shall have the right, but not the obligation, to:

3.3.1 Inspect during business hours upon reasonable notice, or obtain copies of all Permits held by QS.

3.3.2 Consistent with Section 3.2.6, notify QS in writing of the results of the review within thirty (30) days of FPL's receipt of all specifications for the Facility, including a description of any flaws perceived by FPL in the design.

3.3.3 Inspect the Facility's construction site or on-site QS data and information pertaining to the Facility during business hours upon reasonable notice.

(Continued on Sheet No. 9.033)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

FLORIDA POWER & LIGHT COMPANY

**Eighth Revised Sheet No. 9.033
Cancels Seventh Sheet No. 9.033**

(Continued from Sheet No. 9.032.1)

4. Sale of Energy and Capacity by the QS

4.1 Consistent with the terms hereof, the QS shall sell and deliver to FPL and FPL shall purchase and receive from the QS at the Delivery Point (defined below) all of the energy and firm capacity generated by the Facility. FPL shall have the sole and exclusive right to purchase all energy and capacity produced by the Facility. The purchase and sale of energy and firm capacity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QS to sell more energy and firm capacity than the Facility's net output. The billing methodology may be changed at the option of the QS, subject to the provisions of FPL Rate Schedule QS-2. For purposes of this Contract, Delivery Point shall be defined as either: (a) the point of interconnection between FPL's system and the transmission system of the final utility transmitting energy and firm capacity from the Facility to the FPL system, as specifically described in the applicable Wheeling Agreement, or (b) the point of interconnection between the Facility and FPL's transmission system, as specifically described in the Interconnection Agreement.

4.2 The QS shall not rely on interruptible standby service for the start up requirements (initial or otherwise) of the Facility.

4.3 The QS shall be responsible for all costs, charges and penalties associated with development and operation of the Facility.

4.4 The QS shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver, on a firm basis, the firm capacity and energy from the Facility to the Delivery Point.

5. Committed Capacity/Capacity Delivery Date

5.1 The QS commits to sell and deliver firm capacity to FPL at the Delivery Point, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity shall be _____ KW, delivery date no later than the in-service date of the Avoided Unit or as otherwise specified in Appendix E (the "Guaranteed Capacity Delivery Date").

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period (defined herein) for the first Committed Capacity Test shall commence no earlier than six (6) months prior to the Capacity Delivery Date and testing must be completed by 11:59 p.m. on the date prior to the Guaranteed Delivery Date. The first Committed Capacity Test shall be deemed successfully completed when the QS demonstrates to FPL's satisfaction that the Facility can make available capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1, the QS may schedule and perform up to three (3) Committed Capacity Tests to satisfy the capacity requirements of the Contract.

5.3 FPL shall have the right to require the QS, by notice no less than ten (10) business days prior to such proposed test, to validate the Committed Capacity of the Facility by means of subsequent Committed Capacity Tests as follows: (a) once per each Summer period and once per each Winter period at FPL's sole discretion, (b) at any time the QS is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure, and (c) at any time the QS fails in three consecutive months to achieve an Annual Capacity Billing Factor, as defined in Appendix B (the "ACBF"), equal to or greater than 70%. The results of any such test shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be deemed as the lower of the tested capacity or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity shall not exceed the amount set forth in Section 5.1 without the prior written consent of FPL, such consent not unreasonably withheld.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test but no earlier than the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E).

5.6 The QS shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided, the Capacity Delivery Date occurs on or before the in-service date of the Avoided Unit (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before the Guaranteed Capacity Delivery Date, FPL shall be entitled to the Completion/Performance Security (as set forth in Section 9) in full, and in addition, has the right but not the obligation to, allow the QS up to an additional five (5) months to achieve the Capacity Delivery Date. If the QS fails to achieve the Capacity Delivery Date either by (a) the Guaranteed Delivery Date or (b) such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and FPL will be permitted to terminate this Contract, consistent with the terms herein, without further obligations, duties or liability to the QS.

(Continued on Sheet No. 9.034)

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FLORIDA POWER & LIGHT COMPANY

**Second Revised Sheet No. 9.034
Cancels First Sheet No. 9.034**

(Continued from Sheet No. 9.033)

6. Testing Procedures

6.1 The Committed Capacity Test must be completed successfully within a sixty-hour period (the "Demonstration Period"), which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the QS by means of a written notice to FPL delivered at least thirty (30) days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test required by FPL under any of the provisions of this Contract. FPL shall have the right to be present onsite to monitor any Committed Capacity Test required or permitted under this Contract.

6.2 Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net KW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. If the QS is a REF the Committed Capacity Test shall be conducted utilizing as the sole fuel source fuels or energy sources included in the definition in Section 366.91, Florida Statutes. The Committed Capacity Test Period shall commence at the time designated by the QS pursuant to Section 6.1 or at such other time requested by FPL pursuant to Section 5.3; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that FPL is notified of, and consents to, such earlier time.

6.3 For the avoidance of doubt, normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period. Further, the QS shall affect deliveries of any quantity and quality of contracted cogenerated steam to the steam host during the Committed Capacity Test Period.

6.4 The capacity of the Facility shall be the average net capacity (generator output minus auxiliary) measured over the Committed Capacity Test Period.

6.5 The Committed Capacity Test shall be performed according to prudent industry testing procedures satisfactory to FPL for the appropriate technology of the QS.

6.6 Except as otherwise provided herein, results of any Committed Capacity Test shall be submitted to FPL by the QS within seven (7) days of the conclusion of the Committed Capacity Test.

7. Payment for Electricity Produced by the Facility

7.1 Energy

FPL agrees to pay the QS for energy produced by the Facility and delivered to the Delivery Point in accordance with the rates and procedures contained in FPL's approved Rate Schedule QS-2, attached hereto as Appendix A, as it may be amended from time to time and pursuant to the election of energy payment options as specified in Appendix E. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule QS-2 as approved and on file with the FPSC.

7.2 Firm Capacity

FPL agrees to pay the QS for the firm capacity described in Section 5 in accordance with the rates and procedures contained in Rate Schedule QS-2, attached hereto as Appendix A, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of a capacity payment option as specified in Appendix E. The QS understands and agrees that capacity payments will be made under the early capacity payment options only if the QS has achieved the Capacity Delivery Date and is delivering firm capacity and energy to FPL. Once elected by the QS, the capacity payment option cannot be changed during the term of this Contract.

7.3 Payments

Payments due the QS will be made monthly and normally by the twentieth business day following the end of the billing period. A statement of the kilowatt-hours sold by the QS and the applicable avoided energy rate at which payments are being made shall accompany the payment to the QS.

(Continued on Sheet No. 9.035)

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FLORIDA POWER & LIGHT COMPANY

Second Revised Sheet No. 9.035
Cancels First Sheet No. 9.035

(Continued from Sheet No. 9.034)

8. Electricity Production and Plant Maintenance Schedule

8.1 During the term of this Contract, no later than sixty (60) days prior to the Capacity Delivery Date and prior to April 1 of each calendar year thereafter, the QS shall submit to FPL in writing a detailed plan of: (a) the amount of firm capacity and energy to be generated by the Facility and delivered to the Delivery Point for each month of the following calendar year, and (b) the time, duration and magnitude of any scheduled maintenance period(s) and any anticipated reductions in capacity.

8.2 By October 31 of each calendar year, FPL shall notify the QS in writing whether the requested scheduled maintenance periods in the detailed plan are acceptable. If FPL objects to any of the requested scheduled maintenance periods, FPL shall advise the QS of the time period closest to the requested period(s) when the outage(s) can be scheduled. The QS shall schedule maintenance outages only during periods approved by FPL, such approval not unreasonably withheld. Once the schedule for maintenance has been established and approved by FPL, either Party may request a subsequent change in such schedule and, except when such event is due to Force Majeure, request approval for such change from the other Party, such approval not to be unreasonably withheld or delayed. Scheduled maintenance outage days shall be limited to seven (7) days per calendar year unless the manufacturer's recommendation of maintenance outage days for the technology and equipment used by the Facility exceeds such 7 day period, provided, such number of days is considered reasonable by prudent industry standards and does not exceed two (2) fourteen (14) day intervals, one in the Spring and one in the Fall, in any calendar year. The scheduled maintenance outage days applicable for the QS are _____ days in the Spring and _____ days in the Fall of each calendar year, provided the conditions specified in the previous sentence are satisfied. In no event shall maintenance periods be scheduled during the following periods: June 1 through and including October 31st and December 1 through and including February 28 (or 29th as the case may be).

8.3 The QS shall comply with reasonable requests by FPL regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.

8.4 Dispatch and Control

8.4.1 The power supplied by the QS hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal operating voltage of _____,000 volts (_____ kV) and power factor dispatchable and controllable in the range of 85% lagging to 85% leading as measured at the Delivery Point to maintain system operating parameters, as specified by FPL.

8.4.2 At all times during the term of this Contract, the QS shall operate and maintain the Facility: (a) in such a manner as to ensure compliance with its obligations hereunder, in accordance with prudent engineering and operating practices and applicable law, and (b) with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system. The QS shall install at the Facility those system protection and control devices necessary to ensure safe and protected operation of all energized equipment during normal testing and repair. The QS shall have qualified personnel test and calibrate all protective equipment at regular intervals in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and the results shall be provided to FPL prior to returning the Facility to service. The specifics of the unit functional trip test will be consistent with good engineering and operating practices.

8.4.3 If the Facility is separated from the FPL system for any reason, under no circumstances shall the QS reconnect the Facility into FPL's system without first obtaining FPL's prior written approval.

8.4.4 During the term of this Contract, the QS shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. If the Facility has a Committed Capacity greater than 10 MW then, the QS shall ensure that operating personnel are on duty at all times, twenty-four (24) hours a calendar day and seven (7) calendar days a week. If the Facility has a Committed Capacity equal to or less than 10 MW then the QS shall ensure that operating personnel are on duty at least eight (8) hours per day from 8 AM EST to 5 PM EST from Monday to Friday, with an operator on call at all other hours.

8.4.5 FPL shall at all times be excused from its obligation to purchase and receive energy and capacity hereunder, and FPL shall have the ability to require the QS to curtail or reduce deliveries of energy, to the extent necessary (a) to maintain the reliability and integrity of any part of FPL's system, (b) in the event that FPL determines that a failure to do so is likely to endanger life or property, or (c) is likely to result in significant disruption of electric service to FPL's customers. FPL shall give the QS prior notice, if practicable, of its intent to refuse, curtail or reduce FPL's acceptance of energy and firm capacity pursuant to this Section and will act to minimize the frequency and duration of such occurrences.

(Continued on Sheet No. 9.036)

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Second Revised Sheet No. 9.036
Cancels First Sheet No. 9.036

FLORIDA POWER & LIGHT COMPANY

(Continued from Sheet No. 9.035)

8.4.6 After providing notice to the QS, FPL shall not be required to purchase or receive energy from the QS during any period in which, due to operational circumstances, the purchase or receipt of such energy would result in FPL's incurring costs greater than those which it would incur if it did not make such purchases. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional energy would require taking a base load unit off the line and replacing the remaining load served by that unit with peaking-type generation. FPL shall give the QS as much prior notice as practicable of its intent not to purchase or receive energy and firm capacity pursuant to this Section.

8.4.7 If the Facility has a Committed Capacity less than 75 MW, control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS. If the Facility has a Committed Capacity greater than or equal to 75 MW, then control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS, except during a "Dispatch Hour", i.e., any clock hour for which FPL requests the delivery of such capacity and energy. During any Dispatch Hour: (a) control of the Facility will either be by Seller's manual control under the direction of FPL (whether orally or in writing) or by Automatic Generation Control by FPL's system control center as determined by FPL, and (b) FPL may request that the real power output be at any level up to the Committed Capacity of the Facility, provided, in no event shall FPL require the real power output of the Facility to be below the Facility's Minimum Load without decommitting the Facility. The Facility shall deliver the capacity and energy requested by FPL within _____ minutes, taking into account the operating limitations of the generating equipment as specified by the manufacturer, provided such time period specified herein is considered reasonable by prudent industry standards for the technology and equipment being utilized and assuming the Facility is operating at or above its Minimum Load. Start-up time from Cold Shutdown and Facility Turnaround time from Hot to Hot will be taken into consideration provided such are reasonable and consistent with prudent industry practices for the technology and equipment being utilized. The Facility's Operating Characteristics have been provided by the QS and are set forth in Appendix D, Section IV of Rate Schedule QS-2.

8.4.8 If the Facility has a Committed Capacity of less than 75 MW, FPL may require during certain periods, by oral, written, or electronic notification that the QS cause the Facility to reduce output to a level below the Committed Capacity but not lower than the Facility's Minimum Load. FPL shall provide as much notice as practicable, normally such notice will be of at least four (4) hours. The frequency of such request shall not exceed eighteen (18) times per calendar year and the duration of each request shall not exceed four (4) hours.

8.4.9 FPL's exercise of its rights under this Section 8 shall not give rise to any liability or payment obligation on the part of FPL, including any claim for breach of contract or for breach of any covenant of good faith and fair dealing.

9. Completion/Performance Security

9.1 As security for the achievement of the Guaranteed Capacity Delivery Date and satisfactory performance of its obligations hereunder, the QS shall provide FPL either: (a) an unconditional, irrevocable, standby letter of credit(s) with an expiration date no earlier than the end of the first (1st) anniversary of the Capacity Delivery Date (or the next business day thereafter), issued by a U.S. commercial bank or the U.S. branch of a foreign bank having a Credit Rating of A- or higher by S&P or A3 or higher by Moody's (a "Qualified Issuer"), in form and substance acceptable to FPL (including provisions (i) permitting partial and full draws and (ii) permitting FPL to draw in full if such letter of credit is not renewed or replaced as required by the terms hereof at least thirty (30) business days prior to its expiration date) ("Letter of Credit"); (b) a bond, issued by a financially sound Company acceptable to FPL and in a form and substance acceptable to FPL, ("Bond"); or (c) a cash collateral deposited with FPL ("Cash Collateral") (any of (a), (b), or (c), the "Completion/Performance Security"). Completion/Performance Security shall be provided in the amount and by the date listed below:

(a) \$50.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL within five (5) business days of the Effective Date; and

(b) \$100.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL two years before the Guaranteed Capacity Delivery Date.

"Credit Rating" means with respect to any entity, on any date of determination, the respective ratings then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Moody's or other specified rating agency or agencies or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its "corporate credit rating" by S&P.

"Moody's" means Moody's Investors Service, Inc. or its successor.

"S&P" means Standard & Poor's Ratings Group (a division of The McGraw-Hill Companies, Inc.) or its successor.

(Continued on Sheet No. 9.037)

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FLORIDA POWER & LIGHT COMPANY

~~Seventh~~^{Eighth} Revised Sheet No. 9.037
Cancels ~~Sixth~~^{Seventh} Revised Sheet No. 9.037

(Continued from Sheet No. 9.036)

9.2 The specific security instrument provided for purposes of this Contract is:

- () Letter of Credit.
- () Bond.
- () Cash Collateral.

9.3 FPL shall have the right to monitor (a) the financial condition of the issuer of a Letter of Credit in the event any Letter of Credit is provided by the QS, and (b) the insurer, in the case of any Bond. In the event the issuer of a Letter of Credit no longer qualifies as Qualified Issuer or the issuer of a Bond is no longer financially sound, FPL may require the QS to replace the Letter of Credit or the Bond, as applicable. Such replacement Letter of Credit or bond must be issued by a Qualified Issuer or a financially sound issuer, as applicable, within ten (10) business days following written notification to the QS of the requirement to replace. Failure by the QS to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing Letter of Credit or bond and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QS qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured written commitment or promise to pay in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 FPL shall be entitled to draw the Completion/Performance Security to satisfy any obligation or liability of QS arising pursuant to this Contract.

9.5.1 ~~If an Event of Default under Section 12 has not occurred and~~ the QS fails to achieve the Capacity Delivery Date on or before the in-service date of the Avoided Unit or such later date as permitted by FPL pursuant to Section 5.6, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages and resort to any other remedies which may be available to it under law or in equity.

9.5.2 In the event that FPL requires the QS to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QS fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS.

9.5.3 QS shall promptly, but in no event more than five (5) business days following any draws on the Completion/Performance Security, replenish the Completion/Performance Security to the amounts required herein.

9.6 The QS, as the Pledgor of the Completion/Performance Security, hereby pledges to FPL, as the secured Party, as security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Completion/Performance Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Completion/Performance Security, the security interest and lien granted hereunder on that Completion/Performance Security will be released immediately and, to the extent possible, without any further action by either party.

(Continued on Sheet No. 9.038)

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FLORIDA POWER & LIGHT COMPANY

First Revised Sheet No. 9.038
Cancels Original Sheet No. 9.038

(Continued from Sheet No. 9.037)

9.7 In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Cash Collateral held by FPL (all of which may be retained by FPL), FPL will transfer to the QS on a monthly basis the Interest Amount, as calculated by FPL.

"Interest Amount" means, with respect to each monthly period, the aggregate sum of the amounts of interest calculated for each day in that monthly period on the principal amount of Cash Collateral held by FPL on that day, determined by FPL for each such day as follows:

- (x) the amount of that Cash Collateral on that day, multiplied by
- (y) the Interest Rate in effect for that day, divided by
- (z) 360.

"Interest Rate" means: the Federal Funds Overnight rate as from time to time in effect.

"Federal Funds Overnight Rate" means, for the relevant determination date, the rate opposite the caption "Federal Funds (Effective)" as set forth for that day in the weekly statistical release designated as H.15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System. If on the determination date such rate is not yet published in H.15 (519), the rate for that date will be the rate set in Composite 3:30 P.M. Quotations for U.S. Government Securities for that day under the caption "Federal Funds/Effective Rate." If on the determination date such rate is not yet published in either H.15 (519) or Composite 3:30 P.M. Quotations for U.S. Government Securities, the rate for that date will be determined as if the Parties had specified "USD-Federal Funds-Reference Dealers" as the applicable rate.

10. Termination Fee

10.1 In the event that the QS receives capacity payments pursuant to Option B, Option C, Option D or Option E (as such options are defined in Appendix A and elected by the QS in Appendix E) or receives energy payments pursuant to the Fixed Firm Energy Payment Option (as such option is defined in Appendix A and elected by the QS in Appendix E) then, upon the termination of this Contract, the QS shall owe and be liable to FPL for a termination fee calculated in accordance with Appendix C (the "Termination Fee"). The QS's obligation to pay the Termination Fee shall survive the termination of this Contract. FPL shall provide the QS, on a monthly basis, a calculation of the Termination Fee.

10.1.1 The Termination Fee shall be secured (with the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091 in which case the QS may use an unsecured written commitment or promise to pay, in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to pay the Termination Fee) by the QS by: (a) an unconditional, irrevocable, standby letter(s) of credit issued by Qualified Issuer in form and substance acceptable to FPL (including provisions (a) permitting partial and full draws and (b) permitting FPL to draw upon such letter of credit, in full, if such letter of credit is not renewed or replaced at least thirty (30) business days prior to its expiration date, ("Termination Fee Letter of Credit"); (b) a bond, issued by a financially sound Company and in a form and substance acceptable to FPL, ("Termination Fee Bond"); or (c) a cash collateral deposit with FPL ("Termination Fee Cash Collateral") (any of (a), (b), or (c), the "Termination Security").

10.1.2 The specific security instrument selected by the QS for purposes of this Contract is:

- ☐ Termination Fee Letter of Credit
- ☐ Termination Fee Bond
- ☐ Termination Fee Cash Collateral

10.1.3 FPL shall have the right to monitor the financial condition of (i) the issuer of a Termination Fee Letter of Credit in the case of any Termination Fee Letter of Credit and (ii) the insurer(s), in the case of any Termination Fee Bond. In the event the issuer of a Termination Fee Letter of Credit is no longer a Qualified Issuer or the issuer of a Termination Fee Bond is no longer financially sound, FPL may require the QS to replace the Termination Fee Letter of Credit or the Termination Fee Bond, as applicable. In the event that FPL notifies the QS that it requires such a replacement, the replacement Termination Fee Letter of Credit or Termination Fee Bond, as applicable, must be issued by a Qualified Issuer or financially sound company within ten (10) business days following such notification. Failure by the QS to comply with the requirements of this Section 10.1.2 shall be grounds for FPL to draw in full on any existing Termination Fee Letter of Credit or Termination Fee Bond and to exercise any other remedies it may have hereunder.

(Continued on Sheet No. 9.039)

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FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.039
Cancels Original Sheet No. 9.039**

(Continued from Sheet No. 9.038)

10.1.4 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, the QS shall provide to FPL within ten (10) business days of the close of such calendar quarter with written assurance and documentation (the "Security Documentation"), in form and substance acceptable to FPL, that the amount of the most recently provided Termination Security is sufficient to cover the balance of the Termination Fee. In addition to the foregoing, at any time during the term of this Contract, FPL shall have the right to request, and the QS shall be obligated to deliver within five (5) business days of such request, such Security Documentation. Failure by the QS to comply with the requirements of this Section 10.1.3 shall be grounds for FPL to draw in full on any existing Termination Fee Letter of Credit or Termination Fee Bond or to retain any Termination Fee Cash Collateral, and to exercise any other remedies it may have hereunder to be applied against any Termination Fee that may be due and owing to FPL or that may in the future be due and owing to FPL.

10.1.5 Upon any termination of this Contract following the Capacity Delivery Date, FPL shall be entitled to receive (and in the case of the Termination Fee Letter of Credit or Termination Fee Bond, draw upon such Termination Fee Letter of Credit or Termination Fee Bond) and retain one hundred percent (100%) of the Termination Security to be applied against any Termination Fee that may be due and owing to FPL or that may in the future be due and owing to FPL. FPL will transfer to the QS any proceeds and Termination Security remaining after liquidation, set-off and/or application under this Article after satisfaction in full of all amounts payable by the QS with respect to any Termination Fee or other obligations due to FPL; the QS in all events will remain liable for any amounts remaining unpaid after any liquidation, set-off and/or application under this Article.

10.2 The QS, as the Pledgor of the Termination Security, hereby pledges to FPL, as the secured Party, as security for the Termination Fee, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Termination Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Termination Security, the security interest and lien granted hereunder on that Termination Security will be released immediately and, to the extent possible, without any further action by either party.

10.3 In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Termination Fee Cash Collateral held by FPL (all of which may be retained by FPL), FPL will transfer to the QS on a monthly basis the Interest Amount, Pursuant to Section 9.7.

11. Performance Factor

FPL desires to provide an incentive to the QS to operate the Facility during on-peak and off-peak periods in a manner which approximates the projected performance of FPL's Avoided Unit. A formula to achieve this objective is attached as Appendix B.

(Continued on Sheet No. 9.040)

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FLORIDA POWER & LIGHT COMPANY

**Fourth Revised Sheet No. 9.040
Cancels Third Revised Sheet No. 9.040**

(Continued from Sheet No. 9.039)

12. Default

Notwithstanding the occurrence of any Force Majeure as described in Section 16, each of the following shall constitute an Event of Default:

- 12.1 The QS fails to meet the applicable requirements specified in Section 1 of this Contract;
- 12.2 The QS changes or modifies the Facility from that provided in Section 1 with respect to its type, location, technology or fuel source, without prior written approval from FPL;
- 12.3 After the Capacity Delivery Date, the Facility fails, for twelve (12) consecutive months, to maintain an Annual Capacity Billing Factor, as described in Appendix B, of at least 70%;
- 12.4 The QS fails to comply with any of the provisions of Section 9.0 hereof (Completion/Performance Security).
- 12.5 The QS fails to comply with any of the provisions of Section 10.0 hereof (Termination Security);
- 12.6 The QS ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against the QS or if a receiver shall be appointed for the QS or any of its assets or properties; or if any part of the QS's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within 30 days thereof; or if the QS shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due.
- 12.7 The QS fails to give proper assurance acceptable to FPL of adequate performance as specified under this Contract within 30 days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance.
- 12.8 The QS materially fails to perform as specified under this Contract, including, but not limited to, the QS's obligations under any part of Sections 8, and 18.
- 12.9 The QS fails to achieve the permitting, licensing, certification, and all federal, state and local governmental environmental and licensing approvals required to initiate construction of the Facility by no later than one year prior to Guaranteed Capacity Date.
- 12.10 The QS fails to comply with any of the provisions of Section 18.3 hereof (Project Management).
- 12.11 Any of the representations or warranties made by the QS in this Contract is false or misleading in any material respect.
- 12.12 The occurrence of an event of default by the QS under the Interconnection Agreement or any applicable Wheeling Agreement;
- 12.13 The QS fails to satisfy its obligations under Section 18.14 hereof (Assignment).
- 12.14 The QS fails to deliver to FPL in accordance with this Contract any energy or firm capacity required to be delivered hereunder or the delivery or sale of any such energy and firm capacity to an entity other than FPL.
- 12.15 The QS fails to perform any material covenant or obligation under this Contract not specifically mentioned in this Section 12.
- 12.16 If at any time after the Capacity Delivery Date, the QS reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 5.1 (as such level may be reduced by Section 5.3) within twelve (12) months following the occurrence of such event of Force Majeure.

(Continued on Sheet No. 9.041)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016**

FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.041
Cancels Original Sheet No. 9.041**

(Continued from Sheet No. 9.040)

13. FPL's Rights in the Event of Default

13.1 Upon the occurrence of any of the Events of Default in Section 12, FPL may:

- (a) terminate this Contract, without penalty or further obligation, except as set forth in Section 13.2, by written notice to the QS, and offset against any payment(s) due from FPL to the QS, any monies otherwise due from the QS to FPL;
- (b) draw on the Completion/Performance Security pursuant to Section 9 or collect the Termination Fee pursuant to Section 10 as applicable; and
- (c) exercise any other remedy(ies) which may be available to FPL at law or in equity.

13.2 In the case of an Event of Default, the QS recognizes that any remedy at law may be inadequate because this Contract is unique and/or because the actual damages of FPL may be difficult to reasonably ascertain. Therefore, the QS agrees that FPL shall be entitled to pursue an action for specific performance, and the QS waives all of its rights to assert as a defense to such action that FPL's remedy at law is adequate.

13.3 Termination shall not affect the liability of either party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

14. Indemnification/Limits

14.1 FPL and the QS shall each be responsible for its own facilities. FPL and the QS shall each be responsible for ensuring adequate safeguards for other FPL customers, FPL's and the QS's personnel and equipment, and for the protection of its own generating system. Subject to section 2.7 Indemnity to Company, or section 2.71 Indemnity to Company – Governmental, FPL's General Rules and Regulations of Tariff Sheet No.6.020 each party (the "Indemnifying Party") agrees, to the extent permitted by applicable law, to indemnify, pay, defend, and hold harmless the other party (the "Indemnified Party") and its officers, directors, employees, agents and contractors (hereinafter called respectively, "FPL Entities" and "QS Entities") from and against any and all claims, demands, costs, or expenses for loss, damage, or injury to persons or property of the Indemnified Party (or to third parties) caused by, arising out of, or resulting from: (a) a breach by the Indemnifying Party of its covenants, representations, and warranties or obligations hereunder; (b) any act or omission by the Indemnifying Party or its contractors, agents, servants or employees in connection with the installation or operation of its generation system or the operation thereof in connection with the other Party's system; (c) any defect in, failure of, or fault related to, the Indemnifying Party's generation system; (d) the negligence or willful misconduct of the Indemnifying Party or its contractors, agents, servants or employees; or (e) any other event, act or incident, including the transmission and use of electricity, that is the result of, or proximately caused by, the Indemnifying Party or its contractors, agents, servants or employees.

14.2 Payment by an Indemnified Party will not be a condition precedent to the obligations of the Indemnifying Party under Section 14. No Indemnified Party under Section 14 shall settle any claim for which it claims indemnification hereunder without first allowing the Indemnifying Party the right to defend such a claim. The Indemnifying Party shall have no obligations under Section 14 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 14 shall survive termination of this Agreement.

14.3 Limitation on Consequential, Incidental and Indirect Damages. TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER THE QS NOR FPL, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS CONTRACT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS CONTRACT, INCLUDING WITHOUT LIMITATION, ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, UNDER ANY INDEMNITY PROVISION OR ANY OTHER THEORY OF RECOVERY. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY, AND SUCH DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE MEASURE OF DAMAGES AND

(Continued on Sheet No. 9.042)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013**

FLORIDA POWER & LIGHT COMPANY

**Second Revised Sheet No. 9.042
Cancels First Sheet No. 9.042**

(Continued from Sheet No. 9.041)

ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED; PROVIDED, HOWEVER, THE PARTIES AGREE THAT THE FOREGOING LIMITATIONS WILL NOT IN ANY WAY LIMIT LIABILITY OR DAMAGES UNDER ANY THIRD PARTY CLAIMS OR THE LIABILITY OF A PARTY WHOSE ACTIONS GIVING RISE TO SUCH LIABILITY CONSTITUTE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS CONTRACT. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE DEEMED TO BE A WAIVER OF A PARTY'S RIGHT TO SEEK INJUNCTIVE RELIEF.

15. Insurance

15.1 The QS shall procure or cause to be procured, and shall maintain throughout the entire term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable to FPL on a standard "Insurance Services Office" commercial general liability form (such policy or policies, collectively, the "QS Insurance"). A certificate of insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QS Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract and the Interconnection Agreement, or (ii) caused by operation of the Facility or any of the QS's equipment or by the QS's failure to maintain the Facility or the QS's equipment in satisfactory and safe operating condition. Effective at least fifteen (15) calendar days prior to the synchronization of the Facility with FPL's system, the QS Insurance shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards. Without limiting the foregoing, the QS Insurance must be reasonably acceptable to FPL. Any premium assessment or deductible shall be for the account of the QS and not FPL.

15.2 The QS Insurance shall have a minimum limit of one million dollars (\$1,000,000) per occurrence, combined single limit, for bodily injury (including death) or property damage.

15.3 In the event that such insurance becomes totally unavailable or procurement thereof becomes commercially impracticable, such unavailability shall not constitute an Event of Default under this Contract, but FPL and the QS shall enter into negotiations to develop substitute protection which the Parties in their reasonable judgment deem adequate.

15.4 To the extent that the QS Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the effective date of this Contract or such other date as may be agreed upon to protect the interests of the FPL Entities and the QS Entities. Furthermore, to the extent the QS Insurance is on a "claims made" basis, the QS's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QS Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QS during the term of this Contract.

15.5 The QS Insurance shall provide that it may not be cancelled or materially altered without at least thirty (30) calendar days' written notice to FPL. The QS shall provide FPL with a copy of any material communication or notice related to the QS Insurance within ten (10) business days of the QS's receipt or issuance thereof.

15.6 The QS shall be designated as the named insured and FPL shall be designated as an additional named insured under the QS Insurance. The QS Insurance shall be endorsed to be primary to any coverage maintained by FPL.

16. Force Majeure

Force Majeure is defined as an event or circumstance that is not within the reasonable control of, or the result of the negligence of, the affected party, and which, by the exercise of due diligence, the affected party is unable to overcome, avoid, or cause to be avoided in a commercially reasonable manner. Such events or circumstances may include, but are not limited to, acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes, difficulties (not caused by the failure of the affected party to comply with the terms of a collective bargaining agreement), or actions or restraints by court order or governmental authority or arbitration award. Force Majeure shall not include (a) the QS's ability to sell capacity and energy to another market at a more advantageous price; (b) equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility; (c) a failure of performance of any other entity, including any entity providing electric transmission service to the QS, except to the extent that such failure was caused by an event that would otherwise qualify as a Force Majeure event; (d) failure of the QS to timely apply for or obtain permits.

(Continued on Sheet No. 9.043)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016**

FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.043
Cancels Original Sheet No. 9.043**

(Continued from Sheet No. 9.042)

16.1 Except as otherwise provided in this Contract, each party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.

16.2 In the event of any delay or nonperformance resulting from an event of Force Majeure, the party claiming Force Majeure shall notify the other party in writing within two (2) business days of the occurrence of the event of Force Majeure, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A party claiming Force Majeure shall not be entitled to any relief therefore unless and until conforming notice is provided. The party claiming Force Majeure shall notify the other party of the cessation of the event of Force Majeure or of the conclusion of the affected party's cure for the event of Force Majeure, in either case within two (2) business days thereof.

16.3 The party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected party, and such party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such party deems to be unfavorable.

16.4 If the QS suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the QS may, upon notice to FPL, temporarily adjust the Committed Capacity as provided in Sections 16.5 and 16.6. Such adjustment shall be effective the first calendar day immediately following FPL's receipt of the notice or such later date as may be specified by the QS. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.

16.5 If the Facility is rendered completely inoperative as a result of Force Majeure, the QS shall temporarily set the Committed Capacity equal to 0 KW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 KW, FPL shall have no obligation to make capacity payments hereunder.

16.6 If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the QS shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.

16.7 Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provision of this Contract, upon such cessation or cure, FPL shall have the right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this section 16.7. Any Committed Capacity Test required by FPL under this Section shall be additional to any Committed Capacity Test under Section 5.3.

16.8 During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 16.4, all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix B.

16.9 The QS agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with FPL's system if the same is (are) rendered inoperable due to actions of the QS, its agents, or Force Majeure events affecting the QS, the Facility or the interconnection with FPL. FPL agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by FPL or its agents.

17. Representations, Warranties, and Covenants of QS

The QS represents and warrants that as of the Effective Date and for the term of this Contract:

17.1 Organization, Standing and Qualification

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

(Continued on Sheet No. 9.044)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: August 18, 2009**

FLORIDA POWER & LIGHT COMPANY

**Second Revised Sheet No. 9.044
Cancels First Sheet No. 9.044**

(Continued from Sheet No. 9.043)

17.2 Due Authorization, No Approvals, No Defaults, etc.

Each of the execution, delivery and performance by the QS of this Contract has been duly authorized by all necessary action on the part of the QS, does not require any approval, except as has been heretofore obtained, of the _____ (shareholders, partners, or others, as applicable) of the QS or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the QS, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the _____ (articles of incorporation, bylaws, or other as applicable) of the QS, or any agreement, judgment, injunction, order, decree or other instrument binding upon the QS, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract. This Contract constitutes QS's legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy laws from time to time in effect that affect creditors' rights generally or by general principles of equity (regardless of whether such enforcement is considered in equity or at law).

17.3 Compliance with Laws

The QS has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The QS is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the QS or FPL.

17.4 Governmental Approvals

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

17.5 No Suits, Proceedings

There are no actions, suits, proceedings or investigations pending or, to the knowledge of the QS, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the QS's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The QS has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment. The QS is not in breach of, in default under, or in violation of, any applicable Law, or the provisions of any authorization, or in breach of, in default under, or in violation of, or in conflict with any provision of any promissory note, indenture or any evidence of indebtedness or security therefore, lease, contract, or other agreement by which it is bound, except for any such breaches, defaults, violations or conflicts which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business or financial condition of Buyer or its ability to perform its obligations hereunder.

17.6 Environmental Matters

17.6.1 QS Representations

To the best of its knowledge after diligent inquiry, the QS knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.

17.6.2 Ownership and Offering For Sale Of Renewable Energy Attributes

The QS retains any and all rights to own and to sell any and all environmental attributes associated with the electric generation of the Facility, including but not limited to, any and all renewable energy certificates, "green tags" or other tradable environmental interests (collectively "RECs"), of any description.

(Continued on Sheet No. 9.045)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: August 18, 2009**

FLORIDA POWER & LIGHT COMPANY

Third Revised Sheet No. 9.045
Cancels Second Revised Sheet No. 9.045

(Continued from Sheet No. 9.044)

17.6.3 Changes in Environmental and Governmental Regulations

If new environmental and other regulatory requirements enacted during the term of the Contract change FPL's full avoided cost of the unit on which the Contract is based, either party can elect to have the contract reopened.

17.7 Interconnection/Wheeling Agreement

The QS has executed an interconnection agreement with FPL, or represents or warrants that it has entered into a valid and enforceable Interconnection Agreement with the utility in whose service territory the Facility is located, pursuant to which the QS assumes contractual responsibility to make any and all transmission-related arrangements (including control area services) between the QS and the transmitting utility for delivery of the Facility's capacity and energy to FPL.

17.8 Technology and Generator Capabilities

That for the term of this Contract the Technology and Generator Capabilities table set forth in Section 1 is accurate and complete.

18. General Provisions

18.1 Project Viability

To assist FPL in assessing the QS's financial and technical viability, the QS shall provide the information and documents requested in Appendix D or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract, and to the extent the documents are available. All documents to be considered by FPL must be submitted at the time this Contract is presented to FPL. Failure to provide the following such documents may result in a determination of non-viability by FPL.

18.2 Permits; Site Control

The QS hereby agrees to obtain and maintain Permits which the QS is required to obtain as a prerequisite to engaging in the activities specified in this Contract. QS shall also obtain and maintain Site Control for the Term of the Contract.

18.3 Project Management

18.3.1 If requested by FPL, the QS shall submit to FPL its integrated project schedule for FPL's review within sixty calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. If requested by FPL, the QS shall submit progress reports in a form satisfactory to FPL every calendar month until the Capacity Delivery Date and shall notify FPL of any changes in such schedules within ten calendar days after such changes are determined. FPL shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. FPL's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

18.3.2 The QS shall provide FPL with the final designer's/manufacture's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct current elementary diagrams for review and inspection at FPL no later than one hundred eighty calendar days prior to the initial synchronization date.

18.4 Assignment

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. This Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party, such consent to be granted or withheld in such other Party's sole discretion. Any direct or indirect change of control of QS (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of FPL. Notwithstanding the foregoing, either Party may, without the consent of the other Party, assign or transfer this Agreement: (a) to any lender as collateral security for obligations under any financing documents entered into with such lender provided, QS shall be responsible for FPL's reasonable costs and expenses associated with the review, negotiation, execution and delivery of any documents or information pursuant to such collateral assignment, including reasonable attorneys' fees (b) to an affiliate of such Party; *provided*, that such affiliate's creditworthiness is equal to or better than that of such Party (and in no event less than Investment Grade) as determined reasonably by the non-assigning or non-transferring Party and; *provided, further*, that any such affiliate shall agree in writing to be bound by and to assume the terms and conditions hereof and any and all obligations to the non-assigning or non-transferring Party arising or accruing hereunder from and after the date of such assumption. "Investment Grade" means BBB- or above from Standard & Poor's Corporation or Baa2 or above from Moody's Investor Services.

18.5 Disclaimer

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

(Continued on Sheet No. 9.046)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.046
Cancels Original Sheet No. 9.046**

(Continued from Sheet No. 9.045)

18.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the QS:

For FPL:

Florida Power & Light Company

700 Universe Boulevard
Juno Beach, FL 33408
Attn: EMT Contracts Department

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Florida Power & Light Company
700 Universe Boulevard, Juno Beach, FL 33408
Attention: Contracts Manager/Coordinator
EMT Contracts Department

18.7 Applicable Law

This Contract shall be construed in accordance with and governed by, and the rights of the Parties shall be construed in accordance with, the laws of the State of Florida as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies, without regard to conflict of law rules thereof.

18.8 Venue

The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Florida or, in the event that jurisdiction for any matter cannot be established in the United States District Court for the Southern District of Florida, in the state court for Palm Beach County, Florida, solely in respect of the interpretation and enforcement of the provisions of this Contract and of the documents referred to in this Contract, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 18.8 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(Continued on Sheet No. 9.047)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: October 4, 2011**

FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.047
Cancels Original Sheet No. 9.047**

(Continued from Sheet No. 9.046)

18.9. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS CONTRACT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT A PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION RESULTING FROM, ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (d) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS CONTRACT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 18.9

18.10 Taxation

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

18.11 Severability

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

18.12 Complete Agreement and Amendments

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

18.13 Survival of Contract

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

18.14 Record Retention

The QS agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all QS Entities to retain for the same period all such records.

18.15 No Waiver

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

(Continued on Sheet No. 9.048)

**Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016**

FLORIDA POWER & LIGHT COMPANY

**First Revised Sheet No. 9.048
Cancels Original Sheet No. 9.048**

(Continued from Sheet No. 9.047)

18.16 Set-Off

FPL may at any time, but shall be under no obligation to, set off any and all sums due from the QS against sums due to the QS hereunder.

18.17 Assistance With FPL's evaluation of FIN 46R

Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require FPL to evaluate whether the QS must be consolidated, as a variable interest entity (as defined in FIN 46R), in the consolidated financial statements of FPL. The QS agrees to fully cooperate with FPL and make available to FPL all financial data and other information, as deemed necessary by FPL, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R. If the result of an evaluation under FIN 46R indicates that the QS must be consolidated in the financial statements of FPL, the QS agrees to provide financial statements, together with other required information, as determined by FPL, for inclusion in disclosures contained in the footnotes to the financial statements and in FPL's required filings with the Securities and Exchange Commission ("SEC"). The QS shall provide this information to FPL in a timeframe consistent with FPL's earnings release and SEC filing schedules, to be determined at FPL's discretion. The QS also agrees to fully cooperate with FPL and FPL's independent auditors in completing an assessment of the QS's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of FPL. FPL will treat any information provided by the QS in satisfying Section 18.17 as confidential information and shall only disclose such information to the extent required by accounting and SEC rules and any applicable laws.

IN WITNESS WHEREOF, the QS and FPL executed this Contract this _____ day of _____.

WITNESS:

FLORIDA POWER & LIGHT COMPANY

Date _____

WITNESS:

_____(QS)

Date _____

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: July 29, 2008

FLORIDA POWER & LIGHT COMPANY

Sixth Revised Sheet No. 10.300
Cancels Fifth Revised Sheet No. 10.300

RATE SCHEDULE QS-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A RENEWABLE ENERGY FACILITY
OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS

SCHEDULE

QS-2, Firm Capacity and Energy

AVAILABLE

The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Renewable Energy Facility specified in Section 366.91, Florida Statutes or by a Qualifying Facility with a design capacity of 100 KW or less as specified in FPSC Rule 25-17-0832(4) and which is either directly or indirectly interconnected with the Company. Both of these types of facilities shall also be referred to herein as Qualified Seller or "QS".

The Company will petition the FPSC for closure upon any of the following as related to the generating unit upon which this standard offer contract is based i.e. the Avoided Unit : (a) a request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued, (b) the Company files a petition for a need determination or commences construction of the Avoided Unit when the generating unit is not subject to Rule 25-22.082, F.A.C., or (c) the generating unit upon which the standard offer contract is based is no longer part of the utility's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent Ten Year Site Plan.

APPLICABLE

To Renewable Energy Facilities as specified in Section 366.91, Florida Statutes producing capacity and energy from qualified renewable resources for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Renewable Capacity and Renewable Energy are capacity and energy produced and sold by a QS pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

To Qualifying Facilities ("QF"), with a design capacity of 100 KW or less, as specified in FPSC Rule 25-17.0832(4)(a) producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Capacity and Energy are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

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

LIMITATION

Purchases under this schedule are subject to Section 366.91, Florida Statutes and/or FPSC Rules 25-17.0832 through 25-17.091, F.A.C., and 25-17.200 through 25-17.310 F.A.C and are limited to those Facilities which:

- A. Commit to commence deliveries of firm capacity and energy no later than the in-service date of the Avoided Unit, as detailed in Appendix II, and to continue such deliveries for a period of at least 10 years up to a maximum of the life of the avoided unit;
- B. Are not currently under contract with the Company or with any other entity for the Facility's output for the period specified above

(Continued on Sheet No. 10.301)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

**Seventh Revised Sheet No. 10.301
Cancels Sixth Revised Sheet No. 10.301**

(Continued from Sheet No. 10.300)

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company, and is detailed in Appendix II to this Schedule. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond the in-service date of the Avoided Unit. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QS will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie lines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a single year purchase with an in-service date of the Avoided Unit, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

(Continued on Sheet No. 10.302)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.302

(Continued from Sheet No. 10.301)

Option B - Fixed Value of Deferral Payments - Early Capacity

Payment schedules under this option are based upon the early capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit provided; however, that under no circumstances may payments begin before the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. When this option is selected, the capacity payments shall be made monthly commencing no earlier than the Capacity Delivery Date of the QS and calculated using the methodology shown on Appendix I.

The QS shall select the month and year in which the deliveries of firm capacity and energy to the Company are to commence and capacity payments are to start. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. The methodology used to calculate this option is shown in Appendix I. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of the capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance expense shall be calculated as shown in Appendix I. At the option of the QS, payments for early levelized capacity shall commence at any time before the anticipated in-service date of the Company's Avoided Unit as specified in Appendix E, provided that the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. The Company will provide the QS with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract as specified in Appendix E.

Option E - Flexible Payment Option

Payment schedules under this option are based upon a payment stream elected by the QS consisting of the capital component of the Company's avoided unit. Payments can commence at any time after the actual in-service date of the QS and before the anticipated in-service date of the utility's avoided unit, as specified in Appendix E, provided that the QS is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. Regardless of the payment stream elected by the QS, the cumulative present value of capital cost payments made to the QS over the term of the contract shall not exceed the cumulative present value of the capital cost payments which would have been made to the QS had such payments been made pursuant to FPSC Rule 25-17.0832(4)(g)1, F.A.C. Fixed operation and maintenance expense shall be calculated in conformance with Rule 25-17.0832(6), F.A.C. The Company will provide the QS with a schedule of capacity payment rates based on the information specified in Appendix E.

(Continued on Sheet No. 10.303)

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Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Sixth Revised Sheet No. 10.303
Cancels Fifth Revised Sheet No. 10.303

(Continued from Sheet No. 10.302)

B. Energy Rates

(1) Payments Associated with As-Available Energy Costs prior to the In-Service Date of the Avoided Unit.

Options A or B are available for payment of energy which is produced by the QS and delivered to the Company prior to the in-service date of the Avoided Unit. The QS shall indicate its selection in Appendix E. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company.

Option A – Energy Payments based on Actual Energy Costs

The energy rate, in cents per kilowatt-hour ($\$/\text{KWh}$), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the Delivery Point of the QS is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

Option B – Energy Payments based on the year by year projection of As-Available energy costs

The energy rate, in cents per kilowatt-hour ($\$/\text{KWh}$), shall be based on the Company's year by year projection of system incremental fuel costs, prior to hourly economy sales to other utilities, based on normal weather and fuel market conditions (annual As-Available Energy Cost Projection which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. and with FPSC Rule 25-17.250(6) (a) F.A.C.) plus a fuel market volatility risk premium mutually agreed upon by the utility and the QS. Prior to the start of each applicable calendar year, the Company and the QS shall mutually agree on the fuel market volatility risk premium for the following calendar year, normally no later than November 15. The Company will provide its projection of the applicable annual As-Available Energy Cost prior to the start of the calendar year, normally no later than November 15 of each applicable calendar year. In addition to the applicable As-Available Energy Cost projection the energy payment will include identifiable operation and maintenance expenses, an adjustment for line losses reflecting delivery voltage and a factor that reflects in the calculation of the Company's Avoided Energy Costs the delivery of energy from the region of the Company in which the Delivery Point of the QS is located.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's applicable Projected Avoided Energy Cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

(2) Payments Associated with Applicable Avoided Energy Costs after the In-Service Date of the Avoided Unit.

Option C is available for payment of energy which is produced by the QS and delivered to the Company after the in-service date of the avoided unit. In addition, Option D is available to the QS which elects to fix a portion of the firm energy payment. The QS shall indicate its selection of Option D in Appendix E, once selected, Option D shall remain in effect for the term of the Standard Offer Contract.

Option C- Energy Payments based on Actual Energy Costs starting on the in-service date of the Avoided Unit, as detailed in Appendix II.

The calculation of payments to the QS for energy delivered to FPL on and after the in-service date of the Avoided Unit shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's firm energy rate ($\$/\text{KWh}$); and (b) the amount of energy (KWH) delivered to FPL from the Facility during that hour.

(Continued on Sheet No. 10.304)

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FLORIDA POWER & LIGHT COMPANY

Eighth Revised Sheet No. 10.304
Cancels Seventh Revised Sheet No. 10.304

(Continued from Sheet No. 10.303)

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QS to FPL, the firm energy rate in cents per kilowatt hour (\$/KWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, FAC, and FPL's Rate Schedule COG-1, as they may each be amended from time to time and (b) the Company's Avoided Unit Energy Cost. The Company's Avoided Unit Energy Cost, in cents per kilowatt-hour (\$/KWh) shall be defined as the product of: (a) the fuel price in \$/mmBTU as determined from gas prices published in Platts Inside FERC Gas Market Report, first of the month posting for Florida Gas Transmission Zone 3, plus all charges, surcharges and percentages that are in effect from time to time for service under Gulfstream Natural Gas System's Rate Schedule FTS; and (b) the average annual heat rate of the Avoided Unit, plus (c) an additional payment for variable operation and maintenance expenses which will be escalated based on the actual Producer Price Index. All energy purchases shall be adjusted for losses from the point of metering to the Delivery Point. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the Delivery Point of the QS is located.

Option D- Fixed Firm Energy Payments Starting as early as the In-Service Date of the QS Facility

The calculation of payments to the QS for energy delivered to FPL may include an adjustment at the election of the QS in order to implement the provisions of Rule 25-17.250 (6) (b), F.A.C. Subsequent to the determination of full avoided cost and subject to the provisions of Rule 25-17.0832(3) (a) through (d), F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the utility and renewable energy generator, shall be fixed and amortized on a present value basis over the term of the contract starting, at the election of the QS, as early as the in-service date of the QS. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have operated. The portion of the base energy costs mutually agreed to by the Company and the QS shall be specified in Appendix E. The Company will provide the QS with a schedule of "Fixed Energy Payments" over the term of the Standard Offer Contract based on the applicable information specified in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

As required in Section 25-17.0832, F.A.C. as-available energy cost projections until the in-service date of the avoided unit will be provided within 30 days of receipt by FPL of a written request for such projections by any interested person.

ESTIMATED UNIT FUEL COST

As required in Section 25-17.0832, F.A.C. the estimated unit fuel costs associated with the Company's Avoided Unit and based on current estimates of the price of natural gas will be provided within 30 days of a written request for such an estimate.

(Continued on Sheet No. 10.305)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

FLORIDA POWER & LIGHT COMPANY

**Sixth Revised Sheet No. 10.305
Cancels Fifth Revised Sheet No. 10.305**

(Continued from Sheet No. 10.304)

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to a QS within the Company's service territory shall be adjusted according to the delivery voltage by the multipliers provided in Appendix II.

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the QS's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit, as detailed in Appendix II.

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

A QS within the territory served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from a QS outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Renewable Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon to 9:00 p.m. excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time excluding Thanksgiving Day, Christmas Day, and New Years Day.. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QS, upon entering into a Standard Offer Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to the Company, or net sales to the Company; provided, however, that no such arrangement shall cause the QS to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a QS selling as-available energy enters into a Standard Offer Contract for the sale of firm capacity and energy; 2) when a Standard Offer Contract expires or is lawfully terminated by either the QS or the Company; 3) when the QS is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene this Tariff or the contract between the QS and the Company.

If a QS elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written notice to the Company; 2) the installation by the Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QS for such metering equipment and its installation; and 3) upon completion and approval by the Company of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the QS for such alteration(s).

Payments due a QS will be made monthly and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the QS and the applicable avoided energy rates at which payments are being made shall accompany the payment to the QS.

A statement covering the charges and payments due the QS is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

(Continued on Sheet No. 10.306)

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Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

**Seventh Revised Sheet No. 10.306
Cancels Sixth Revised Sheet No. 10.306**

(Continued from Sheet No. 10.305)

CHARGES TO ENERGY FACILITY

The QS shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Customer Charges:

Monthly customer charges for meter reading, billing and other applicable administrative costs as per applicable Customer Rate Schedule.

B. Interconnection Charge for Non-Variable Utility Expenses

The QS shall bear the cost required for interconnection, including the metering. The QS shall have the option of (i) payment in full for the interconnection costs including the time value of money during the construction of the interconnection facilities and providing a Bond, Letter of Credit or comparable assurance of payment acceptable to the Company adequate to cover the interconnection cost estimates, (ii) payment of monthly invoices from the Company for actual costs progressively incurred by the Company in installing the interconnection facilities, or (iii) upon a showing of credit worthiness, making equal monthly installment payments over a period no longer than thirty-six (36) months toward the full cost of interconnection. In the latter case, the Company shall assess interest at the rate then prevailing for thirty (30) day highest grade commercial paper, such rate to be specified by the Company thirty (30) days prior to the date of each installment payment by the QS.

C. Interconnection Charge for Variable Utility Expenses

The QS shall be billed monthly for the variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the QS if no sales to the Company were involved.

In lieu of payment for actual charges, the QS may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities as provided in Appendix II.

D. Taxes and Assessments

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

(Continued on Sheet No. 10.307)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.307

(Continued from Sheet No. 10.306)

TERMS OF SERVICE

- (1) It shall be the QS's responsibility to inform the Company of any change in its electric generation capability.
- (2) Any electric service delivered by the Company to a QS located in the Company's service area shall be subject to the following terms and conditions:
 - (a) A QS shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.
 - (b) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - (i) In the first year of operation, the security deposit should be based upon the singular month in which the QS's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the QS. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.
 - (ii) For each year thereafter, a review of the actual sales and purchases between the QS and the Company will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QS exceed the actual sales to the Company in that month.
 - (c) The Company shall specify the point of interconnection and voltage level.
 - (d) The QS must enter into an interconnection agreement with the Company which will, among other things, specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the QS or its interconnection to the Company's facilities may require modifications to this Interconnection Agreement or the safety and reliability standards contained therein.
- (3) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

- (1) Special contracts deviating from the above standard rate schedule are allowable provided the Company agrees to them and they are approved by the Florida Public Service Commission.

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Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.308

**APPENDIX I
TO RATE SCHEDULE QS-2
CALCULATION OF VALUE OF DEFERRAL PAYMENTS**

APPLICABILITY

Appendix I provides a detailed description of the methodology used by the Company to calculate the monthly values of deferring or avoiding the Company's Avoided Unit identified in Schedule QS-2. When used in conjunction with the current FPSC-approved cost parameters associated with the Company's Avoided Unit contained in Appendix II, a QS may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the QS enter into a Standard Offer Contract with the Company.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a QS pursuant to the Company's Standard Offer Contract shall be defined as the year-by-year value of deferral of the Company's Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Company's Avoided Unit one year, and shall be calculated as follows:

Where, for a one year deferral:

VAC_m	=	utility's monthly value of avoided capacity and O & M, in dollars per kilowatt per month, for each month of year n;
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;
R	=	$(1 + ip) / (1 - r)$;
I_n	=	total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Company's Avoided Unit which would have been paid had the Unit been constructed;
O_n	=	total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;
i_p	=	annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);
r	=	annual discount rate, defined as the utility's incremental after-tax cost of capital;
L	=	expected life of the Company's Avoided Unit(s); and
n	=	year for which the Company's Avoided Unit(s) is (are) deferred starting with its (their) original anticipated in-service date(s) and ending with the termination of the Company's Standard Offer Contract.

(Continued on Sheet No. 10.309)

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.309

(Continued from Sheet No. 10.308)

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS – EARLY CAPACITY–OPTION B

Normally, payments for firm capacity shall not commence until the in-service date of the Company's Avoided Unit(s). At the option of the QS, however, the Company may begin making payments for early capacity consisting of the capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit starting as early as the in-service date of the QS facility. When such payments for early capacity are elected, the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the QS, and shall be calculated as

$$A_m = A_c \frac{(1 + i_p)^{(m-1)}}{12} + A_o \frac{(1 + i_o)^{(m-1)}}{12} \text{ for } m = 1 \text{ to } t$$

follows:

Where:

- A_m = monthly payments to be made to the QS for each month of the contract year n , in dollars per kilowatt per month in which QS delivers capacity pursuant to the early capacity option;
- i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);
- i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);
- m = year for which the fixed value of deferral payments under the early capacity option are made to a QS, starting in year one and ending in the year t ;
- t = the term, in years, of the Standard Offer Contract;

$$A_c = F [(1 - R) / (1 - R^t)]$$

Where:

- F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s);
- R = $(1 - i_p) / (1 + r)$
- r = annual discount rate, defined as the Company's incremental after-tax cost of capital; and

$$A_o = G [(1 - R) / (1 - R^t)]$$

Where:

- G = The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s).
- R = $(1 - i_o) / (1 + r)$

The currently approved parameters applicable to the formulas above are found in Appendix II.

(Continued on Sheet No. 10.310)

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.310

(Continued from Sheet No. 10.309)

**CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS – LEVELIZED AND EARLY LEVELIZED CAPACITY –
OPTION C & OPTION D, RESPECTIVELY**

Monthly fixed value of deferral payments for levelized and early levelized capacity shall be calculated as follows:

$$P_L = \frac{F}{12} \times \frac{r}{1 - (1 + r)^{-t}} + O$$

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Company's Avoided Unit(s);
- F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the capacity payments which would have been made had the capacity payments not been levelized;
- r = the annual discount rate, defined as the Company's incremental after-tax cost of capital;
- t = the term, in years, of the Standard Offer Contract;
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.

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FLORIDA POWER & LIGHT COMPANY

~~Tenth~~^{Eleventh} Revised Sheet No. 10.311
Cancels ~~Ninth~~^{Tenth} Revised Sheet No. 10.311

APPENDIX II

TO RATE SCHEDULE QS-2
AVOIDED UNIT INFORMATION

The Company's Avoided Unit has been determined to be a 1,622.163 MW ~~Greenfield~~ Combined Cycle Unit with an in-service date of June 1, ~~2024~~²⁰²² and a heat rate of 6,304.120 Btu/kWh.

EXAMPLE STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
FOR A CONTRACT TERM OF TEN YEARS FROM THE IN-SERVICE DATE OF THE AVOIDED UNIT
(\$/KW/MONTH)

	Option A	Option B	Option C	Option D
Contract Year	Normal Capacity Payment	Early Capacity Payment	Levelized Capacity Payment	Early Levelized Capacity Payment
2020 ²⁰¹⁸	\$ -	\$ 5,284.23 \$ 5.39	\$ -	\$ 5,934.75
2021 ²⁰¹⁹	\$ -	\$ 4.31	\$ -	\$ 5,934.75
2022 ²⁰²⁰	\$ -	\$ 5,504.40	\$ -	\$ 5,934.75
2023 ²⁰²¹	\$ -	\$ 5,644.49	\$ -	\$ 5,934.75
2022	\$ 7.00	\$ 4.58 \$ 5.72	\$ 7.66	\$ 4.75
2024 ²⁰²³	\$ 8,727.15	\$ 4.67	\$ 9,567.66	\$ 5,934.75
2024	\$ 7.30	\$ 4.76	\$ 7.66	\$ 4.75
2025	\$ 7.45	\$ 4.86	\$ 7.66	\$ 4.75
2026	\$ 7.60	\$ 4.96	\$ 7.66	\$ 4.75
2027	\$ 7.76	\$ 5.05	\$ 7.66	\$ 4.75
2025 ²⁰²⁸	\$ 7,938.80	\$ 5,935.16	\$ 9,567.66	\$ 5,934.75
2026 ²⁰²⁹	\$ 9,098.09	\$ 5,955.26	\$ 9,567.66	\$ 5,934.75
2027	\$ 9.29	\$ 6.07	\$ 9.56	\$ 5.93
2028	\$ 9.48	\$ 6.19	\$ 9.56	\$ 5.93
2029	\$ 9.69	\$ 6.31	\$ 9.56	\$ 5.93
2030	\$ 9,898.26	\$ 6,445.36	\$ 9,567.66	\$ 5,934.75
2031	\$ 10,118.43	\$ 6,575.47	\$ 9,567.66	\$ 5,934.75
2032	\$ 10,328.61	\$ 6,705.58	\$ 9,567.66	\$ 5,934.75
2033	\$ 10.54	\$ 6.84	\$ 9.56	\$ 5.93
2034	\$ 10.77	\$ 6.97	\$ 9.56	\$ 5.93

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes, the most recent estimated incremental avoided energy costs for the next ten years will be provided within thirty (30) days of written request.

ESTIMATED UNIT FUEL COSTS (\$/MMBtu):

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FLORIDA POWER & LIGHT COMPANY

~~Third~~Fourth Revised Sheet No. 10.311.1
Cancels ~~Second~~Third Sheet No. 10.311.1

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:		Value
VAC_m	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$8,727.00
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.45321 5389
I_n	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n;	\$818,447.66 88
O_n	= total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$27,8214.62
i_p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.02.0%
i_o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.4547 572%
L	= expected life of the Company's Avoided Unit;	30.40
n	= year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	2024 2022

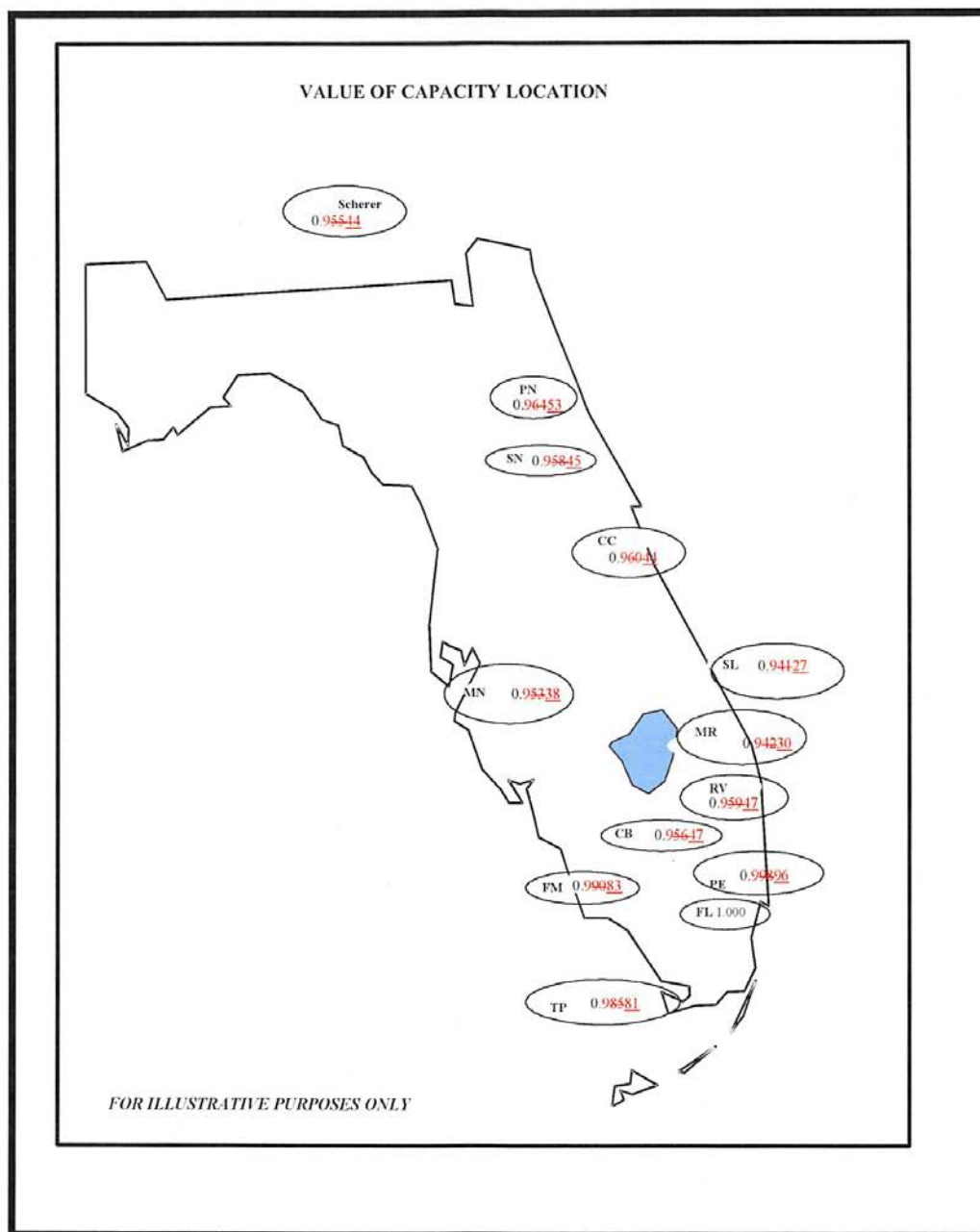
FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A_m	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i_p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.02.0%
i_o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
n	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F	= the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$780,78500.71
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.4547 572%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
G	= the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$210,77110.45

* From Appendix E

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FLORIDA POWER & LIGHT COMPANY
~~Fifth~~ Sixth Revised Sheet No. 10.312
Cancels ~~Fourth~~ Fifth Revised Sheet No. 10.312



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FLORIDA POWER & LIGHT COMPANY

Second Revised Sheet No. 10.313
Cancels First Revised Sheet No. 10.313

APPENDIX B
TO THE STANDARD OFFER CONTRACT
FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY
FROM RENEWABLE ENERGY FACILITIES
OR QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS
PAY FOR PERFORMANCE PROVISIONS MONTHLY CAPACITY PAYMENT CALCULATION

I. Monthly Capacity Payments (MCP) for each Monthly Billing Period shall be computed according to the following:

- A. In the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than 80%, then no Monthly Capacity Payment shall be due. That is:

$$MCP = 0$$

- B. In the event that the ACBF is equal to or greater than 80% but less than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times [1 + 4 \times (ACBF - 94\%)] \times CC$$

- C. In the event that the ACBF is equal to or greater than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times CC$$

Where:

MCP = Monthly Capacity Payment in dollars.

BCP = Base Capacity Payment in \$/KW/Month as specified in FPL's Rate Schedule QS-2.

CC = Committed Capacity in KW.

ACBF = Annual Capacity Billing Factor. This factor is calculated using the 12 months rolling average of the Monthly Capacity Factor. This 12 month rolling average shall be defined as the sum of the 12 consecutive Monthly Capacity Factors preceding the date of calculation, divided by 12. During the first 12 consecutive Monthly Billing Periods, commencing with the first Monthly Billing Period in which Capacity payments are to be made, the calculation of the Annual Capacity Billing Factor shall be performed as follows: (a) during the first Monthly Billing Period, the Annual Capacity Billing Factor shall be equal to the Monthly Capacity Factor; (b) thereafter, the calculation of the Annual Capacity Billing Factor shall be computed by dividing the sum of the Monthly Capacity Factors during the first year's Monthly Billing Periods in which Capacity payments are to be made by the number of Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average Annual Capacity Billing Factor. Periods during which the Facility has temporarily set its Committed Capacity equal to 0 KW due to a Force Majeure event pursuant to Section 16 shall be excluded from the applicable capacity factor calculation.

MCF = Monthly Capacity Factor. The sum of (i) the Hourly Factors of the Non-Dispatch Hours plus (ii) the Hourly Factors of the Dispatch Hours or the Hourly factors of the hours when FPL requested reduced deliveries pursuant to Sections 8.4.6 and 8.4.8 (Reduced Delivery Hour); divided by the number of hours in the Monthly Billing Period.

HFNDH = Hourly Factor of a Non-Dispatch Hour. The energy received during the hour divided by the Committed Capacity. For purposes of calculating the Hourly Factor of a Non-Dispatch Hour the energy received shall not exceed the Committed Capacity.

HFDH = Hourly Factor of a Dispatch Hour or a Reduced Delivery Hour. The scheduled energy received divided by the scheduled energy requested. For purposes of calculating the Hourly Factor of a Dispatch Hour or the Hourly Factor of a Reduced Delivery Hour the scheduled energy received shall not exceed the scheduled energy requested.

On-Peak Hours = Those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon to 9:00 p.m. excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time excluding Thanksgiving Day, Christmas Day and New Year's Day. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance notice.

Monthly Billing Period = The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the Capacity Delivery Period Date and ending with the last calendar day of such month.

Scheduled Energy and Dispatch Hours are as defined in Section 8.4.7 of the Standard Offer Contract.

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FLORIDA POWER & LIGHT COMPANY

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APPENDIX C
TO THE STANDARD OFFER CONTRACT
TERMINATION FEE

The Termination Fee shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be), computed according to the following formula:

Termination Fee = Termination Fee applicable to Capacity Payment Option plus Termination Fee applicable to Fixed Firm Energy Option
Termination Fee applicable to Capacity Payment Options B, C, D and E

$$\sum_{i=1}^n (MCP_i - MCPC_i) \times t^{(n-i)}$$

with: $MCPC_i = 0$ for all periods prior to the in-service date of the Company's Avoided Unit;

where:

- i = number of the Monthly Billing Period commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following the month in which Capacity Delivery Date occurs = 2; etc.)
- n = the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)
- t = the future value of an amount factor necessary to compound a sum monthly so the annual percentage rate derived will equal FPL's incremental after-tax avoided cost of capital (defined as r in QS-2). For any Monthly Billing Period in which $MCPC_i$ is greater than MCP_i , t shall equal 1.
- MCP_i = Monthly Capacity Payment paid to QS corresponding to the Monthly Billing Period i, calculated in accordance with Appendix B.
- $MCPC_i$ = Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i, calculated in accordance with QS-2

In the event that for any Monthly Billing Period, the computation of the value of the Capacity Payment Termination Fee for such Monthly Billing Period (as set forth above) yields a value equal to or greater than zero, the amount of the Capacity Payment Termination Fee shall be increased by the amount of such value.

In the event that for any Monthly Billing Period, the computation of the value of the Capacity Payment Termination Fee for such Monthly Billing Period (as set forth above) yields a value less than zero, the amount of the Capacity Payment Termination Fee shall be decreased by the amount of such value expressed as a positive number (the "Initial Reduction Value"); provided, however, that such Initial Reduction Value shall be subject to the following adjustments (the Initial Reduction Value, as adjusted, the "Reduction Value"):

- a. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B is less than 80%, then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Capacity Payment Termination Fee shall not be reduced for the applicable Monthly Billing Period.
- b. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B, is equal to or greater than 80% but less than 97%, then the Reduction Value shall be determined as follows:

$$\text{Reduction Value} = \text{Initial Reduction Value} \times [0.04 \times (\text{ACBF} - 72)]$$

For the applicable Monthly Billing Period, the Termination Fee shall be reduced by the amount of such Reduction Value.

In no event shall FPL be liable to the QS at any time for any amount by which the Capacity Payment Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

Termination Fee applicable to the Fixed Firm Energy Payment Option D

Prior to in-service date of avoided unit:

The Termination Fee for the Fixed Firm Energy Option shall be equal to the cumulative sum of the Fixed Firm Energy Payments made to the QS pursuant to Option D, starting with the in-service date of the QS facility, for each billing cycle. Such number shall reach the maximum amount on the billing cycle immediately preceding the billing cycle associated with the in-service date of the Avoided Unit.

After in-service date of avoided unit:

The Termination Fee shall be decreased each billing cycle following the in-service date of the avoided unit by an amount equal to the difference between the projected Fixed Energy Cost that was used in the calculation to determine the base energy cost to be fixed and amortized pursuant to Option D for such billing cycle and the amortized Fixed Firm Energy Payment in cents/KWH times the energy delivered by the QS not to exceed the MWH block specified in Appendix E.

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.315

**APPENDIX D
TO THE STANDARD OFFER CONTRACT
DETAILED PROJECT INFORMATION**

Each eligible Contract received by FPL will be evaluated to determine if the underlying QS project is financially and technically viable. The QS shall, to the extent available, provide FPL with a detailed project proposal which addresses the information requested below.

I. FACILITY DESCRIPTION

- Project Name
- Project Location
 - ◆ Street Address
 - ◆ Site Plot Plan
 - ◆ Legal Description of Site
- Generating Technology
- Facility Classification (include types from statute)
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date
- Steam Host (for cogeneration facilities)
 - ◆ Street Address
 - ◆ Legal Description of Steam Host
 - ◆ Host's annual steam requirements (lbs/yr)
- Contact Person
 - ◆ Individual's Name and Title
 - ◆ Company Name
 - ◆ Address
 - ◆ Telephone Number
 - ◆ Telecopy Number

II. PROJECT PARTICIPANTS

- Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:
 - ◆ Project Development
 - ◆ Siting and Licensing the Facility
 - ◆ Designing the Facility
 - ◆ Constructing the Facility
 - ◆ Securing the Fuel Supply
 - ◆ Operating the Facility
- Provide details on all electrical generation facilities which are currently under construction or operational which were developed by the QS.
- Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders, and the percentage of equity invested at financial closing.

(Continued on Sheet No. 10.316)

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.316

(Continued from Sheet No. 10.315)

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g., Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.
- Provide annual fuel requirements (AFR) necessary to support the requirements pursuant to Section 366.91, Florida Statutes, and the planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel supply arrangements in place to meet the ARFR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR.

Category	Description of Fuel Supply Arrangement fuel is from a fully developed
owned =	source owned by one or more of the project participants
contract =	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI =	a letter of intent for the fuel supply exists between developer(s) and fuel supplier(s)
REF =	renewable energy facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none =	no firm fuel supply arrangement currently in place
other =	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.
- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Energy Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.
- Provide annual fuel transportation requirements (AFTR) necessary to support planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Energy Facility. Use the categories below to describe the current arrangement for securing the AFTR.

owned =	fuel transport via a fully developed system owned by one or more of the project participants
contract =	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI =	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
Spot =	fuel transportation will be purchased on the spot market
none =	no firm fuel transportation arrangement currently in place
other =	fuel transportation arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the transportation price mechanism of the arrangement.
- Provide the maximum, minimum, and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.

(Continued on Sheet No. 10.317)

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.317

(Continued from Sheet No. 10.316)

IV. PLANT DISPATCHABILITY/CONTROLLABILITY

- Provide the following operating characteristics and a detailed explanation supporting the performance capabilities indicated.
 - ◆ Ramp Rate (MW/minute)
 - ◆ Peak Capability (% above Committed Capacity)
 - ◆ Minimum power level (% of Committed Capacity)
 - ◆ Facility Turnaround Time, Hot to Hot (hours)
 - ◆ Start-up Time from Cold Shutdown (hours)
 - ◆ Unit Cycling (# cycles/yr)
 - ◆ MW and MVAR Control (AGC, Manual, Other (please explain))

V. SITING AND LICENSING

- Provide a licensing/permitting milestone schedule which lists all permits, licenses and variances required to site the Facility. The milestone schedule shall also identify key milestone dates for baseline monitoring, application preparation, agency review, certification and licensing/siting board approval, and agency permit issuance.
- Provide a licensing/permitting plan that addresses the issues of air emissions, water use, wastewater discharge, wetlands, endangered species, protected properties, solid waste, surrounding land use, zoning for the Facility, associated linear facilities, and support of and opposition to the Facility.
- List the emission/effluent discharge limits the Facility will meet, and describe in detail the pollution control equipment to be used to meet these limits.

VI. FACILITY DEVELOPMENT AND PERFORMANCE

- Submit a detailed engineering, procurement, construction, startup and commercial operation schedule. The schedule shall include milestones for site acquisition, engineering phases, selection of the major equipment vendors, architect engineer, EPC contractor, and Facility operator, steam host integration, and delivery of major equipment. A discussion of the current status of each milestone should also be included where applicable.
- Attach a diagram of the power block arrangement. Provide a list of the major equipment vendors and the name and model number of the major equipment to be installed.
- Provide a detailed description of the proposed environmental control technology for the Facility and describe the capabilities of the proposed technology.
- Attach preliminary flow diagrams for the steam system, water system, and fuel system, and a main electrical one line diagram for the Facility.
- State the expected heat rate (HHV) at 75 degrees Fahrenheit for loads of 100%, 75%, and 50%. In addition, attach a preliminary heat balance for the Facility.
- [NOTE: add any requirements related to demonstrating that the facility meets the requirements under the statute or applicable rules]

(Continued on Sheet No. 10.318)

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FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.318

(Continued from Sheet No. 10.317)

VII FINANCIAL

- Provide FPL with assurances that the proposed QS project is financially viable consistent with FPSC Rule 25-17.0832(4) (c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.
 - ♦ Annual Project Revenues
 - Capacity Payments (\$ and \$/KW/Mo)
 - Variable O&M (\$ and \$/MWh)
 - Energy (\$ and \$/MWh)
 - Steam Revenues (\$ and %/lb.)
 - Tipping Fees (\$ and \$/ton)
 - Interest Income
 - Other Revenues
 - Variable O&M Escalation (%/yr)
 - Energy Escalation (%/yr)
 - Steam Escalation (%/yr)
 - Tipping Fee Escalation (%/yr)
 - ♦ Annual Project Expenses
 - Fixed O&M (\$ and \$/KW/Mo)
 - Variable O&M (\$ and \$/MWh)
 - Energy (\$ and \$/MWh)
 - Property Taxes (\$)
 - Insurance (\$)
 - Emission Compliance (\$ and \$/MWh)
 - Depreciation (\$ and %/yr)
 - Other Expenses (\$)
 - Fixed O&M Escalation (%/yr)
 - Variable O&M Escalation (%/yr)
 - Energy Escalation (%/yr)
 - ♦ Other Project Information
 - Installed Cost of the Energy Facility (\$ and \$/KW)
 - Committed Capacity (KW)
 - Average Heat Rate - HHV (MBTU/KWh)
 - Federal Income Tax Rate (%)
 - Facility Capacity Factor (%)
 - Energy Sold to FPL (MWh)
 - ♦ Permanent Financing
 - Permanent Financing Term (yrs)
 - Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt, and equity)
 - Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt, and equity)
 - Annual Interest Expense
 - Annual Debt Service (\$)
 - Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)
- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.
- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

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FLORIDA POWER & LIGHT COMPANY

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**APPENDIX E
TO THE STANDARD OFFER CONTRACT
CONTRACT OPTIONS TO BE SELECTED BY QS**

Term of Contract

Execution date _____
Termination date _____

Firm Capacity Rates

Commencement date for deliveries of Firm Energy and Capacity _____

Capacity Payment Option Selected (from available Options A through E) _____

If Option E is selected proposed payment stream:

Schedule of Capacity Payments to be provided by the Company based on applicable parameters follows:

Year \$/KW/Month

Energy Rates

Energy payment Options selected applicable to energy produced by the QS and delivered to the Company (from available Option A or B and D)

Select from Option A or B _____

And

Select D _____

If Option D is selected by the QS; the Company and the QS mutually agree on fixing and amortizing the following portion of the Base Energy Costs associated with the Avoided Unit

_____ % which yields _____ MWH

Projected Energy Cost of Energy Produced by Avoided Unit (provided by the Company):

Year Projected Fixed Energy Cost (in Cents/KWH or in Dollars)

Based on the projections of Energy Costs Produced by the Avoided Unit and the mutually agreed upon Portion of the Base Energy Costs associated with the Avoided Unit the Fixed Energy Payment shall be _____ \$/MWH or \$ _____ (as applicable).

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

Item 9

State of Florida



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Ellis, Matthews, Thompson) *BE TT*
Office of the General Counsel (Murphy) *CM TH*

RE: Docket No. 170122-EI – Petition for exemption under Rule 25-22.082(18), F.A.C., from issuing a request for proposals (RFPs) for modernization of the Lauderdale Plant, by Florida Power & Light Company.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brisé

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

The Florida Public Service Commission (Commission) is the exclusive forum for the determination of need and necessity for additional generating units under the Florida Electrical Power Plant Siting Act (PPSA), as established in Section 403.519, Florida Statutes (F.S.). As part of PPSA, the Commission must take into account whether a unit is necessary given (a) the need for electric system reliability and integrity, (b) the need for adequate electricity at a reasonable cost, (c) the need for fuel diversity and supply reliability, (d) whether the proposed plant is the most cost-effective alternative available, and (e) whether renewable energy sources and technologies, as well as conservation measures, are utilized to the extent reasonably available.

The Commission adopted Rule 25-22.082, Florida Administrative Code (F.A.C.), also referred to informally as the Bid Rule, which requires investor-owned electric utilities to issue a request for proposal (RFP) for the selection of generating capacity that would be subject to the PPSA. The RFP process assists in the determination of whether a unit is the most cost-effective alternative by publishing the electric utility's requested needs and opening the process to competitive proposals.

Rule 25-22.082(18), F.A.C., provides an exemption from the requirement to issue an RFP if the Commission finds that certain showings are met by an electric utility. On May 22, 2017, Florida Power & Light Company (FPL or Company) filed a petition to request exemption from the RFP requirement under Rule 25-22.082(18), F.A.C., for its modernization of the Lauderdale plant, which is to be renamed the Dania Beach Clean Energy Center (Dania Beach Project or Project).

The Commission has jurisdiction in this matter pursuant to Sections 366.05 and 403.519, F.S.

Discussion of Issues

Issue 1: Should the Commission grant FPL's petition for exemption from the RFP requirement of Rule 25-22.082, F.A.C., for the modernization of the Lauderdale Plant?

Recommendation: Yes. The Dania Beach Project meets the requirements for exemption under Rule 25-22.082(18), F.A.C., by reusing the existing Lauderdale plant site and related facilities for a newer, larger, and more efficient unit. Granting the exemption will not relieve the Company of any requirements during a future PPSA need determination proceeding, including a demonstration that the project is the most cost-effective source of power or whether conversion or renewable generation can mitigate the need for the modernization of the Lauderdale Plant. (Ellis, Murphy)

Staff Analysis: Rule 25-22.082(18), F.A.C., states:

Upon a showing by a public utility and a finding by the Commission that a proposal not in compliance with this rule's provisions will likely result in a lower cost supply of electricity to the utility's general body of ratepayers, increase the reliable supply of electricity to the utility's general body of ratepayers, or otherwise will serve the public welfare, the Commission shall exempt the utility from compliance with the rule or any part of it for which such justification is found.

As set forth below, staff believes that the Dania Beach Project meets all three criteria for an exemption from the Bid Rule by reusing the existing Lauderdale plant site and related facilities for a newer, larger, and more efficient unit.

Project Description

The Dania Beach Project will retire and remove Lauderdale Units 4 and 5 from FPL's Lauderdale plant in Broward County. These units are natural gas-fired combined cycle units in a 2x1 configuration with a combined summer peak capacity of 884 megawatts (MW). The two steam generators were built in 1957 and 1958, respectively, and were converted to combined cycle units with the addition of four combustion turbines installed in 1993. The Dania Beach Project would replace these units with a single natural gas-fired combined cycle unit in a 2x1 configuration with a peak capacity of 1,163 MW with an in-service date of June 2022.

A central component of FPL's argument for the exemption from the RFP requirement is that FPL's reuse of an existing plant site provides numerous economic and qualitative benefits that would be unmatched by any potential RFP respondent. The Lauderdale site currently features access to transmission, natural gas pipelines, and water supply facilities near a major load pocket that can be utilized by the new generating unit. Staff agrees that it is unlikely that a respondent to an RFP could provide similar benefits, but the Commission has the opportunity to formally review these facts in a future PPSA need determination proceeding, as outlined below.

Lower Cost Supply of Electricity

FPL states that the Lauderdale Units 4 and 5 are at the bottom of FPL's combined cycle fleet dispatch order. Data provided shows that the Lauderdale units had the highest average net

operating heat rates, a measure of fuel efficiency, of FPL's 16 combined cycle units, using approximately 8,000 British Thermal Units (BTU) of fuel per kilowatt-hour (kWh) of energy produced. By comparison, the Dania Beach Project will have a heat rate of approximately 6,120 BTU/kWh, which will result in a considerable fuel savings over the life of the Dania Beach unit compared to the existing Lauderdale units. Staff believes that while RFP respondents may be able to match the fuel efficiency of the proposed Dania Beach Project by using similar generating technologies, they would likely experience higher total costs to acquire a plant site and install the necessary infrastructure such as transmission, fuel transportation and storage, and water supply.

FPL notes an alternative to new generation would be operating the existing Lauderdale units uneconomically to maintain system reliability. However, FPL states that its proposed Project represents a savings of \$400 million in net present value for the Dania Beach Project from fuel savings, O&M savings, and avoided capital replacement costs over this alternative. A second alternative is the construction of additional transmission facilities to import more electricity from outside of the Broward/Miami-Dade area, but the Company asserts that this is likely to be more expensive than the proposed Project. Respondents with proposed facilities outside the Broward-Miami/Dade area would also see higher costs associated with additional transmission needed to deliver the power to customers. Based on the above, the Dania Beach Project meets the standard in that it is likely to result in a lower cost supply of electricity to the Company's general body of ratepayers. Regardless of the alternative considered, the Commission has an opportunity in a future PPSA need determination proceeding to review whether these and other options are the most cost-effective alternative, along with the need for adequate electricity at a reasonable cost.

Increase Reliability

In its Petition, FPL asserts that no other viable sites are available to economically provide generating capacity within the company's Southeastern Florida service area where the Company is projecting transmission constraints. As noted above, the modernization of the Lauderdale site to the Dania Beach Clean Energy Center would increase the generating capacity of the facility by approximately 280 MW with minimal additional transmission facilities. This will allow FPL to defer or reduce the amount of transmission upgrades necessary to provide reliable service to the area. Therefore the Dania Beach Project meets the standard as it is likely to increase the reliable supply of electricity to the Company's general body of ratepayers. The Commission will still have an opportunity in a future PPSA need determination proceeding to review whether there is a need for the generation for electrical system reliability and integrity, and whether renewable energy sources and technologies, as well as conservation measures, are utilized to the extent reasonably available to meet reliability needs.

Other Public Benefits

The use of an existing site with a more efficient unit has several public benefits, including; reduced emissions related to energy production, temporary construction jobs, and reduction of land impact for the facility and related infrastructure. FPL estimates that nitrogen oxides would be reduced by 95 percent and carbon dioxide reduced by 25 percent. Construction of the facility would temporarily create up to 650 jobs at its peak. Similar benefits would be available to an RFP respondent for emissions and construction jobs, but an RFP respondent is unlikely to provide the same benefits associated with reuse of an existing plant site by not requiring

additional land being disturbed for generation, transmission, fuel transportation and storage, or water supply. As a result, the Dania Beach Project meets the standard as it is likely to provide other benefits to the public. As with the other factors, the Commission will still have an opportunity to review these in a future PPSA need determination proceeding, and any other matters the Commission may determine to be relevant.

Similar Prior Orders

The Commission previously has granted exemptions from the Bid Rule for the modernizations of FPL's plants at Cape Canaveral, Riviera Beach, and Port Everglades.¹ The circumstances of each of these were similar in that they involved the replacement of existing power plants with new, more efficient facilities and reusing existing support infrastructure. A primary difference between these prior dockets is that the prior projects were replacing fossil steam generators, while the instant docket replaces older combined cycle units.

Conclusion

The Dania Beach Project meets the requirements for exemption under Rule 25-22.082(18), F.A.C., by reusing the existing Lauderdale plant site and related facilities for a newer, larger, and more efficient unit. Therefore staff recommends approval of FPL's petition for exemption from the RFP requirements of the Bid Rule for the modernization of the Lauderdale plant. Granting the exemption will not relieve the Company of any requirements during a future PPSA need determination process, including a demonstration that the project is the most cost-effective source of power or whether conversion or renewable generation can mitigate the need for the modernization of the Lauderdale Plant.

¹Order No. PSC-08-0591-FOF-E1, issued on September 12, 2008, in Docket Nos. 080203-E1, *In re: Petition to determine need for West County Energy Center Unit 3 electrical power plant, by Florida Power & Light Company*, 080245-E1, *In re: Petition for determination of need for conversion of Riviera Plant in Palm Beach County, by Florida Power & Light Company*, and 080246-E1, *In re: Petition for exemption under Rule 25-22.082(18), F.A.C., from issuing request for proposals (RFPs) for modernization of the Port Everglades Plant, by Florida Power & Light Company*.

Issue 2: Should this docket be closed?

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

Staff Analysis: At the conclusion of the protest period, if no protest is filed this docket should be closed upon the issuance of a consummating order.

Item 10

State of Florida



Public Service Commission

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

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

DATE: June 30, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (M. Watts, Graves) *RS*
Division of Accounting and Finance (Frank, Norris) *AK*
Division of Economics (Johnson) *CAS*
Office of the General Counsel (Janjic) *ASC*

RE: Docket No. 150012-WU – Application for transfer of Certificate No. 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County. *BE ALM*

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action for Issue 2 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brisé

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On January 2, 2015, County-Wide Utility Co., Inc. (County-Wide or Seller) filed an application for the transfer of Certificate No. 390-W to Southwest Ocala Utility, Inc. (SOU, Utility, or Buyer) in Marion County. County-Wide is a Class C utility that only provides water service. The service area is located in the St. Johns River Water Management District (SJRWMD), and is not in a water use caution area. According to County-Wide's 2014 Annual Report, the Utility serves 539 residential customers, three general service customers, and had total revenues of \$139,624.

Certificate No. 390-W was originally granted in 1983 under the name of Bahia Oaks, Inc. d/b/a County-Wide Utility Company, Inc.¹ In 1997, the Commission extended County-Wide's territory to include Units Three, Four, and Five of the Bahia Oaks Subdivision.² Water rates for the Utility were last approved in 2007, pursuant to a staff assisted rate case docketed in 2005 (the 2005 SARC).³

On October 16, 2016, staff presented its recommendation to the Commission. Staff recommended that the transfer be granted, with a proposed net book value and a negative acquisition adjustment. However, staff's recommendation was based on incomplete information due to the Utility's assertion that it could not provide the requested information as the information is protected by a confidentiality agreement with its bank. The Commission rejected staff's recommendation, deferred the item, and directed the Utility to provide the most accurate information to staff. The Utility maintains that it still cannot provide the precise data without violating the confidentiality agreement. Therefore, staff and the Utility have worked together to reach a solution each believes will satisfy the requirements of the Commission's rules and statutes, and still abide by the Utility's confidentiality agreement with its bank.

This revised recommendation addresses the transfer of County-Wide's water system under Certificate No. 390-W, the net book value of the water system at the time of transfer, and whether an acquisition adjustment should be approved. The Commission has jurisdiction pursuant to Section 367.071, Florida Statutes (F.S.).

¹Order No. 11868, issued April 21, 1983, in Docket No. 810369-WU, *In re: Application of Bahia Oaks, Inc. d/b/a County-Wide Utility Company, Inc. for a certificate to operate a water utility in Marion County.*

²Order No. PSC-97-0578-FOF-WU, issued May 20, 1997, in Docket No. 970085-WU, *In re: Application for amendment of Certificate No. 390-W to extend service territory to include unit numbers 3, 4, and 5 of Bahia Oaks Subdivision in Marion County by Countywide Utility Company.*

³Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, *In re: Application for staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

Discussion of Issues

Issue 1: Should the Commission approve the transfer of County-Wide Utility Co., Inc.'s water system and Certificate No. 390-W to Southwest Ocala Utility, Inc.?

Recommendation: Yes. The transfer of County-Wide's water system and the transfer of Certificate No. 390-W to SOU is in the public interest and should be approved effective the date of the Commission's vote. The resultant order should serve as SOU's certificate and should be retained by the Utility. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). SOU should be responsible for filing the Utility's 2015 and 2016 annual reports and all future annual reports. Regulatory assessment fees (RAFs) have been paid through December 31, 2016. SOU should be responsible for all future RAFs. (M. Watts, Frank, Johnson)

Staff Analysis: On January 2, 2015, County-Wide filed an application for approval of the transfer of its water system and Certificate No. 390-W to SOU. The application is in compliance with the governing Statute, Section 367.071, F.S., and Administrative Rules concerning applications for transfer of certificates.

Noticing, Territory, and Land Ownership

The application contains proof of compliance with the noticing provisions set forth in Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed with the Commission and the time for doing so has expired. The application contains a description of the Utility's water service territory, which is appended to this recommendation as Attachment A. As the Utility is a reseller of bulk water purchased from the City of Ocala, it has no water treatment facilities. Therefore, no proof of land ownership pursuant to Rule 25-30.037(2)(s), F.A.C., is required.

Purchase Agreement and Financing

Pursuant to Rules 25-30.037(2)(i) and (j), F.A.C., the application must contain a statement regarding financing and a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. According to the application, Dirk and Donna Leeward own 100 percent of Brick City Management, LLC (BCM) which manages and owns 100 percent of Southwest Ocala Utility, Inc. (SOU). According to the application and subsequently filed support documents, on July 19, 2012, Mr. Leeward purchased, at a discount, an outstanding note from BBVA Compass Bank (Compass Bank) that County-Wide owed to Compass Bank. The note was comprised of principal, accrued interest, costs, and fees totaling \$1,067,747. The amount Mr. Leeward paid for the note is unknown. After purchasing the note, Mr. Leeward foreclosed on County-Wide on March 4, 2013. On April 8, 2013, Mr. Leeward acquired the Utility assets at a public foreclosure auction for a total of \$301, which was comprised of the winning bid amount and associated documentary stamps. On January 1, 2014, the assets were transferred to SOU.

Staff believes that the amount paid to Compass Bank by Mr. Leeward on July 19, 2012, for the outstanding note should be included in determining the purchase price of the Utility. Staff made several attempts to obtain the purchase price of the note, including stating that the information could be filed under a confidential request, but the Buyer did not provide the requested information.

On November 19, 2015, the Buyer submitted a letter stating that the Buyer is unable to provide information regarding the amount paid to acquire the mortgage note from the bank because there is a non-disclosure and confidentiality agreement attached to the transaction between the Buyer and Compass Bank. The Buyer contends that the purchase price cannot be provided without violating the non-disclosure agreement with the bank. On May 17, 2017, the Buyer provided a signed affidavit stating that the mortgage and note on the assets were acquired for a dollar amount in excess of 80 percent of the net book value, \$79,051, as of January 1, 2014. Staff believes due to the circumstances of the confidentiality agreement with Compass Bank, the signed affidavit is sufficient for the purpose of determining whether an acquisition adjustment should apply at this juncture.

According to the application, there are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, or leases of County-Wide that must be disposed of with regard to the transfer.

Facility Description and Compliance

SOU's water system is a consecutive system composed of water mains, as listed in Table 1-1 below, and nine fire hydrants. A consecutive system provides treated water purchased from another entity. Therefore, the City of Ocala is responsible for ensuring the water meets primary and secondary water quality standards. On June 15, 2016, the Florida Department of Environmental Protection (DEP) conducted a Sanitary Survey. During DEP's inspection, it found that the Utility had neither a cross-connection control program in place, nor a cross-connection control plan on file. The Utility corrected these deficiencies on July 13, 2016. The report issued on July 26, 2016, stated that the Utility was in compliance with its rules and regulations.

Table 1-1
Southwest Ocala Utility, Inc. Water Mains

Material	Diameter Pipe (inches)	Length (linear feet)
PVC	1	100
PVC	2	5,630
PVC	2 1/2	4,300
PVC	4	4,360
PVC	6	750
PVC	8	750
PVC	12	100

Source: County-Wide Utility Co., Inc. 2014 Annual Report

Technical and Financial Ability

Pursuant to Rules 25-30.037(1)(l) and (m), F.A.C., the application contains statements describing the technical and financial ability of the applicant to provide service to the proposed service area. According to the application, Mr. Leeward has been the general manager of County-Wide since 1986 and has extensive knowledge of the operations and management of the system. As referenced in the transfer application, SOU will fulfill the commitments, obligations and representations of the Seller with regards to utility matters.

Staff reviewed the financial statements of BCM, the sole manager and owner of SOU. According to the application, BCM has provided working capital funding to the Utility and will ensure the availability of any necessary funds for future capital needs. Based on the above, SOU has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

The Utility's rates and charges were last approved in 2007 pursuant to its 2005 SARC.⁴ The rates were subsequently amended to reflect a four-year rate reduction required by Section 367.0816, F.S., in 2011, and numerous price indexes. The Utility's existing rates are shown on Schedule No. 1. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, staff recommends that the Utility's existing rates and charges remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Regulatory Assessment Fees (RAFs) and Annual Reports

Staff has verified that the annual reports have been filed through December 31, 2014, and RAFs have been paid through December 31, 2016. The 2015 and 2016 Annual Reports have not been filed. SOU will be responsible for filing the Utility's annual reports and paying RAFs for all future years.

Conclusion

The transfer of County-Wide's water system and the transfer of Certificate No. 390-W to SOU is in the public interest and should be approved effective the date of the Commission's vote. The resultant order should serve as SOU's certificate and should be retained by the Utility. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, F.A.C. SOU should be responsible for filing the Utility's 2015 and 2016 annual reports and all future annual reports. RAFs have been paid through December 31, 2016. SOU should be responsible for all future RAFs.

⁴Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, *In re: Application for staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

Issue 2: What is the appropriate net book value (NBV) for the SOU water system for transfer purposes?

Recommendation: The net book value of the water system for transfer purposes is \$79,051, as of January 1, 2014. Within 90 days of the date of the final order, SOU should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in SOU's 2015 Annual Report when filed. Specifically, the Utility should confirm that the adjustments to all applicable National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) primary accounts as shown on Schedule No. 2, Page 3 of 3, have been made to SOU's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Frank, M. Watts)

Staff Analysis: Rate base was last established for the Utility as of December 31, 2005, in its 2005 SARC.⁵ The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of January 1, 2014. Staff's recommended NBV, as described below, is shown on Schedule No. 2.

Utility Plant in Service (UPIS)

The Utility's general ledger reflected a UPIS balance of \$219,537, as of January 1, 2014. Staff reviewed UPIS additions since the last rate case and as a result has increased UPIS by \$7,177. The Utility had retired its wells and water treatment plant, and interconnected to the City of Ocala on October 29, 2005, which was prior to the date it filed its 2005 SARC (November 10, 2005).⁶ After extensive investigation, the Commission found that the retired system would have been sufficient to continue to serve the existing customers, and the reason the Utility interconnected with the City of Ocala was to be able to serve anticipated development. Therefore, the interconnection with the City of Ocala was disallowed from rate base during the Utility's last rate case as imprudent since it was not deemed necessary to serve the Utility's current (at the time) customers. Staff believes that it is appropriate in the instant docket to continue to exclude the interconnection from rate base, consistent with Order No. PSC-07-0604-PAA-WU.⁷ However, since the interconnection is now the only source of water to supply all current customers, it should be considered in future rate proceedings. As discussed above, staff recommends UPIS should be increased by \$7,177 to reflect a UPIS balance of \$226,714 as of January 1, 2014.

⁵Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, *In re: Application for a staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

⁶Document No. 10900-05, filed on November 10, 2005, in Docket No. 050862-WU, *In re: Application for a staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

⁷Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, *In re: Application for a staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

Land

The Utility's general ledger reflected a land balance of \$2,815, as of January 1, 2014. By Order No. PSC-07-0604-PAA-WU,⁸ the Commission established the value of the land to be \$2,815. There have been no additions to land purchased since that order was issued. Therefore, staff recommends land of \$2,815, as of January 1, 2014.

Accumulated Depreciation

The Utility's general ledger reflected an accumulated depreciation balance of \$93,858, as of January 1, 2014. Staff calculated the appropriate accumulated depreciation balance to be \$93,655. As a result, accumulated depreciation should be decreased by \$203.

CIAC

As of January 1, 2014, the Utility's general ledger reflected a CIAC balance of \$87,008; and an accumulated amortization of CIAC balance of \$40,982. Staff increased CIAC by \$10,839 based on audited receipts since the Commission approved beginning balances from its last rate case. Using a composite rate, staff also calculated and increased accumulated amortization of CIAC by \$42. Therefore, staff recommends a CIAC balance of \$97,847 and an accumulated amortization of CIAC balance of \$41,024, as of January 1, 2014.

Net Book Value

The Utility's general ledger reflected an NBV of \$82,468. Based on the adjustments described above, staff recommends that the NBV for the Utility's water system, as of January 1, 2014, is \$79,051 (\$82,468 - \$3,417). Staff's recommended NBV is shown on Schedule No. 2, Page 1 of 3, and the NARUC USOA balances for UPIS and accumulated depreciation as of January 1, 2014, are shown on Schedule No. 2, Page 3 of 3.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. According to the signed affidavit discussed in Issue 1, the Utility and its assets were purchased for a dollar amount in excess of 80 percent of the net book value. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than 80 percent of NBV. Because SOU is not requesting a positive acquisition adjustment and the affidavit discussed in Issue 1 attests that the purchase price was greater than 80 percent of the net book value of \$79,051, staff recommends that neither a positive nor negative acquisition adjustment is warranted at this time.

Conclusion

Based on the above, staff recommends that the NBV of the water system for transfer purposes is \$79,051, as of January 1, 2014. SOU should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision. Specifically the Utility should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts as shown on Schedule No. 2,

⁸Order No. PSC-07-0604-PAA-WU, issued July 30, 2007, in Docket No. 050862-WU, *In re: Application for a staff-assisted rate case in Marion County by County-Wide Utility Co., Inc.*

Page 3 of 3, have been made to SOU's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. The adjustments should be reflected in SOU's 2015 and 2016 Annual Reports when filed.

Issue 3: Should this docket be closed?

Recommendation: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively after SOU has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of January 1, 2014. (Janjic)

Staff Analysis: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively after SOU has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of January 1, 2014.

Southwest Ocala Utility, Inc.
Water Territory Description
Marion County

Township 16 South, Range 21 East

Section 4

The Southwest $\frac{1}{4}$

Less and except that portion of the Northeast $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ of said Section 4 lying North and West of State Road 200

and

Less and except that portion of the Northeast $\frac{1}{4}$ of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 4 lying North and West of State Road 200.

Section 5

The East $\frac{3}{4}$ of the South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$.

Section 8

That portion of the Northeast $\frac{1}{4}$ lying North and West of State Road 200. Except: Beginning at the intersection of the South boundary of the Northeast $\frac{1}{4}$ and the Northerly right-of-way of State Road 200; thence North $89^{\circ} 53' 23''$ West a distance of 1,458.52 feet; thence North $00^{\circ} 00' 34''$ East a distance of 665.08 feet; thence North $89^{\circ} 53' 23''$ East a distance of 1,326.73 feet; thence South $69^{\circ} 21' 33''$ East a distance of 557.40 feet; thence Southwesterly along the Northwestern right-of-way line of State Road 200 to the POINT OF BEGINNING.

Section 9

That portion of the Northwest $\frac{1}{4}$, lying North and West of State Road 200.

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Southwest Ocala Utility, Inc.
pursuant to
Certificate Number 390-W

to provide water service in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
11868	04/21/83	810369-W	Grandfather Certificate
PSC-97-0578-FOF-WU	05/20/97	970085-WU	Amendment
PSC-03-0792-FOF-WU	07/03/93	030453-WU	Name Correction
*	*	150012-WU	Transfer

***Order Numbers and dates to be provided at time of issuance**

**Southwest Ocala Utility, Inc.
Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$10.33
3/4"	\$15.50
1"	\$25.83
1 1/2"	\$51.64
2"	\$82.64
3"	\$165.27
4"	\$258.26
6"	\$516.47

Charge per 1,000 gallons – Residential

0-10,000 gallons	\$2.59
10,001-20,000 gallons	\$3.24
Over 20,000 gallons	\$3.87

Charge Per 1,000 gallons – General Service	\$2.74
--	--------

Private Fire Protection

Base Facility Charge by Meter Size

4"	\$21.52
6"	\$43.04
8"	\$68.87
10"	\$99.00

Initial Customer Deposits

Residential Service and General Service

5/8" x 3/4"	\$50.00
3/4"	\$75.00
1"	\$125.00
Over 1"	2 times the average estimated bill

Miscellaneous Service Charges

	<u>Business Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$21.00	N/A
Normal Reconnection Charge	\$21.00	\$42.00
Violation Reconnection Charge	\$21.00	\$42.00
Premises Visit Charge (in lieu of disconnection)	\$21.00	\$42.00
Late Payment Charge		\$5.00

Service Availability Charges

Main Extension Charge

Residential – Per ERC⁹ \$1,540.00

Allowance for Funds Prudently Invested – Bahia Oaks Transmission and Distribution Calculation of Carrying Cost per ERC by Month:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January	\$28	\$360	\$718	\$1,103	\$1,518
February	\$55	\$389	\$750	\$1,137	\$1,555
March	\$83	\$419	\$781	\$1,172	\$1,593
April	\$110	\$449	\$813	\$1,206	\$1,630
May	\$138	\$478	\$845	\$1,241	\$1,667
June	\$165	\$508	\$877	\$1,275	\$1,704
July	\$193	\$538	\$909	\$1,309	\$1,741
August	\$220	\$567	\$941	\$1,344	\$1,778
September	\$248	\$597	\$973	\$1,378	\$1,815
October	\$275	\$626	\$1,005	\$1,413	\$1,852
November	\$303	\$656	\$1,037	\$1,447	\$1,889
December	\$330	\$686	\$1,069	\$1,481	\$1,926

1. The amounts indicated above are per ERC. (ERC=350)
2. The number of remaining ERCs is 422 as of 1/1/2006.
3. If the number of the remaining ERCs has not connected by December 31, 2010, the maximum charge of \$1,926 remains in effect after December 31, 2008.
4. When the number of remaining ERCs have connected, the charge will cease.

⁹Equivalent residential connection

Southwest Ocala Utility, Inc. Water System Schedule
Water System
Schedule of Net Book Value as of January 1, 2014

<u>Description</u>	<u>Balance Per</u> <u>Utility</u>	<u>Adjustments*</u>	<u>Staff</u> <u>Recommendation</u>
Utility Plant in Service	\$219,537	\$7,177 A	\$226,714
Land & Land Rights	2,815	0	2,815
Accumulated Depreciation	(93,858)	203 B	(93,655)
CIAC	(87,008)	(10,839) C	(97,847)
Amortization of CIAC	<u>40,982</u>	<u>42</u> D	<u>41,024</u>
Total	<u>\$82,468</u>	<u>(\$3,417)</u>	<u>\$79,051</u>

* Adjustments are shown on the following page, Schedule No. 2, Page 2 of 3

**Explanation of Staff's Recommended
Adjustments to Net Book Value as of January 1, 2014
Water System**

<u>Explanation</u>	<u>Amount</u>
A. Utility Plant In Service	
I. To reflect appropriate amount of utility plant in service.	<u>\$7,177</u>
B. Accumulated Depreciation	
I. To reflect appropriate amount of accumulated depreciation.	<u>\$203</u>
C. Contributions-in-Aid-of-Construction (CIAC)	
I. To reflect appropriate amount of CIAC.	<u>(\$10,839)</u>
D. Accumulated Amortization of CIAC	
I. To reflect appropriate amount of accumulated amortization of CIAC.	<u>\$42</u>
Total Adjustments to Net Book Value as of January 1, 2014.	<u>(\$3,417)</u>

Southwest Ocala Utility, Inc.
Water System
Schedule of Staff Recommended Account Balances as of January 1, 2014

Account			Accumulated
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
331	Transmission & Distribution Mains	\$167,931	\$(56,649)
334	Meters & Meter Installations	49,545	(32,598)
335	Hydrants	2,551	(479)
336	Backflow Prevention Devices	4,400	(3,300)
339	Other Plant & Misc.	2,287	(629)
340	Office Furniture & Equipment	<u>0</u>	<u>0</u>
	Total	<u>\$226,714</u>	<u>(\$93,655)</u>

Item 11

State of Florida



Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (M. Watts) *RMW*
Division of Accounting and Finance (Andrews, Norris) *NV TS*
Division of Economics (Hudson, Johnson) *CHB*
Office of the General Counsel (Mapp) *ALM*

RE: Docket No. 160075-WU – Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action for Issue 2 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brisé

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 5, 2016, Oak Springs MHC, LLC (OSMHC, Applicant, or Buyer) filed an application for the transfer of Certificate No. 623-W from Oak Springs, LLC (Utility or Seller) in Orange and Lake Counties. The service area is located in the St. Johns River Water Management District (SJRWMD). Water use restrictions have been imposed district wide to encourage conservation. According to the Utility's 2016 Annual Report, it serves approximately 310 residential customers and three general service customers, and has experienced an operating loss of \$19,004.

The water system serving the Oak Springs community has been operating as part of a mobile home community with no separate charge for water service since 1973. The Seller had been providing water and wastewater service solely to the mobile home rental community tenants as a part of the lot rent, and was therefore exempt from Commission regulation pursuant to Section 367.022(5), Florida Statutes (F.S.).¹ To promote water conservation, in 2004, the Seller was required by the SJRWMD to form a private utility capable of charging for water use. On November 9, 2004, the Seller was granted Certificate No. 623-W to operate a water utility.² There have been no certification actions since that time. The rates and charges for utility service were approved by the Commission in 2004. Wastewater service continues to be provided as part of the lot rent.

This recommendation addresses the transfer of the water system, the net book value of the water system at the time of transfer, and the need for an acquisition adjustment. The Commission has jurisdiction pursuant to Sections 367.071 and 367.091, F.S.

¹Oak Springs was granted an exemption from Commission regulation pursuant to Order No. PSC-96-1246-FOF-WS, issued October 7, 1996, in Docket No. 960589-WS, *In re: Request for Exemption from Florida Public Service Commission Regulation from Provision of Water and Wastewater Service in Lake County by Oak Springs Manufactured Home Community*.

²Order No. PSC-04-1120-PAA-WU, issued November 9, 2005, in Docket No. 040515-WU, *In re: Application for certificate to operate water utility in Orange and Lake Counties by Oak Springs, LLC*.

Discussion of Issues

Issue 1: Should the transfer of Oak Springs, LLC's water system and Certificate No. 623-W in Orange and Lake Counties to Oak Springs MHC, LLC be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 623-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). The Seller should be responsible for all Regulatory Assessment Fees (RAFs) payable through the date of closing. The Buyer has filed the 2015 and 2016 Annual Reports, and will be responsible for all future Annual Reports and RAFs subsequent to the date of closing (May 31, 2015). (M. Watts, Andrews, Johnson)

Staff Analysis: On April 5, 2016, OSMHC filed an application for the transfer of Certificate No. 623-W from Oak Springs, LLC in Orange and Lake Counties. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale occurred on May 31, 2015.

Noticing, Territory, and Land Ownership

The Utility provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed with the Commission, and the time for doing so has expired. The notices contained a description of the territory for OSMHC, which is appended to this recommendation as Attachment A. The applicant provided a copy of a special warranty deed that was executed on May 27, 2015, to the staff auditor as evidence that OSMHC owns the land upon which the water treatment facilities are located pursuant to Rule 25-30.037(2)(q), F.A.C.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., the application contains a statement regarding financing and a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, leases, or debt of Oak Springs that must be disposed of with regard to the transfer. According to the Purchase Agreement, the total purchase price for the assets, including a Mobile Home Park, is \$1,100,000, of which \$110,000 is allocated to the purchase price of the Utility assets. According to the Buyer, the sale took place on May 31, 2015, subject to Commission approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

The water treatment system consists of two wells, a steel ground storage tank with a storage capacity of 28,000 gallons, a 10,000 gallon steel hydropneumatic tank, and a sodium hypochlorite system used for disinfection. The last Florida Department of Environmental Protection (DEP) sanitary survey was conducted on June 11, 2015, and there were no deficiencies. On July 20, 2015, the DEP deemed the Utility to be in compliance, therefore, the system appears to be in compliance with the DEP rules.

Technical and Financial Ability

Pursuant to Rule 25-30.037(2)(I), F.A.C., the application contains statements describing the technical and financial ability of the Applicant to provide service to the proposed service area. As referenced in the transfer application, the Buyer has enlisted the services of key personnel with knowledge, training, and expertise to assist in the operation and maintenance of the utility system by employing the same personnel as used by the Seller.

Additionally, the application contains statements describing the financial ability of the Buyer to provide service to the proposed service area. According to the application, the Buyer has acquired the assets of the Utility and has retired all outstanding long-term and short-term debt for the Utility. Staff also reviewed the financial statements of the Buyer. Based on the above, staff believes the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

The Utility's rates and charges were initially approved in an original certificate application in 2004.³ The rates were subsequently increased through numerous price indexes. The Utility currently has a pending index increase that will become effective July 8, 2017. The Utility's rates, effective July 8, 2017, are shown on Schedule No. 1. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, staff recommends that the Utility's existing rates and charges remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Regulatory Assessment Fees and Annual Reports

Staff has verified that the Utility is current on the filing of Annual Reports and RAFs. The Seller has submitted all RAFs payable through the date of closing, May 31, 2015. The Buyer has filed the 2015 and 2016 Annual Reports and paid subsequent RAFs. The Buyer is responsible for filing all future annual reports and RAFs.

Conclusion

The transfer of the water system and Certificate No. 623-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, F.A.C. The Seller should be responsible for all RAFs payable through the date of closing. The Buyer has filed the 2015 and 2016 Annual Reports, and will be responsible for all future Annual Reports and RAFs subsequent to the date of closing (May 31, 2015).

³Order No. PSC-04-1120-PAA-WU, issued November 09, 2004, in Docket No. 040515-WU, *In re: Application for certificate to operate water utility in Orange and Lake Counties by Oak Springs, LLC*.

Issue 2: What is the appropriate net book value (NBV) for the water system for transfer purposes and should an acquisition adjustment be approved?

Recommendation: The NBV of the water system for transfer purposes is \$106,950 as of May 31, 2015. An acquisition adjustment should not be included in rate base. To ensure that the Buyer adjusts its books in accordance with the Commission decision, it should notify the Commission, within 90 days of the final order in this docket, confirming that the adjustments to all the applicable National Association of Regulatory Utility Commissioners (NARUC), Uniform System of Accounts (USOA) accounts have been made to the Buyer's books and records. In the event the Buyer needs additional time to complete the adjustments, notice should be provided to staff within seven days prior to the deadline. Upon provided good cause, staff should be given administrative authority to grant an extension of up to 60 days. The adjustments should be reflected in the Buyer's 2017 Annual Report when filed. (Andrews)

Staff Analysis: The purpose of establishing net book value (NBV) for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of May 31, 2015. Staff's recommended NBV, as described below, is shown on Schedule No. 2.

Utility Plant in Service (UPIS)

In Docket No. 040515-WU,⁴ an original cost study of the Utility's Plant in Service was performed to establish initial rates but was not intended to formally establish rate base. The revised original cost study,⁵ performed on September 17, 2004, reflected a 2003 plant balance of \$429,105.

For the test year ended May 31, 2015, the Utility's application reflected a UPIS balance of \$444,857. Staff reviewed invoices to bring the Utility's 2003 UPIS balance (using the revised original cost study) forward to May 31, 2015. Staff determined the appropriate balance for UPIS as of May 31, 2015, is \$444,857. Staff's balance reflects no adjustments to the Utility's UPIS balance in the application. Therefore, staff recommends that the Utility's UPIS balance as of May 31, 2015, should be \$444,857.

Land

For the test year ended May 31, 2015, the Utility's application reflected a land balance of \$3,750, consistent with the estimate from the original cost study. Staff auditors obtained from the Utility a deed for the land and a written statement that there has been no change in land ownership since the last proceeding. Based on the auditor's findings, the cost assigned to land was \$2,733. Staff's balance reflects a reduction to land in the amount of \$1,017. Therefore, staff recommends that the Utility's land balance as of May 31, 2015, should be \$2,733.

⁴Order No. PSC-04-1120-PAA-WU, issued November 09, 2004, in Docket No. 040515-WU, *In re: Application for certificate to operate water utility in Orange and Lake Counties by Oak Springs, LLC.*

⁵Document No. 10078-04, filed on September 17, 2004, in Docket No. 040515-WU, *In re: Application for certificate to operate water utility in Orange and Lake Counties by Oak Springs, LLC.*

Accumulated Depreciation

The Utility's application reflected an accumulated depreciation balance of \$338,750. Based on staff's recommended UPIS balance discussed earlier, staff calculated the appropriate accumulated depreciation balance to be \$340,640. As a result, accumulated depreciation should be increased by \$1,890. Therefore, staff recommends that the Utility's accumulated depreciation balance as of May 31, 2015, should be \$340,640.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

Order No. PSC-04-1120-PAA-WU⁶ did not impute CIAC because Oak Springs, LLC did not sell lots; the lots are leased to homeowners. Audit staff verified that no CIAC has been collected since this order. Therefore, staff recommends that the Utility's CIAC and accumulated amortization of CIAC balances as of May 31, 2015, should be \$0.

Net Book Value

The Utility's application reflected a NBV of \$113,607. Based on the adjustments described above, staff recommends that the NBV is \$106,950. Staff's recommended NBV and the NARUC USOA balance for UPIS and accumulated depreciation, as of May 31, 2015, are shown on Schedule No. 2, Page 1 of 3.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. The Utility and its assets were purchased for \$110,000. As stated above, staff has determined the appropriate NBV total to be \$106,950. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. However, pursuant to Rule 25-30.0371(2), F.A.C., a positive acquisition adjustment shall not be included in rate base absent proof of extraordinary circumstances. In addition, the Buyer did not request a positive acquisition adjustment. As such, staff recommends that no positive acquisition adjustment be approved.

Conclusion

The NBV of Oak Springs's water system for transfer purposes is \$106,950 as of May 31, 2015. No acquisition adjustment should be included in rate base. To ensure that the Buyer adjusts its books in accordance with the Commission decision, it should notify the Commission, within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA accounts have been made to the Buyer's books and records. In an effort to assist the Buyer in its requirement, Schedule 2, Page 3 of 3, provides a breakdown by primary account for plant and accumulated depreciation that reflects the ending balances as of May 31, 2015. In the event the Buyer needs additional time to complete the adjustments, notice should be given to staff within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. The adjustments should be reflected in the Buyer's 2017 Annual Report when filed.

⁶Order No. PSC-04-1120-PAA-WU, issued November 09, 2004, in Docket No. 040515-WU, *In re: Application for certificate to operate water utility in Orange and Lake Counties by Oak Springs, LLC*.

Issue 3: Should this docket be closed?

Recommendation: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively after OSMHC has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of May 31, 2015. (Mapp)

Staff Analysis: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively after OSMHC has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of May 31, 2015.

Oak Springs, MHC
Water Territory Description
Orange & Lake Counties

PARCEL I: ORANGE COUNTY

That part of the Northeast $\frac{1}{4}$ of Section 5, Township 20 South, Range 28 East, Orange County, Florida, more particularly described as follows:

Commence at the Northeast corner of the Northeast $\frac{1}{4}$ of Section 5, Township 20 South, Range 28 East, Orange County, Florida; thence North $89^{\circ}42'51''$ West, along the North boundary of said Northeast $\frac{1}{4}$, a distance of 204.22 feet to the Point of Beginning; thence South $0^{\circ}17'09''$ West, 350.00 feet; thence North $89^{\circ}42'51''$ West, 350.00 feet from and parallel with said North boundary, a distance of 1082.18 feet to a point on the West boundary of Lot 2, and the East boundary of Lot 3, J.B. Babcock's Subdivision, as recorded in Plat Book "B", Page 27, Public Records of Orange County, Florida; thence North $6^{\circ}33'51''$ West, along said boundary, a distance of 135.97 feet; thence North $89^{\circ}42'51''$ West, 215.00 feet from and parallel with said North boundary a distance of 713.38 feet to a point on the East right of way line of State Road No. 435; thence North $0^{\circ}51'24''$ East, along said right of way line, 33.00 feet from and parallel with the centerline of said road, a distance of 215.01 feet to a point on the North boundary of said Northeast $\frac{1}{4}$; thence South $89^{\circ}42'51''$ East, along said North boundary, 1809.63 feet to the point of Beginning. All being in the Northeast $\frac{1}{4}$ of Section 5, Township 20 South, Range 28 East, Orange County, Florida.

PARCEL II: LAKE COUNTY

That part of the Southeast $\frac{1}{4}$ of Section 32, Township 19 South, Range 28 East, Lake County, Florida, more particularly described as follows:

Begin at the Southeast corner of the Southeast $\frac{1}{4}$ of Section 32, Township 19 South, Range 28 East, Lake County, Florida; thence North $89^{\circ}42'51''$ West, along the South boundary of said Southeast $\frac{1}{4}$, a distance of 2013.85 feet to a point on the East right of way line of State Road No. 435; thence North $0^{\circ}51'24''$ East, along said right of way line, 33.00 feet from and parallel with the centerline of said road, a distance of 648.73 feet to the point of curvature of a curve that is concave Westerly, having a radius of 851.51 feet; thence along the arc of said right of way line curve, 33.00 feet from and parallel with said centerline, a chord bearing and distance of North $13^{\circ}36'41''$ West, 425.49 feet to the point of tangency of said curve; thence North $28^{\circ}04'47''$ West, along said right of way line, 33.00 feet from and parallel with said centerline, a distance of 213.52 feet to the point of curvature of a curve that is concave Easterly, having a radius of 268.56 feet; thence along the arc of said curve, 33.00 feet from and parallel with said centerline, a chord bearing and distance of North $19^{\circ}09'24''$ West, 83.31 feet to a point on the North boundary of the South $\frac{1}{2}$ of said Southeast $\frac{1}{4}$; thence South $89^{\circ}46'22''$ East, along said North boundary 298.70 feet to a point on the Southeasterly right of way line of Tifton Street and the Northwesterly boundary of Block 131, Mt. Plymouth, Section "A", as recorded in Plat Book 8, Pages 85 through 85-D, Public Records of Lake County, Florida; thence North $36^{\circ}11'03''$ East,

along said right of way line and along said Westerly boundary, a distance of 113.68 feet to a point on a curve that is concave Northwesterly, having a radius of 1059.00 feet; thence along the arc of said curve along said right of way line, a chord bearing and distance of North 30°03'55" East, 157.64 feet, to a point on the Northwesterly boundary of Block 98, said Section "A"; thence North 26°28'40" East, along said right of way line and along said Northwesterly boundary, a distance of 165.71 feet to a point on a curve that is concave Southerly, having a radius of 42.70 feet; thence along the arc of said curve, along the Northerly boundary of said Block 98, a chord bearing and distance of North 72°53'40" East, 62.30 feet to a point on a curve that is concave Northerly, having a radius of 1621.00 feet; thence along the arc of said curve, along the Southerly right of way line of Selma Avenue as shown on said Section "A", and along the Northerly boundary of said Block 98 and continuation thereof, a chord bearing and distance of South 71°18'13" East, 611.36 feet to a point on the West boundary of Block 129, said Section "A"; thence North 0°20'54" West, along West boundary, and the East right of way line of St. Andrews Boulevard, as shown on said Section "A", a distance of 70.56 feet, to the most Northerly corner of said Block 129; thence South 38°15'27" East, along the Northeasterly boundary of said Block 129, and Southwesterly right of way of Selma Avenue, a distance of 355.01 feet to a point on the North boundary of said South ½; thence South 89°46'22" East, along said North boundary, 850.77 feet to the Northeast corner of said South ½; thence South 0°07'38" East, along the East boundary of said Southeast ¼, a distance of 3.43 feet to a point on the South boundary of Block 100, said Section "A"; thence North 89°42'04" West, along the South boundary of said Block 100, a distance of 265.20 feet to the Southwest corner of said Block; thence South 44°54'51" East, 376.44 feet to a point on said East boundary; thence South 0°07'38" East along said East boundary, 1061.85 feet to the Point of Beginning. All being in the Southeast ¼ of Section 32, Township 19 South, Range 28 East, Lake County, Florida.

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
Oak Springs MHC, LLC.
Pursuant to
Certificate Number 623-W**

To provide water service in Orange and Lake Counties in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-04-1120-PAA-WU	11/09/2004	040515-WU	Original Certificate
*	*	160075-WU	Transfer of Certificate

*** Order Numbers and dates to be provided at time of issuance**

**Oak Springs MHC, LLC
Monthly Water Rates⁷**

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$8.93
3/4"	\$13.40
1"	\$22.33
1 1/2"	\$44.65
2"	\$71.44
3"	\$142.88
4"	\$223.25
Charge per 1,000 gallons	\$2.47

Miscellaneous Service Charges

Initial Connection Charge	\$15.00
Normal Reconnection Charge	\$15.00
Violation Reconnection Charge	\$15.00
Premises Visit Charge (in lieu of disconnection)	\$10.00

Service Availability Charges

Main Extension Charge	
Residential – Per ERC ⁸	\$243.00
Meter Installation Charge	
5/8" x 3/4"	\$200.00

⁷Rates will be effective July 8, 2017, after the approved index is implemented.

⁸Equivalent residential connection

Oak Springs, LLC. Water System Schedule
Water System
Schedule of Net Book Value as of May 31, 2015

Description	Balance Per	Adjustments	Staff
	Utility		Recommendation
Utility Plant in Service	\$444,857	\$0	\$444,857
Land & Land Rights	3,750	(1,017)	2,733
Accumulated Depreciation	<u>(338,750)</u>	<u>(1,890)</u>	<u>(340,640)</u>
Total	<u>\$113,607</u>	<u>(\$2,907)</u>	<u>\$106,950</u>

Explanation of Staff's Recommended
Adjustments to Net Book Value as of May 31, 2015
Water System

Explanation	Amount
A. Land & Land Rights	
To reflect appropriate amount of land & land rights.	<u>(\$1,017)</u>
B. Accumulated Depreciation	
To reflect appropriate amount of accumulated depreciation.	<u>(\$1,890)</u>
Total Adjustments to Net Book Value as of May 31, 2015.	<u>(\$2,907)</u>

Oak Springs, LLC
Water System

Schedule of Staff Recommended Account Balances as of May 31, 2015

Account No.	Description	UPIS	Accumulated Depreciation
301	Organization	\$10,000	\$0
304	Structures & Improvements	1,198	(1,198)
307	Wells & Springs	88,110	(88,110)
309	Supply Mains	3,754	(3,754)
310	Power Generation Equipment	48,627	(26,055)
311	Pumping Equipment	36,900	(904)
320	Water Treatment Equipment	19,325	(19,325)
330	Distribution Reservoirs & Standpipes	61,889	(35,217)
331	Transmission & Distribution Lines	62,738	(59,718)
333	Services	32,810	(32,810)
334	Meters and Meter Installations	65,256	(59,718)
335	Hydrants	10,850	(10,431)
336	Backflow Prevention Devices	3,400	(3,400)
	Total	<u>\$444,857</u>	<u>(\$340,640)</u>

Item 12

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05622-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Matthews, Ellis)
Division of Accounting and Finance (Brown)
Division of Economics (Friedrich)
Office of the General Counsel (Murphy)

POE
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RE: Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

AGENDA: 07/13/17 – Regular Agenda – Proposed Agency Action – Except Issue Nos. 17, 18, and 19 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Polmann

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: 12/9/2017 (15-Month Statutory Deadline (SARC))

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Case Background

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. (Beaches or Utility) is a Class C wastewater-only utility operating in Gulf County, Florida. The Utility currently serves approximately 316 residential and 4 general service wastewater customers, and has 45 prepaid connections. Water service is provided by the City of Port St. Joe.

By Order No. 17638, issued June 2, 1987, the Commission granted Certificate No. 422-S to Gulf Aire Properties, Inc. d/b/a Gulf Aire Wastewater Treatment Plant (Gulf Aire) for its wastewater system.¹ The Commission amended the certificate by Order No. 19621, issued July 7, 1988, to include additional territory, and amended it a second time by Order No. 25275, issued October 30, 1991, to correct, add, and delete territory.² The Utility was transferred from Gulf Aire to Beaches by Order No. PSC-02-1299-PAA-SU, issued on September 23, 2002.³

The Utility's last rate case was a staff-assisted rate case (SARC) approved in 1987.⁴ The petition for a SARC in the instant case was filed on July 12, 2016. The test year selected was July 1, 2015, through June 30, 2016. According to the Beaches 2015 Annual Report, total gross revenues were \$130,792 and total operating expenses were \$137,247.

The customer meeting was held on March 9, 2017, in Port St. Joe, Florida, to receive customer questions and comments concerning the Utility's rate case and quality of service. The Commission has jurisdiction pursuant to Sections 367.081, 367.0812, 367.0814, and 367.091, Florida Statutes (F.S.).

¹Order No. 17638, issued June 2, 1987, in Docket No. 861336-SU, *In re: Application of Gulf Aire Properties, Inc. d/b/a Gulf Aire Wastewater treatment Plant for sewer certificate in Gulf County.*

²Order No. 19621, issued July 7, 1988, in Docket No. 880621-SU, *In re: Application of Gulf Aire Wastewater Treatment Plant for amendment of Certificate No. 422-S in Gulf County*; and Order No. 25275, issued October 30, 1991, in Docket No. 910660-SU, *In re: Application of Gulf Aire Wastewater Treatment Plant (Gulf Aire Properties, Inc.) for amendment of Certificate No. 422-S for addition and deletion of territory in Gulf County.*

³Order No. PSC-02-1299-PAA-SU, issued September 23, 2002, in Docket No. 011379-SU, *In re: Application for transfer of Certificate No. 422-S in Gulf County from Gulf Aire Properties d/b/a Gulf Aire Wastewater Treatment Plant to ESAD Enterprises, Inc. d/b/a Beaches Sewer System*

⁴Order No. 17812, issued July 7, 1987 in Docket No. 861569-SU, *In re: Application of Gulf Aire Properties, Inc. d/b/a Gulf Aire Wastewater Treatment Plant for staff assistance on an increase in sewer rates in Gulf County.*

Discussion of Issues

Issue 1: Is the quality of service provided by Beaches Sewer Systems, Inc. satisfactory?

Recommendation: Yes, the quality of service provided by Beaches Sewer Systems, Inc. should be considered satisfactory. (Matthews)

Staff Analysis: Pursuant to Section 367.0812, F.S., in water and wastewater rate cases, the Commission shall determine the overall quality of service provided by a utility. The determination is made from an evaluation of three separate components of the Utility operations. The components evaluated are (1) the quality of the utility's product; (2) the operational conditions of the utility's plant and facilities; and (3) the utility's attempt to address customer satisfaction. The Statute further states that outstanding citations, violations, and consent orders on file with the Florida Department of Environmental Protection (DEP) and the county health department over the preceding five-year period shall be considered. In addition, customer comments or complaints received by the Commission are also reviewed.

Quality of Utility's Product

Jurisdiction of Beaches' wastewater facilities is under the DEP. To evaluate Beaches' product quality, staff reviewed the Utility's compliance with DEP environmental requirements regarding effluent quality. All testing of effluent quality is currently within DEP standards.

Operating Condition of the Utility's Plant and Facilities

Beaches is a wastewater service only utility. The Utility's operation of its wastewater treatment system is subject to various environmental requirements such as permitting, testing, and discharge monitoring under the jurisdiction of the DEP. On August 29, 2016, the DEP conducted an inspection of the Beaches wastewater treatment plant (WWTP) and noted several areas of non-compliance. Specifically, the areas of concern were: (1) the clarifier effluent was turbid and had excessive solids; (2) the ponds had excessive vegetation; (3) several effluent quality tests exceeded permit limitations; and (4) the three percolation ponds were not being rotated properly. On October 13, 2016, the Utility timely responded with its explanation of remedial actions on all items, and the DEP closed the inspection with satisfactory results.

Staff conducted a site visit to inspect the facility on March 9, 2017. Several components of the system were noted by staff to be in disrepair, in need of replacement, or in need of additional equipment. These items are included in the list of pro forma projects discussed in Issue 16, to the extent they are justified by proper documentation.

The Utility's Attempt to Address Customer Satisfaction

The final component of the overall quality of service that must be assessed is the utility's attempt to address customer satisfaction. As part of staff's evaluation of customer satisfaction, staff held a customer meeting in Port St. Joe, Florida, on March 9, 2017, to receive customer comments concerning Beaches' quality of service. Only one customer attended the customer meeting, and the customer provided general comments regarding wastewater systems. The customer also expressed general concerns regarding the long-term sustainability of a small wastewater system such as Beaches. However, the customer did not express any complaints or dissatisfaction with the system or the customer service.

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Staff requested copies of any complaints filed with Beaches during the test year as well as the previous four years. None were received by the Utility. In addition, staff requested copies of all complaints filed with the DEP for the test year and four years prior; none were received. A review of the Commission's complaint tracking system revealed no complaints against the Utility in the five-year period from July 1, 2011, through June 30, 2016, and one customer complaint filed after the test year. The complaint expressed concerns regarding deteriorating infrastructure and safety, noting that children were observed at a lift station. The Utility's response noted that its lift stations and other facilities are locked to prevent access, and the Utility planned on posting no trespassing signs and discussing the matter with local law enforcement. During the processing of the rate case, one letter was received in which a customer expressed concern that the WWTP, which is located adjacent to the customer's back yard, was causing standing water to collect in the yard. Utility representatives went to the customer's home and demonstrated that the standing water was in fact not related to the WWTP.

Summary

The Utility's WWTP and related facilities are in compliance with all requirements of the DEP. Based on this fact and the discussion above, staff recommends that the quality of service provided by Beaches should be considered satisfactory.

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Issue 2: What are the used and useful percentages (U&U) of the Beaches Sewer Systems, Inc. wastewater treatment plant and wastewater collection system?

Recommendation: Beaches' WWTP should be considered 64.3 percent U&U. The wastewater collection system should be considered 90.5 percent U&U. There appears to be no excessive infiltration and inflow (I&I), therefore staff is not recommending an adjustment be made to operating expenses for chemicals and purchased power. (Matthews)

Staff Analysis: Beaches' WWTP is a single treatment plant permitted by the DEP at 70,000 gallons per day (gpd) annual average daily flow facility. The Utility reports having 52 manholes and three lift stations in its system. In addition the wastewater collection system consists of 16,033 linear feet of 8-inch gravity main and 1,650 linear feet of 6-inch gravity main.

Infiltration and Inflow (I&I)

Rule 25-30.432, Florida Administrative Code (F.A.C.), provides that in determining the amount of U&U plant, the Commission will consider I&I. Every wastewater collection system experiences I&I. Typically, infiltration is a result of groundwater entering the wastewater collection system through broken or defective pipes and joints. Inflow is the result of water entering the collection system through manholes or lift stations.

The maximum allowable amount for infiltration is 500 gpd per inch of pipe diameter per mile of pipe length. This amount is calculated from each of the two sizes of pipe in the Utility's wastewater collection system. Using the pipe lengths and diameters given above, the infiltration allowance is calculated to be 4,775,555 gallons per year.

In addition, 10 percent of the total gallons sold to customers is allowed for inflow. Water usage data was acquired from the City of Port St. Joe for the purpose of this calculation. Ten percent of the water sold is 1,251,702 gallons. Therefore, the total I&I allowance is 6,027,257 gallons per year.

Next, the amount of wastewater expected to be returned from the system is calculated. This figure is determined by summing 80 percent of water sold to residential users with 90 percent of water sold to non-residential users. Using the data from the City of Port St. Joe, the amount calculated for expected return is 10,013,614 gallons per year. In order to find the total amount of wastewater allowed, the I&I allowance and the expected return are summed, yielding 16,040,871 gallons per year. Finally, this total is compared to the total wastewater actually treated during the test year, which in this case is 14,384,700 gallons. The total wastewater treated does not exceed the total wastewater allowed. Therefore, there is no excessive I&I.

Used and Useful Percentages

Wastewater Treatment Plant

Pursuant to Rule 25-30.432, F.A.C., the U&U analysis for the Utility's WWTP is based on the customer demand compared with the permitted plant capacity, with consideration given for growth and I&I. The formula for calculating U&U for the WWTP is (average daily flow + growth – excessive I&I) / permitted plant capacity.

A linear regression analysis of the historical growth pattern yields a growth of 184 gpd. Based on the Utility's monthly operating reports the annual average daily flow is 44,829 gpd, and the permitted plant capacity is 70,000 gpd. There is no excessive I&I. Therefore, the WWTP is 64.3 percent U&U.

Wastewater Collection System

The U&U analysis for the water collection system is given by (test year connections + growth) / capacity of the system. There were 320 connections in the test year. However, the Utility also has 45 prepaid customers (customers which have paid for connecting to the system but have not yet done so). This brings the total customer count to 365. The growth is calculated to be 1.5 ERCs over the five-year statutory growth period. The system capacity is 405 ERCs. Therefore, the wastewater collection system is 90.5 percent U&U.

Summary

Beaches' WWTP should be considered 64.3 percent U&U. The wastewater collection system should be considered 90.5 percent U&U. There appears to be no excessive infiltration and inflow, therefore staff is not recommending an adjustment be made to operating expenses for chemicals and purchased power.

Issue 3: What is the appropriate average test year rate base for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate average test year wastewater rate base for Beaches is \$72,658. (Brown)

Staff Analysis: The appropriate components of the Utility's rate base include utility plant in service, land, Contributions-In-Aid-of-Construction (CIAC), accumulated depreciation, amortization of CIAC, and working capital. Rate base was last established as of December 1, 2000, in Docket No. 011379-SU.⁵ Staff selected the test year ended June 30, 2016, for the instant case. Commission audit staff determined that the Utility's books and records are not currently consistent with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA). A summary of each component of wastewater rate base and the recommended adjustments are discussed below.

Utility Plant in Service (UPIS)

The Utility recorded \$616,024 in UPIS. Audit staff reconciled the beginning balances from Order No. PSC-02-1299-PAA-SU to the general ledger, and determined that the Utility had not made prior ordered adjustments. Staff reduced UPIS by \$191,682 to address the prior Commission-ordered adjustments and removed \$83,849 for items that were unsupported by the Utility. The unsupported items included the removal of \$41,697 from Account 391 – Transportation Equipment for purchased vehicles.

The Utility subsequently provided staff with a mileage estimate related to its day-to-day operations.⁶ For purposes of this rate case, staff believes the estimate is sufficient to support the inclusion of a vehicle for the Utility's use as discussed below. As of April 14, 2017, the Utility owned the following vehicles: a 2010 Cadillac SRX, a 2014 Chevrolet Silverado 2500 HD LTZ Crew Cab, and a 2015 Chevrolet Silverado 1500 LT Crew Cab.⁷ The Cadillac was purchased prior to the test year, the 2015 Silverado was purchased during the test year (December 2015), and the 2014 Silverado was purchased after the test year (August 2016). Staff notes that the 2014 and 2015 Silverados were purchased at a time when the Utility asserts that it did not have the resources necessary to perform certain plant maintenance items. Additionally, the Utility represented to staff that the Cadillac was to be sold by June 2017.⁸ Even with the sale of this vehicle, staff questions the need for multiple Utility vehicles, especially when the President and Vice-President of the Utility, as well as the contract plant operator, are part-time employees. Staff believes that one vehicle is necessary for the Utility to operate effectively and should be included in plant. As such, staff believes the appropriate amount of Transportation Equipment is \$41,406, which represents the cost of the 2015 Silverado purchased during the test year.⁹

⁵Order No. PSC-02-1299-PAA-SU, issued September 23, 2002, in Docket No. 011379-SU, *In re: Application for transfer of Certificate No. 422-S in Gulf County from Gulf Aire Properties d/b/a Gulf Aire Wastewater Treatment Plant to ESAD Enterprises, Inc. d/b/a Beaches Sewer System*.

⁶Document No. 08522-16, filed October 28, 2016.

⁷Document No. 04224-17, filed April 14, 2017.

⁸Ibid.

⁹The \$41,406 was derived from information included in the December 29, 2015, purchase order and reflects the truck's retail price plus tax, title, and fees less any rebates and trade-in.

Corresponding adjustments to accumulated depreciation and depreciation expense are also necessary to appropriately reflect this UPIS addition. Additionally, while there appears to be outstanding loans on several of the Utility's vehicles, only one of the loans was included in the Utility's capital structure.¹⁰ Based on the discussion above, staff included the loan related to the 2015 Silverado in the Utility's capital structure. In Issue 6, staff recommends using the Utility's mileage estimate and the IRS standard mileage rate to develop an appropriate amount of transportation expense. This expense includes standard maintenance, repairs, taxes, gas, insurance, and registration fees.

Staff also increased UPIS by \$1,864 (net of retirements) for major repairs at the plant originally expensed to Account 775. The repairs being capitalized include a new pump, control panel, and a blower. The Utility originally booked these costs as expenses, but staff believes these items should be capitalized as they are non-recurring and extend the useful life of the plant. UPIS was also increased by \$2,934 for the purchase of a storage building located at the wastewater treatment plant. The Utility's additional plant items are shown in Table 3-1 below, as are staff's adjustments to UPIS, accumulated depreciation, and depreciation expense. There is also a corresponding increase to property taxes of \$67 for the additional plant. The adjustments to depreciation expense and property taxes are addressed in Issue 6, while accumulated depreciation is addressed later in this issue.

Table 3-1
Additional Plant Items

Description	UPIS	Accum. Depr.	Depr. Exp.
Reclassified from O&M Expense			
Repair Pump and Control Panel	\$4,840	(\$179)	\$179
Retirement	(3,630)	134	(134)
Replace Blower	2,617	(174)	174
Retirement	<u>(1,963)</u>	<u>131</u>	<u>(131)</u>
Total Reclassified	<u>\$1,864</u>	<u>(\$88)</u>	<u>\$88</u>
Plant Addition (After Test Year)			
Storage Building for WWTP	<u>\$2,934</u>	<u>(\$109)</u>	<u>\$109</u>
Total Plant Addition	<u>\$2,934</u>	<u>(\$109)</u>	<u>\$109</u>

Source: Utility responses to staff data requests.

Staff also increased UPIS by \$199 for a 2012 addition that was not booked, reclassified \$939 from Account 351 to Account 390 for the purchase of a copier, and made a \$21,735 averaging adjustment. Staff's net adjustments decrease UPIS by \$250,862. Therefore, staff recommends a UPIS balance of \$365,162.

¹⁰In Issue 4, staff removed this \$2,958 loan from the capital structure because the vehicle was sold.

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Land & Land Rights

The Utility recorded a test year land balance of \$14,364. Audit staff verified that the land is owned by the Utility and determined that the land where the lift station is located was purchased since Order No. PSC-02-1299-PAA-SU. As a result, staff added \$7,500 for the lift station land. Staff recommends a land and land rights balance of \$21,864.

Non-Used and Useful (non-U&U) Plant

The Utility did not record a test year non-U&U plant balance. As discussed in Issue 2, the WWTP should be considered 64.3 percent U&U. Beaches' wastewater collection systems were calculated as 90.5 percent U&U.

Application of the U&U percentage to the average plant balances and associated average accumulated depreciation balances results in a net decrease of \$3,007 for wastewater non-U&U components. Therefore, staff's recommended non-U&U plant balance is \$3,007.

Contributions In Aid of Construction (CIAC)

The Utility recorded CIAC balances of \$247,554. Commission audit staff found that a previous audit adjustment to increase CIAC by \$31,996 had not been made and identified a \$1,500 variance between the general ledger and staff audit calculations that increased CIAC. As such, staff recommends a CIAC balance of \$281,050.

Accumulated Depreciation

The Utility recorded \$509,117 in accumulated depreciation. Staff calculated accumulated depreciation using the prescribed rates set forth in Rule 25-30.140, F.A.C. Staff's calculation includes a previously ordered adjustment of \$66,607 that was not made by the Utility and the removal of \$135,915 for the reserve for transportation equipment cost. Staff also increased accumulated depreciation by the following amounts: \$88 for plant repairs reclassified from Account 775, \$109 to reflect an adjustment for additional plant (storage building), and \$6,901 to reflect an adjustment for the Utility's new vehicle. Finally, staff reduced accumulated depreciation by \$3,495 to reflect staff's averaging adjustment. As such, staff recommends an accumulated depreciation balance of \$310,199.

Accumulated Amortization of CIAC

Beaches recorded an amortization of CIAC balance of \$188,335. An adjustment has been made to reflect a previously ordered adjustment increasing accumulated amortization of CIAC by \$34,296. Staff calculated amortization of CIAC using composite depreciation rates, and recommends that it be increased by \$40,006. Staff recommends an accumulated amortization of CIAC balance of \$262,637.

Working Capital Allowance

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(2), F.A.C., staff used the one-eighth of the operation and maintenance (O&M) expense formula approach for calculating the working capital allowance. Applying this formula, staff recommends a working capital allowance of \$17,251 (based on O&M expense of \$138,009/8).

Rate Base Summary

Based on the foregoing, staff recommends that the appropriate average test year rate base for Beaches is \$72,658. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

Issue 4: What is the appropriate return on equity and overall rate of return for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate return on equity (ROE) is 11.16 percent with a range of 10.16 percent to 12.16 percent. The appropriate overall rate of return is 5.34 percent. (Brown)

Staff Analysis: According to the staff audit, the Utility's test year capital structure reflected negative common equity of \$55,737, long term debt of \$217,870, and customer deposits of \$2,166. Staff adjusted the negative equity amount to zero consistent with Commission practice and removed a \$2,958 loan for a vehicle that the Utility no longer owns. Staff also added the \$41,406 loan associated with the purchase of a new Utility vehicle in December 2015. After the test year and during the course of this staff-assisted rate case, the Utility also incurred several new obligations which are detailed below in Table 4-1.

**Table 4-1
New Loan Obligations**

Lender (Date of Loan)	Amount	Int. Rate
Centennial Bank (10/25/16)	\$10,412	7.50%
Frank J. Seifert (12/31/16)	\$13,000	5.00%
Gulf Coast Property Services (12/31/16)	\$20,000	5.00%
Donna M. Seifert (12/31/16)	\$28,400	5.00%

Source: Utility response to Staff Report, Document No. 02928-17.

The resulting long-term debt is \$266,730 (\$217,870 - \$2,958 + \$41,406 + \$10,412) and short-term debt is \$61,400 (\$13,000 + \$20,000 + \$28,400). The long-term debt balance is comprised of multiple notes at different rates, which equates to a weighted average cost rate of 5.43 percent, as detailed below in Table 4-2.

**Table 4-2
Long-Term Debt – Weighted Average**

Loan	Amount	% of Total	Int. Rate	Weighted Cost
Centennial Bank (Purchase of Utility)	\$214,912	80.57%	5.50%	4.43%
Ally Financial (New Vehicle – 12/29/15)	\$41,406	15.52%	4.56%	0.71%
Centennial Bank (10/25/16)	\$10,412	3.90%	7.50%	0.29%
Total	<u>\$266,730</u>	<u>100.00%</u>		<u>5.43%</u>

Source: Audit Report and Utility responses to staff data requests.

The weighted average cost rate for the short-term debt shown in Table 4-1 above, which is comprised of the three December 31, 2016 promissory notes, is 5.00 percent.

Staff also removed \$1,995 in customer deposits based on the Utility's assertion, and subsequent documentation, that no new deposits will be collected (unless the customers is renting their residence) and all deposits will be refunded for customers that have moved, or issued as a credit

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memo for current customer.¹¹ The Utility refunded or issued credit memos for customer deposits in December 2016.¹² The Utility's capital structure has been reconciled with staff's recommended rate base. The appropriate ROE for the Utility is 11.16 percent based on the Commission-approved leverage formula currently in effect.¹³ Staff recommends an ROE of 11.16 percent, with a range of 10.16 percent to 12.16 percent, and an overall rate of return of 5.34 percent. The ROE and overall rate of return are shown on Schedule No. 2.

¹¹Document No. 00581-17, filed January 18, 2017.

¹²Document No. 04224-17, filed April 14, 2017.

¹³Order No. PSC-16-0254-PAA-WS, issued June 29, 2016, in Docket No. 160006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081 (4)(j), F.S.*

Issue 5: What are the appropriate test year revenues for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate test year revenues for Beaches are \$131,256. (Friedrich)

Staff Analysis: Beaches recorded total test year revenues of \$131,149. The wastewater revenues included \$124,237 of service revenues, \$2,132 of miscellaneous revenues, and \$4,780 of guaranteed revenues. Based on staff's review of the Utility's billing determinants and the service rates that were in effect during the test year, staff determined test year service revenues should be \$124,324. This results in an increase of \$87 (\$124,324 - \$124,237) to service revenues. In addition, staff made adjustments to miscellaneous revenues. Staff determined miscellaneous revenues should be \$2,160. Staff's audit findings revealed that the Utility was charging a normal reconnection charge of \$14.64 when their approved tariff rate is \$15.00 for this charge. This results in an increase of \$28 (\$2,160 - \$2,132) to miscellaneous revenues. Staff also determined that guaranteed revenues should be \$4,772, resulting in a decrease of \$8 (\$4,780 - \$4,772) to Beaches recorded guaranteed revenues during the test year. Based on the above, the appropriate test year revenues for Beaches' wastewater system are \$131,256.

Issue 6: What is the appropriate amount of operating expense for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate amount of operating expense for Beaches is \$155,232. (Brown, Matthews)

Staff Analysis: Beaches recorded operating expense of \$146,044 for the test year ended June 30, 2016. The test year O&M expenses have been reviewed, including invoices, canceled checks, and other supporting documentation. Staff made several adjustments to the Utility's operating expenses as summarized below.

Salaries and Wages – Officers, Directors, and Majority Stockholders (703)

Beaches recorded salaries and wages – officers, directors, and majority stockholders expense of \$58,274. In response to staff's audit report, the Utility reflected salaries of \$32,400 for the President and \$19,800 for the Vice-President.¹⁴ The Utility also included \$3,993 for payroll taxes and a total of \$2,000 for director's fees. As such, total salaries and wages according to the Utility are \$58,193 (\$32,400 + \$19,800 + \$3,993 + \$2,000). The three-year average for salaries and wages is \$44,667 based on amounts reported in the Utility's 2013-2015 Annual Reports. Staff notes that the Vice-President's salary reflects an increase from January 1, 2016, through the end of the test year, June 30, 2016. Staff believes that to get an accurate picture of test year salaries, the increase to the Vice-President's salary should be applied to all 12 months. Since six months were already included in the Utility's calculation, an additional six months should be added. This results in a \$9,000 increase (\$1,500 x 6 months), bringing the Vice-President's salary to \$28,800, and total salaries to \$61,200. The Utility also made several additional changes to requested salaries after the test year as illustrated below in Table 6-1.

Table 6-1
Change in Salaries

Position	Utility TY	Staff TY	Utility 7/1/2016	Utility 1/1/2017
President	\$32,400	\$32,400	\$48,000	\$48,000
Vice-President	<u>19,800</u>	<u>28,800</u>	<u>36,000</u>	<u>30,000</u>
Total	<u>\$52,200</u>	<u>\$61,200</u>	<u>\$84,000</u>	<u>\$78,000</u>
Increase over staff's TY (%)			37.25%	27.45%

Source: Utility responses to Audit Report and staff data requests.

In support of its salary requests, the Utility argued that the increases approved by the board of directors are both fair and reasonable, and based on what the city and other utility companies in the area are paying.¹⁵ Staff notes that Beaches' board of directors is comprised of the President, the Vice-President, and their spouses. According to information provided by the Utility, the President works approximately 31.5 hours per week dealing with customer billing and mail. The

¹⁴Document No. 08522-16, filed October 28, 2016.

¹⁵The Utility used salary information from Lighthouse Utilities Company, Inc. (a large Class B water utility) and St. Joe Natural Gas Company, Inc., which are both regulated by the Commission, see Document Nos. 08522, filed October 28, 2016, 09065, filed November 30, 2016, and 02928, filed September 3, 2017.

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Vice-President works approximately 12.5 hours per week assisting the plant operator, monitoring the plant, and working with contractors.

Staff believes that the Utility's requested salaries, which represent a 27.45 percent increase over staff's test year salaries, are unreasonable and have not been fully supported. The Utility's primary reason for the increase in salaries is that they are low compared to other utilities in the area. While this does appear to be the case, the Utility is not comparing itself with similarly sized and staffed utilities, or utilities within the same industry. As such, staff does not believe the Utility's customers should be burdened with such an unwarranted increase absent additional justification.

Instead of accepting the Utility's requested salary levels, staff believes it is more appropriate to use its revised test year amount of \$61,200 for salaries. This amount reflects changes to salaries that the Utility instituted during the test year and appears reasonable given the fact that the Utility's last rate case was approved in July 1987.¹⁶ Moreover, according to the Utility the President and Vice-President are responsible for everything from taking out the trash to fixing a stopped up air line. As such, staff recommends salaries and wages of \$61,200.

Staff made no increase to the amount of officer's salaries and wages expense for directors' fees of \$2,000. The Utility's board of directors now consists of four directors who meet twice a year. Beaches' board of directors is currently comprised of the President, the Vice-President, and their spouses. Prior to March 1, 2016, the Utility had two board members that met twice a year and received \$1,000 each annually. Staff believes it is excessive to have four directors for a small wastewater utility that has no full-time employees. As such, staff recommends directors' fees for the President and Vice-President be held to \$1,000 each annually, for a total of \$2,000.

Staff first reduced salaries included in the Utility's general ledger by \$81 (\$58,274 - \$58,193) to reflect the difference between what was booked versus what was supported. Next, staff reduced salaries by \$3,993 to move payroll taxes to taxes other than income (TOTI). Then, staff increased salaries by \$9,000 to reflect the increase to salaries discussed above. Staff's net adjustment to salaries is an increase of \$4,926 (\$9,000 - \$3,993 - \$81). Staff also increased TOTI by \$842 to reflect the appropriate amount of payroll taxes. Therefore, staff recommends salaries and wages – officers, directors, and majority stockholders expense of \$63,200 (\$58,274 + \$4,926).

Sludge Removal Expense (711)

In the Staff Report, staff increased this account by \$650 to reflect actual supporting documentation and the belief that the Utility conducted sludge removal once every other year. The Utility subsequently stated that sludge removal will need to be done at least four times per year. Beaches produced invoices reflecting a total of \$1,950 for sludge removal that occurred during a nine month period between June 15, 2016, and March 1, 2017, and indicated to staff that this expense would be incurred again in May or June 2017. Based on support documentation, the average sludge removal expense would be \$650 per quarter, or \$2,600 (\$650 x 4) per year. Therefore, staff is recommending sludge removal expense of \$2,600.

¹⁶The Commission has not approved an index or pass-through increase for the Utility since September 1998.

Purchased Power (715)

The Utility recorded purchased power expense of \$8,335. Commission audit staff determined that the purchased power expense was understated. Therefore, staff increased this expense by \$260 to reflect the correct test year balances. Staff recommends purchased power expense of \$8,595.

Chemicals (718)

The Utility recorded chemicals expense of \$2,752. Beaches' actual test year chemicals expenses was \$2,752 therefore, no adjustments are necessary. Staff believes that the amount is appropriate and includes all required testing. Staff recommends chemicals expense for the test year of \$2,752.

Contractual Services – Billing (730)

The Utility recorded contractual services – billing expense of \$18,545. Audit staff decreased this account by \$18,545, reallocating \$5,000 to contractual services – accounting (732), \$1,545 to contractual services – testing (735), and \$12,000 to contractual services – other (736).

Contractual Services – Accounting (732)

Staff increased this account by \$5,000 to reflect the reclassification from Account 730. Staff reviewed support documentation which included two invoices for \$2,500 each, one in September 2015, and another in May 2016. Each invoice reflected the preparation of Beaches' corporate tax return. Because staff utilized a test year from July 1, 2015, through June 30, 2016, the cost associated with both returns was captured in the Utility's test year. While staff believes that the Utility should be able to recover the cost associated with the annual preparation of its corporate tax return, the allowed recovery should include the expense of one return per year, not two. Therefore, staff removed the \$2,500 duplicative cost associated with one of the returns and recommends accounting expense of \$2,500.

Contractual Services – Testing (735)

Staff increased this account by \$1,545 to reflect testing expense supported by actual documentation. This amount was reclassified from Account 730. Therefore, staff recommends testing expense of \$1,545.

Contractual Services - Other (736)

Staff increased this account by \$12,000 to reflect the appropriate amount of contractual services-other expense supported by documentation. This amount was reclassified from Account 730 and represents the contractual services for the operator of the wastewater plant at \$1,000 per month. In response to the Staff Report, the Utility included a revised contract for the plant operator which provides that as of July 15, 2017, the plant operator will be paid \$1,100 per month (\$13,200 per year).¹⁷ Staff believes that increase is reasonable. Since the change is known and measurable and scheduled to go into effect just a few days after the Commission's vote in this docket, staff believes the revised amount should be included in O&M expenses. Therefore, staff recommends contractor operator expense of \$13,200.

¹⁷Document No. 02928-17, dated March 3, 2017. The filing also included a detailed division of responsibilities and duties for the plant operator.

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The Utility also provided documentation showing costs related to Beaches' WWTP permit renewal with the DEP. According to support documentation, the Utility paid a total of \$2,000 for Engineering Solutions International to prepare and submit the permit renewal. This renewal takes place every five years. While the invoice was dated October 2014, which is outside the test year, staff believes the expense should be amortized and included here due to its recurring nature. As such, staff has included \$400 ($\$2,000 / 5 \text{ yrs.}$) for DEP permit renewal. Therefore, staff recommends contractual services - other expense of \$13,600 ($\$13,200 + \400).

Rent Expense (740)

The Utility recorded rent expense of \$7,200. The Utility provided a copy of its lease in response to Staff's First Data Request. The lease calls for \$600 a month in rent, which includes insurance, repairs, utilities, and all furniture, computers, software, etc. This amount has not changed since 2012, based on the Utility's 2012-2015 Annual Reports. As such, staff made no adjustments. Therefore, staff recommends rent expense of \$7,200.

Transportation Expense (750)

Beaches did not record transportation expense for the test year. As discussed in Insurance Expense (755) below, staff removed the entire amount related to vehicle insurance. However, staff believes that the Utility should be allowed to recover utility-related expenses associated with the vehicle added to UPIS in Issue 3. In its place, staff recommends using the Utility's mileage estimates and IRS standard mileage rates to develop an appropriate amount of transportation expense.¹⁸ Staff believes that the Utility's mileage estimate is reasonable based on normal operations. According to the IRS, the standard mileage rate for business includes the fixed and variable costs of operating a vehicle for business purposes. These costs would include standard maintenance, repairs, taxes, gas, insurance, and registration fees. As a result, staff increased transportation expense by \$10,178 ($19,025 \text{ miles} \times \$0.535/\text{per mile}$).

Insurance Expense (755)

The Utility recorded vehicle insurance expense of \$5,856 for the test year. The recorded expense provided insurance coverage for three Utility vehicles. As discussed in Issue 3, staff recommends that transportation equipment costs be adjusted to include one vehicle for Utility operations. As such, staff removed the entire amount related to vehicle insurance here, but believes it has provided an appropriate alternate amount as part of its calculation of Transportation Expense (750), above. According to the IRS, the standard mileage rate for business includes the fixed and variable costs of operating a vehicle for business purposes, including vehicle insurance. As such, staff believes that insurance is accurately reflected as part of Transportation Expense (750) and removed \$5,856 from insurance expense.

In response to the Staff Report, the Utility provided a copy of its commercial general liability policy renewal with a premium of \$2,335 per year.¹⁹ The premium associated with this general liability policy does not appear to have been previously included in the Utility's insurance expense. As such, staff believes that \$2,335 should be included in insurance expense. This

¹⁸The IRS standard mileage rate for business is 53.5 cents per mile for 2017.

¹⁹Document No. 02928-17, filed March 3, 2017.

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represents a net reduction of \$3,521 ($-\$5,856 + \$2,335$). Therefore, staff recommends insurance expense of \$2,335.

Regulatory Commission Expense (765)

The Utility did not record regulatory commission expense for the test year. The Utility is required by Rule 25-22.0407, F.A.C., to provide notices of the customer meeting and notices of final rates in this case to its customers. For noticing, staff estimated \$300 for postage expense, \$214 for printing expense, and \$31 for envelopes. This results in \$545 for the Phase I noticing requirement. Staff also estimated \$150 for postage expense, \$61 for printing expense, and \$15 for envelopes for the Phase II notice. This results in \$226 for the Phase II noticing requirement. The Utility also paid a \$1,000 rate case filing fee. In response to a staff data request, the Utility notified staff that it had spent \$319 to obtain water usage information from the municipal water system.²⁰ Staff believes that since the cost was incurred as a result of a staff request, the Utility should be allowed to recover it here. Based on the above, staff recommends total rate case expense of \$2,090 ($\$545 + \$226 + \$1,000 + \319), which amortized over four years is \$523. Therefore, staff recommends regulatory commission expense of \$523.

Bad Debt Expense (770)

Beaches recorded bad debt expense of \$2,971 for the test year. This amount reflects the actual bad debt expense per the Utility's records. Staff believes the Utility's recorded bad debt expense is reasonable and representative of the Utility's bad debt expense going forward. Staff made no adjustments to bad debt expense. Therefore, staff recommends bad debt expense of \$2,971.

Miscellaneous Expense (775)

The Utility recorded miscellaneous expense of \$27,928. Staff recommends the following adjustments to miscellaneous expense:

Table 6-2
Adjustments Made to Miscellaneous Expense

	Adjustment Description	Amount
1.	To reflect appropriate test year cell phone expense.	(\$136)
2.	To remove meals with association representative.	(98)
3.	To reflect appropriate test year postage expense.	41
4.	To remove plant items that were incorrectly expensed. (Issue 3)	(7,457)
5.	To remove duplicate phone bill.	(48)
6.	To remove water bill late fees.	(20)
7.	To remove gift card purchase.	(200)
	Total	<u>(\$7,918)</u>

Source: Utility records, Audit Response, responses to staff data requests, and Audit Control No. 16-222-1-1.

²⁰Document No. 00104-17, filed January 4, 2017.

During this docket, the Utility also requested the following pro forma expense items that were not included in the miscellaneous expense adjustments listed above:

Table 6-3
Pro Forma Expense Items

	Description	Amount
1.	Landscaping to address customer complaints regarding the plant and ponds.	\$2,500
2.	Clear the ponds of vegetation, add sand.	\$5,800
3.	Sand and grit removal from the wastewater treatment plant.	<u>\$19,010</u>
	Total	<u>\$27,310</u>

Source: Responses to staff data requests.

These items are addressed in additional detail as part of the Phase II discussion in Issue 16. As such, staff's total adjustments decrease this account by \$7,918. Therefore, staff recommends miscellaneous expense of \$20,010 (\$27,928 - \$7,918).

Operation and Maintenance Expenses Summary

Based on the above adjustments, staff recommends that the O&M expense balance is \$138,009. Staff's recommended adjustments to O&M expense are shown on Schedule Nos. 3-A through 3-C.

Depreciation Expense (Net of Amortization of CIAC)

The Utility's records reflect test year depreciation of \$7,306 and CIAC amortization of \$6,407, for a net depreciation expense of \$899 (\$7,306 - \$6,407). Audit staff recalculated depreciation expense using the prescribed rates set forth in Rule 25-30.140, F.A.C. Staff decreased depreciation expense by \$3,404 to reflect the appropriate depreciation expense. Staff included depreciation expense for the plant repair that is being capitalized as addressed in Issue 3; this adjustment results in an increase in depreciation expense of \$88. Staff also calculated depreciation expense of \$109 for the additional plant the Utility has requested and \$6,901 for the new Utility vehicle, also addressed in Issue 3. In addition, staff decreased depreciation expense by \$385 to reflect the non-U&U portion of the test year depreciation expense. This results in additional depreciation expense of \$10,615 (\$7,306 - \$3,404 + \$88 + \$109 + \$6,901 - \$385). Beaches recorded amortization of CIAC expense as \$6,407 during the test year. Audit staff also recalculated amortization of CIAC expense and increased this account by \$6,403 to reflect the appropriate amount of this expense during the test year. This results in CIAC amortization of \$12,810 (\$6,407 + \$6,403).

Staff's adjustments result in negative net depreciation expense of \$2,195 (\$10,615 - \$12,810). As in cases where negative rate base is adjusted to zero, the Commission has previously adjusted test year depreciation expense to zero.²¹ Therefore, staff increased wastewater depreciation

²¹See e.g; Order No. PSC-07-0865-PAA-SU, issued October 29, 2007, in Docket No. 060285-SU, *In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven*.

expense by \$2,195 to set the resulting negative net depreciation expense to zero. Therefore, staff recommends net depreciation expense of zero for wastewater.

Taxes Other Than Income (TOTI)

Beaches recorded taxes other than income (TOTI) of \$13,284 for the test year. Staff recommends the following adjustments to TOTI:

Table 6-4
Adjustments Made to TOTI

	Adjustment Description	Amount
1.	To reflect appropriate test year RAFs.	(\$100)
2.	To reflect appropriate test year property tax.	(2,242)
3.	To reflect actual test year filing fees.	(150)
4.	To reclassify payroll taxes from Acct. 703.	3,993
5.	To reflect additional payroll taxes from salary increase.	842
6.	To reflect property tax associated with plant reclassified from Acct. 775.	26
7.	To reflect property tax associated with pro forma plant.	41
	Total	<u>\$2,411</u>

Source: Utility records, Audit Response, responses to staff data requests, and Audit Control No. 16-222-1-1

Staff's total adjustment to test year TOTI is an increase of \$2,411.

In addition, as discussed in Issue 8, revenues have been increased by \$33,976 to reflect the change in revenue required to cover expenses and allow the recommended rate of return. As a result, TOTI should be increased by \$1,529 to reflect RAFs of 4.5 percent of the change in revenues. Therefore, staff recommends TOTI of \$17,223.

Operating Expenses Summary

The application of staff's recommended adjustments to Beaches' test year operating expenses results in operating expenses of \$155,232. Operating expenses are shown on Schedule Nos. 3-A. The related adjustments are shown on Schedule Nos. 3-B and 3-C.

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Issue 7: Should the Commission utilize the operating ratio methodology as an alternative method of calculating the wastewater revenue requirement for Beaches Sewer Systems, Inc., and, if so, what is the appropriate margin?

Recommendation: Yes. The Commission should utilize the operating ratio methodology for calculating the revenue requirement for Beaches. The margin should be 7.25 percent of O&M expense. (Brown)

Staff Analysis: Section 367.0814(9), F.S., provides that the Commission may, by rule, establish standards and procedures for setting rates and charges of small utilities using criteria other than those set forth in Sections 367.081(1), (2)(a), and (3), F.S. Rule 25-30.456, F.A.C., provides an alternative to a staff-assisted rate case as described in Rule 25-30.455, F.A.C. As an alternative, utilities with total gross annual operating revenue of less than \$275,000 per system may petition the Commission for staff assistance using alternative rate setting.

Beaches did not petition the Commission for alternative rate setting under the aforementioned rule, but staff believes the Commission should employ the operating ratio methodology to set rates in this case. The operating ratio methodology is an alternative to the traditional calculation of revenue requirements. Under this methodology, instead of applying a return on the Utility's rate base, the revenue requirement is based on Beaches' O&M expenses plus a margin. This methodology has been applied in cases in which the traditional calculation of the revenue requirement would not provide sufficient revenue to protect against potential variances in revenues and expenses.

By Order No. PSC-96-0357-FOF-WU,²² the Commission, for the first time, utilized the operating ratio methodology as an alternative means for setting rates. This order also established criteria to determine the use of the operating ratio methodology and a guideline margin of 10 percent of O&M expense. This criterion was applied again in Order No. PSC-97-0130-FOF-SU.²³ Recently, the Commission approved the operating ratio methodology for setting rates in Order No. PSC-17-0144-PAA-WU.²⁴

By Order No. PSC-96-0357-FOF-WU, the Commission established criteria to determine whether to utilize the operating ratio methodology for those utilities with low or non-existent rate base. The qualifying criteria established by Order No. PSC-96-0357-FOF-WU and how they apply to the Utility are discussed below:

²²Order No. PSC-96-0357-FOF-WU, issued March 13, 1996, in Docket No. 950641-WU, *In re: Application for staff-assisted rate case in Palm Beach County by Lake Osborne Utilities Company, Inc.*

²³Order No. PSC-97-0130-FOF-SU, issued February 10, 1997, in Docket No. 960561-SU, *In re: Application for staff-assisted rate case in Citrus County by Indian Springs Utilities, Inc.*

²⁴Order No. PSC-17-0144-PAA-WU, issued April 27, 2017, in Docket No. 160143-WU, *In re: Application for staff-assisted rate case in Hardee County by Charlie Creek Utilities, LLC.*

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- 1) Whether the Utility's O&M expense exceeds rate base. The operating ratio method substitutes O&M expense for rate base in calculating the amount of return. A utility generally would not benefit from the operating ratio method if rate base exceeds O&M expense. In the instant case, rate base is less than the level of O&M expense. The Utility's primary risk resides with covering its operating expense. Based on staff's recommendation, the adjusted wastewater rate base for the test year is \$72,658, while adjusted O&M expenses are \$138,009.
- 2) Whether the Utility is expected to become a Class B utility in the foreseeable future. Pursuant to Section 367.0814(9), F.S., the alternative form of regulation being considered in this case only applies to small utilities. Beaches is a Class C utility and the recommended revenue requirement of \$165,232 is below the threshold level for Class B status. The Utility's service area has not had any significant growth in the last five years. Therefore, it appears the Utility will not become a Class B utility in the foreseeable future.
- 3) Quality of service and condition of plant. As discussed in Issue 1, the quality of service should be considered satisfactory.
- 4) Whether the Utility is developer-owned. The current utility owner is not a developer.
- 5) Whether the Utility operates treatment facilities or is simply a distribution and/or collection system. The issue is whether or not purchased water and/or wastewater costs should be excluded in the computation of the operating margin. Beaches operates a wastewater treatment plant.

Based on staff's review of the Utility's situation relative to the above criteria, staff recommends that Beaches is a viable candidate for the operating ratio methodology.

By Order Nos. PSC-96-0357-FOF-WS and PSC-97-0130-FOF-WU, the Commission determined that a margin of 10 percent shall be used unless unique circumstances justify the use of a greater or lesser margin. The important question is not what the return percentage should be, but what level of operating margin will allow the Utility to provide safe and reliable service and remain a viable entity. The answer to this question requires a great deal of judgment based upon the particular circumstances of the Utility.

Several factors must be considered in determining the reasonableness of a margin. First, the margin must provide sufficient revenue for the Utility to cover its interest expense. Beaches interest expense is not a concern in this case.

Second, the operating ratio method recognizes that a major issue for small utilities is cash flow; therefore, the operating ratio method focuses more on cash flow than on investment. In the instant case, the Utility's primary risk resides with covering its operating expense. A traditional calculation of the revenue requirement may not provide sufficient revenue to protect against potential variances in revenues and expenses. Under the rate base methodology, the return to

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Beaches would be \$3,882. Staff does not believe this would provide the necessary financial cushion to successfully operate this Utility.

Third, if the return on rate base method was applied, a normal return would generate such a small level of revenue that in the event revenues or expenses vary from staff's estimates, Beaches could be left with insufficient funds to cover operating expenses. Therefore, the margin should provide adequate revenue to protect against potential variability in revenues and expenses. If the Utility's operating expenses increase or revenues decrease, Beaches may not have the funds required for day-to-day operations. Using a 10 percent margin in this docket produces an operating margin of \$13,801, which is above the suggested cap of \$10,000. As such, staff recommends a 7.25 percent margin in this case, resulting in a \$10,000 operating margin.

In conclusion, staff believes the above factors show that the Utility needs a higher margin of revenue over operating expenses than the traditional return on rate base method would allow. Therefore, in order to provide Beaches with adequate cash flow to provide some assurance of safe and reliable service, staff recommends application of the operating ratio methodology at a margin of 7.25 percent of O&M expense for determining the revenue requirements.

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$165,232 resulting in an annual increase of \$33,976 (25.89 percent). (Brown)

Staff Analysis: Beaches should be allowed an annual increase of \$33,976 (25.89 percent). This will allow the Utility the opportunity to recover its expenses as well as a 7.25 percent margin on O&M expenses for its water systems. The calculations are shown below in Table 8-1.

Table 8-1
Wastewater Revenue Requirement

Adjusted O&M Expense	\$138,009
Operating Margin (%)	<u>7.25%</u>
Operating Margin (\$10,000 Cap)	\$10,000
Adjusted O&M Expense	138,009
Depreciation Expense (Net)	0
Taxes Other Than Income	15,695
Test Year RAFs	<u>1,529</u>
Revenue Requirement	\$165,232
Less Adjusted Test Year Revenues	<u>131,256</u>
Annual Increase	<u>\$33,976</u>
Percent Increase	<u>25.89%</u>

Issue 9: What is the appropriate rate structure and rate for Beaches Sewer Systems, Inc.?

Recommendation: Staff recommends a monthly flat rate for residential and general wastewater service of \$40.26 per month as shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: Beaches is located in Gulf County and currently provides wastewater service to approximately 316 residential and 4 general service customers. The Utility's current rate structure for residential and general service customers consists of a monthly flat rate of \$32.20. The customers served by this Utility receive their water from the City of Port St. Joe. Staff asked the Utility for water data in order to evaluate the Utility's current rate structure and possible alternatives. The Utility provided one month of water data of its customers. However, the Utility expressed that there would be additional costs incurred for obtaining water usage data from the city to bill for wastewater. Therefore, staff does not believe it would be cost effective to bill based on the metered water usage and believes maintaining the Utility's current flat rate structure is appropriate. As a result, the recommended increase, excluding miscellaneous revenues, should be applied across the board to the existing monthly flat rate. The appropriate miscellaneous revenues to exclude should reflect the incremental increase in the Utility's miscellaneous service and late payment charges. Staff's calculation is shown below in Table 9-1.

Table 9-1
Percentage Service Rate Increase

1. Total Test Year Revenues	\$131,256
2. Less: Test Year Miscellaneous Revenues	<u>\$2,160</u>
3. Test Year Revenues from Service Rates	\$129,096
4. Revenue Increase	\$33,976
5. Less: Incremental Increase in Miscellaneous Revenues	<u>\$1,660</u>
6. Adjusted Revenue Increase	\$32,316
7. Percentage Service Rate Increase (Line 6/ Line 3)	25.03%

Based on the above, staff recommends a monthly flat rate for residential and general service wastewater customers of \$40.26 per month as shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 10: What are the appropriate miscellaneous service charges for Beaches Sewer Systems, Inc.?

Recommendation: The miscellaneous service charges identified in Table 10-4 are appropriate and should be approved. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved miscellaneous service charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: The Utility's current miscellaneous service charges are shown in Table 10-4. The Utility is requesting updated miscellaneous service charges to reflect current costs. Section 367.091, F.S., authorizes the Commission to change miscellaneous service charges. Staff's recommended miscellaneous service charges reflect the hourly salaries of the administrative and field employees and the average distance traveled by the field employee to administer miscellaneous services during normal and after hours. The after hours transportation cost is less than the cost during normal business hours because the residence of the field employee is closer to the Utility's service territory than the Utility's office. This is reflected in Tables 10-1, 10-2, and 10-3 in staff's transportation calculations. Staff's recommended miscellaneous service charges are rounded to the nearest ten cents and are summarized in Table 10-4.

Initial Connection Charge

The initial connection charge is levied for service initiation at a location where service did not exist previously. A Beaches' representative makes one round trip when performing the service of an initial connection. Based on labor and transportation to and from the customer's property, staff recommends initial connection charges of \$25.70 for normal hours and \$27.70 for after hours. Staff's calculation is shown below in Table 10-1.

Table 10-1
Initial Connection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor \$22.66/hr x 1/4hr	\$5.67	Administrative Labor \$22.66/hr x 1/4hr	\$5.67
Field Labor \$31.64/hr x 1/3hr	\$10.55	Field Labor \$47.46/hr x 1/3hr	\$15.82
Transportation \$0.535/mile x 17.6 miles-to/from	\$9.42	Transportation \$0.535/mile x 11.6 miles-to/from	\$6.21
Total	\$25.64	Total	\$27.70

Source: Utility's cost justification documentation.

Normal Reconnection Charge

A normal reconnection charge is levied for the transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer requested disconnection. A normal reconnection requires two trips which includes one to turn service off and the other to turn service on.

Based on labor and transportation to and from the customer's property or premises, staff recommends that the normal reconnection charge should be \$46.00 for normal hours and \$47.50 for after hours. Staff's calculations are shown below in Table 10-2.

Table 10-2
Normal Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor \$22.66/hr x 1/4hr x 2	\$11.33	Administrative Labor \$22.66/hr x 1/4hr x 2	\$11.33
Field Labor \$31.64/hr x 1/4hr x 2	\$15.82	Field Labor \$47.46/hr x 1/4hr x 2	\$23.73
Transportation \$0.535/mile x 17.6 miles-to/from x 2	\$18.83	Transportation \$0.535/mile x 11.6 miles-to/from x 2	\$12.41
Total	\$45.98	Total	\$47.47

Source: Utility's cost justification documentation

Violation Reconnection Charge

The violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause according to Rule 25-30.460(1)(c), F.A.C., including a delinquency in bill payment. Violation reconnection charges are at the tarified rate for water and actual cost for wastewater. Therefore, staff recommends this charge should remain at the Utility's actual cost to administer and process a violation reconnection.

Premises Visit Charge

The premises visit charge is levied when a service representative visits the premises at the customer's request for complaint resolution and the problem is found to be the customer's responsibility. In addition, the premises visit charge can be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. A premises visit requires one round trip.

Based on labor and transportation to and from the customer's premises, staff recommends premises visit charges of \$25.70 for normal hours and \$27.70 for after hours. Staff's calculations are shown in Table 10-3.

Table 10-3
Premises Visit Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Administrative Labor \$22.66/hr x 1/4hr	\$5.67	Administrative Labor \$22.66/hr x 1/4hr	\$5.67
Field Labor \$31.64/hr x 1/3 hr	\$10.55	Field Labor \$47.46/hr x 1/3 hr	\$15.82
Transportation \$0.535/mile x 17.6 miles-to/from	\$9.42	Transportation \$0.535/mile x 11.6 miles-to/from	\$6.21
Total	\$25.64	Total	\$27.70

Source: Utility's cost justification documentation.

The Utility's current and staff's recommended miscellaneous service charges are shown below in Table 10-4.

Table 10-4
Miscellaneous Service Charges

	Current	Staff Recommended	
	Normal and After Hours	During Hours	After Hours
Initial Connection Charge	\$15.00	\$25.70	\$27.70
Normal Reconnection Charge	\$15.00	\$46.00	\$47.50
Violation Reconnection Charge	Actual Cost	Actual Cost	
Premises Visit Charge	\$10.00	\$25.70	\$27.70

Conclusion

Based on the above, the recommended miscellaneous service charges identified in Table 10-4 are appropriate and should be approved. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved miscellaneous service charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

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Issue 11: Should Beaches Sewer Systems, Inc. be authorized to collect Non-Sufficient Funds Charges (NSF)?

Recommendation: Yes. Beaches should be authorized to collect NSF charges. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: Section 367.091, F.S., authorizes the Commission to approve NSF charges. Staff believes that Beaches should be authorized to collect NSF charges consistent with Section 68.065, F.S., which allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

- 1) \$25, if the face value does not exceed \$50.
- 2) \$30, if the face value exceeds \$50 but does not exceed \$300.
- 3) \$40, if the face value exceeds \$300.
- 4) or five percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with prior Commission decisions.²⁵ Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the return of the NSF checks to be spread across the general body of ratepayers. As such, Beaches should be authorized to collect NSF charges. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

²⁵Order Nos. PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 140030-SU, *In re: Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc.*; and PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 130025-WU, *In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.*

Issue 12: What is the appropriate late payment charge to be implemented by Beaches Sewer Systems, Inc.?

Recommendation: The appropriate late payment charge to be implemented by Beaches should be \$5.43. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved late payment charge. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: The Utility requested a \$5.41 late payment charge to recover the cost of supplies and labor associated with processing late payment notices. The Utility's request for a late payment charge was accompanied by its reason for requesting the charge, as well as the cost justification required by Section 367.091, F.S. Beaches' labor cost of \$4.83 accounts for the office personnel time to review and process a delinquent account. The provided justification by Beaches also included costs for supplies and postage for printing and sending out late payment notices. The Utility requested recovery of \$0.47 for postage, but staff recommends the Utility recover the full cost of a postage stamp, which is \$0.49. The cost basis for the late payment charge is shown below in Table 12-1.

Table 12-1
Late Payment Charge Cost Justification

Activity	Cost
Labor	\$4.83
Supplies	0.11
Postage	0.49
Total Cost	<u>\$5.43</u>

Source: Utility's cost justification documentation.

Since the 1990s, the Commission has approved late payment charges ranging from \$2.00 to \$7.15.²⁶ The purpose of this charge is to provide an incentive for customers to make timely payments and to place the cost burden of processing delinquent accounts solely upon those who are cost causers.

Based on the above, the appropriate late payment charge to be implemented by Beaches should be \$5.43. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved late payment charge. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

²⁶Order Nos. PSC-17-0092-PAA-WU, in Docket No. 160144-WU, dated March 13, 2017, *In Re: Application for transfer of Certificate No. 288-W in Pasco County from Orangeland Water Supply to Orange Land Utilities, LLC*; PSC-17-0091-FOF-SU, in Docket No. 150071-SU, dated March 13, 2017, *In Re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.*

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Issue 13: Should Beaches Sewer System's existing service availability charges be revised, and if so, what are the appropriate charges?

Recommendation: Yes. Beaches' existing wastewater service availability charges should be revised in part. A main extension charge of \$373 per ERC should be approved. The recommended service availability charge should be based on an estimated 240 gallons per day of treated wastewater. The Utility's existing customer connection and plant capacity charges should be continued. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present. The approved charges should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: Beaches' current service availability charges, which were approved in 1988, include a customer connection charge of \$100, a main extension charge of \$100, and a plant capacity charge of \$300. If a customer connects in an area where the line was constructed by the developer and donated to the Utility, the customer is not required to pay the main extension charge.

Rule 25-30.580, F.A.C., establishes guidelines for designing a Utility's service availability charges. Pursuant to the rule, the maximum amount of contributions-in-aid-of construction (CIAC), net of amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their designed capacity. The minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the sewage collection systems.

A customer connection charge is designed to recover the cost of installing a connection from the Utility's wastewater line to a customer's property. Staff recommends no change to the Utility's existing customer connection charge.

However, staff believes the Utility's existing main extension charge should be revised to reflect the average historical cost of the existing sewage collection system. The cost of the sewage collection system is \$151,242 and the lines have a design capacity of 405 ERCs. Therefore, staff recommends a main extension charge of \$373. This charge is consistent with the guidelines in Rule 25-30.580, F.A.C., which provide that, at a minimum, the cost of the Utility's lines should be contributed.

As previously discussed, the Utility receives guaranteed revenues from approximately 45 property owners. Consistent with prior Commission decisions, a developer or property owner who pays guaranteed revenues is not required to pay additional service availability charges if there is an increase prior to the date of connection.²⁷ Therefore, upon connection, those property owners who have paid guaranteed revenues will not be required to pay the incremental increase in the main extension charge.

²⁷Order No. 16625, in Docket No. 861171-WS, dated September 23, 1986, *In Re: Petition of Edward L. Keohane for Declaratory Statement*

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The Utility's current contribution level is approximately 24 percent and Beaches is approximately 90 percent built out. Staff does not recommend any change to the Utility's existing plant capacity charge because the current charge reflects the average cost per ERC of the Utility's treatment facilities. Although these charges are unlikely to result in a significant increase in the Utility's overall contribution level, staff does not recommend requiring future connections to pay more than their fair share of the cost of the Utility's investment in its treatment facilities. The Utility's existing and staff's recommended service availability charges are shown below in Table 13-1.

Table 13-1
Service Availability Charges

Charge Type	Current	Staff Recommended
Customer Connection (Tap-in) Charge	\$100.00	\$100.00
Main Extension Charge	\$100.00	\$373.00
Plant Capacity Charge	\$300.00	\$300.00

Based on the above, Beaches' existing wastewater service availability charges should be revised in part. A main extension charge of \$373 per ERC should be approved. The recommended service availability charge should be based on an estimated 240 gallons per day of treated wastewater. The Utility's existing customer connection and plant capacity charges should be continued. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present. The approved charges should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 14: Should Beaches Sewer System's guaranteed revenue charge be revised?

Recommendation: Yes. Beaches' guaranteed revenue charge should be revised. Staff's recommended guaranteed revenue charge is \$11.03 per ERC. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present, as well as all property owners currently paying the guaranteed revenue charge. The approved charge should be effective on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice. (Friedrich)

Staff Analysis: Beaches' current guaranteed revenue charge of \$8.82 per ERC was approved in 1988.²⁸ Pursuant to Rule 25-30.515(9), F.A.C., the guaranteed revenue charge is designed to cover the Utility's costs including, but not limited to the cost of operation, maintenance, depreciation, and any taxes, and to provide reasonable return to the Utility for facilities, a portion of which may not be used and useful to the Utility of existing customers. This charge is designed to help the Utility recover a portion of its cost from the time capacity is reserved until a customer begins to pay monthly service charges. In addition, the Utility should only begin to collect the guaranteed revenue charge upon the payment of the applicable service availability charges. The Commission has found that a guaranteed revenue charge locks in the amount of service availability charges notwithstanding a Commission approved change in service availability charges prior to the time of connection.²⁹

In the past, the Commission has, on occasion, based guaranteed revenue charges on the Utility's approved base facility charge to reflect the fixed costs associated with the reserved capacity.³⁰ However, Beaches bills customers a monthly flat rate for wastewater service; therefore, staff believes it is appropriate to apply the recommended revenue increase of 25.03 percent, as calculated in Issue 9 across the board to the Utility's existing guaranteed revenue charge.

Based on the above, Beaches' guaranteed revenue charge should be revised. Staff's recommended guaranteed revenue charge is \$11.03 per ERC. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present, as well as all property owners currently paying the guaranteed revenue charge. The approved charge should be effective on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

²⁸Order No. 19435, in Docket No. 880596-SU, dated June 6, 1988, *In Re: Request for approval of a special service availability contract between Gulf Aire Properties, Inc. d/b/a Gulf Aire Wastewater Treatment Plant, and C.M. Parker and Cecil G. Costin, Jr. in Gulf County.*

²⁹Order No. 16625, in Docket No. 861171-WS, dated September 23, 1986, *In Re: Petition of Edward L. Keohane for Declaratory Statement.*

³⁰Order No. PSC-99-0513-FOF-WS, in Docket No. 980214-WS, dated March 12, 1999, *In Re: Application for rate increase in Duval, St. Johns and Nassau Counties by United Water Florida Inc.*

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Issue 15: Should the Utility be required to discontinue the collection of Allowance for Funds Prudently Invested (AFPI) for the collection system?

Recommendation: Yes. Staff recommends that the Utility should be required to discontinue the collection of AFPI charges for the collection system and the tariff for AFPI should be canceled. (Friedrich)

Staff Analysis: Pursuant to Rule 25-30.434, F.A.C., AFPI is a mechanism which allows a Utility the opportunity to earn a fair rate of return on prudently constructed plant held for future use from the future customers to be served by that plant in the form of a charge paid by those customers. Further, the Rule prescribes that the Utility can continue to collect AFPI until all projected ERCs included in the calculation of the charge have been added. Beaches' AFPI charges for the collection system were approved on December 26, 1989. The Utility was authorized to collect the charge from 185 additional ERCs.

At the time the charges were approved the Utility was serving approximately 120 customers. Currently, the Utility serves approximately 320 customers; therefore, it appears that the additional 185 ERCs have connected to the Utility. Based on the above, staff recommends that the Utility should be required to discontinue the collection of AFPI charges for the collection system and the tariff for AFPI should be canceled.

Issue 16: Should the Commission approve a Phase II increase for pro forma items for Beaches Sewer Systems, Inc.?

Recommendation: No. Staff believes that a final decision on the amount of the Phase II revenue requirement and rates should be made after the Utility has completed the Phase II pro forma projects and the costs have been evaluated. The Utility should complete the pro forma items within 12 months of the issuance of the consummating order. After this period, the Utility should be required to submit within 60 days a copy of the final invoices and cancelled checks for all Phase II pro forma plant and O&M items to staff. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission in writing. Once the required information has been submitted by the Utility and evaluated by staff, a recommendation regarding the appropriate amount of the Phase II revenue requirement and rates should be considered by the Commission. (Brown, Matthews)

Staff Analysis: The Utility requested recognition of several pro forma plant items in the instant case which totaled \$130,092. Staff identified three pro forma items, totaling \$27,390, which should be reclassified as pro forma expense. Staff's preliminary adjustments are reflected in Table 16-1. The remaining \$102,702 (\$130,092 - \$19,010 - \$5,880 - \$2,500) in pro forma plant items, and any preliminary staff adjustments to those items, are also reflected in Table 16-1 below. The Utility anticipates that all pro forma projects listed below will be completed no later than July 30, 2018.³¹

Table 16-1
Pro Forma Items

Description	Per Utility	Staff Recom.	Staff Adj.	Reason for Staff Adjustment
Pro Forma O&M				
Landscaping	\$2,500	\$0	(\$2,500)	No bid provided.
Clear Ponds of Vegetation	5,880	4,152	(1,728)	Reduced hourly rate included in bid.
Sand and Grit Removal	19,010	19,010	0	
Total Pro Forma O&M	<u>\$27,390</u>	<u>\$23,162</u>	<u>(\$4,228)</u>	
Pro Forma Plant				
Purchase of Portable Generator	\$31,560	\$23,756	(\$7,804)	Used lower of two provided bids.
Replace Lift Station Pump (Hwy 98)	12,200	12,200	0	
Replace Lift Station Pump (Americus)	14,000	14,000	0	
Replace Control Panel (Americus)	2,581	2,581	0	
Replace of Rail System (Americus)	6,500	0	(6,500)	Included in Americus pump bid.
Purchase of Second Blower	2,617	2,617	0	
Replace Piping at WWTP/Ponds	14,500	0	(14,500)	No bids provided.
Repair Fencing at WWTP	10,744	7,864	(2,880)	Reduced hourly rate included in bid.
Install Electrical Hookup for Generator	4,000	4,000	0	
Repair to Clarifier at WWTP	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>	No bid provided.
Total Pro Forma Plant	<u>\$102,702</u>	<u>\$67,018</u>	<u>(\$35,684)</u>	
Total	<u>\$130,092</u>	<u>\$90,180</u>	<u>(\$39,912)</u>	

Source: Utility responses to staff data requests.

³¹Document No. 04224-17, filed April 14, 2017.

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Staff requested the Utility provide several bids and/or quotes for each pro forma project on several occasions, yet was only provided with one bid for many of the projects. Staff notes that several of the bids date to late 2014 and early 2015, while several other much needed pro forma items have no bids. Beaches indicated that it had difficulty finding companies or persons to provide quotes and perform specific jobs. During the site visit, staff observed the condition of Beaches' plant and believes the majority of the pro forma projects are warranted.

Pro Forma Expense

Beaches requested three pro forma expense items, totaling \$27,390, which are summarized in the table above and discussed in additional detail below.

Landscaping

The Utility requested \$2,500 to install landscaping at the WWTP and lift stations. The Utility did not provide any bids describing the nature of the work to be performed, or a cost breakdown of materials and labor to justify the expense. Absent additional support documentation, staff removed the expense from Phase II consideration.

Pond Clearing

The Utility has also requested the inclusion of \$5,880 to clear the ponds of vegetation, add sand, and apply a growth inhibitor to prevent unwanted vegetation in the future. Staff notes that the Beaches' DEP permit requires the Utility to rotate ponds weekly. According to the Utility, that has become increasingly difficult due to the growth of vegetation and the deficient lines. As with the fencing bid included in pro forma plant below, staff takes issue with the hourly labor rate included in the Gulf Coast Property Services, LLC bid for the vegetation clearing. Staff notes the single bid for the project comes from the same company that provided the fencing bid. It also happens to be the same company that provides the Utility's grounds keeping services and is owned by the Utility's Vice-President. Staff believes the labor rate of \$65/hour is excessive given the type of work to be performed. While not directly analogous to the contractual relationships between Ni Florida and Utility Group of Florida, LLC (UGF), or several other utilities' relationship with U.S. Water Services Corporation (USWS), staff believes a similar situation exists here. Staff compared the labor rates charged under the UGF and USWS service agreements for general maintenance or labor to review the reasonableness of the rate included in the bid here. The rate was \$30 per hour for UGF and \$52 per hour for USWS, which result in an average hourly rate of \$41 per hour. As such, staff applied an average labor rate of \$41 per hour instead of \$65 per hour here and in the pro forma fencing project. This reduces the labor component of the bid from \$4,680 (72 hrs. x \$65/hr.) to \$2,952 (72 hrs. x \$41/hr.). All other portions of the bid appear reasonable. As such, staff recommends pro forma pond clearing expense of \$4,152 amortized over five years, or \$830 per year (\$4,152 / 5 years).

Sand and Grit Removal

In addition, the Utility requested \$19,010 for sand and grit removal from the wastewater treatment plant. According to the Utility, this has not been done since the current owner took over approximately 17 years ago. As a result, this has caused the Utility's air lines to become clogged. The Utility believes that once done, this project will not need to be done again for at least five more years. The Utility has estimated that one half of the project will be completed by August 30, 2017, and the other half by July 30, 2018. Staff believes that the project is necessary

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to avoid additional repairs at the plant. As such, staff recommends pro forma sand and grit removal expense of \$19,010 amortized over five years, or \$3,802 per year ($\$19,010 / 5$ years).

Accordingly, staff recommends preliminary pro forma O&M expense of \$23,162 ($\$4,152 + \$19,010$) amortized over five years, or \$4,632 per year ($\$830 + \$3,802$).

Pro Forma Plant

The Utility also requested \$102,702 in pro forma plant projects for consideration. Staff made several adjustments to the Utility's request as described below.

Generators

The Utility currently has no generators to provide power to the WWTP or lift station pumps in the event of a power outage. Due to the high cost of this type of equipment, staff recommends that a single generator which can be moved to the particular location is required by Beaches. Staff utilized the lowest bid provided by the Utility for the cost of the portable generator.

Lift Station Pumps

The pumps at lift stations Americus and Highway 98 are in need of replacement due to their excessive age and poor condition. The cost for the pumps were obtained from bids provided by Beaches. In addition, staff determined during its site visit that the control panel and rail system at the Americus lift station need replacement. The rail system used for servicing the pump has completely rusted away and the control panel is in poor condition. The Utility provided a bid for replacing the pump at Americus which included the cost of installing a rail system, so staff did not include the separate cost of the rail system in the list of pro forma items.

Blower

The WWTP currently has a single blower in place; however, the DEP regulations require a backup blower in the event of a failure of the primary blower. The cost for the second blower was based on the invoice provided from the purchase of the primary blower.

Piping

Staff determined during its site visit that the WWTP piping is deteriorated and in need of replacement. The Utility also indicated that in order to operate the ponds per DEP requirements, piping needs to be lowered to facilitate flows to different ponds. However, after requesting bids in at least two data requests for the WWTP piping, the Utility provided none. No bids or formal estimates were received for the pond piping either. Therefore, the replacement of the piping was not included in the pro forma items.

Fencing

The fencing around the WWTP is in need of repair. Only one bid was provided by Beaches. The company providing the single bid is the same company that provided the bid for clearing the ponds of vegetation and is owned by the Utility's Vice-President. The recommended pro forma expense for cleaning the ponds is discussed earlier in this issue. As with the pond cleaning, the recommended amount for labor was adjusted from \$65 per hour to a more reasonable \$41 per hour.

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Electrical Equipment

The electrical equipment at the WWTP must be upgraded in order to connect the portable generator when required by a power outage. Staff recommends this pro forma item is necessary, and has based the cost on a bid provided by the Utility.

Clarifier

Although repairs to the clarifier at the WWTP are needed, Beaches did not provide any bid or formal estimate of the cost of the repairs. Without proper documentation, staff is unable to include in pro forma the requested amount for this work. Accordingly, staff recommends preliminary pro forma plant of \$67,018.

Conclusion

Although multiple bids were not provided, staff believes the supported pro forma items recommended above to be reasonable based on the analysis of each item. However, staff anticipates that the final costs associated with the Utility's pro forma expense and plant items will likely be higher than currently reflected due to the age of several of the bids.

As such, staff believes a Phase II revenue requirement associated with the pro forma expense and plant items is appropriate for a number of reasons. First, it assures that the pro forma items are completed prior to the Utility's recovery of the investment in rates. In addition, addressing the pro forma items in a single case saves additional rate case expense to the customers because the Utility would not need to file another rate case or limited proceeding to seek recovery for these items. The Commission has approved a phased-in approach in Docket Nos. 140177-WU, 140175-WU, 130265-WU, 110238-WU, and 110165-SU.³²

However, due to concerns with the age of some bids, staff is recommending that a final decision on the amount of the Phase II revenue requirement and rates should be made after the Utility has completed the Phase II pro forma O&M and plant items listed above and the costs have been evaluated by staff. The Utility should complete the pro forma items within 12 months of the issuance of the consummating order. After this period, the Utility should be required to submit within 60 days a copy of the final invoices and cancelled checks for all Phase II pro forma O&M and plant items. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission in writing. Once the required information has been submitted by the Utility and evaluated by staff, a recommendation regarding the appropriate amount of the Phase II revenue requirement and rates should be considered by the Commission.

³²Order Nos. PSC-15-0588-PAA-WU, issued December 29, 2015, in Docket No. 140177-WU, *In re: Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC*; PSC-15-0592-PAA-WU, issued December 30, 2015, in Docket No. 140175-WU, *In re: Application for staff-assisted rate case in Pasco County by Crestridge Utilities, LLC*; PSC-14-0626-PAA-WU, issued October 29, 2014, in Docket No. 130265-WU, *In re: Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.*; PSC-12-0533-PAA-WU, issued October 9, 2012, in Docket No. 110238-WU, *In re: Application for staff-assisted rate case in Polk County by Sunrise Utilities, LLC*; and PSC-12-0410-PAA-SU, issued August 13, 2012, in Docket No. 110165-WU, *In re: Application for staff-assisted rate case in Highlands County by Utility Corporation of Florida, Inc.*

Issue 17: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The wastewater rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period. The Utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If Beaches files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense. (Friedrich, Brown)

Staff Analysis: Beaches' wastewater rates should be reduced immediately following the expiration of the four-year rate case expense recovery period by the amount of the rate case expense previously included in the rates, pursuant to 367.081(8) F.S. The reduction will reflect the removal of revenues associated with the amortization of rate case expense and the gross-up for RAFs which is \$547 for wastewater. Using the Utility's current revenues, expenses, and customer base, the reduction in revenues will result in the rate decrease shown on Schedule No. 4.

Beaches should be required to file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The Utility also should be required to file a proposed customer notice setting forth the lower rates and the reason for the reduction. If the Utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

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Issue 18: Should the recommended rates be approved for Beaches Sewer Systems, Inc. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Beaches should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the Utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Brown)

Staff Analysis: This recommendation proposes an increase in wastewater rates. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, staff recommends that the recommended rates be approved as temporary rates. Beaches should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. The recommended rates collected by the Utility should be subject to the refund provisions discussed below.

Beaches should be authorized to collect the temporary rates upon staff's approval of an appropriate security for the potential refund and the proposed customer notice. Security should be in the form of a bond or letter of credit in the amount of \$22,787. Alternatively, the Utility could establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond as security, the bond should contain wording to the effect that it will be terminated only under the following conditions:

- 1) The Commission approves the rate increase; or,
- 2) If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit as a security, it should contain the following conditions:

- 1) The letter of credit is irrevocable for the period it is in effect, and,

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- 2) The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

- 1) The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement; and,
- 2) No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee;
- 3) The escrow account shall be an interest bearing account;
- 4) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers;
- 5) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility;
- 6) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times;
- 7) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt;
- 8) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments;
- 9) The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

Should the recommended rates be approved by the Commission on a temporary basis, Beaches should maintain a record of the amount of the security, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

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Issue 19: Should the Utility be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Beaches should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Brown)

Staff Analysis: The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Beaches should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

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Issue 20: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Also, the docket should remain open to allow staff to verify that the Phase II pro forma items have been completed, and the Phase II rates properly implemented. Once these actions are complete, this docket should be closed administratively. (Murphy)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and the Utility has provided staff with proof that the adjustments for all applicable NARUC USOA primary accounts have been made. Also, the docket should remain open to allow staff to verify that the Phase II pro forma items have been completed and the Phase II rates properly implemented. Once these actions are complete, this docket should be closed administratively.

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.		SCHEDULE NO. 1-A	
TEST YEAR ENDED 06/30/16		DOCKET NO. 160165-SU	
SCHEDULE OF WASTEWATER RATE BASE (PHASE I)			
DESCRIPTION	BALANCE PER UTILITY	STAFF ADJUSTMENTS TO UTIL. BAL.	BALANCE PER STAFF
UTILITY PLANT IN SERVICE	\$616,024	(\$250,862)	\$365,162
LAND & LAND RIGHTS	14,364	7,500	21,864
NON-USED AND USEFUL COMPONENTS	0	(3,007)	(3,007)
CIAC	(247,554)	(33,496)	(281,050)
ACCUMULATED DEPRECIATION	(509,117)	198,919	(310,199)
AMORTIZATION OF CIAC	188,335	74,302	262,637
WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>17,251</u>	<u>17,251</u>
WASTEWATER RATE BASE	<u>\$62,052</u>	<u>\$10,606</u>	<u>\$72,658</u>

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. TEST YEAR ENDED 06/30/16 ADJUSTMENTS TO RATE BASE (PHASE I)		SCHEDULE NO. 1-B DOCKET NO. 160165-SU
		<u>WASTEWATER</u>
<u>UTILITY PLANT IN SERVICE</u>		
1.	To reflect previously ordered Commission adjustment.	(\$191,682)
2.	To reflect removal of unsupported items.	(83,849)
3.	To reflect plant that was not booked.	199
4.	To reflect major plant repairs previously placed in Acct. 775.	1,864
5.	To reflect adjustment for additional plant.	2,934
6.	To reflect the purchase of Utility vehicle.	41,406
7.	To reflect an averaging adjustment.	<u>(21,735)</u>
	Total	<u>(\$250,862)</u>
<u>LAND & LAND RIGHTS</u>		
	To reflect the Utility's purchase of land.	<u>\$7,500</u>
<u>NON-USED AND USEFUL PLANT</u>		
1.	To reflect non-used and useful plant.	(\$69,232)
2.	To reflect non-used and useful accumulated depreciation.	<u>66,225</u>
	Total	<u>(\$3,007)</u>
<u>CIAC</u>		
1.	To reflect previously ordered Commission adjustment.	(\$31,996)
2.	To reflect appropriate CIAC.	<u>(1,500)</u>
	Total	<u>(\$33,496)</u>
<u>ACCUMULATED DEPRECIATION</u>		
1.	To reflect previously ordered Commission adjustment.	\$66,607
2.	To reflect removal of the reserve for transportation costs.	135,915
3.	To reflect major plant repairs previously placed in Acct. 775.	(88)
4.	To reflect adjustment for additional plant.	(109)
5.	To reflect the purchase of Utility vehicle.	(6,901)
6.	To reflect an averaging adjustment.	<u>3,495</u>
	Total	<u>\$198,919</u>
<u>AMORTIZATION OF CIAC</u>		
1.	To reflect previously ordered Commission adjustment.	\$34,296
2.	To reflect appropriate amortization of CIAC.	<u>40,006</u>
	Total	<u>\$74,302</u>
<u>WORKING CAPITAL ALLOWANCE</u>		
	To reflect 1/8 of test year O & M expenses.	<u>\$17,251</u>

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.
TEST YEAR ENDED 06/30/16
SCHEDULE OF CAPITAL STRUCTURE (PHASE I)

SCHEDULE NO. 2
DOCKET NO. 160165-SU

CAPITAL COMPONENT	PER UTILITY	SPECIFIC ADJUST-MENTS	BALANCE BEFORE PRO RATA ADJUSTMENTS	PRO RATA ADJUST-MENTS	BALANCE PER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
1. COMMON STOCK	(\$55,737)	\$55,737	\$0					
2. RETAINED EARNINGS	0	0	0					
3. PAID IN CAPITAL	0	0	0					
4. OTHER COMMON EQUITY	<u>0</u>	<u>0</u>	<u>0</u>					
TOTAL COMMON EQUITY	(\$55,737)	\$55,737	\$0	\$0	\$0	0.00%	11.16%	0.00%
5. LONG TERM DEBT	\$217,870	\$48,460	\$266,730	(\$207,806)	\$58,923	81.10%	5.43%	4.41%
6. SHORT-TERM DEBT	0	61,400	61,400	(47,836)	13,564	18.67%	5.00%	0.93%
7. PREFERRED STOCK	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	0.00%
TOTAL LONG TERM DEBT	\$217,870	\$110,260	\$328,130	(\$255,643)	\$72,487	99.76%		
8. CUSTOMER DEPOSITS	<u>\$2,166</u>	<u>(\$1,995)</u>	<u>\$171</u>	<u>\$0</u>	<u>\$171</u>	<u>0.24%</u>	2.00%	<u>0.01%</u>
9. TOTAL	<u>\$164,299</u>	<u>\$164,002</u>	<u>\$328,301</u>	<u>(\$255,643)</u>	<u>\$72,658</u>	<u>100.00%</u>		<u>5.34%</u>
RANGE OF REASONABLENESS						LOW	HIGH	
RETURN ON EQUITY						<u>10.16%</u>	<u>12.16%</u>	
OVERALL RATE OF RETURN						<u>5.34%</u>	<u>5.34%</u>	

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. TEST YEAR ENDED 06/30/16 SCHEDULE OF WASTEWATER OPERATING INCOME (PHASE I)						SCHEDULE NO. 3-A DOCKET NO. 160165-SU
	TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT	
1. OPERATING REVENUES	<u>\$131,149</u>	<u>\$107</u>	<u>\$131,256</u>	<u>\$33,976</u> 25.89%	<u>\$165,232</u>	
OPERATING EXPENSES:						
2. OPERATION & MAINTENANCE	\$131,861	\$6,148	\$138,009	\$0	\$138,009	
3. DEPRECIATION	7,306	5,504	12,810	0	12,810	
4. AMORTIZATION	(6,407)	(6,403)	(12,810)	0	(12,810)	
5. TAXES OTHER THAN INCOME	13,284	2,411	15,695	1,529	17,223	
6. INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
7. TOTAL OPERATING EXPENSES	<u>\$146,044</u>	<u>\$7,659</u>	<u>\$153,703</u>	<u>\$1,529</u>	<u>\$155,232</u>	
8. OPERATING INCOME/(LOSS)	<u>(\$14,895)</u>		<u>(\$22,407)</u>		<u>\$10,000</u>	
9. WASTEWATER O&M EXPENSE	<u>\$131,861</u>		<u>\$138,009</u>		<u>\$138,009</u>	
10. OPERATING RATIO					<u>7.25%</u>	

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. TEST YEAR ENDED 06/30/16 ADJUSTMENTS TO OPERATING INCOME (PHASE I)		SCHEDULE NO. 3-B DOCKET NO. 160165-SU Page 1 of 2
		<u>WASTEWATER</u>
OPERATING REVENUES		
1.	To reflect the appropriate test year revenues.	<u>\$107</u>
OPERATION AND MAINTENANCE EXPENSES		
2.	Salaries and Wages - Officers (703)	
	a. To reflect appropriate salaries and wages.	(\$81)
	b. To reclassify payroll taxes.	(3,993)
	c. To reflect pro forma salaries and wages.	<u>9,000</u>
	Subtotal	<u>\$4,926</u>
3.	Sludge Removal Expense (711) To reflect amortized portion of sludge hauling expense from test year.	<u>\$2,600</u>
4.	Purchased Power (715) To reflect appropriate purchased power incurred during test year.	<u>\$260</u>
5.	Contractual Services - Billing (730) To reclassify expenses to appropriate accounts.	<u>(\$18,545)</u>
6.	Contractual Services -Accounting (732)	
	a. To reflect contractual service expense reclassified from Acct. 730.	\$5,000
	b. To reflect appropriate contractual service expense.	<u>(2,500)</u>
	Subtotal	<u>\$2,500</u>
7.	Contractual Services - Testing (735) To reflect appropriate contractual service expense reclassified from Acct. 730.	<u>\$1,545</u>
8.	Contractual Services - Other (736)	
	a. To reflect contractual service expense reclassified from Acct. 730.	\$12,000
	b. To reflect increase in expense for contract operator.	1,200
	c. To reflect appropriate engineering expense for DEP permit renewal.	<u>400</u>
	Subtotal	<u>\$13,600</u>
9.	Transportation Expense (750) To reflect appropriate transportation expense.	<u>\$10,178</u>

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.		SCHEDULE NO. 3-B
TEST YEAR ENDED 06/30/16		DOCKET NO. 160165-SU
ADJUSTMENTS TO OPERATING INCOME (PHASE I)		Page 2 of 2
10. Insurance Expenses (755)		
a. To remove vehicle insurance expense.	(\$5,856)	
b. To reflect previously unrecorded general liability insurance expense.	<u>2,335</u>	
Subtotal	<u>(\$3,521)</u>	
11. Regulatory Commission Expense (765)		
To reflect 4-year amortization of rate case expense (\$2,090/4).	<u>\$523</u>	
12. Miscellaneous Expense (775)		
To reflect appropriate miscellaneous expense.	<u>(\$7,918)</u>	
TOTAL OPERATION & MAINTENANCE ADJUSTMENTS	<u>\$6,148</u>	
DEPRECIATION EXPENSE		
1. To reflect appropriate depreciation expense per staff audit.	(\$3,404)	
2. To reflect major plant repairs previously placed in Acct. 775.	88	
3. To reflect adjustment for additional plant.	109	
4. To reflect the purchase of Utility vehicle.	6,901	
5. To reflect non-used & useful depreciation expense.	(385)	
6. To set a resulting negative net depreciation expense to zero.	<u>2,195</u>	
Total	<u>\$5,504</u>	
AMORTIZATION		
To reflect appropriate amortization expense.	<u>(\$6,403)</u>	
TAXES OTHER THAN INCOME		
1. To reflect the appropriate test year RAFs.	(\$100)	
2. To reflect appropriate test year utility property taxes.	(2,242)	
3. To reflect appropriate state filing fees.	(150)	
4. To reflect appropriate payroll taxes.	3,993	
5. To reflect payroll taxes associated with salary increase.	842	
6. To reflect property tax adjustment for major plant repairs previously placed in Acct. 775.	26	
7. To reflect property tax adjustment for additional plant.	<u>41</u>	
Total	<u>\$2,411</u>	

ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.		SCHEDULE NO. 3-C	
TEST YEAR ENDED 06/30/16		DOCKET NO. 160165-SU	
ANALYSIS OF WASTEWATER OPERATION AND MAINTENANCE EXPENSE (PHASE I)			
	TOTAL PER UTILITY	STAFF ADJUST- MENT	TOTAL PER STAFF
(701) SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
(703) SALARIES AND WAGES - OFFICERS	58,274	4,926	63,200
(704) EMPLOYEE PENSIONS AND BENEFITS	0	0	0
(710) PURCHASED WASTEWATER	0	0	0
(711) SLUDGE REMOVAL EXPENSE	0	2,600	2,600
(715) PURCHASED POWER	8,335	260	8,595
(716) FUEL FOR POWER PRODUCTION	0	0	0
(718) CHEMICALS	2,752	0	2,752
(720) MATERIALS AND SUPPLIES	0	0	0
(730) CONTRACTUAL SERVICES - BILLING	18,545	(18,545)	0
(732) CONTRACTUAL SERVICES - ACCOUNTING	0	2,500	2,500
(735) CONTRACTUAL SERVICES - TESTING	0	1,545	1,545
(736) CONTRACTUAL SERVICES - OTHER	0	13,600	13,600
(740) RENTS	7,200	0	7,200
(750) TRANSPORTATION EXPENSE	0	10,178	10,178
(755) INSURANCE EXPENSE	5,856	(3,521)	2,335
(765) REGULATORY COMMISSION EXPENSE	0	523	523
(770) BAD DEBT EXPENSE	2,971	0	2,971
(775) MISCELLANEOUS EXPENSE	<u>27,928</u>	<u>(7,918)</u>	<u>20,010</u>
	<u>\$131,861</u>	<u>\$6,148</u>	<u>\$138,009</u>

TEST YEAR ENDED 06/30/16		SCHEDULE NO. 4	
MONTHLY WASTEWATER RATE		DOCKET NO. 160165-SU	
	UTILITY CURRENT RATE	STAFF RECOMMENDED PHASE I RATE	4 YEAR RATE REDUCTION
<u>Residential & General Service</u>			
Flat Rate	\$32.20	\$40.26	\$0.13

Item 13

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05606-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Ollila) *S.O. ESD*
Office of the General Counsel (DuVal) *WJSC*

RE: Docket No. 170069-EI – Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, LLC

AGENDA: 07/13/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/30/17 (8-Month Effective Date)

SPECIAL INSTRUCTIONS: None

RECEIVED-FPSC
2017 JUN 29 AM 9:50
COMMISSION
CLERK

Case Background

On March 30, 2017, Duke Energy Florida, LLC (Duke or Company) filed a petition for approval of revisions to its underground residential distribution (URD) tariffs. The URD tariffs apply to new residential subdivisions and represent the additional costs Duke incurs to provide underground distribution service in place of overhead service. The proposed (legislative version) URD tariffs are contained in Attachment A to the recommendation. Duke's current charges were approved in Order No. PSC-14-0396-TRF-EI (2014 Order).¹

¹ Order No. PSC-14-0396-TRF-EI, issued July 31, 2014, in Docket No. 140067-EI, *In re: Petition for approval of revised underground distribution tariffs, by Duke Energy Florida, Inc.*

Docket No. 170069-EI

Date: June 29, 2017

The Commission suspended Duke's proposed tariffs in Order No. PSC-17-0166-PCO-EI.² Duke responded to staff's first data request on May 16, 2017. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-17-0166-PCO-EI, issued May 11, 2017, in Docket No. 170069-EI, *In re: Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, Inc.*

Discussion of Issues

Issue 1: Should the Commission approve Duke's proposed URD tariffs and associated charges?

Recommendation: Yes, the Commission should approve Duke's proposed URD tariffs and associated charges as shown in Attachment A, effective July 13, 2017. (Ollila)

Staff Analysis: Rule 25-6.078, Florida Administrative Code (F.A.C.), defines investor-owned utilities' (IOU) responsibilities for filing updated URD tariffs. Duke has filed the instant petition pursuant to subsection (3) of the rule, which requires IOUs to file supporting data and analyses for URD tariffs at least once every three years.

The URD tariffs provide standard charges for underground service in new residential subdivisions and represent the additional costs, if any, the utility incurs to provide underground service in place of standard overhead service. The cost of standard overhead construction is recovered through base rates from all ratepayers. In lieu of overhead construction, customers have the option of requesting underground facilities. Any additional cost is paid by the customer as contribution-in-aid-of construction (CIAC). Typically, the URD customer is the developer of a subdivision.

Traditionally, three standard model subdivision designs have been the basis upon which each IOU submits URD tariff changes for Commission approval: low density, high density, and a high density subdivision where dwelling units take service at ganged meter pedestals (groups of meters at the same physical location). Examples of this last subdivision type include mobile home and recreational vehicle parks. While actual construction may differ from the model subdivisions, the model subdivisions are designed to reflect average overhead and underground subdivisions.

Table 1-1 shows the current and proposed URD differentials for the low density, high density, and ganged meter subdivisions. The charges shown are per-lot charges.

Table 1-1
Comparison of URD Differential per Lot

	Current Differential	Proposed Differential
Low Density	\$768	\$694 ³
High Density	\$459	\$403
Ganged Meter	\$211	\$158

Source: 2014 Order and 2017 Petition

As shown in Table 1-1, the proposed URD differentials show a decrease for all model subdivisions. The calculations of the proposed URD charges include updated labor and material costs, as well as updated operational costs.

³ \$694 is calculated as follows: \$408 (Table 1-2) + \$286 (Table 1-3) = \$694.

Updated Labor and Material Costs

The installation costs of both overhead and underground facilities include the labor and material costs to provide primary, secondary, and service distribution lines, as well as transformers. The cost to provide overhead service also includes poles. The cost to provide underground service includes the cost of trenching and backfilling. Duke reevaluated each subdivision design to determine if the designs still met current construction standards for the National Electric Safety Code (NESC) and Duke. According to Duke, all subdivision designs had minor modifications to meet NESC and Duke standards. Duke reported that it upgraded certain padmounted transformers in the underground designs, resulting in a minor increase in the differential cost.

Labor and material costs decreased from 2014 to 2017. Duke explained that material costs have fluctuated marginally, i.e., plus or minus five percent; thus, the decrease in labor cost is the primary driver in cost reduction. Overhead construction continues to be performed by Duke employees and underground construction continues to be performed by contractors. Labor rates for Duke employees have remained relatively flat; the decrease is due to a decrease in Duke's other (i.e., non-pension) post-employment benefit plan. Other post-employment benefits do not include pension, but may include healthcare or life insurance premiums. In response to staff's data request, Duke explained that its predecessor company's (Progress Energy Florida, Inc.) benefit plan was harmonized, i.e., blended, with Duke's plan, resulting in a plan amendment which reduced benefits for a four-year period beginning in the fourth quarter of 2014.

Contractor labor costs decreased due to the move from hourly pricing to unit-based pricing. Duke explained that hourly pricing compensates contractors for the duration to complete the work, including, for example, any unforeseen delays. Under unit-based pricing, contractors are compensated based on fixed prices for specific work; therefore, contractors absorb the cost of any unforeseen delays.

Loading factors decreased from 2014 to 2017. The Design and Project Management loading factor decreased from 17.90 to 13.90 percent of labor. The Management and Supervision loading factor decreased from 35.67 to 28.86 percent of labor. Both factors decreased because the investment in distribution costs increased at a greater rate than the actual management and supervision costs.

Table 1-2 below compares total 2014 and 2017 labor and material costs for the three subdivisions. As Table 1-2 shows, the total labor and material cost differentials decreased for all three model subdivisions because the cost of underground construction decreased at a greater rate than the cost of overhead construction.

Table 1-2
Labor and Material Costs per Lot

	2014 Costs	2017 Costs	Difference
Low Density			
Underground Labor/material Costs	\$1,654	\$1,477	(\$177)
Overhead Labor/material Costs	\$1,168	\$1,069	(\$99)
Per lot Differential	\$486	\$408	(\$78)
High Density			
Underground Labor/material Costs	\$1,309	\$1,181	(\$128)
Overhead Labor/material Costs	\$946	\$865	(\$81)
Per lot Differential	\$363	\$316	(\$47)
Ganged Meter			
Underground Labor/material Costs	\$753	\$686	(\$67)
Overhead Labor/material Costs	\$627	\$609	(\$18)
Per lot Differential	\$126	\$77	(\$49)

Source: 2014 Order and 2017 Petition

Updated Operational Costs

Rule 25-6.078(4), F.A.C., requires that the differences in net present value (NPV) of operational costs between overhead and underground systems, including average historical storm restoration costs over the life of the facilities, be included in the URD charge. The inclusion of the operational cost is intended to capture longer term costs and benefits of undergrounding.

Operational costs include operations and maintenance costs and capital costs and represent the cost differential between maintaining and operating an underground versus an overhead system over the life of the facilities. The inclusion of the storm restoration cost in the URD differential lowers the differential, since an underground distribution system generally incurs less damage than an overhead system as a result of a storm, and therefore, less restoration costs when compared to an overhead system. Duke's operational costs, last updated for the 2014 filing, represent a five-year average (2012 – 2016). The methodology used by Duke in this filing for calculating the NPV of operational costs was approved in Order No. PSC-12-0348-TRF-EI.⁴

Duke's NPV calculation used a 34-year life of the facilities and a 6.80 percent discount rate. Staff notes that operational costs may vary among IOUs as a result of differences in size of service territory, miles of coastline, regions subject to extreme winds, age of the distribution system, or construction standards.

Table 1-3 below compares the 2014 and 2017 NPV calculations of operational and storm restoration cost differentials between overhead and underground systems on a per lot basis. As Table 1-3 shows, there are minor differences in the differentials from 2014 to 2017.

⁴ Order No. PSC-12-0348-TRF-EI, issued July 5, 2012, in Docket No. 110293-EI, *In re: Petition for approval of revised underground residential distribution tariffs, by Progress Energy Florida, Inc.*

Table 1-3
NPV of Operational Costs Differential per Lot

	2014 Calculation	2017 Calculation	Difference
Low Density			
Underground NPV - Operational Costs	\$1,022	\$1,189	\$167
Overhead NPV - Operational Costs	\$741	\$903	\$162
Per lot Differential	\$282	\$286	\$4
High Density			
Underground NPV - Operational Costs	\$520	\$605	\$85
Overhead NPV - Operational Costs	\$424	\$517	\$93
Per lot Differential	\$96	\$87	(\$9)
Ganged Meter			
Underground NPV - Operational Costs	\$400	\$466	\$66
Overhead NPV - Operational Costs	\$315	\$385	\$70
Per lot Differential	\$85	\$81	(\$4)

Source: 2014 and 2017 Petitions

Other Proposed Tariff Changes

In addition to the proposed tariff changes discussed above, Duke proposed modifications to the charges and credits for feeder mains within the subdivision, customer-provided trenching and backfilling, new underground service laterals from overhead distribution systems, and for the conversion of existing service laterals from overhead to underground. Factors which contributed to the changes include the updated labor and material charges. In addition, Duke proposed a change in language in the construction contract's facility charge from cost-specific information to a description of the costs themselves.

Conclusion

Staff has reviewed Duke's proposed URD tariffs and associated charges, its accompanying work papers, and its responses to staff's data request. Staff believes the proposed URD tariffs and associated charges are reasonable. Staff recommends approval of Duke's proposed URD tariffs and associated charges as shown in Attachment A, effective July 13, 2017.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (DuVal)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



SECTION NO. IV
~~EIGHTEENTH~~ NINETEENTH, REVISED SHEET NO. 4.113
CANCELS ~~SEVENTEENTH~~ EIGHTEENTH, REVISED SHEET NO. 4.113

Page 4 of 7

(2) Contribution by Applicant:

(a) Schedule of Charges:

Company standard design underground residential distribution 120/240 volt single-phase service (see also Part 11.03(7)):

To subdivisions with a density of 1.0 or more but less than six (6) dwelling units per acre.....\$~~768~~604.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre.....\$~~460~~403.00 per dwelling unit

To subdivisions with a density of six (6) or more dwelling units per acre taking service at ganged meter pedestals.....\$~~244~~158.00 per dwelling unit

To multi-occupancy buildings.....See Part 11.06(2)

(b) The above costs are based upon arrangements that will permit serving the local underground distribution system within the subdivision from overhead feeder mains. If feeder mains within the subdivision are deemed necessary by the Company to provide and/or maintain adequate service and are required by the Applicant or a governmental agency to be installed underground, the Applicant shall pay the Company the average differential cost between such underground feeder mains within the subdivision and equivalent overhead feeder mains as follows:

Three-phase primary main or feeder charge per trench-foot within subdivision:

(U.G. - Underground, O.H. - Overhead)

#1/0 AWG U.G. vs. #1/0 AWG O.H.....\$~~240~~3.02per foot

500 MCM U.G. vs. 338 MCM O.H.....\$~~11.47~~54per foot

1000 MCM U.G. vs. 795 MCM O.H.....\$~~12.08~~55per foot

The above costs are based on underground feeder construction using the direct burial method. If conduit is required, the following additional charge(s) will apply:

2 inch conduit.....\$~~1.79~~2.06per foot

4 inch conduit.....\$~~5.25~~3.40per foot

6 inch conduit.....\$~~7.19~~5.06per foot

Cable pulling - single phase.....\$~~1.07~~1.76per foot

Cable pulling - 3 phase small wire.....\$~~1.07~~1.76per foot

Cable pulling - 3 phase feeder.....\$~~2.08~~2.63per foot

The above costs do not require the use of pad-mounted switchgear(s), terminal pole(s), pull boxes or feeder splices. If such facilities are required, a differential cost for same will be determined by the Company on an individual basis and added to charges determined above.

(c) Credits (not to exceed the "average differential costs" stated above) will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling for the use of the Company's facilities in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are:

Primary and/or Secondary Systems,
for each Foot of Trench.....\$~~3.88~~2.81

Service Laterals,
for each Foot of Trench.....\$~~3.88~~2.81

(Continued on Next Page)

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: ~~January 10, 2014~~



SECTION NO. IV
~~EIGHTEENTH~~ ~~SEVENTEENTH~~ REVISED SHEET NO. 4.114
CANCELS ~~SIXTEENTH~~ ~~SEVENTEENTH~~ REVISED SHEET NO. 4.114

Page 5 of 7

(3) Point of Delivery:

The point of delivery shall be determined by the Company and will be on the front half of the side of the building that is nearest the point at which the underground secondary electric supply is available to the property. The Company will not install a service on the opposite side of the building where the underground secondary electric supply is available to the property. The point of delivery will only be allowed on the rear of the building by special exception. The Applicant shall pay the estimated full cost of service lateral length required in excess of that which would have been needed to reach the Company's designated point of service.

(4) Location of Meter and Socket:

The Applicant shall install a meter socket at the point designated by the Company in accordance with the Company's specifications. Every effort shall be made to locate the meter socket in unobstructed areas in order that the meter can be read without going through fences, etc.

(5) Development of Subdivisions:

The above charges are based on reasonably full use of the land being developed. Where the Company is required to construct underground electric facilities through a section or sections of the subdivision or development where service will not be required for at least two (2) years, the Company may require a deposit from the Applicant before construction is commenced. This deposit, to guarantee performance, will be based on the estimated total cost of such facilities rather than the differential cost. The amount of the deposit, without interest, in excess of any charges for underground service will be returned to the Applicant on a prorata basis at quarterly intervals on the basis of installations to new customers. Any portion of such deposit remaining unrefunded, after five (5) years from the date the Company is first ready to render service from the extension, will be retained by the company.

(6) Relocation or Removal of Existing Facilities:

If the Company is required to relocate or remove existing overhead and/or underground distribution facilities in the implementation of these Rules, all costs thereof shall be borne exclusively by the Applicant. These costs shall include costs of relocation or removal, the in-place value (less salvage) of the facilities so removed, and any additional costs due to existing landscaping, pavement or unusual conditions.

(7) Other Provisions:

If soil compaction is required by the Applicant at locations where Company trenching is done, an additional charge may be added to the charges set forth in this tariff. The charge will be estimated based on the Applicant's compaction specifications.

11.04 UNDERGROUND SERVICE LATERALS FROM OVERHEAD ELECTRIC DISTRIBUTION SYSTEMS.

(1) New Underground Service Laterals:

When requested by the Applicant, the Company will install underground service laterals from overhead systems to newly constructed residential buildings containing less than five (5) separate dwelling units.

(2) Contribution by Applicant:

- (a) The Applicant shall pay the Company the following average differential cost between an overhead service and an underground service lateral:

For Service Lateral up to 80 feet \$ ~~465~~ 439.00

For each foot over 80 feet up to 300 feet \$ 0.0 per foot

Service laterals in excess of 300 feet shall be based on a specific cost estimate.

- (b) Credits will be allowed where, by mutual agreement, the Applicant provides trenching and backfilling in accordance with the Company specifications and for the use of the Company facilities, in lieu of a portion of the cash payment described above. These credits, based on the Company's design drawings, are as follows:

For each Foot of Trench \$ ~~2.88~~ 2.81

The provisions of Paragraphs 11.03(3) and 11.03(4) are also applicable.

(Continued on Next Page)

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy – FL
EFFECTIVE: ~~July 10, 2014~~



SECTION NO. IV
~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET NO. 4.115
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 4.115

Page 6 of 7

11.05 UNDERGROUND SERVICE LATERALS REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES:

Applicability:

When requested by the Applicant, the Company will install underground service laterals from existing overhead lines as replacements for existing overhead services to existing residential buildings containing less than five (5) separate dwelling units.

Rearrangement of Service Entrance:

The Applicant shall be responsible for any necessary rearranging of his existing electric service entrance facilities to accommodate the proposed underground service lateral in accordance with the Company's specifications.

Trenching:

The Applicant shall also provide, at no cost to the Company, a suitable trench and perform the backfilling and any landscaping, pavement, or other suitable repairs. If the Applicant requests the Company to supply the trench or remove any additional equipment other than the Service Lateral, the charge to the Applicant for this work shall be based on a specific cost estimate.

Contribution by Applicant:

The charge excluding trenching costs shall be as follows:

For Service Lateral \$807915.00 per service

11.06 UNDERGROUND DISTRIBUTION FACILITIES TO MULTIPLE-OCCUPANCY RESIDENTIAL BUILDINGS:

(1) Availability:

Underground electric distribution facilities may be installed within the tract of land upon which multiple-occupancy residential buildings containing five (5) or more separate dwelling units will be constructed.

(2) Contribution by Applicant:

There will be no contribution from the Applicant so long as the Company is free to construct the extension in the most economical manner, and reasonably full use is made of the tract of land upon which the multiple-occupancy buildings will be constructed. Other conditions will require a contribution from the Applicant.

(3) Responsibility of Applicant:

- (a) Furnish details and specifications of the proposed building or complex of buildings. The Company will use these in the design of the electric distribution facilities required to render service.
- (b) Where the Company determines that transformers are to be located inside the building, the Applicant shall provide:
 - i. The vault or vaults necessary for the transformers and the associated equipment, including the ventilation equipment.
 - ii. The necessary raceways or conduit for the Company's supply cables from the vault or vaults to a suitable point five (5) feet outside the building in accordance with the Company's plans and specifications.
 - iii. Conduits underneath all buildings when required for the Company's supply cables. Such conduits shall extend five (5) feet beyond the edge of the buildings for joining to the Company's facilities.
 - iv. The service entrance conductors and raceways from the Applicant's service equipment to the designated point of delivery within the vault.

(Continued on Next Page)

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy – FL
EFFECTIVE: July 10, 2014



SECTION NO. IV
~~SEVENTH, SIXTH~~ REVISED SHEET NO. 4.122
CANCELS ~~SIXTH, FIFTH~~ REVISED SHEET NO. 4.122

Page 3 of 6

12.05 CONSTRUCTION CONTRACT:

(1) GENERAL:

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

(2) FACILITY CHARGE:

Charge = Remaining net book value of existing overhead facilities to be removed;

plus, removal cost of existing overhead facilities;

minus, salvage value of existing overhead facilities;

plus, estimated construction cost of underground facilities including underground service laterals to residential customers meters or point of delivery for general service customers;

minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;

minus, qualifying binding cost estimate fee.

~~Plus/minus, \$247 per mile, (or \$0.05 per foot) of the existing overhead facilities. This represents the net present value of the lifecycle operational costs differential including storm restoration.~~

3) CONSTRUCTION BY APPLICANT:

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at his sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be additional to the original binding estimate.

(Continued on Next Page)

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy – FL

EFFECTIVE: ~~July 40, 2014~~

Item 14

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05607-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Rome, Draper) *CR*
Office of the General Counsel (Mapp) *EM*

RE: Docket No. 170073-EI – Petition for approval of revised underground residential distribution tariffs, by Tampa Electric Company.

AGENDA: 07/13/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/30/17 (8-Month Effective Date)

SPECIAL INSTRUCTIONS: None

RECEIVED-FPSC
JUN 29 AM 9:50
COMMISSION
CLERK

Case Background

On March 31, 2017, Tampa Electric Company (TECO or Company) filed a petition for approval of its revised underground residential distribution (URD) tariffs. The proposed tariffs and associated charges are shown in Attachment A. TECO's current charges were approved in Order No. PSC-15-0273A-TRF-EI.¹ The Commission suspended TECO's proposed tariffs in Order No. PSC-17-0176-PCO-EI.² On May 12 and June 1, 2017, TECO provided responses to staff's data requests. On June 15, 2017, TECO responded to a staff follow-up inquiry, which has been placed in the docket file. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

¹ Order No. PSC-15-0273A-TRF-EI, issued July 6, 2015, in Docket No. 150103-EI, *In re: Petition for approval of revised underground residential distribution tariff, by Tampa Electric Company.*

² Order No. PSC-17-0176-PCO-EI, issued May 16, 2017, in Docket No. 170073-EI, *In re: Petition for approval of revised underground residential distribution tariffs, by Tampa Electric Company.*

Discussion of Issues

Issue 1: Should the Commission approve TECO's proposed URD tariffs and associated charges?

Recommendation: Yes, the Commission should approve TECO's proposed URD tariffs and other associated charges as shown in Attachment A, effective July 13, 2017. (Draper, Rome)

Staff Analysis: Rule 25-6.078 Florida Administrative Code (F.A.C.), defines investor-owned utilities' (IOU) responsibilities for filing updated URD tariffs. TECO has filed the instant petition pursuant to subsection (3) of the rule, which requires IOUs to seek Commission approval of updated URD tariff charges if the utility's per-lot cost differentials between overhead and underground service based on current material and labor costs vary by more than 10 percent from the existing Commission-approved differentials. All IOUs are required to file supporting data and analyses for URD tariffs at least once every three years.

The URD tariffs provide standard charges for underground service in new residential subdivisions and represent the additional costs the utility incurs to provide underground service in place of overhead service. The cost of standard overhead construction is recovered through base rates from all ratepayers. In lieu of overhead construction, customers have the option of requesting underground facilities. Costs for underground construction have historically been higher than for standard overhead construction and the additional cost is paid by the customer as a contribution-in-aid-of-construction (CIAC). Typically, the URD customer is the developer of the subdivision.

TECO's URD charges are based on two standard model subdivisions: (1) a 210-lot low density (LD) subdivision, and (2) a 176-lot high density (HD) subdivision. While actual construction may differ from the model subdivisions, the model subdivisions are designed to reflect average overhead and underground subdivisions. TECO does not utilize a model HD subdivision where dwelling units take service at ganged meter pedestals (groups of meters at the same physical location).

In response to a staff data request, TECO stated that the designs used for the LD and HD underground subdivisions in this docket were the same as those used in the Company's 2015 docket. However, TECO identified two changes to the designs for the LD and HD overhead subdivisions: (a) substitution of 35-foot Class 4 wooden poles for 30-foot Class 6 wooden poles to meet wind-loading/clearance guidelines, and (b) addition of more lightning arrester stations to address a deficiency in the prior design. The impacts of these design changes are discussed later in this recommendation.

Table 1-1 presents a comparison between the currently approved and proposed URD differentials for the LD and HD subdivisions. The charges shown are per-lot charges.

Table 1-1
Comparison of URD Differential per Lot

	Current Differential	Proposed Differential
Low Density	\$373.86	\$247.69 ³
High Density	\$47.64	\$0.00

Source: Petition page 2; paragraphs 6 and 7

As shown in Table 1-1 above, the differentials per lot have decreased for both subdivisions. Two primary factors impacted the calculation of TECO's proposed URD charges and are discussed in greater detail below: (1) updated labor and material costs, and (2) calculation of operational costs.

Updated Labor and Material Costs

The installation costs of both underground and overhead facilities include the labor and material costs to provide primary, secondary, and service distribution lines as well as transformers. The costs of poles are specific to overhead service while the costs of trenching and backfilling are specific to underground service. TECO's current URD charges are based on 2015 labor and material costs, and the proposed charges are based on 2017 costs. Table 1-2 compares the per-lot 2015 and 2017 underground and overhead labor and material costs (rounded to whole dollars) for the two subdivisions.

Table 1-2
Labor and Material Costs per Lot

	2015 Costs	2017 Costs	Difference
Low Density			
Underground labor/material costs	\$2,127	\$2,156	\$29
Overhead labor/material costs	\$1,269	\$1,379	\$110
Per lot differential	\$858	\$777	(\$81)
High Density			
Underground labor/material costs	\$1,638	\$1,640	\$2
Overhead labor/material costs	\$979	\$1,001	\$22
Per lot differential	\$659	\$639	(\$20)

Source: Petition Exhibit pages LD 1 and HD 1

As indicated in Table 1-2 above, the total labor and material cost differentials decreased for both the LD and HD model subdivisions because the costs of overhead construction increased at a greater rate than the costs of underground construction. Documentation provided by TECO indicated that the two design changes noted earlier in this recommendation pertaining to the model subdivisions with overhead service affected the associated construction costs for overhead service.

³ \$248 (rounded) is calculated as follows: \$777 (Table 1-2) - \$529 (Table 1-3) = \$248.

The materials cost for overhead construction increased due to the substitution of more expensive 35-foot Class 4 wooden poles for 30-foot Class 6 wooden poles in order to meet wind-loading/clearance guidelines. Materials costs for overhead service also increased due to the addition of more lightning arrester stations to address a deficiency in the design used in the 2015 docket. The additional labor hours necessary to install the additional lightning arrester stations and the larger poles also increased the associated labor cost portion of overhead construction.

TECO provided other relevant documentation to show that the Company decreased its material handling factor from 23.38 percent to 15.31 percent. The recalculation of the factor to reflect current material handling practices had the effect of mitigating the increases to construction costs for both the LD and HD model subdivisions.

TECO also provided information to show that contractor overhead adder rates increased from 21.85 percent to 34.83 percent. TECO represented that the increase in adder rates was based on prior year actual costs associated with all projects using contract labor. Some of the more common activities typically performed by contractors include trenching, transformer pad site preparation, and splice box installation. These contractor services are performed in association with underground construction; therefore, the increase in contractor overhead adder rates had a greater effect on underground construction costs than on the construction costs for overhead service. However, increases in labor costs associated with underground construction were mitigated by decreases in material costs.

Updated Operational Costs

Rule 25-6.078(4), F.A.C., provides that the differences in Net Present Value (NPV) of operational costs between overhead and underground systems, including average historical storm restoration costs over the life of the facilities, be included in the URD charge. Operational costs include operations and maintenance (O&M) costs and capital costs. The inclusion of the operational costs is intended to capture longer term costs and benefits of undergrounding.

TECO used its actual historical O&M and capital expenses for the period 2014 through 2016 to calculate the operational cost difference for overhead and underground facilities. Table 1-3 below compares the 2015 and 2017 NPV calculations of operational cost differentials (rounded to whole dollars) between overhead and underground systems on a per-lot basis.

Table 1-3
NPV of Operational Costs Differential per Lot

	2015 Calculation	2017 Calculation	Difference
Low Density			
Underground NPV - Operational Costs	\$906	\$1,025	\$119
Overhead NPV - Operational Costs	\$1,390	\$1,554	\$164
Per lot Differential	(\$484)	(\$529)	(\$45)
High Density			
Underground NPV - Operational Costs	\$432	\$484	\$52
Overhead NPV - Operational Costs	\$1,044	\$1,157	\$113
Per lot Differential	(\$612)	(\$673)	(\$61)

Source: Petition Exhibit pages LD 1 and HD 1

Table 1-3 shows that the NPV of operational costs for overhead service is higher than the NPV for underground service. This reflects the inclusion of storm restoration costs in the NPV calculations; storm restoration costs are higher for overhead service than for underground service. This has the effect of reducing the differential in the per-lot calculations.

The methodology used by TECO in its 2015 filing for calculating the NPV of operational costs was approved in Order No. PSC-09-0784-TRF-EI.⁴ In response to a staff data request, TECO stated that it used the same approved methodology in the instant docket with the exception of the period over which storm restoration costs were averaged. The storm restoration costs in the current filing are based on the previous three-year average of hurricane recovery costs for the distribution system; the value used in the 2015 docket was based on the average of hurricane recovery costs for the period 2004 through 2008 inclusive (five years).

TECO represented that the use of the most recent three-year average is consistent with the methodology used in the NPV calculations for non-storm operating costs. The Company also asserted that the most recent three-year period is more representative of current and future costs of restoration and better reflects storm activity in TECO's service territory than the older data used in the Company's prior URD filing. Using the most recent three-year period had the effect of mitigating the increase in the NPV of operational costs associated with overhead construction.

TECO's NPV calculation used a 35-year life of the facilities and a 6.61 percent discount rate. Staff notes that operational costs may vary among IOUs as a result of differences in size of service territory, miles of coastline, regions subject to extreme winds, age of the distribution system, or construction standards.

Other Proposed Tariff Changes

In addition to the proposed tariff changes discussed above, TECO proposed to revise its non-refundable deposits for estimates of CIAC for conversion of existing overhead distribution facilities to underground facilities. To develop the proposed deposits, TECO adjusted its current deposit amounts by the Consumer Price Index (CPI) factors published by the United States Department of Labor Bureau of Labor Statistics in Table 24 of the CPI Detailed Report.

TECO also proposed modifications to the charges and credits for customers requesting new underground service laterals from overhead distribution systems, and for the conversion of existing service laterals from overhead to underground. Factors which contributed to the Company's requested modifications included the shift to using 35-foot poles for clearance reasons and the increases in contractor labor costs associated with conversions to underground service.

Conclusion

Documentation provided by TECO supports the Company's assertion that the per-lot cost differentials for the model LD and HD subdivisions have decreased. A significant factor contributing to the decrease in the differentials is that the costs of overhead construction increased at a greater rate than the costs of underground construction. The increases in the cost of

⁴ Order No. PSC-09-0784-TRF-EI, issued November 19, 2009, in Docket No. 090164-EI, *In re: Petition for approval of revised tariff sheets for underground residential distribution service, by Tampa Electric Company.*

overhead construction may be attributed in part to the Company's design changes to subdivisions with overhead service to better reflect actual construction practices.

Staff has reviewed TECO's proposed changes to its URD tariffs and associated charges, the accompanying work papers, and responses to staff's data requests. Staff believes TECO's proposed URD tariffs and other associated charges are reasonable; staff recommends approval of the tariffs shown in Attachment A, effective July 13, 2017.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Mapp)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



~~EIGHTH-NINTH~~ REVISED SHEET NO.
5.510
CANCELS ~~SEVENTH-EIGHTH~~
REVISED SHEET NO. 5.510

Continued from Sheet No. 5.500

3.6.5.1 Single Meter Commercial Service

Mobile Home Parks will be supplied single-meter commercial service only where park owner or operator supplies (furnishes) electrical service as a part of his rental and/or general service charge to tenants. Resale of electric energy through park owned meters will not be permitted (See 2.2.1)

3.6.5.2 Individual Company Metered Service

Mobile Home Parks will be supplied through company installed individual meters for individual tenants and other types of service required in park under the provisions required on 3.4.3 and 3.4.4 and the subparts appertaining thereto.

3.6.6 Miscellaneous Types of Electric Service

Certain other types of electric service are available from the company. Information on such services not specifically covered in this Tariff may be obtained at the nearest company office. Such special cases will be given individual consideration.

3.7 SCHEDULE OF STANDARD CHARGES AND NON-REFUNDABLE DEPOSITS FOR COST ESTIMATES FOR UNDERGROUND ELECTRIC DISTRIBUTION SYSTEMS

3.7.1 Standard Charges

The Standard Charges listed here are Contributions In Aid of Construction (CIAC) which are referenced by other sections of these rules and regulations.

3.7.1.1 Residential Subdivision

Low Density Subdivisions per service lateral or dwelling unit...	\$373.86 247.69
High Density Subdivisions per service lateral or dwelling unit...	\$47.64 0.00

3.7.1.2 New Single-phase UG Service Laterals from Overhead Distribution Systems

Fixed Charge for 2/0 service lateral	\$66.58 71.55
Fixed Charge for 4/0 service lateral	\$95.75 103.92
Per trench foot charge for 2/0 service lateral	\$9.94 11.06
Per trench foot charge for 4/0 service lateral	\$10.27 10.92
Credit for service pole if otherwise required for overhead service	\$534.28 612.53

Continued to Sheet No. 5.515

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 18, 2015~~



AN EMERA COMPANY



TAMPA ELECTRIC

~~FOURTEENTH~~ ~~FIFTEENTH~~ REVISED
SHEET NO. 5.515
CANCELS ~~THIRTEENTH~~
~~FOURTEENTH~~ REVISED SHEET NO.
5.515

Continued from Sheet No. 5.510

3.7.1.3 Single-phase UG Service Laterals Converted from Existing Overhead Service Drops

Removal charge for overhead service with no service pole	\$141.45 <u>112.75</u>
Removal charge for overhead service with a service pole	\$508.66 <u>550.19</u>
Fixed Charge for 2/0 service lateral	\$56.58 <u>71.55</u>
Fixed Charge for 4/0 service lateral	\$95.75 <u>103.92</u>
Per trench foot charge for 2/0 service lateral	\$9.94 <u>11.06</u>
Per trench foot charge for 4/0 service lateral	\$40.27 <u>10.92</u>
Credit for service pole if otherwise required for overhead service	\$534.28 <u>612.53</u>

Continued to Sheet No. 5.516

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 18, 2015~~



EIGHTH-NINTH REVISED SHEET NO. 5.516
CANCELS SEVENTH-EIGHTH REVISED SHEET NO. 5.516

Continued from Sheet No. 5.515

3.7.2 Non-refundable Deposits for Estimates of CIAC for Conversion of Existing Overhead Distribution Facilities to Underground Facilities

Qualified applicants can request, upon payment of a non-refundable deposit as listed below, the conversion of overhead distribution facilities to underground in accordance with these Rules and Regulations for conversion areas of not less than one (1) city block in length along both sides of the main distribution system, or in the absence of city blocks, not less than five (5) contiguous building lots along both sides of the main distribution system, or in the absence of both, not the less than 600 pole-feet of the main distribution system, including all customers served along both sides of the main distribution system, and so as to result in a decrease in the number of non-lighting poles in the system.

Requests for conversions, except for individual residential service covered under Section 3.4.3.3, will be accompanied by a non-refundable amount as follows:

Density Class	Deposit Amount
Urban Commercial or Residential.....	\$9,346 <u>\$9,626</u> per mile*
Rural Commercial or Residential.....	\$5,466 <u>\$5,630</u> per mile*
High or Low Density Subdivision.....	\$ <u>45-46</u> per lot

* As measured along the existing overhead primary and secondary distribution system.

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~June 18, 2015~~

Item 15

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05613-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Guffey, Draper, Rome)
Office of the General Counsel (DuVal, Crawford)

RE: Docket No. 160175-GU – Petition for review and determination on the project construction and gas transportation agreement between NUI Utilities, Inc. d/b/a City Gas Company of Florida and Florida Crystals Corporation, and approval of an interim service arrangement.

AGENDA: 07/13/17 – Regular Agenda – Decision Prior to Hearing – Parties May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brown

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

RECEIVED-FPSC
2017 JUN 29 AM 10:16
COMMISSION
CLERK

Case Background

On May 4, 2017, Florida City Gas (FCG, City Gas, or Company) and Florida Crystals Corporation (Florida Crystals or Crystals) filed a joint petition to approve the Amended and Restated Gas Transportation Agreement (Amended and Restated GTA). The proposed Amended and Restated GTA is a negotiated special contract between City Gas and Crystals that, with the Commission's approval, will resolve all issues in this docket. FCG is an investor-owned natural gas utility subject to the Commission's jurisdiction, pursuant to Section 366.02(1), Florida Statutes (F.S.). Florida Crystals is a national sugar manufacturer and a large commercial transportation customer of FCG.

This docket was initiated on July 22, 2016, by City Gas's Petition for Review and Determination on the "Project Construction and Gas Transportation Agreement (GTA) between NUI Utilities,

Inc. d/b/a City Gas Company of Florida and Florida Crystals Corporation dated April 24, 2001” and Approval of an Interim Service Arrangement. City Gas filed a subsequent Motion for Approval of a Temporary Interim Service Arrangement on August 31, 2016. Florida Crystals filed several preliminary, procedural motions including: a Motion to be Designated a Party or in the Alternative Motion to Intervene; a Motion to Dismiss City Gas’s Petition, along with a Request for Oral Argument; and a Response in Opposition to City Gas’s Motion for Approval of a Temporary Interim Service Arrangement, along with a Request for Oral Argument. On September 19, 2016, City Gas filed its Response in Opposition to Florida Crystals’ Motion to Dismiss Petition.

On October 18, 2016, staff issued a Notice of Apparent Violation to City Gas, which stated that the Utility appeared to be in violation of Rule 25-9.034, Florida Administrative Code (F.A.C.), for failing to submit its April 24, 2001 contract with Florida Crystals for the Commission’s approval prior to its execution. City Gas filed its Response to Notice of Apparent Violation on November 1, 2016, and Florida Crystals filed comments concerning City Gas’s Response to Notice of Apparent Violation on November 17, 2016. Subsequently, the parties submitted the Amended and Restated GTA for the Commission’s review and approval. Additionally, City Gas has represented to staff that the Company is not a party to any other contract that should have been submitted to the Commission for its approval prior to the contract’s execution. As such, staff is not pursuing a show cause action. However, if any such contracts are identified in the future, staff intends to bring a subsequent recommendation that show cause proceedings be initiated.

At the December 6, 2016 Agenda Conference, after considering the written and oral arguments provided by the parties, the Commission voted: (1) to deny Crystals’ Motion to Dismiss; (2) to set the matter for hearing; (3) to grant Crystals’ Motion to be Designated a Party or in the Alternative Motion to Intervene; (4) to deny City Gas’s August 31, 2016 Motion for Approval of a Temporary Interim Service Arrangement; and (5) that the Make-Up Period GTA rates will be in effect for a transition period beginning on December 6, 2016, subject to true-up, until a final Commission decision in this docket. That vote was codified in Order No. PSC-16-0581-PCO-GU.¹

On January 6, 2017, Florida Crystals filed its timely Unopposed Motion for Clarification of Order No. PSC-16-0581-PCO-GU, pursuant to Rules 25-22.0376 and 28-106.204, F.A.C. The Commission approved Crystal’s Motion for Clarification in Order No. PSC-17-0062-FOF-GU.

On January 24, 2017, the Commission issued an Order Establishing Procedure which established the guidelines and schedule for an administrative hearing as approved by the Commission at its December 6, 2016 Commission Conference. Accordingly, in compliance with Section 366.06(2), F.S., an administrative hearing was scheduled beginning on September 12, 2017, with additional dates of September 13-14, as needed.

¹ Order No. PSC-16-0581-PCO-GU, issued December 27, 2016, in Docket No. 160175-GU, *In re: Petition for review and determination on the project construction and gas transportation agreement between NUI Utilities, Inc. d/b/a City Gas Company of Florida and Florida Crystals Corporation, and approval of an interim service arrangement.*

On April 25, 2017, the joint petitioners provided staff a settlement agreement dated April 19, 2017. Additionally, on April 25, 2017, staff held a noticed meeting with the parties to discuss the progress of the negotiations between the two parties, the settlement agreement, a proposed amended and restated GTA, cost support overview, and a joint petition to be submitted for Commission review and consideration.

On May 3, 2017, City Gas and Crystals filed a joint motion to suspend the hearing schedule set forth in Order No. PSC-17-0033-PCO-GU, issued on January 24, 2017.

On May 4, 2017, the City Gas and Crystals submitted a joint petition seeking Commission approval of the Amended and Restated GTA in its entirety. The Amended and Restated GTA is attached as Exhibit A to the joint petition. In addition, the petitioners provided a copy of the Settlement Agreement for informational purposes (Exhibit B in the joint petition). The petitioners note that the parties are not seeking Commission approval of the Settlement Agreement. Confidential portions of the filing were submitted separately on May 5, 2017. Approval of the Amended and Restated GTA would obviate the need for a hearing in this matter. This is staff's recommendation on the Amended and Restated GTA.

On May 8, 2017, the Commission issued Order No. PSC-17-0161-PCO-GU suspending the hearing schedule.

On May 10, 2017, after review of City Gas's newly filed, revised, confidential data, staff issued its second data request to City Gas for which redacted responses were received on May 24, 2017, and the confidential portions of the responses were received on May 25, 2017. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the Amended and Restated GTA?

Recommendation: Yes, the Commission should approve the Amended and Restated GTA effective July 13, 2017. City Gas should make a refund to Crystals equal to the difference between the temporary rates approved pursuant to Order No. PSC-16-0581-PCO-GU and the final rates for the Extended Term included in the Amended and Restated GTA, as applied and calculated with respect to Crystals' usage of gas transportation service from November 16, 2016, through and including the date on which the Commission's order approving the Amended and Restated GTA becomes final by operation of law. City Gas should make such refund, including interest, either by a direct payment to Crystals or by crediting the full amount of the refund to Crystals' bills for service beginning on the date the Commission order becomes final by operation of law and continuing until the full refund amount has been credited to Crystals' bills as the parties jointly requested. As provided in Order No. PSC-16-0581-PCO-GU, the amount of interest shall be calculated pursuant to Rule 25-7.091(4), F.A.C. City Gas and Crystals should file an executed copy of the Amended and Restated GTA with the Commission within 10 days of the issuance of the final order by the Commission. (Draper, Guffey, Rome)

Staff Analysis: Prior to discussing the Amended and Restated GTA, staff offers the following brief summary of the nature and status of the original GTA.

Background

The original GTA was executed by City Gas and Crystals on April 24, 2001, and has a 30-year term. The GTA contains a Primary Term, a Make-Up Period, and an Extended Term. The rates of the Extended Term differ from the rates applicable during the prior two terms. The duration of the Extended Term is 15 years; Crystals provided documentation in response to staff's first data request to support its assertion that the Extended Term began on November 15, 2016.

At the December 6, 2016 Agenda Conference, the Commission voted to approve the staff recommendation to leave the Make-Up Period GTA rates in effect beginning on December 6, 2016, subject to true-up, until a final Commission decision in this docket. The Commission stated in Order No. PSC-16-0581-PCO-GU that this temporary solution would allow City Gas and Crystals additional time to negotiate a mutually acceptable operating arrangement. After extensive negotiations, City Gas and Crystals developed the proposed Amended and Restated GTA which was submitted as a joint petition for Commission approval on May 4, 2017.

Amended and Restated GTA

City Gas and Crystals jointly submitted the Amended and Restated GTA for Commission approval in an effort to resolve all issues in this docket including a going-forward service arrangement that complies with applicable regulatory requirements.² City Gas and Crystals have agreed to certain key amendments to the original GTA which have been incorporated into the Amended and Restated GTA, including those listed below:

² Joint Petition, page 3, paragraph 4; May 4, 2017

- Modifications to the contract term to provide that the duration of the Extended Term would be from November 16, 2016 through November 15, 2031, with an option to extend for an additional five years,
- A provision to allow Crystals to request additional quantities of gas over and above the Maximum Daily Contract Quantity (MDCQ) on a non-firm basis, and
- Modifications to the rates included in the original GTA.

Staff's examination of the proposed Amended and Restated GTA considered factors which would have an impact on coverage of the cost to serve Crystals. These factors include projected gas transportation volumes, allocation of costs to Crystals, and modifications to the rates paid by Crystals. These factors are discussed below.

Projected Gas Transportation Volumes

The confidential exhibits supporting the joint petition seeking approval of the Amended and Restated GTA contain projections of the number of therms that City Gas anticipates will be transported on behalf of Crystals through 2031. These quantities differ from the volumes historically used by Crystals. Accuracy of volume forecasts is essential to a determination regarding whether or not sufficient revenues would be generated under the revised contract to cover City Gas's cost of serving Crystals.

In response to staff's second data request, City Gas offered several statements to support the assertion that Crystals' prospective transportation volumes will equal or exceed the quantities indicated in City Gas's confidential break-even analysis.³ As reflected in the information provided in support of the joint petition, City Gas has been transporting significantly increased amounts of gas on behalf of Crystals over the past several years. City Gas further stated that the process of negotiating the Amended and Restated GTA with Crystals reaffirmed a reasonable expectation of continued future growth in service to Crystals. City Gas represented that for Crystals, it was imperative that Crystals have access to the MDCQ provided for in the Amended and Restated GTA. In addition, Crystals sought a further increase in potential transportation service in excess of the MDCQ on a non-firm basis. City Gas averred that in its experience, a customer does not request availability of additional gas transportation capacity unless the customer has a reasonable expectation of need.

City Gas acknowledged that Crystals' actual transportation volumes may not exceed what is projected for 2017 and 2018. However, City Gas asserted that the Amended and Restated GTA provides appropriate and effective incentives for Crystals to grow into the maximum potential volumes that are available to it under the Amended and Restated GTA. Based on a review of the confidential materials provided in support of the joint petition and in response to staff's second data request, staff believes City Gas's projections of the gas transportation volumes needed to serve Crystals over the remainder of the Extended Term appear to be reasonable.

³ Revised Confidential Exhibit C-2C; May 25, 2017.

Allocation of Costs to Crystals

The assumptions used in City Gas's cost allocation presentation are key elements that factor into a determination of whether or not the Amended and Restated GTA covers City Gas's cost to serve Crystals on a going-forward basis. In the joint petition filed on May 4, 2017, City Gas included a footnote stating that the confidential cost study analysis provided in support of the joint petition differed from materials previously provided to the Commission.⁴ City Gas stated that it had revisited its entire analysis and determined that there were some mathematical errors and incorrect assumptions in the previously submitted documentation. City Gas asserted its belief that the analysis provided in support of the joint petition was the correct methodology with the correct numbers.⁵ However, in its May 24 and 25, 2017, responses to staff's second data request, City Gas provided a revised confidential cost study exhibit to correct an error in the calculation of historical depreciation expense.

Crystals is served by a lateral connected to a pipeline that is referred to as the East-West Pipeline. The East-West Pipeline has a tie-in to Florida Gas Transmission Company, and is used by City Gas to transport gas to Crystals and other customers. Therefore, the appropriate allocation of the costs associated with the East-West Pipeline to Crystals is relevant. In response to staff's second data request, City Gas included a discussion of the steps City Gas took to reevaluate its East-West Pipeline allocation factor.

During that review, City Gas determined that it had not captured all of the actual and potential volumes that could be transported and that the prior analysis did not include any excess capacity available for future customers.⁶ City Gas determined that a better measure of pipeline capacity is a methodology based upon the maximum hourly flow of Crystals divided by the sum of the maximum hourly flow requirements that must be reserved for each customer plus the remaining capacity available at the end of the pipeline, rather than using Crystals' proportion of the total annual flow volumes.⁷ City Gas further noted that in developing this analysis to support the proposed rates, it utilized the maximum daily flow reserved for Crystals on a firm service basis under the Amended and Restated GTA and not the additional daily capacity that would be available on a non-firm basis to Crystals.⁸

Staff reexamined the four cost study presentations made by City Gas since the inception of this docket in July 2016.⁹ Based on its review of the information in the record, staff believes that the Company's assumptions supporting the revised presentation included in the May 24 and 25, 2017 responses to staff's second data request appear to be reasonable.

Staff recognizes that City Gas and Crystals have different views regarding the manner in which City Gas's cost allocations to Crystals should be presented. As previously explained in its pleadings in this docket, Crystals does not agree that City Gas's method of presentation is the methodology contemplated by the Company's tariff, but according to the joint petition, this

⁴ Joint Petition, page 8, paragraph 14, footnote 3; May 4, 2017

⁵ *Id.*

⁶ City Gas Response to Staff's Second Data Request, Question 2; May 24, 2017

⁷ *Id.*

⁸ *Id.*

⁹ Original petition, July 22, 2016; Responses to staff's first data request, November 1, 2016; Joint petition, May 4 and 5, 2017; and Responses to staff's second data request, May 24 and 25, 2017.

difference of opinion does not detract in any way from Crystals' support for the Amended and Restated GTA. In brief, Crystals believes that the correct methodology would show that service to Crystals pursuant to the Amended and Restated GTA would be even more cost effective than indicated by the Company's exhibit.¹⁰ Staff discusses proposed rate modifications and the prospective coverage of cost of service below.

Rate Modifications and Prospective Coverage of Cost of Service

The proposed rates for the Extended Term of the Amended and Restated GTA are confidential and are stated in Section 9 of the proposed agreement. The proposed rates have been modified from the temporary rates approved pursuant to Order No. PSC-16-0581-PCO-GU and apply whether gas is delivered on a firm or a non-firm service basis. The proposed rates per therm are less than the temporary rates currently in place, but are more than the rates that Crystals would have paid during the Extended Term under the original GTA. Staff's analysis focused on whether the proposed rates would cover City Gas's cost to serve Crystals on a going-forward basis.

With regard to the proposed rates, City Gas addressed the prospective coverage of cost of service in the confidential exhibits filed in support of the joint petition and in the revised exhibits provided in the Company's response to staff's second data request. Based on staff's review of the information provided by City Gas, staff believes that the Company has made a reasonable demonstration that the proposed rates included in the Amended and Restated GTA are sufficient to cover City Gas's cost to serve Crystals.

As noted above, City Gas and Crystals disagree regarding the exact cost standard that should be applied. However, based on staff's review of the prospective cost of service information provided in support of the Amended and Restated GTA, staff believes that the joint petitioners' assertion "...that the revenues to be provided by Florida Crystals pursuant to the Amended & Restated GTA will satisfy either Party's proposed cost standard..."¹¹ appears to be reasonable. Staff's assessment that the joint petitioners' representation is reasonable should not be construed as a final determination regarding which of the parties' cost standards should be applied.

True-Up

Order No. PSC-16-0581-PCO-GU provides for a true-up between City Gas and Crystals. Since the proposed rates included in the Amended and Restated GTA are less than the temporary rates currently in effect, Crystals would be entitled to a refund from City Gas under the true-up provisions in the referenced order. The confidential amount of the portion of the refund accumulated for the period December 2016 through March 2017 was included in the revised Exhibit D submitted by City Gas in response to staff's second data request. As agreed upon by the joint petitioners, the duration of the true-up period is from November 16, 2016, through the date the order approving the Amended and Restated GTA is final by operation of law. When this order becomes final, the full amount of the refund, including interest, will be determined.

¹⁰ Joint Petition, page 8, paragraph 14, footnote 3; May 4, 2017

¹¹ Joint Petition, page 12, paragraph 19, footnote 4; May 4, 2017

Conclusion

Staff believes that the Amended and Restated GTA negotiated by City Gas and Crystals represents a viable business solution between the joint petitioners as encouraged by the Commission in Order No. PSC-16-0581-PCO-GU. Based on its review of the filings in this docket, staff believes that the proposed contract rates cover City Gas's cost to serve Crystals and thus provide sufficient protection for City Gas's general body of ratepayers.

Therefore, staff recommends that the Commission approve the Amended and Restated GTA effective July 13, 2017. As requested in the joint petition, City Gas should make a refund to Crystals equal to the difference between the temporary rates approved pursuant to Order No. PSC-16-0581-PCO-GU (which are the Make-Up period rates under the original GTA) and the final rates for the Extended Term included in the Amended and Restated GTA, as applied and calculated with respect to Crystals' usage of gas transportation service from November 16, 2016, through and including the date on which the Commission's order approving the Amended and Restated GTA becomes final by operation of law (*i.e.*, the time for filing a notice of appeal has expired or any appeals have been decided).

City Gas should make such refund, including interest, either by a direct payment to Crystals or by crediting the full amount of the refund to Crystals' bills for service beginning on the date the Commission order becomes final by operation of law and continuing until the full refund amount has been credited to Crystals' bills as the parties jointly requested. As provided for in Order No. PSC-16-0581-PCO-GU, the amount of interest shall be calculated pursuant to Rule 25-7.091(4), F.A.C. City Gas and Crystals should file an executed copy of the Amended and Restated GTA with the Commission within 10 days of the issuance of the final order by the Commission.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation in Issue 1, this docket should be closed. If the Commission does not approve staff's recommendation in Issue 1, this docket should remain open to continue the hearing process. (DuVal)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1, this docket should be closed. If the Commission does not approve staff's recommendation in Issue 1, this docket should remain open to continue the hearing process.

Item 16

State of Florida



FILED JUN 29, 2017
DOCUMENT NO. 05608-17
FPSC - COMMISSION CLERK

Public Service Commission

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

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

DATE: June 29, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Guffey) SKG
Office of the General Counsel (Brownless) ESD/8
Mr. JSC

RE: Docket No. 170110-GU – Joint petition for approval of modifications to customer deposit tariff sheets, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, Florida Public Utilities Company-Indiantown Division, and Florida Division of Chesapeake Utilities Corporation.

AGENDA: 07/13/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 07/13/17 (60-Day suspension date waived by the Companies until 07/13/17 Agenda)

SPECIAL INSTRUCTIONS: None

RECEIVED-FPSC
2017 JUN 29 AM 10:07
COMMISSION
CLERK

Case Background

On May 9, 2017, Florida Public Utilities Company (FPUC electric and gas divisions), Florida Public Utilities Company-Fort Meade, Florida Public Utilities Company-Indiantown Division, and the Florida Division of Chesapeake Utilities Corporation (Joint Petitioners or Companies) filed a joint petition requesting Commission approval of modifications to tariff sheets regarding customer deposits. On June 23, 2017, the joint petitioners filed an additional tariff revision to the FPUC electric tariff. The Joint Petitioners operate under the Chesapeake Utilities Corporation, a Delaware-based energy company.

During the 2015 session, the Florida Legislature enacted House Bill 7109 which was incorporated into Chapter 2015-129, Laws of Florida. Among other things, the legislation

created Section 366.05(1)(b) and (c), Florida Statutes (F.S.). Subsection (1)(b) addresses billing periods and Subsection (1)(c) addresses customer deposits. These laws became effective on July 1, 2015. The Commission adopted amendments to Rules 25-6.097 (Customer Deposits) and 25-6.100 (Customer Billings) for the electric utilities; and amendments to Rules 25-7.083 (Customer Deposits) and 25-7.085 (Customer Billing) for the gas utilities, Florida Administrative Code (F.A.C.), to implement the laws enacted in July 2015.¹

The Joint Petitioners are requesting tariff modifications at this time to ensure that the Companies' tariff language continues to conform to the applicable statutes and Commission rules. The Companies' waived the 60-day suspension date until July 13, 2017. The Commission has jurisdiction in this matter pursuant to Sections 366.03, 366.05, and 366.06, F.S.

¹ Order No. PSC-16-0024-FOF-PU, issued January 12, 2016, in Docket No. 150241-PU, *In re: Proposed amendments to Rules 25-6.093, Information to Customers; 25-6.097, Customer Deposits; 25-6.100, Customer Billings; 25-7.079, Information to Customers; 25-7.083, Customer Deposits; and 25-7.085, Customer Billing, F.A.C.*

Discussion of Issues

Issue 1: Should the Commission approve the Joint Petitioners' proposed tariff modifications?

Recommendation: Yes, the Commission should approve the Joint Petitioners' proposed tariff modifications, as reflected in Attachment A, effective July 13, 2017. (Guffey)

Staff Analysis: The Joint Petitioners' proposed tariff modifications are designed to conform their tariffs to applicable statutes and Commission rules. At this time, the FPUC gas division, FPUC-Fort Meade, FPUC-Indiantown, and the Florida Division of Chesapeake Utilities Corporation do not have tiered rate schedules; therefore, these gas companies are not proposing any changes to their tariffs as a result of changes to Section 366.05(1)(b), F.S., and Rule 25-7.085, F.A.C. The Joint Petitioners' proposed tariff modifications are addressed below.

Customer Deposits

Section 366.05(1)(c), F.S., provides that for an existing account, the total deposit may not exceed two months of average actual charges. For a new service request, the total deposit may not exceed two months of projected charges. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying the additional amount that may be billed by the utility or the utility returning any overcharge.

The Commission amended Rules 25-6.097(1), and 25-7.083, F.A.C., to state that the utility's methodology for determining customer deposits for existing and new accounts shall conform to Section 366.05(1)(c), F.S.² The prior rule language already required that the total amount of a deposit not exceed twice the average monthly bill. The Joint Petitioners' proposed amendments to the electric and gas tariffs conform to the new statutory language regarding the recalculation of the deposit after 12-months.

Billing Period for FPUC Electric Tariff

Section 366.05(1)(b), F.S., provides that if the Commission authorizes a public utility to charge tiered rates based upon levels of usage and to vary its regular billing period, the utility may not charge a customer a higher rate because of an increase in usage attributable to an extension of the billing period; however, the regular meter reading date may not be advanced or postponed more than five days for routine operating reasons without prorating the billing for the period. The Commission amended Rule 25-6.100, F.A.C., to implement the statutory changes.³ The prior rule specified that the regular meter reading date may be advanced or postponed not more than 5 days without a proration of the billing for the period, but did not address the application of tiered rates to extended billing periods. Tiered rates, such as FPUC's residential energy charges, apply a higher energy charge to usage above 1,000 kilowatt-hours.

FPUC-Electric proposed new language to Tariff Sheet No. 28 to reflect the Section 366.05(1)(b), F.S., statutory requirements and to include the Company's current billing practices in its tariff. The revised tariff sheet addresses both the proration of charges when billing periods are varied

² *Id.*

³ *Id.*

by more than five days, as well as the prohibition against charging higher tiered rates if the extension of a billing period of more than five days causes a customer's energy consumption to exceed the Company's tier threshold of 1,000 kilowatt-hours.

Conclusion

Based on a review of the applicable statutes, Commission rules, and proposed tariffs filed by FPUC (electric and gas divisions), FPUC-Fort Meade, FPUC-Indiantown Division, and the Florida Division of Chesapeake Utilities Corporation, staff believes that the tariff sheet revisions conform to the applicable statutes and Commission rules. Therefore, staff recommends that the Commission approve the requested modifications to tariff sheets, as reflected in Attachment A, effective July 13, 2017.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brownless)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

FPUC-Electric

First Revised Sheet No. 12

First Revised Sheet No. 14

First Revised Sheet No. 28

FPUC-Natural Gas

Seventh Revised Sheet No. 13

First Revised Sheet No. 13.1

Florida Division of Chesapeake Utilities Corporation

Second Revised Sheet No. 12

Fifth Revised Sheet No. 32

Third Revised Sheet No. 33

Florida Public Utilities Company-Indiantown Division

Third Revised Sheet No. 47

Third Revised Sheet No. 48

First Revised Sheet No. 49

Florida Public Utilities Company-Fort Meade

Second Revised Sheet No. 11

First Revised Sheet No. 14

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Sheet No. 12
Cancels Original Sheet No. 12

RULES AND REGULATIONS (Continued)

3. Election of Rate Schedules (Continued)

responsible to notify Customers of the most favorable rates schedule and will not refund the difference in charge under different rate schedules to the same class of service.

Upon notification of any material changes in Customer's installation or load conditions, Company will assist in determining if a change in rates is desirable, but unless required by substantial changes in the Customer's installation, not more than (1) such change in rates will be made within any twelve (12) month period.

Company will require a written contract with special guarantee from Applicants whose characteristics of load would require excessive investment in facilities of whose requirements for service are of a special nature.

4. Customer Deposits

A. Deposit Required

Unless credit is otherwise established in accordance with Section 4B, the customer shall make a deposit. The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes, as follows:

~~(1) The amount of the initial deposit, if required may not exceed an amount necessary to cover charges for service for two (2) month's average billings to be calculated either:~~

~~A. previous billings at the service address;~~

~~A. average billings for the class of Customer (residential or non-residential);~~

~~A. average billings based on the type of equipment/appliances in service or to be put into service.~~

~~In the absence of historical information, the deposit amount shall be determined by the following schedule:~~

<u>Rate Classification:</u>	<u>Initial Deposit Amount</u>
Residential	\$ 175.00
General Service Non-Demand	\$ 370.00
General Service Demand	\$ 5,325.00
General Service Large Demand	\$ 12,000.00
Outdoor Lighting Service	\$ 215.00
Outdoor Lighting Service - HP Sodium/Metal Halide	\$ 205.00
Street Lighting - Mercury Vapor	\$ 220.00
Street Lighting - HP Sodium Vapor	\$ 220.00

Issued by: Jeffry M. Householder, President

Effective: ~~Nov-01-2014~~

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Sheet No. 12
Cancels Original Sheet No. 12

- (1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.
- (2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.
- (3) ~~(2)~~ A residential customer may request the amount of the initial deposit be billed and paid in even installments over a period of two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits over \$150, which may be granted at Company's discretion.

the

Issued by: Jeffry M. Householder, President

Effective: ~~Nov-01-2014~~

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Sheet No. 14
Cancels Original Sheet No. 14

RULES AND REGULATIONS (Continued)

4. Customer Deposits (Continued)

C. Refund of Deposits

After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option either refund or pay the higher rate of interest specified below for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with a check refused by a bank, (c) been disconnected for non-payment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Company may, at its option, refund a deposit in less than 23 months.

D. Interest on Deposits

Two (2%) per annum interest will be credited to a Consumer's account annually in accordance with the current effective rules and regulations of the Commission. Three percent (3%) per annum will be credited annually on deposits of Residential Consumers qualifying under section (c) above when the company elects not to refund such a deposit after twenty-three (23) months. The Company shall credit annually three percent (3%) per annum on deposits of non-Residential Consumers qualifying for refund under Section (c) until the Commission sets a new interest rate applicable to the Company. No customer shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest for the day of the commencement of the customer relationship and the placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

E. New or Additional Deposits

Company may require, upon reasonable-written notice to an existing customer of not less than 30 days, ~~such notice being separate and apart from any bill for service, a new deposit (including guaranty, letter of credit or surety bond) where previously waived or returned, or an additional deposit, in order to secure payment of current bills.~~ Such notice for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit. -provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice. The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

Issued by: Jeffrey M. Householder, President

Effective: ~~Nov-01-2014~~

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

~~First Revised Original Sheet No. 28~~
~~Cancels Original Sheet No. 28~~

RULES AND REGULATIONS (Continued)

9. Billing and Collecting (continued)

A separate bill will be rendered for each meter used by Customer unless, for the convenience of Company, multiple meters are used for measurement of the same class of service, in which case a bill will be rendered for the total amount registered by all meters. If Company, (as it may under unusual circumstances), permits more than one Customer to be served through one meter, the minimum bill and the first billing block kilowatt-hours of the applicable rate schedule shall be multiplied by the number of Customer so served and the number of kilowatt-hours in each succeeding block of the rate schedule shall be increased in the same proportion.

Billings in general will be based on meter readings but bills will be adjusted to compensate for errors in meter registration, in the reading thereof, or in the application of meter reading schedules to intervals five (5) days greater or lesser than a month. If the billing period is extended more than five (5) days, the Company will not apply the higher tiered rate if the Customer's higher usage is attributable to the extended billing period.

In case of tampering or unauthorized use, probable consumption will be billed as determined by the maximum quantity of electric energy estimated to have been consumed by the various appliances of Customer and a bill will be rendered for a period encompassing six (6) months prior to the detection of such abuse and /or disconnection for cause.

10. Customer's Liabilities

Company shall have the right to enter the premises of Customer at all reasonable hours for the purpose of making such inspection of Customer's installation as may be necessary for the proper application of Company's rate schedules and Rules and Regulations; for installing, removing, testing, or replacing its apparatus or property; for reading meters; and for the entire removal of Company's property in event of termination of service to Customer for any reason.

All property of Company installed in or upon Customer's premises used and useful in supplying service is placed there under Customer's protection. All reasonable care shall be exercised to prevent loss of or damage to such property and, ordinary wear and tear excepted, Customer will be held liable for any such loss of property or damage thereto and shall pay to Company the cost of necessary repairs or replacements.

Customer will be held responsible for breaking the seals, tampering or interfering with Company's meter or meters or other equipment of Company installed on customer's premises, and no one except employees of Company will be allowed to make any repairs or adjustments to any meter or other piece of apparatus belonging to Company except in case of emergency.

Issued by: Jeffry M. Householder, President

Effective: Nov-01-2014

Florida Public Utilities Company
F.P.S.C. Gas Tariff
Third Revised Volume No. 1

~~Seventh~~ ~~Fourth~~ Revised Sheet No. 13
Cancels ~~Sixth~~ ~~Fifth~~ Revised Sheet No. 13

RULES AND REGULATIONS (Continued)

3. Election of Rate Schedules (Continued)

Upon notification of any material change in Customer's installation or load connections, Company will assist in determining if a change in rates is desirable, but, unless required by substantial changes in the Customer's installation, not more than one (1) such change in rates will be made within any twelve (12) month period.

Company will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive investment in facilities or whose requirements for service are of a special nature.

4. Customer Deposits

A. Deposit Required

Unless credit is otherwise established in accordance with Section 4-B, the customer shall make a deposit. The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes, as follows:

~~(1) The amount of the initial deposit, if required may not exceed an amount necessary to cover charges for service for two (2) months' average billings to be calculated either:~~

- ~~a. previous billings at the service address;~~
- ~~-~~
- ~~b. average billings for the class of Customer (residential or non-residential);~~
- ~~-~~
- ~~c. average billings based on the type of equipment/appliances in service or to be put into service;~~
- ~~-~~

~~In the absence of historical information, the deposit amount shall be determined by the following schedule:~~

<u>Rate Classification</u>	<u>Initial Deposit Amount</u>
Residential	\$ 112.00
Residential Generator Only	\$ 112.00
General Service 1	\$ 640.00
General Service Transportation 1	\$ 640.00
General Service 2	\$ 640.00
General Service Transportation 2	\$ 640.00
Commercial Generator Only	\$ 640.00
Large Volume Service	\$ 2,041.00
Large Volume Transportation Service	\$ 2,041.00
Interruptible Service	\$ 2,041.00
Interruptible Service Transportation Service	\$ 2,041.00
Gas Lighting Service	\$ 240.00
Gas Lighting Transportation Service	\$ 240.00
Natural Gas Vehicle Service	\$ 7,500.00

Issued by: Jeffrey Householder, President

Effective: ~~APR 08 2014~~

Florida Public Utilities Company
F.P.S.C. Gas Tariff
Third Revised Volume No. 1

~~Seventh~~ ~~Sixth~~ Revised Sheet No. 13
Cancels ~~Sixth~~ ~~Fifth~~ Revised Sheet No. 13

(1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

(2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12 and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

(3) ~~(2)~~ A residential customer may request the amount of the initial deposit be billed and paid in even installments over a period of two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits over \$150, which may be granted at the Company's discretion.

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Florida Public Utilities Company
F.P.S.C. Gas Tariff
Third Revised Volume No. 1

First Revised Sheet No. 13.1
Cancels Original Sheet No. 13.1

RULES AND REGULATIONS (Continued)

4. Customer Deposits (Continued)

C. Refund of Deposits

After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option either refund or pay the higher rate of interest specified below for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with a check refused by a bank, (c) been disconnected for non-payment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Company may, at its option, refund a deposit in less than 23 months.

D. Interest on Deposits

Two percent (2%) per annum interest will be credited to a Consumer's account annually in accordance with the current effective rules and regulation of the Commission. Three percent (3%) per annum will be credited annually on deposits of Residential Consumers qualifying under Section (C) above when the Company elects not to refund such a deposit after twenty-three (23) months. The Company shall credit annually three percent (3%) per annum on deposits of non-Residential Consumers qualifying for refund under Section (C) until the Commission sets a new interest rate applicable to the Company.

E. New or Additional Deposits

Company may require, upon ~~reasonable~~ written notice to an existing customer of not less than 30 days, ~~such notice being separate and apart from any bill for service, a new deposit (including guaranty, letter of credit or surety bond) where previously waived or returned, or an additional deposit, in order to secure payment of current bills.~~ Such notice for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12- month period immediately prior to the date of notice. The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

F. Retention of Deposits

Retention by Company, prior to final settlement, of said deposit shall not be considered as a payment or part payment of any bill for service. Company shall, however apply said deposit against unpaid bills for service. In such case, Customer shall be required to restore deposit to original amount.

Issued by: Jeffry Householder, President

Effective: ~~JUL 26 2012~~

Florida Public Utilities Company - Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

~~Second First~~ Revised Sheet No. 11
Cancels ~~First Original~~ Sheet No. 11

RULES AND REGULATIONS (Continued)

3. Election of Rate Schedules (Continued)

Upon notification of any material change in Customers installation or load connections, Company will assist in determining if a change in rates is desirable, but, unless required by substantial changes in the Customer's installation, not more than one (1) such change in rates will be made within any twelve (12) month period.

Company will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive investment in facilities or whose requirements for service are of a special nature.

4. Customer Deposits

A. Deposit Required

Unless credit is otherwise established in accordance with Section 4-B, the customer shall make a deposit. The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes as follows:

~~(1) The amount of the initial deposit, if required may not exceed an amount necessary to cover charges for service for two (2) month's average billings to be calculated either:~~

- ~~▲ previous billings at the service address;~~
- ~~▲ average billings for the class of Customer (residential or non-residential);~~
- ~~▲ average billings based on the type of equipment/appliances in service or to be put into service.~~

In the absence of historical information, the deposit amount shall be determined by the following schedule:

<u>Rate Classification</u>	<u>Initial Deposit Amount</u>
Residential	\$ 112.00
General Service-1	\$ 640.00
General Service Transportation-1	\$ 640.00
Large Volume Service	\$ 2,041.00
Large Volume Transportation Service	\$ 2,041.00
Natural Gas Vehicle Service	\$ 7,500.00

- (1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

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Florida Public Utilities Company - Fort Meade
F.P.S.C. Gas Tariff
Original Volume No. 1

~~Second First~~ Revised Sheet No. 11
Cancels ~~First Original~~ Sheet No. 11

RULES AND REGULATIONS (Continued)

- (2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.
- (3)(2) A residential customer may request the amount of the initial deposit be billed and paid in even installments over a period of two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits over \$150, which may be granted at the Company's discretion.

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F.P.S.C. Gas Tariff
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First Revised Sheet No. 14
Cancels Original Sheet No. 14

RULES AND REGULATIONS (Continued)

4. Customer Deposits

(Continued) Refund of

Deposits

- C. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option either refund or pay the higher rate of interest specified below for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with a check refused by a bank, (c) been disconnected for non-payment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Company may, at its option, refund a deposit in less than 23 months.

D. Interest on Deposits

Two percent (2%) per annum interest will be credited to a Consumer's account annually in accordance with the current effective rules and regulation of the Commission. Three percent (3%) per annum will be credited annually on deposits of Residential Consumers qualifying under section (C) above when the Company elects not to refund such deposit after twenty-three (23) months. The Company shall credit annually three percent (3%) per annum on deposits of non-Residential Consumers qualifying for refund under Section (C) until the Commission sets a new interest rate applicable to the Company. No customer shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

E. New or Additional Deposits

Company may require, upon ~~reasonable~~ written notice ~~to an existing customer~~ of not less than 30 days, ~~such notice being separate and apart from any bill for service, a new~~ deposit ~~(including guaranty, letter of credit or surety bond)~~ where previously waived or returned, or an additional deposit, in order to secure payment of current bills. Such notice for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12- month period immediately prior to the date of notice. The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

F. Retention of Deposits

Retention by Company, prior to final settlement, of said deposit shall not be considered as a payment or part payment of any bill for service. Company shall, however apply said deposit against unpaid bills for service. In such case, Customer shall be required to restore deposit to original amount.

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Florida Public Utilities Company, Indiantown Division
Original Volume No. 2

~~Third~~ ~~Second~~ Revised Sheet No. 47
Cancels ~~Second~~ ~~First~~ Sheet No. 47

B. Deposits Required

Unless credit is otherwise established in accordance with Section III A, a customer shall make a deposit. The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes, as follows:

~~(1) The amount of the initial deposit, if required may not exceed an amount necessary to cover charges for service for two (2) month's average billings to be calculated either:~~

- ~~• previous billings at the service address;~~
- ~~• average billings for the class of Customer (residential or non-residential);~~
- ~~• average billings based on the type of equipment/appliances in service or to be put into service.~~

~~In the absence of historical information, the deposit amount shall be determined by the following schedule:~~

<u>Rate Classification</u>	<u>Initial Deposit Amount</u>
Residential	\$ 112.00
Commercial Small	\$ 640.00
Commercial Large	\$ 2,041.00
Industrial	\$ 2,041.00
Natural Gas Vehicle Service	\$ 7,500.00

~~(1) For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.~~

~~(2) For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.~~

Issued by: Jeffry Householder, President

Effective: ~~APR-08-2014~~

Florida Public Utilities Company, Indiantown Division
Original Volume No. 2

~~Third~~ ~~Second~~ Revised Sheet No. 47
Cancels ~~Second~~ ~~First~~ Sheet No. 47

(3) ~~(2)~~ A residential customer may request the amount of the initial deposit be billed and paid in even installments over a period of two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits over \$150, which may be granted at the Company's discretion.

C. RECORD OF DEPOSIT. With respect to a cash deposit, Company will keep records to show:

- (1) The name of Customer making the deposit;
- (2) The premises occupied by Customer;
- (3) The date and amount of the deposit; and
- (4) Each transaction concerning the deposit, such as, interest payments, interest credited, or similar transactions.

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Florida Public Utilities Company, Indiantown Division
Original Volume No. 2

~~Third, Second~~ Revised Sheet No. 48
Cancels ~~Second First~~ Sheet No. 48

INTEREST ON DEPOSIT. Two percent (2%) per annum interest will be credited to a Consumers account annually in accordance with the current effective rules and regulations of the Commission. Three percent (3%) per annum will be credited annually on deposits of Residential Consumers qualifying under Section III. E. when the Company elects not to refund such a deposit after twenty-three (23) months. The Company shall credit annually three percent (3%) per annum on deposits of non-Residential Consumers qualifying for refund under Section III.E. until the Commission sets a new interest rate applicable to the Company. No customer shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

E. REFUND OF DEPOSIT.

- (1) After a Residential Customer has established a satisfactory payment record and has had continuous service for a period of not less than twenty-three (23) months, the Company shall refund the Residential Customer's deposit and shall, at its option, either refund or pay the higher rate of interest specified in Section III. D. **INTEREST ON DEPOSITS**, for non-residential deposits provided that the Customer has not in the preceding twelve (12) months: (a) made more than one late payment of the bill, (b) paid with a check refused by a bank, (c) been disconnected for non-payment, (d) tampered with the meter, or, (e) used service in a fraudulent or unauthorized manner.
- (2) Upon termination of Transportation Service, Company shall credit the amount of any cash deposit and accrued interest thereon against the final amount due Company from Customer, and the balance, if any, shall be returned to Customer no later than ten (10) working days after the final bill for service is rendered.

F. RECEIPT FOR CASH DEPOSIT. A non-transferable receipt will be issued to a Customer for any cash deposit and means provided so that such Customer may claim the deposit if the receipt is lost. When a new or additional cash deposit is required under Section III. G. of this Tariff, a Customer's canceled check or validated bill coupon may serve as a deposit receipt.

G. NEW OR ADDITIONAL DEPOSITS. Company may require, upon ~~reasonable~~ written notice ~~to an existing customer~~ of not less than ~~thirty (30) days, ten (10) days, such request or notice being separate and apart from any bill for Transportation Service, a new cash deposit, (including guaranty, letter of credit or surety bond) (where previously waived or returned), or an additional cash deposit (or increase in the amount of a guaranty, letter of credit or surety bond), in order to secure payment of current bills. Such notice for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required cash deposit or other security shall~~

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Florida Public Utilities Company, Indiantown Division
Original Volume No. 2

First Revised Sheet No. 49
Cancels Original Sheet No. 49

not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice. The ~~ten (10)~~ thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. In the event the customer has had if Customer has received Transportation Service service for less than 12 months, then Company will base the amount of the new or additional ~~cash deposit or other security~~ upon the average actual monthly billing available.

- H. RETURNED CHECK CHARGE. If a Customer's check for the deposit amount is returned to the Company and not paid by the drawer's bank, the Company shall follow the procedures set forth in Section 832.07, Florida Statutes. Termination of Transportation Service shall not be made for failure to pay such returned check charge.

IV. BILLING

- A. BILLING PERIODS. Each Customer's Meter shall be read at regular intervals. Recorded meter readings for Individual Transportation Service Customers shall be provided to the Customer, and Customer's Agent if so authorized by Customer. Recorded Meter readings for all Customer Accounts in the Aggregated Transportation Service Customer Pool shall be provided to the Pool Manager. Applicable meter readings shall be included by the Company on all bills rendered to the Customer. Bills for Monthly Imbalance Quantities, and other charges as provide in this tariff, related to Aggregated Transportation Service for Customers assigned to the Customer Pool shall be billed to the Customer, Customer's Agent or Pool Manager, as applicable. All bills shall be rendered on a regular monthly basis, as soon as practical after determination of their amount.
- B. PAYMENT. Bills are due and payable at the office of the Company in accordance with the FPSC rules and regulations, and the requirements of this section.
- (1) Customers may choose to pay their bill in person or by mail no later than twenty (20) days from the date of mailing by the Company.
 - (2) Company may offer an electronic direct bank debit payment option. If such a payment option is offered, Customers may choose to participate in the program by completing an agreement with the Company. Customers choosing this payment method agree that the Company may debit their bank account for the balance due on the Customer's Transportation Service account on the fifteenth (15th) day following the date of mailing by the Company.
- C. PARTIAL MONTH. Upon commencement of Transportation Service less than fifteen (15) days prior to a regular monthly billing date and when Transportation Service continues thereafter to the same Customer at the same address where Customers are receiving Transportation Service on monthly rate schedules, no

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Effective: November 4, 2010

Florida Division of Chesapeake Utilities Corporation ~~Second First~~ Revised Sheet No. 12
Original Volume No. 4 Cancels ~~First Original~~ Sheet No. 12

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Chesapeake Utilities Corporation

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Original Volume No. 4

~~Fifth~~ ~~Fourth~~ Revised Sheet No. 32
Cancels ~~Fourth~~ ~~Third~~ Sheet No. 32

RULES AND REGULATIONS

(Continued)

H. DEPOSIT REQUIREMENTS

If a prospective Consumer does not satisfy one of the creditworthiness criteria defined in Section G, then payment of an initial deposit shall be required according to the following criteria:

1. Deposit Required

The amount of the deposit shall be calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes as follows:
~~a. The amount of the initial deposit, if required may not exceed an amount necessary to cover charges for service for two (2) month's average billings to be calculated either:~~

- ~~— previous billings at the service address;~~
- ~~— average billings for the class of Customer (residential or non-residential);~~
- ~~— average billings based on the type of equipment/appliances in service to be put into service.~~

~~In the absence of historical information, the deposit amount shall be determined by the following schedule:~~

<u>Rate Classification</u>	<u>Initial Deposit Amount</u>
FTS-1	\$ 55.00
FTS-2	\$ 75.00
FTS-2.1	\$ 150.00
FTS-3	\$ 200.00
FTS-3.1	\$ 500.00
FTS-4	\$ 1,000.00
FTS-5	\$ 1,850.00
FTS-6	\$ 2,200.00
FTS-7	\$ 4,300.00
FTS-8	\$ 7,650.00
FTS-9	\$ 11,500.00
FTS-10	\$ 17,000.00
FTS-11	\$ 20,500.00
FTS-12	\$ 86,500.00
FTS-NGV	\$ 7,500.00

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~~Fifth~~ ~~Fourth~~ Revised Sheet No. 32
Cancels ~~Fourth~~ ~~Third~~ Sheet No. 32

~~a. For an existing account or premise, the total deposit may not exceed two (2) months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.~~

~~b. For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once the new customer has had continuous service for a 12-month period, the amount of deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.~~

~~c. b.~~ A residential customer may request the amount of the initial deposit be billed and paid in even installments over a period of two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits amounts over \$150, which may be granted at the Company's discretion.

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Cancels ~~Second~~ ~~First~~ Sheet No. 33

RULES AND REGULATIONS

(Continued)

~~e. Request for Billing of Initial Deposit Amount~~
~~Prospective Residential Consumers may request to be~~
~~billed for the amount of the initial deposit. A bill for~~
~~prospective Residential Consumer's initial deposit is~~
~~due upon receipt and shall be considered delinquent~~
~~by the Company at the expiration of seven (7) days~~
~~from the date of mailing by the Company. Delinquent~~
~~accounts are subject to Section R, Discontinuance of~~
~~Transportation Service.~~

2. New or Additional Deposits

The Company may require, upon ~~reasonable~~ written notice to an existing customer of not less than thirty (30) days, ~~such request or notice being separate and apart from any bill for Transportation Service, a new deposit (including guaranty, letter of credit or surety bond)~~ where previously waived or returned, or an additional deposit, in order to secure payment of current bills. Such notice for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required new or additional deposit shall not exceed an amount equal to the average actual charges for ~~Transportation~~ Service for two (2) billing periods during the twelve (12) month period immediately prior to the date of notice. The (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. In the event the Consumer has had service less than twelve (12) months, then the utility shall base its new or additional deposit upon the average actual monthly billing available.

I. INTEREST ON DEPOSITS

Two percent (2%) per annum interest will be credited to a Consumer's account annually in accordance with the current effective rules and regulations of the Commission. Three percent (3%) per annum will be credited annually on deposits of Residential Consumers qualifying under Section II.J.1. when the Company elects not to refund such a deposit after twenty-three (23) months. The Company shall credit annually three percent (3%) per annum on deposits of non-Residential Consumers qualifying for refund under Section II.J.1. until the Commission sets a new interest rate applicable to the Company. No customer shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

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~~Third~~ ~~Second~~ Revised Sheet No. 33
Cancels ~~Second~~ ~~First~~ Sheet No. 33

J. REFUND OF DEPOSITS

1. With Satisfactory Payment Record

After a Residential Consumer has established a satisfactory payment record and has had continuous service for a period of not less than 23 months, the Company

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