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June 18, 2024

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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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Mallow, ^{CH}
Fogleman)
Office of the General Counsel (Sparks) ^{AEH}

RE: Application for Certificate of Authority to Provide Telecommunications Service

AGENDA: 6/18/2024 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
20240049-TX	Flying Bull Internet, LLC	8994

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Rubottom) *SMC*
Division of Economics (Guffey) *EJD*
Division of Engineering (Brown) *TB*

RE: Docket No. 20240080-EI – Proposed amendment of Rule 25-6.0183, F.A.C.,
Electric Utility Procedures for Generating Capacity Shortage Emergencies.

AGENDA: 06/18/24 – Regular Agenda – Rule Proposal – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Rule 25-6.0183, Florida Administrative Code (F.A.C.), Electric Utility Procedures for Generating Capacity Shortage Emergencies, establishes the Florida Reliability Coordinating Council, Inc.'s (FRCC) Generating Capacity Shortage Plan (FRCC Plan) as the Commission's plan to address generating capacity shortage emergencies within Florida. Staff initiated rulemaking to amend Rule 25-6.0183, F.A.C., for the purpose of incorporating by reference into the rule the updated, November 1, 2023, version of the FRCC Plan.

A Notice of Rule Development for this rule appeared in the February 12, 2024, edition of the Florida Administrative Register, Vol. 50, No. 29. No requests for a rule development workshop were made, and no workshop was held. This recommendation addresses whether the Commission should propose the amendment of Rule 25-6.0183, F.A.C. The Commission has jurisdiction pursuant to Sections 120.54, 366.04, and 366.05, Florida Statutes (F.S.).

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission propose the amendment of Rule 25-6.0183, F.A.C., Electric Utility Procedures for Generating Capacity Shortage Emergencies?

Recommendation: Yes. The Commission should propose the amendment of Rule 25-6.0183, F.A.C., as set forth in Attachment A. The Commission should also certify that Rule 25-6.0183, F.A.C., is a rule the violation of which would be a minor rule violation pursuant to Section 120.695, F.S. (Rubottom, Brown, Guffey)

Staff Analysis: The FRCC is a Florida not-for-profit company whose mission is to coordinate a safe, reliable, and secure bulk power system in the areas of Florida served by its members.¹ The FRCC's members include investor-owned, municipal, and cooperative electric utilities, as well as entities representing wholesale, generation, and load serving electric utility sectors.² The FRCC serves as a registered Reliability Coordinator and Planning Authority for the North American Electric Reliability Corporation (NERC) within the service area of FRCC's members.³ Prior to 2019, the FRCC also served as the regional entity with delegated authority from NERC for the purpose of proposing and enforcing reliability standards within the FRCC region; however, the FRCC transferred those functions in 2019 to the SERC Reliability Corporation.⁴

The FRCC Plan, appended to this recommendation in Attachment A, is designed to document guidelines and summarize procedures to be used by governmental agencies and electric utilities within the FRCC Reliability Coordinator Area in response to generating capacity shortages which impact or threaten to impact significant numbers of customers. In particular, the FRCC Plan addresses the procedures of balancing authorities, generator operators, and transmission operators during a generating capacity shortage to ensure coordinated state-wide action and communication. As part of the FRCC Plan, the Commission acts as an informational liaison to all interested parties.

The FRCC Plan was revised effective November 1, 2023. Staff recommends the amendment of Rule 25-6.0183, F.A.C., to adopt and incorporate by reference the updated 2023 version of the FRCC Plan. The adoption of the most recent version of the FRCC Plan is the only substantive amendment to the rule, and other amendments are designed to provide clarity and consistency.

The November 1, 2023, FRCC Plan revises the Florida Transaction Management System (FTMS) definition as well as references to EOP-011-2, which addresses Emergency Preparedness and Operations. These changes affect Sections 6 and 8 of the plan. The 2023 plan also includes other revisions made to the plan since this rule was last updated by the Commission in May 2017, including to correct grammatical errors or inconsistencies, clarify responsibilities, and incorporate new or revised FRCC definitions.

¹ <https://www.frcc.com/aboutus/Shared%20Documents/FRCC%20At%20A%20Glance%20.pdf>.

² *Id.*

³ *Id.*

⁴ <https://www.frcc.com/SitePages/FRCC-TRANSFERS-REGIONAL-ENTITY-FUNCTIONS-AND-ENTITIES-TO-SERC.aspx>.

Date: June 6, 2024

Minor Violation Rules Certification

Pursuant to Section 120.695, F.S., for each rule filed for adoption, the agency head shall certify whether any part of the rule is designated as a rule the violation of which would be a minor violation. Rule 25-6.0183, F.A.C., is on the Commission's minor violation rule list because violation of the rule would not result in economic or physical harm to a person or adverse effects on the public health, safety, or welfare and would not create a significant threat of such harm. The proposed amendments to the rule would not alter the likelihood or risk of such harms in the event of a violation. Thus, if the Commission proposes the amendment, staff recommends that the Commission certify that Rule 25-6.0183, F.A.C., is a rule the violation of which would be a minor violation pursuant to Section 120.695, F.S.

Statement of Estimated Regulatory Costs

Pursuant to Section 120.54, F.S., agencies are encouraged to prepare a statement of estimated regulatory costs (SERC) before the adoption, amendment, or repeal of any rule.⁵ Agencies are required to prepare a SERC for any rule that will have an adverse impact on small business or that is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within one year after implementation.⁶ The SERC analysis includes whether the rule will, within five years of implementation, have an adverse impact in excess of \$1 million in the aggregate on economic factors such as economic growth, private sector job creation or employment, private sector investments, or business competitiveness, productivity, or innovation.⁷ If expected adverse impacts or regulatory costs exceed any of the above criteria, a proposed rule may not take effect until it is ratified by the Legislature.⁸

A SERC was prepared and is appended hereto as Attachment B. The SERC concludes that the rule will not have an adverse impact on small business and that the rule is not likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within one year after implementation. Further, the SERC concludes that the rule will not likely have an adverse impact on economic growth, private sector job creation or employment, private sector investment, or business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. None of the adverse impact or regulatory cost criteria set forth in Section 120.541(2)(a), F.S., will be exceeded as a result of the recommended amendments to the rule. Thus, the rule does not require legislative ratification pursuant to Section 120.541(3), F.S. In addition, the SERC states that the rule will have no impact on small cities or counties and will not increase the cost to the Commission to implement and enforce the rule. No regulatory alternatives have been submitted pursuant to Section 120.541(1)(a), F.S.

Conclusion

Based on the foregoing, staff recommends the Commission propose the amendment of Rule 25-6.0183, F.A.C., as set forth in Attachment A. In addition, staff recommends that the Commission certify that Rule 25-6.0183, F.A.C., is a rule the violation of which would be a minor violation pursuant to Section 120.695, F.S.

⁵ Section 120.541(1)(b), F.S.

⁶ *Id.*

⁷ Section 120.541(2)(a), F.S.

⁸ Section 120.541(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing or JAPC comments are filed, and no proposal for a lower cost regulatory alternative is submitted, the rule may be filed with the Department of State for adoption, and the docket should be closed.

Staff Analysis: If no requests for hearing or JAPC comments are filed, and no proposal for a lower cost regulatory alternative is submitted pursuant to Section 120.541(1)(a), F.S., the rule may be filed with the Department of State for adoption, and the docket should be closed.

25-6.0183 Electric Utility Procedures for Generating Capacity Shortage Emergencies.

The Commission adopts the FRCC Generating Capacity Shortage Plan, FRCC-MS-OPRC-015, Effective Date: November 1, 2023 ~~December 15, 2016~~, Version: 18 ~~8~~, which is adopted and ~~hereby~~ incorporated by reference into this rule and may be accessed at [new hyperlink] <http://www.flrules.org/Gateway/reference.asp?No=Ref 08155>, or by contacting the Commission's Division of Engineering, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, as the Commission's plan to address generating capacity shortage emergencies within Florida.

Rulemaking Authority 350.127(2), 366.05 FS. Law Implemented 366.04(2)(c), (f), (5) FS.

History—New 2-12-91, Amended 3-19-98, 4-27-03, 5-1-08, 5-9-17,_____.

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.



FRCC Document Classification: Public – This document may be shared freely with no access or use restrictions.

FRCC
Generating Capacity Shortage Plan
FRCC-MS-OPRC-015
Effective Date: November 1, 2023
Version: 18

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Classification: Public

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The original signatures are maintained on file.

TITLE	NAME	DATE
Version Author	John Libertz	09/15/2023
Document Review Authority	FRCC Operating Reliability Subcommittee	09/19/2023
Document Approval Authority	FRCC Operating Committee	10/5/2023

Document Subject Matter Expert: State Capacity Emergency Coordinator

Original Author: Eric Senkowicz

Responsible Department: Operations

Review Cycle: Review and update annually with no more than 15 months between reviews¹

Last Date Reviewed: 10/5/2023

Next Planned Review Date: 10/5/2024

Retention Period: 7 Years

File Name: frccmsoprc015_gencapshrtpln

Document ID #: FRCC-MS-OPRC-015

¹ NERC Reliability Standard IRO-014-3 R2.1

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1.0 Purpose

The purpose of this *FRCC Generating Capacity Shortage Plan (FRCC Plan)* is to document guidelines and summarize procedures to be used by electric utilities within the FRCC Reliability Coordinator Area (FRCC RC Area) and governmental agencies in response to generating capacity shortages which impact or threaten to impact significant numbers of customers. Generating capacity shortages may be caused by unusually hot or cold weather, fuel supply shortages, transmission disruptions or plant outages.

This *FRCC Plan* is oriented toward energy emergencies caused by a generating capacity shortage. It is designed to provide a coordinated response to the various communications, environmental, legal, political and technical concerns which may arise on a state-wide basis during a generating capacity shortage. Power disruptions limited to a local area that are caused by factors other than a generating capacity shortage are outside of the scope of this *FRCC Plan*.

Based on the interdependency of generation capacity and generator fuel supply, and that a significant portion of electric generation within the FRCC RC Area uses remotely supplied natural gas, the plan specifically distinguishes generating capacity shortages by primary causes. The two types of generating capacity shortages are inadequate generating capability (1) due to abnormally high loads or unavailable generating facilities or (2) due to inadequate fuel supply. The two types have distinct initiating events and may require unique responses to ensure optimal state-wide communication and coordination to minimize impacts of shortages on the people of Florida.

The *FRCC Plan* addresses: 1) procedures to be followed by individual FRCC Balancing Authorities (FRCC BAs), FRCC Generator Operators (FRCC GOPs), and FRCC Transmission Operators (TOPs) during a generating capacity shortage on their systems and 2) procedures to be followed by all FRCC BAs, FRCC GOPs, and FRCC TOPs to ensure coordinated state-wide action and communication.

2.0 Terms and Definitions

2.1 North American Electric Reliability Corporation (NERC) Glossary of Terms

Unless otherwise noted within this section of the document, the capitalized terms within this procedure are defined in the NERC Glossary of Terms.

2.2 FRCC Balancing Authorities (FRCC BAs)

As defined in the *FRCC Document Control Policy and Procedure (FRCC-MS-ISD-014)*.

2.3 FRCC Generator Operators (FRCC GOPs)

As defined in the *FRCC Document Control Policy and Procedure (FRCC-MS-ISD-014)*.

2.4 FRCC Transmission Operators (FRCC TOPs)

As defined in the *FRCC Document Control Policy and Procedure (FRCC-MS-ISD-014)*.

2.5 FRCC Reliability Coordinator Area (FRCC RC Area)

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As defined in the *FRCC Document Control Policy and Procedure* (FRCC-MS-ISD-014).

2.6 Energy Emergency

Per the NERC Glossary of Terms, a condition when a Load-Serving Entity (LSE) or Balancing Authority (BA) has exhausted all other resource options and can no longer meet its expected Load obligations.

2.7 Energy Emergency Alert (EEA)

A classification of Energy Emergency as outlined in Attachment 1 of the NERC Reliability Standard EOP-011-2.

2.8 Firm Operating Margin (w/ use of interruptible load and /or Demand Side Management)

Total Resources – Total Firm Load (includes Firm Sales).

2.9 Firm Sales

Total sales that have the same level of priority as Firm Load for each FRCC BA.

2.10 Florida Transaction Management System (FTMS)

The FTMS is a software tool, available through the Internet, that enables multiple concurrent users to obtain a variety of reliability related services. Each FRCC Balancing Authority (BA) and FRCC Transmission Operator (TOP) will provide reliability data for use in performing the Operations Planning function. Operating Entities (OEs) may connect to the FTMS as outlined in Section 6.1: Security Features of the FTMS and to Section 6.2: Access Controls to *FTMS of the Florida Transaction Management System Guidance Procedure* (FRCC-MS-OPRC-035). The FTMS computer application is hosted, and supported, by a third-party vendor, Open Access Technology International (OATI).

2.11 Generating Capacity Shortage

A generating capacity shortage exists when any one of the FRCC BAs in the FRCC RC Area has, or is forecast to have, inadequate generating capability, including purchased power, to supply its firm load obligations.

2.12 Interruptible or Non-Firm Load or Demand Side Management

All residential and commercial load that can be interrupted for each FRCC BA.

2.13 Most Severe Single Contingency (MSSC)

MSSC in the FRCC RC Area is defined in the FRCC procedure titled *Regional Process for Determination of Most Severe Single Contingency* (FRCC-MS-OPRC-008).

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2.14 Operating Margin (w/o use of interruptible load and /or Demand Side Management)

Total Resources – Total Load (includes Firm Sales and Non-Firm Sales).

2.15 Total Firm Load

Sum of all FRCC BAs Total Load (including Firm Sales) within the FRCC RC Area minus the Sum of all BAs Non-Firm Load (including Non-Firm Sales) inside of the FRCC RC Area.

2.16 Total Peak Load

Total FRCC BA forecasted peak load (including Firm Sales and Non-Firm Sales) in the FRCC RC Area for the current day.

2.17 Total Resources

All available generation and purchased capacity (firm and non-firm) resources that are expected to be counted on to provide the declared output.

3.0 Background

Electricity is a vital part of Florida's infrastructure. It is critical for the existing and growing residential population, for commerce and industry, and for tourism. FRCC BAs, FRCC GOPs, and FRCC TOPs coordinate planning and operations to ensure adequacy and reliability of the electric system long-term. However, during periods of abnormal weather, in the event of multiple unanticipated generating outages, or during fuel supply or fuel availability constraints, there may be occasional times when load serving capacity is also constrained or falls below customer demand. The following plan was developed to facilitate coordinated actions among FRCC BAs, FRCC GOPs, and FRCC TOPs and state and local agencies in the event of an anticipated or actual generating capacity shortage so as to protect the health, safety, and welfare of the people of Florida, consistent with good operating practices.

4.0 Applicability

4.1 FRCC BAs

4.2 FRCC GOPs

4.3 FRCC Reliability Coordinator (FRCC RC)

4.4 FRCC State Capacity Emergency Coordinator (FRCC SCEC)

4.5 FRCC TOPs

5.0 Responsibilities

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5.1 FRCC State Capacity Emergency Coordinator (FRCC SCEC)

The FRCC SCEC is responsible for the actions outlined in this *FRCC Plan*. The mechanisms used by the FRCC SCEC to gather and analyze the necessary information include, the FRCC Daily Capacity Assessment Report, weather forecasts and individual FRCC BA notifications and status reports. Upon meeting a phase's criteria, the FRCC SCEC shall perform the actions outlined within this *FRCC Plan*.

5.2 Florida Division of Emergency Management (FDEM)

The FDEM is responsible for notifying county and private emergency organizations that are part of its system. FDEM also decides when and if to use the Emergency Alert System (EAS) to disseminate messages to citizens. The FDEM will act as an information liaison in areas particularly related to environmental permitting that may impact availability of generators or fuel supply. The suggested EAS message is included in *Attachment B: State Warning Point Notification Template*.

5.3 Florida Public Service Commission (FPSC)

The FPSC acts as an informational liaison to all interested parties.

5.4 FRCC BAs, FRCC GOPs, and FRCC TOPs

Each FRCC BAs, FRCC GOPs, and FRCC TOPs participating in this *FRCC Plan* shall have an energy emergency plan as outlined in this document.

The individual FRCC BA, FRCC GOP, and FRCC TOP will work with FRCC Operations staff to aggregate FRCC RC Area data and provide status reports and technical updates to the FPSC staff. FRCC BAs, FRCC GOPs, and FRCC TOPs, along with the FRCC RC, will also update the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC) as required. FRCC BAs, FRCC GOPs, and FRCC TOPs, along with the FRCC RC, shall also specifically update the United States Department of Energy (U.S. DOE) as appropriate and in accordance with current U.S. DOE, Electric Emergency Incident and Disturbance Report, criteria and reporting protocol. All entity reporting shall comply with appropriate NERC Reliability Standards along with applicable SERC Regional Reliability Standards.

5.5 FRCC Operating Reliability Subcommittee (FRCC ORS)

The FRCC ORS is responsible for the review and update of this document.

5.6 FRCC Operating Committee (FRCC OC)

The FRCC OC is responsible for the review and approval of this document.

6.0 FRCC Plan

6.1 FRCC Protocols, Processes and Communications

The *FRCC Plan* includes procedures for responding to emergencies with time frames ranging from

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sudden, unexpected events to those caused by weather systems that can be tracked and provide advance notice. The FRCC RC and FRCC SCEC utilize a variety of FRCC protocols, processes, and tools to ensure accurate, timely and appropriate coordination of information and operational data collection. Information is aggregated and used to ensure accurate reliability assessments of the FRCC RC Area and effective implementation of this FRCC Plan. Some of these procedures, protocols, processes and tools include forward looking capacity assessment reports, the RC Agent's gas pipeline overview page on the Blue Florida display for the FRCC RCSO, conference calls, reliability status reports, fuel inventory status reports and various established communication channels.

The FRCC SCEC will make the appropriate notifications as outlined in each of the capacity shortage conditions within this *FRCC Plan*. FRCC BAs, FRCC GOPs, and FRCC TOPs may also individually provide communications to the public, news media, and governmental agencies. These communications will be shared with the FRCC RC and the FRCC Media Group for situational awareness purposes. In addition, the FRCC Media Group may coordinate additional communication, as needed.

6.2 Individual FRCC BA, FRCC GOP, and FRCC TOP Plans

Each FRCC BA, FRCC GOP, and FRCC TOP participating in this plan shall have an energy emergency plan that will enable it to cope with a generating capacity shortage on its system and to mitigate to the fullest extent practicable the impact of the emergency on its customers and neighboring FRCC BAs and FRCC TOPs and the reliability of the state-wide bulk power system. Each FRCC BA, FRCC GOP, and FRCC TOP plan shall include procedures for notification of its own emergency and public information personnel. Each FRCC BA, FRCC GOP, and FRCC TOP plan shall also include a requisite section on specifically coping with a generating capacity shortage directly attributable to a short-term fuel supply or fuel availability constraint. Emergency actions not specifically addressed in this *FRCC Plan* shall be addressed in the individual FRCC BA, FRCC GOP, and FRCC TOP plans. A copy of each individual plan shall be maintained with the FRCC RC and the FPSC (as required by the FPSC).

Each individual FRCC BA, FRCC GOP, and FRCC TOP's emergency plan or procedures should include (as appropriate for generating and non-generating FRCC BAs, FRCC GOPs, and FRCC TOPs) the following items (not necessarily in the sequence shown):

- Purpose and scope
- Supporting plans and procedures
- Department and personnel responsibilities
- Categories and criteria for activation of emergency plan
- Emergency communication centers (phone centers)
- Communication networks
- How and when messages are initiated
- Messages (available at FRCC BAs, FRCC GOPs, and FRCC TOPs, faxed as necessary)
- Seasonal public education messages

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- Florida Reliability Coordinating Council staff notification
- Florida Division of Emergency Management notification
- Florida Public Service Commission notification
- County emergency management agencies notification
- Notification of co-generators and non-utility generators
- Winterization as applicable
- Scheduling of generation facilities
- Fuel supply management
- Procedures to reduce company use of power
- Load reduction guidelines and identification and prioritization of critical loads
- Training
- Plan revision

Each individual FRCC BA, FRCC GOP, and FRCC TOP's emergency plan or procedures should also include (as appropriate for generating and non-generating FRCC BAs, FRCC GOPs, and FRCC TOPs) a complementary section or equivalent procedures that specifically enable it to handle a generation fuel shortage affecting its facilities and to mitigate to the fullest extent practicable the impact of short-term, generating fuel, availability constraints on the reliability of the FRCC RC Area Bulk Electric System (BES).

Each individual FRCC BA, FRCC GOP, and FRCC TOP's short-term generation fuel shortage procedures should include the following items (not necessarily in the sequence shown):

- A procedure for forecasting the extent of a generation fuel shortage
- A fuel inventory plan which recognizes unusual delays or problems with the delivery or production of fuel
- A procedure for notification to the FRCC SCEC and FRCC Director of Operations (or designee)
- A plan to operate all its generation resources to optimize, with appropriate deference to economic dispatch, the conservation of the fuel source in short supply, consistent with good operating practices
- A procedure for individual appeals to large industrial and commercial customers to reduce non-essential uses and to maximize use of any customer-owned generation utilizing energy sources other than the fuel in short supply (if applicable)
- A plan for expanding the use of load management resources or voltage reduction (if applicable)
- A plan for purchasing power from other sources. Emphasis should be placed on need to make use of pre-planned interchange contracts between FRCC BAs, in an effort to minimize use of fuels in

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short supply and maximize the efficiency of fuel that is available within the FRCC RC Area

6.3 **FRCC Plan Procedural/Process Steps**

The *FRCC Plan* describes the coordinated procedures to be followed by all FRCC BAs, FRCC GOPs, and FRCC TOPs during a generating capacity shortfall. The declaration of any phase of this *FRCC Plan* is based on data and activities occurring in the FRCC RC Area. Declarations will be made by the FRCC RC as appropriate. Declarations will be made on a state-wide basis since media and communication may cross FRCC BA and FRCC TOP boundaries. The FRCC President and CEO may work with the FRCC Media Group and FRCC Director of Operations to develop and coordinate notifications as necessary. The *FRCC Plan* consists of the following phases:

6.3.1 **FRCC Generating Capacity Advisory**

A Generating Capacity Advisory does not necessarily indicate an imminent threat of an Energy Emergency. Therefore, information offered is preparatory in nature and serves only to forewarn consumers well in advance that conditions exist for the potential of a generating capacity shortage at some point in the future. The Advisory is used in anticipation of operating conditions (low temperatures, low Operating Margin or fuel availability) for the current day plus the next two days which require heightened awareness and potential FRCC BA, FRCC GOP, and FRCC TOP precautionary actions. If needed, the FRCC Operating Reliability Subcommittee (ORS) may develop an extended capacity assessment to allow for additional coordination among FRCC BAs.

A Generating Capacity Advisory will be issued by the FRCC RC when conditions a, b, or c below are met:

- a) When the temperature projections, for up to three days in advance of the current date, meet the temperature criteria below:

LOCATION	TEMPERATURE
Panama City	21° F and below
Jacksonville	21° F and below
Tampa	31° F and below
Miami	40° F and below

- b) The Operating Margin is less than two times the current FRCC MSSC.
- c) The fuel supplies and deliveries, on a State-wide basis **may** be impacted by weather, natural gas production disruptions, natural gas pipeline delivery disruptions, or any other fuel infrastructure impacts within the FRCC RC Area resulting in condition (b) above. An

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*Advisory for this condition will be issued as: **FRCC Generating Capacity Advisory/Short-Term Generation Fuel Availability Concern.***

Note: A Generating Capacity Advisory does not indicate an imminent threat of an Energy Emergency. An Advisory declared based on forecasted temperatures will not be rescinded even if the temperature forecast changes.

6.3.1.1 FRCC RC Responsibilities

- 6.3.1.1.1 Review conditions noted above on a daily basis and declare the Generating Capacity Advisory as necessary.
- 6.3.1.1.2 Notify FRCC BAs and FRCC TOPs of Generating Capacity Advisory condition.
- 6.3.1.1.3 Notify the FRCC SCEC of the Generating Capacity Advisory condition.
- 6.3.1.1.4 Notify the adjacent RC of the Generating Capacity Advisory condition.²
- 6.3.1.1.5 Review conditions for potential reliability problems.

6.3.1.2 FRCC SCEC Responsibility

- 6.3.1.2.1 Notify the FRCC Senior Management, the Chair of the FRCC OC, and the Chair of the FRCC ORS of the Generating Capacity Advisory condition.
- 6.3.1.2.2 Notify the FDEM, SWP, FPSC, NERC, SERC, FRCC BAs, FRCC GOPs, and FRCC TOPs of the Generating Capacity Advisory condition utilizing the applicable template shown in *Attachment A: FRCC SCEC Notification Templates*.
- 6.3.1.2.3 If requested by SWP representative, act as single point contact between the SWP and the FRCC BAs, FRCC GOPs, FRCC TOPs.
- 6.3.1.2.4 Advise natural gas pipeline operators within the FRCC RC Area on issuance of a Generating Capacity Advisory.
- 6.3.1.2.5 Initiate multi-day, look-ahead, FRCC Daily Capacity Assessment reporting for FRCC BAs in order to more accurately assess base-line conditions, verify the FRCC RC Area is in the appropriate phase of the plan, focus coordination efforts, enhance situational awareness and increase communication among the FRCC OEs.
- 6.3.1.2.6 Request (via the FTMS/email and a FRCC Operating Reliability Subcommittee (ORS) conference call) that all FRCC GOPs commence executing their respective procedures for preparing generators for cold

² NERC Reliability Standard IRO-014-3 R1.2

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weather operation, as appropriate.

6.3.1.3 FRCC BAs, FRCC GOPs, and FRCC TOPs

- 6.3.1.3.1 Notify the FRCC SCEC for any of the conditions listed in Section 6.3.1.
- 6.3.1.3.2 Proceed with executing their respective procedures for preparing generators for cold weather operation, as appropriate.
- 6.3.1.3.3 Implement FRCC BA and FRCC TOP public awareness programs if appropriate.
- 6.3.1.3.4 Notify FRCC BA, FRCC GOP, and FRCC TOP emergency personnel if appropriate.
- 6.3.1.3.5 Notify local emergency agencies if appropriate.
- 6.3.1.3.6 Implement short-term generation fuel shortage procedures if appropriate.
- 6.3.1.3.7 Provide status reports as required by the FRCC SCEC or FRCC RC.

6.3.2 **Energy Emergency Alert 1 – All Available Resources In Use** (as defined in the applicable NERC Reliability Standard)

Note: An EEA 1 through 3 may be initiated by a sudden event or up to one day ahead of the current day, and only by the FRCC RC at 1) the FRCC RC's request, or 2) upon the request of an energy deficient FRCC BA. The FRCC RC may declare whatever alert level is necessary and need not proceed through the alerts sequentially.

An EEA-1 does not necessarily indicate an imminent threat. Therefore, information offered is preparatory in nature and serves only forewarn consumers that conditions exist for the potential of a generating capacity shortage.

An EEA-1 will be declared by the FRCC RC when conditions a, b, or c below are met:

- a) FRCC BA foresees or is experiencing conditions where all available generation resources are committed to meet firm load, firm transactions, and reserve commitments, and is concerned about sustaining its required Contingency Reserves. Also, Non-firm wholesale energy sales (other than those that are recallable to meet reserve requirements) have been curtailed.
- b) Operating Margin < 1.5 times the current FRCC MSSC.
- c) Notification to the FRCC RCSO by an individual FRCC BA or FRCC GOP that their generation fuel supplies may be impacted and may decrease below a level adequate to provide for continuous, uninterrupted service to its firm customers resulting in conditions (a) or (b) above. The declaration of an EEA-1 pursuant to such circumstances shall be declared as an **"Energy Emergency Alert 1/ Short-Term Generation Fuel Availability Concern"**.

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6.3.2.1 FRCC RC Responsibility

- 6.3.2.1.1 Notify FRCC BAs and FRCC TOPs of the EEA-1 condition via FTMS and the FRCC Hotline.
- 6.3.2.1.2 Notify the FRCC SCEC of the EEA-1 condition.
- 6.3.2.1.3 Notify the adjacent RC of the EEA-1 condition.³
- 6.3.2.1.4 Notify other RCs by posting EEA-1 on RCIS.
- 6.3.2.1.5 Review conditions for potential reliability problems.
- 6.3.2.1.6 Convene reliability assessment conference calls, as appropriate.
- 6.3.2.1.7 Perform required communications and actions in accordance with applicable NERC Reliability Standards.

6.3.2.2 FRCC SCEC Responsibility

- 6.3.2.2.1 Notify the FRCC Senior Management, the Chair of the FRCC OC, and the Chair of the FRCC ORS of the EEA-1 condition.
- 6.3.2.2.2 Notify FDEM, SWP, FPSC, NERC, SERC, FRCC BAs, FRCC GOPs, and FRCC TOPs of the EEA-1 condition utilizing the applicable template shown in Attachment A: FRCC SCEC Notification Templates.
- 6.3.2.2.3 Advise natural gas pipeline operators within the FRCC RC Area on issuance of a EEA-1 condition.
- 6.3.2.2.4 If appropriate, initiate multi-day, look-ahead, FRCC Daily Capacity Assessment reporting for FRCC BAs in order to more accurately assess base-line conditions, verify the FRCC RC Area is in the appropriate phase of the plan, focus coordination efforts, enhance situational awareness and increase communication among the FRCC BAs, FRCC GOPs, and FRCC TOPs.

6.3.2.3 FRCC BAs, FRCC GOPs, and FRCC TOPs Responsibility

- 6.3.2.3.1 Implement FRCC BA or FRCC TOP public awareness programs, if appropriate.
- 6.3.2.3.2 Notify FRCC BAs, FRCC GOPs, and FRCC TOPs emergency personnel, if appropriate.
- 6.3.2.3.3 Notify local emergency agencies, if appropriate.

³ NERC Reliability Standard IRO-014-3 R1.2

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6.3.2.3.4 Provide status reports as required by the FRCC SCEC or FRCC RC and inform FRCC SCEC on any information disseminated to the public.

6.3.2.4 FDEM

FDEM will maintain contact with affected counties, FRCC BAs, FRCC GOPs, FRCC TOPs, and/or FRCC SCEC and notify the appropriate state agencies, including the Florida Office of Energy.

6.3.2.5 FPSC

FPSC will maintain communications with FRCC BAs, FRCC GOPs, FRCC TOPs, FRCC SCEC, and FDEM as appropriate.

6.3.2.6 Florida Office of Energy

Florida Office of Energy will maintain contact with FDEM and other parties as appropriate.

6.3.3 **EEA-2 Load Management Procedures in Effect** (as defined in the applicable NERC Reliability Standard)

An EEA-2 does not necessarily indicate an imminent threat. Therefore, information offered is preparatory in nature and serves only to forewarn consumers that conditions exist for the potential of a generating capacity shortage.

An EEA-2 will be declared by the FRCC RC when conditions a, b, or c below are met:

- a) An FRCC BA is no longer able to provide its customers' expected energy requirements, is in an energy deficient condition and has implemented or plans to implement applicable emergency procedures. These procedures may include, but are not limited to:
 - Public appeals to reduce demand;
 - Voltage reduction;
 - Interruption of Non-Firm Load in accordance with applicable contracts (for emergency, not economic, reasons);
 - Demand side management, and
 - FRCC OE load conservation measures
- b) Firm Operating Margin < the current FRCC MSSC.
- c) Notification from FRCC BAs to the FRCC RCSO that fuel supplies and deliveries (e.g.: for natural gas the pipeline pressure or flow has degraded) on a State-wide basis have decreased and may be below a level adequate to provide for continuous, uninterrupted service to firm customers resulting in conditions (a) or (b) above. The declaration of an EEA-2 pursuant to such circumstances will be declared as an **"Energy Emergency Alert 2/ Short-Term Generation Fuel Shortage"**.

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6.3.3.1 FRCC RC Responsibility

- 6.3.3.1.1 Notify the FRCC BAs and FRCC TOPs of the EEA-2 condition via FTMS and the FRCC State Hotline.
- 6.3.3.1.2 Notify the FRCC SCEC of the EEA-2 condition.
- 6.3.3.1.3 Notify the adjacent RC of the EEA-2 condition.⁴
- 6.3.3.1.4 Notify other RCs by posting EEA-2 on RCIS.
- 6.3.3.1.5 Review conditions for potential reliability problems.
- 6.3.3.1.6 Convene reliability assessment conference calls, as appropriate.
- 6.3.3.1.7 Perform required communications and actions in accordance with applicable NERC Reliability Standards.

6.3.3.2 FRCC SCEC Responsibility

- 6.3.3.2.1 Notify the FRCC Senior Management, the Chair of the FRCC OC, and the Chair of the FRCC ORS of the EEA-2 condition.
- 6.3.3.2.2 Notify FDEM, SWP, FPSC, NERC, SERC, FRCC BAs, FRCC GOPs, and FRCC TOPs of the EEA-2 condition utilizing the applicable template shown in Attachment A: FRCC SCEC Notification Templates.
- 6.3.3.2.3 Advise natural gas pipeline operators within the FRCC RC Area on issuance of the EEA-2 condition.
- 6.3.3.2.4 If appropriate, initiate multi-day, look-ahead, FRCC Daily Capacity Assessment reporting for FRCC BAs in order to more accurately assess base-line conditions, verify the FRCC RC Area is in the appropriate phase of the plan, focus coordination efforts, enhance situational awareness and increase communication among the FRCC BAs, FRCC GOPs, and FRCC TOPs.

6.3.3.3 FRCC BAs, FRCC GOPs, and FRCC TOPs Responsibility

- 6.3.3.3.1 Implement FRCC BAs and FRCC TOPs public awareness programs, if appropriate.
- 6.3.3.3.2 Notify FRCC BAs, FRCC GOPs, and FRCC TOPs emergency personnel, if appropriate.
- 6.3.3.3.3 Notify local emergency agencies, if appropriate.

⁴ NERC Reliability Standard IRO-014-3 R1.2

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6.3.3.3.4 Provide status reports as required by the FRCC SCEC or FRCC RC and inform FRCC SCEC on any information disseminated to the public.

6.3.3.4 FDEM

FDEM will maintain contact with affected counties, FRCC BAs, FRCC GOPs, FRCC TOPs, and/or FRCC SCEC and notify the appropriate state agencies, including the Florida Office of Energy.

6.3.3.5 FPSC

FPSC will maintain communications with FRCC BAs, FRCC GOPs, FRCC TOPs, FRCC SCEC, and FDEM as appropriate.

6.3.3.6 Florida Office of Energy

Florida Office of Energy will maintain contact with FDEM and other parties as appropriate.

6.3.4 **EEA-3 Firm Load Interruption Imminent or In Progress** (as defined in the applicable NERC Reliability Standard)

An EEA-3 can exist when any one FRCC BA cannot supply its firm load obligations or fuel supplies have decreased on a state-wide basis. Messages are specific and call for appropriate safety, conservation and damage control responses to minimize the effects of the crisis. Although this plan summarizes actions and steps to take in the various short-term generation fuel shortage situations, this plan does not diminish the emphasis that should be placed on the need to make use of pre-planned interchange contracts between FRCC BAs, in an effort to minimize use of fuels in short supply.

An EEA-3 will be declared by the FRCC RC when conditions a or b below are met:

- a) A FRCC BA is unable to meet minimum Contingency Reserve requirements and Firm Load interruption is imminent or in progress.
- b) Notification from FRCC BAs to the FRCC RCSO that fuel supplies and deliveries (e.g.: for natural gas the pipeline pressure or flow has degraded) on a state-wide basis have decreased to a level that is not adequate to provide for continuous, uninterrupted service to Firm Load customers. The declaration of an EEA-3 pursuant to such circumstances will be declared as an “Energy Emergency Alert 3/ Short-Term Generation Fuel Shortage”.

6.3.4.1 FRCC RC Area Generation Fuel Supply Response

6.3.4.2 FRCC RC Responsibility

6.3.4.2.1 Notify FRCC BAs and FRCC TOPs of the EEA-3 condition.

6.3.4.2.2 Notify the FRCC SCEC of the EEA-3 condition.

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- 6.3.4.2.3 Notify the adjacent RC of the EEA-3 condition.⁵
- 6.3.4.2.4 Notify other RCs by posting EEA-3 on RCIS.
- 6.3.4.2.5 Review conditions for potential reliability problems.
- 6.3.4.2.6 Convene reliability assessment conference calls as appropriate.
- 6.3.4.2.7 Notify NERC in accordance with applicable NERC Reliability Standards.
- 6.3.4.2.8 The FRCC RC shall initiate fuel inventory and forecast fuel availability status reporting.
- 6.3.4.3 **FRCC SCEC Responsibility**
 - 6.3.4.3.1 Notify the FRCC Senior Management, the Chair of the FRCC OC, and the Chair of the FRCC ORS of the EEA-3 condition.
 - 6.3.4.3.2 Notify FDEM, SWP, FPSC, NERC, SERC, FRCC BAs, FRCC GOPs, and FRCC TOPs of the EEA-3 condition utilizing the applicable template shown in Attachment A: FRCC SCEC Notification Templates.
 - 6.3.4.3.3 Advise natural gas pipeline operators within the FRCC RC Area on issuance of the EEA-3 condition.
 - 6.3.4.3.4 If appropriate, initiate multi-day, look-ahead, FRCC Daily Capacity Assessment reporting for FRCC BAs in order to better assess changing conditions, accurately track the status of the FRCC RC Area, verify appropriate parameters and proper phase designation of the plan. The look-ahead reporting also continues to focus coordination efforts, enhance situational awareness and increase communication among the FRCC BAs, FRCC GOPs, and FRCC TOPs.
- 6.3.4.4 **FRCC BAs, FRCC GOPs, and FRCC TOPs Responsibility**
 - 6.3.4.4.1 If an EEA-3 is declared, FRCC BAs and FRCC GOPs will immediately begin providing fuel inventory and forecast fuel availability data to the FRCC SCEC in order to establish an overall fuel supply assessment of the FRCC RC Area and begin mitigating actions as practicable.
 - 6.3.4.4.2 Mitigating actions may include specific reliability assessments to improve the effectiveness and efficient use of available FRCC RC Area fuel supplies and fuel delivery infrastructure. The assessments may also be used to develop detailed FRCC recommendations of governmental agency actions in support of the FRCC BAs and FRCC TOPs as well as coordinating assistance requests to the adjacent RC.⁶

⁵ NERC Reliability Standard IRO-014-3 R1.2

⁶ NERC Reliability Standard IRO-014-3 R1.2

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6.3.4.4.3 When implementing firm load reduction, facilities essential to the health, safety, or welfare of the community should be considered in individual FRCC BA and FRCC TOP plans and, insofar as the situation makes it practical, their special needs addressed. Although not an exhaustive list, the following types of installations may be included in this category:

- a) Hospitals and similar medical facilities
- b) Police and fire stations
- c) Natural gas compressor station facilities
- d) Operation, guidance control, and navigation services for public transportation and shipping, including rail, mass transit, licensed commercial air transportation, and other forms of transportation
- e) Communication services, including telephone and telegraph systems, television, and radio stations
- f) Water supply and sanitation services, including waterworks, pumping and sewage disposal activities which cannot be reduced without seriously affecting public health
- g) Federal activities essential for national defence and state and local activities essential for providing emergency services.

Although these types of customers may be given special consideration from the curtailment provisions of this plan, they should be encouraged to install emergency generation equipment if continuity of service is essential. In the case of these types of customers when supplied from multiple sources, (such as a hospital with two feeders) efforts will be made to maintain one source in service at all times. Other customers who, in their opinion, have critical equipment should install emergency or portable generating equipment.

6.3.4.4.4 Although not within the definition of essential services, the special situation of life sustaining medical equipment may be considered on a case-by-case basis in the individual FRCC BA and FRCC TOP plans. Life sustaining medical equipment is defined as equipment:

- which is necessary to sustain the life of the user,
- which has been prescribed by the user's physician, and
- where any interruption of electricity to such equipment poses an immediate threat to the user

Each FRCC BA and FRCC TOP should consult with customers in this category to ensure that they fully understand the need for sufficient and proper backup power sources. In addition, during emergency conditions,

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cooperation and coordination should be provided to community service agencies and other governmental units which make special provisions for the needs of those with life sustaining medical equipment.

6.3.4.4.5 Implement applicable FRCC BAs, FRCC GOPs, and FRCC TOPs emergency plans where appropriate.

6.3.4.4.6 Notify the FRCC RC of sudden and unexpected events.

6.3.4.4.7 Notify FRCC BAs, FRCC GOPs, and FRCC TOPs emergency personnel, if appropriate.

6.3.4.4.8 Implement short-term generation fuel shortage procedures as applicable.

6.3.4.4.9 All efforts should be made, with appropriate deference to economic dispatch, to preserve fuel types with limited availability or limited inventory, from both an individual FRCC BA perspective and a collective FRCC RC Area perspective.

6.3.4.4.10 Provide status reports as required by the FRCC SCEC or FRCC RC and inform FRCC SCEC on any information disseminated to the public.

6.3.4.5 FDEM

FDEM will maintain contact with affected counties, FRCC BAs, FRCC GOPs, FRCC TOPs, and/or FRCC SCEC and notify the appropriate state agencies, including the Florida Office of Energy. If necessary, FDEM will prepare for activation of emergency public information and prepare for sheltering of evacuees.

6.3.4.6 FPSC

FPSC will maintain communications with FRCC BAs, FRCC GOPs, FRCC TOPs, FRCC SCEC and FDEM as appropriate.

6.3.4.7 Florida Office of Energy

Florida Office of Energy will maintain contact with FDEM and other parties as appropriate.

6.3.5 **EEA-0 – Termination of EEA Condition** (as defined in the applicable NERC Reliability Standard)

An EEA-0 will be declared by the FRCC RC when the energy deficient FRCC BA is able to meet its Load and Operating Reserve requirements.

6.3.5.1 FRCC RC Responsibility

6.3.5.1.1 Notify the FRCC BAs and FRCC TOPs of the termination of the EEA via FTMS and the FRCC State Hotline.

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- 6.3.5.1.2 Notify the FRCC SCEC of the termination of the EEA.
- 6.3.5.1.3 Notify the adjacent RC of the termination of the EEA.⁷
- 6.3.5.1.4 Notify other RCs by posting EEA-0 on RCIS.
- 6.3.5.1.5 Review conditions for potential reliability problems.
- 6.3.5.1.6 Convene reliability assessment conference calls as appropriate.
- 6.3.5.1.7 Notify NERC in accordance with applicable NERC Reliability Standards.
- 6.3.5.2 **FRCC SCEC Responsibility**
 - 6.3.5.2.1 Notify the FRCC Senior Management, the Chair of the FRCC OC, and the Chair of the FRCC ORS of the termination of the Energy Emergency Alert condition.
 - 6.3.5.2.2 Notify FDEM, SWP, FPSC, NERC, SERC, FRCC BAs, FRCC GOPs, and FRCC TOPs of the EEA-0 utilizing the applicable template shown in Attachment A: FRCC SCEC Notification Templates.
 - 6.3.5.2.3 Advise natural gas pipeline operators within the FRCC RC Area on EEA-0 condition.
- 6.3.5.3 **FRCC BAs and FRCC TOPs Responsibility**
 - 6.3.5.3.1 Notify the FRCC RC that Firm Load has been restored.
 - 6.3.5.3.2 Provide status reports as required by the FRCC SCEC or FRCC RC.
- 6.3.5.4 **FDEM**

FDEM will maintain contact with affected counties, FRCC BAs, FRCC GOPs, FRCC TOPs, and/or FRCC SCEC and notify the appropriate state agencies, including the Florida Office of Energy. If necessary, FDEM will continue to evaluate the need for activation of emergency public information and sheltering of evacuees.
- 6.3.5.5 **FPSC**

FPSC will maintain communications with FRCC BAs, FRCC GOPs, FRCC TOPs, FRCC SCEC and FDEM as appropriate.
- 6.3.5.6 **Florida Office of Energy**

Florida Office of Energy will maintain contact with the FDEM and other parties as appropriate.

⁷ NERC Reliability Standard IRO-014-3 R1.2

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6.4 Maintaining Emergency Preparedness

The FRCC OC has the overall responsibility to maintain emergency preparedness. Each year the FRCC OC will review the current preparedness program to determine effectiveness of that program in light of current events and past experiences. This review will include a training exercise which will be held annually.

The FRCC OC is responsible for coordinating the training exercise. The FDEM, the FPSC staff, and representatives from the gas pipeline(s) in the state are requested to participate in the exercises. The training session should include personnel with a major role in the coordination and/or implementation of the activities described within this plan. Such sessions shall include a review of the responsibilities of each individual party along with table-top exercises consisting of one or more possible emergency scenarios.

A group chaired by the FRCC OC Chair and made up of the FRCC SCEC, and selected FRCC OC members shall critique the exercises called by the plan versus experiences gained through the year. This group will assess the adequacy of this *FRCC Plan* and will make recommendations, if any, for improvement or revisions.

7.0 Document Distribution/Notification Requirements

7.1 Distribution/Notification Timeframe

This document should be distributed to FRCC OEs within 10 business days of version approval by the FRCC Board of Directors and FPSC Adoption.

7.2 NERC Required Distribution/Notification List

7.2.1 FRCC Southeastern RC⁸

7.2.1.1 Distribute to Southeastern RC representatives within 30 days of an update.⁹

7.2.1.2 Obtain written agreement from Southeastern RC representative for each update.¹⁰

7.3 Additional Distribution/Notification List

7.3.1 FRCC Board of Directors (Plan Modifications Only)

7.3.2 FPSC (Plan Modifications Only)

7.3.3 FRCC OC

7.3.4 FRCC ORS

⁸ NERC Reliability Standard IRO-014-3 R2, R2.2, R2.3

⁹ NERC Reliability Standard IRO-014-3 R2.3

¹⁰ NERC Reliability Standard IRO-014-3 R2.2

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7.3.5 RC Agent (Director System Operation and Training Staff)

7.3.6 FRCC BAs

7.3.7 FRCC GOPs

7.3.8 FRCC TOPs

7.3.9 FRCC SCEC

8.0 References

8.1 **NERC Standard EOP-011-2 Emergency Preparedness and Operations**

8.2 **NERC Standard IRO-014-3 Coordination Among Reliability Coordinators**

8.3 ***Regional Process for Determination of Most Severe Single Contingency (FRCC-MS-OPRC-008)***

8.4 ***FRCC Document Control Policy and Procedure (FRCC-MS-ISD-014)***

9.0 Attachments

9.1 **Attachment A: FRCC SCEC Notification Templates**

9.2 **Attachment B: Notification/Communication Check Sheet**

9.3 **Attachment C: Communication Flow Chart**

10.0 Review and Modification History

Review and Modification Log			
Date	Version Number	Description of Review or Modification	Sections Affected
9/15/2023	18	Revised the FTMS Definition and references to EOP-011-2.	Sections 6 and 8.
11/15/2022	17	Grammatical errors and additional language identifying the FRCC BA responsibility to notify the FRCC RCSO gas pipeline pressure or flow is degraded. Identified the RC Agent's gas pipeline overview Blue Florida display.	All
03/14/2022	16	Annual review. Added Panama City temperatures and other clarifications.	Section 6.0
08/03/2021	15	Updated document to clarify responsibilities and communication/notifications.	All
02/14/2021	14	Performed annual review and revised for grammatical consistency and to incorporate new/revised FRCC definitions.	All

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02/14/2020	13	Performed annual review with no revisions.	All
03/14/2019	12	Performed annual review and minor grammatical edits. Deleted the references to NERC Reliability Standards EOP-001-2.1b and EOP-002-3.1 due to their respective retirements.	All
03/14/2018	11	Performed annual review and minor grammatical edits.	All
09/26/2017	10	Modified document classification with new version number. Effective date of procedure was not changed.	Pages 1 & 2
02/15/2017	9	Reviewed document and made minor modification to reflect review cycle and distribution requirements per NERC Reliability Standard IRO-014-3 enforceable 04/01/2017. On May 30, 2017, Board approved granting full approval authority of this document to the OC with the understanding that significant revisions will be presented to the Board for their input.	7.0
09/26/2016	8	Revised the Advisory/Alert activation process, updated the responsibility titles and aligned the procedure with current processes, currently enforceable NERC Reliability Standard EOP-002-3.1, and the NERC Reliability Standard EOP-011-1 to be effective on April 1, 2017.	All
06/06/2016	7	Moved legacy procedure into new template which required modifying the entire structure and revised document to align with NERC Reliability Standard EOP-002-3.1.	All
09/29/2015	6	Existing FPSC Plan was placed in new template to capture review cycles and document distribution requirements.	All
09/03/2015	6	The Generating Capacity Shortage Drill was conducted on September 3, 2015. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A
06/04/2014	6	The Generating Capacity Shortage Drill was conducted on June 4, 2014. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A
12/05/2013	6	The Generating Capacity Shortage Drill was conducted on December 5, 2013. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A
12/10/2012	6	The Generating Capacity Shortage Drill was conducted on December 10, 2012. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A

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12/01/2011	6	The Generating Capacity Shortage Drill was conducted on December 1, 2011. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A
11/04/2010	6	The Generating Capacity Shortage Drill was conducted on November 4, 2010. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A
12/11/2009	6	The Generating Capacity Shortage Drill was conducted on December 11, 2009. In addition, a group chaired by the FRCC OC Chair and made up of the SCEC, and selected FRCC OC members critiqued the exercises called by the plan versus experiences gained through the year. The group assessed the adequacy of the FRCC Generating Capacity Shortage Plan and made minor recommendations not requiring a re-write of the current plan.	N/A

11.0 Disclaimer

The information, analysis, requirements and/or procedures described herein are not intended to be fully inclusive of all activities that may support compliance to a specific NERC Reliability Standard referenced or implied within the document. Nevertheless, it is the FRCC entities' and other users' responsibility to ensure the most recent version of this document is being used in conjunction with other applicable procedures, including, but not limited to, the applicable NERC Reliability Standards as they may be revised from time to time.

The use of this information in any manner constitutes an agreement to hold harmless and indemnify FRCC and FRCC Member Systems, and FRCC Staff, FRCC Committees and FRCC Member Employees from all claims of any damages. In no event shall FRCC and FRCC Member Systems, and FRCC Staff and FRCC Member Employees be liable for actual, indirect, special or consequential damages in connection with the use of this information.

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Attachment A: FRCC SCEC Notification Templates

Generating Capacity Advisory Notification Template

At 00:00 today through [e.g., Tuesday], [Month] [Day] at 00:00, a *Generating Capacity Advisory* is being declared by the FRCC RC on behalf of the FRCC RC Area.

Per the [FRCC Generating Capacity Shortage Plan](#), the *Generating Capacity Advisory* is being declared because the FRCC RC Area Operating Margin is limited *[select 1 of the events listed below]*

- *due to high load forecasts resulting from high temperatures.*
- Or
- *the FRCC RC Area Operating Margin is less than two times the current FRCC MSSC of 1450 MW.*

This notification is primarily for informational purposes due to the forecasted hot temperatures and does not indicate a current threat of an Energy Emergency Alert. No action is required by members at this time.

EEA1 Notification Template

At 00:00 today, an *Energy Emergency Alert 1 (EEA1)* was declared by the FRCC RC on behalf of an FRCC BA.

Per the [FRCC Generating Capacity Shortage Plan](#), the *EEA1* is being declared because an FRCC entity foresees or is experiencing conditions where all available generation resources are committed to meet firm load, firm transactions, and reserve commitments, and is concerned about sustaining its required Contingency Reserves.

This notification is primarily for informational purposes and does not indicate an imminent threat of load interruption. No action is required at this time.

EEA2 Notification Template

Note: The FRCC SCEC will choose one of the appropriate template language below based on the entrance condition of the EEA2.

- 1) At 00:00 today, an Energy Emergency Alert 2 (EEA2) [will be or was] declared by the FRCC RC on behalf of the FRCC RC Area due to the FRCC RC Area Operating Margin being less than the current FRCC Most Severe Single Contingency of 1450 MW.

This notification is primarily for informational purposes due to the reduced Operating Margin and does not indicate an imminent threat of load interruption. No action is required at this time.

- 2) Per the FRCC Generating Capacity Shortage Plan, the EEA2 is being declared because an FRCC entity is no longer able to provide its customers' expected energy requirements. The FRCC entity has implemented or plans to implement applicable emergency procedures which may include public appeals to reduce

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demand, voltage reduction, demand side management, load conservation measures, and/or interruption of Non-Firm Load in accordance with applicable contracts.

This notification is primarily for informational purposes due to the reduced Operating Margin and does not indicate an imminent threat of load interruption. No action is required at this time.

- 3) Because the FRCC region is experiencing a short-term generation fuel shortage on a State-wide basis. Fuel supplies have decreased and may be below a level adequate to provide for continuous, uninterrupted service to firm customers.

This notification is primarily for informational purposes due to the reduced Operating Margin and does not indicate an imminent threat of load interruption. No action is required at this time.

EEA3 Notification Template

Note: The FRCC SCEC will choose one of the appropriate template language below based on the entrance condition of the EEA3.

- 1) At 1600 today, an *Energy Emergency Alert 3 (EEA3)* will be declared by the FRCC RC on behalf of the FRCC RC Area. Per the [FRCC Generating Capacity Shortage Plan](#), the *EEA3* is being declared because an FRCC entity unable to meet minimum Contingency Reserve requirements and Firm Load interruption is imminent or in progress. The FRCC entity has already implemented applicable emergency procedures which may have included public appeals to reduce demand, voltage reduction, demand side management, load conservation measures, and/or interruption of Non-Firm Load in accordance with applicable contracts.

FRCC OE(s) are performing the following actions to mitigate the capacity shortfall:

Identify Action

- 2) Per the [FRCC Generating Capacity Shortage Plan](#), the *EEA3* is being declared because the FRCC region is experiencing a short-term generation fuel shortage on a State-wide basis. Fuel supplies and deliveries on a State-wide basis have decreased to a level that is not adequate to provide for continuous, uninterrupted service to Firm Load customers.

FRCC OE(s) are performing the following actions to mitigate the capacity shortfall:

Identify Action

EEA0 Notification Template

At 1600 today, the FRCC Reliability Coordinator declared an *Energy Emergency Alert 0 (EEA0)* terminating the Energy Emergency Alert previously declared.

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Attachment B: Notification/Communication Check Sheet

Generating Capacity Shortage Plan (FRCC-MS-OPRC-015)			
FRCC Staff/BA/GOP/TOP Check Sheet for Communications/Notifications			
Date: / /		Name (SCEC/OE/DOO):	
Steps	Notifications	Check	Time
FRCC Generating Capacity Advisory (GCA)			
FRCC State Capacity Emergency Coordinator (SCEC)			
SCEC-1	Notify FRCC Senior Management, Chair of the OC & ORS of the GCA condition		
SCEC-2	Inform FRCC GOPs (via FTMS & a ORS conference call) to prepare generators for cold weather operations (winterization procedures)		
FRCC BAs, FRCC GOPs, FRCC TOPs			
OE-1	Notify the FRCC SCEC for any of the following conditions: a. Temperatures below 21° for Jacksonville, 31° for Tampa and 40° for Miami b. Operating Margin is less than two times the current MSSC c. Natural Gas production disruptions or pipeline delivery disruptions		
OE-2	Notify FRCC BAs, GOPs and TOPs emergency personnel, if appropriate		
OE-3	Notify local emergency agencies, if appropriate		
FRCC Director of Operations (DoO)			
DoO-1	Advise the Florida Department of Emergency Management (FDEM) of the GCA condition		
DoO-2	Advise the State Warning Point (SWP) of the GCA condition		
DoO-3	Notify the FRCC BAs, GOPs and TOPs communications personnel of the GCA condition		
DoO-4	Advise the Florida Public Service Commission (FPSC) of the GCA status by providing the same information given to the SWP		
DoO-5	Advise natural gas pipeline operators within the FRCC RC Area on the issuance of the GCA		
Energy Emergency Alerts (EEA)			
EEA Level 1 – All Available Resources In Use			
FRCC State Capacity Emergency Coordinator (SCEC)			
SCEC-1	Notify FRCC Senior Management, Chair of the FRCC OC and Chair of the FRCC ORS of the EEA-1 condition		
SCEC-2	Notify FRCC BAs and FRCC TOPs of the EEA-1 condition		
SCEC-3	Confirm FRCC RCSO has communicated with the SeRC		
FRCC BAs, FRCC GOPs, FRCC TOPs			
OE-1	Notify FRCC BAs, GOPs and TOPs emergency personnel, if appropriate		
OE-2	Notify local emergency agencies, if appropriate		
FRCC Director of Operations (DoO)			

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DoO-1	Advise the Florida Department of Emergency Management (FDEM) of the EEA-1 condition				
DoO-2	Advise the State Warning Point (SWP) of the EEA-1 condition				
DoO-3	Notify FRCC OEs communications personnel of the EEA-1 condition				
DoO-4	Advise the Florida Public Service Commission (FPSC) of the EEA-1 condition by providing the same information given to the SWP				
DoO-5	Advise natural gas pipeline operators within the FRCC RC Area on the issuance of the EEA-1				
EEA Level 2 – Load Management Procedures in Effect					
FRCC State Capacity Emergency Coordinator (SCEC)					
SCEC-1	Notify FRCC Senior Management, Chair of the FRCC OC and Chair of the FRCC ORS of the EEA-2 condition				
SCEC-2	Notify FRCC BAs and FRCC TOPs of the EEA-2 condition				
SCEC-3	Confirm FRCC RCSO has communicated with the SeRC				
FRCC BAs, FRCC GOPs, FRCC TOPs					
OE-1	Notify FRCC BAs, GOPs and TOPs emergency personnel, if appropriate				
OE-2	Notify local emergency agencies, if appropriate				
FRCC Director of Operations (DoO)					
DoO-1	Advise the Florida Department of Emergency Management (FDEM) of the EEA-2 condition				
DoO-2	Advise the State Warning Point (SWP) of the EEA-2 condition				
DoO-3	Notify FRCC OEs communications personnel of the EEA-2 condition				
DoO-4	Advise the Florida Public Service Commission (FPSC) of the EEA-2 condition by providing the same information given to the SWP				
DoO-5	Advise natural gas pipeline operators within the FRCC RC Area on the issuance of the EEA-2				
EEA Level 3 – Firm Load Interruption imminent or in progress					
FRCC State Capacity Emergency Coordinator (SCEC)					
SCEC-1	Notify FRCC Senior Management, Chair of the FRCC OC and Chair of the FRCC ORS of the EEA-3 condition				
SCEC-2	Notify FRCC BAs and FRCC TOPs of the EEA-3 condition				
SCEC-3	Confirm FRCC RCSO has communicated with the SeRC				
FRCC BAs, FRCC GOPs, FRCC TOPs					
OE-1	Notify FRCC BAs, GOPs and TOPs emergency personnel, if appropriate				
OE-2	Notify the FRCC RC of sudden and unexpected events				
FRCC Director of Operations (DoO)					
DoO-1	Advise the Florida Department of Emergency Management (FDEM) of the EEA-3 condition				
DoO-2	Advise the State Warning Point (SWP) of the EEA-3 condition				
DoO-3	Notify FRCC OEs communications personnel of the EEA-3 condition				
DoO-4	Advise the Florida Public Service Commission (FPSC) of the EEA-3 condition by providing the same information given to the SWP				
DoO-5	Advise the Florida Office of Energy of the EEA-3 condition				

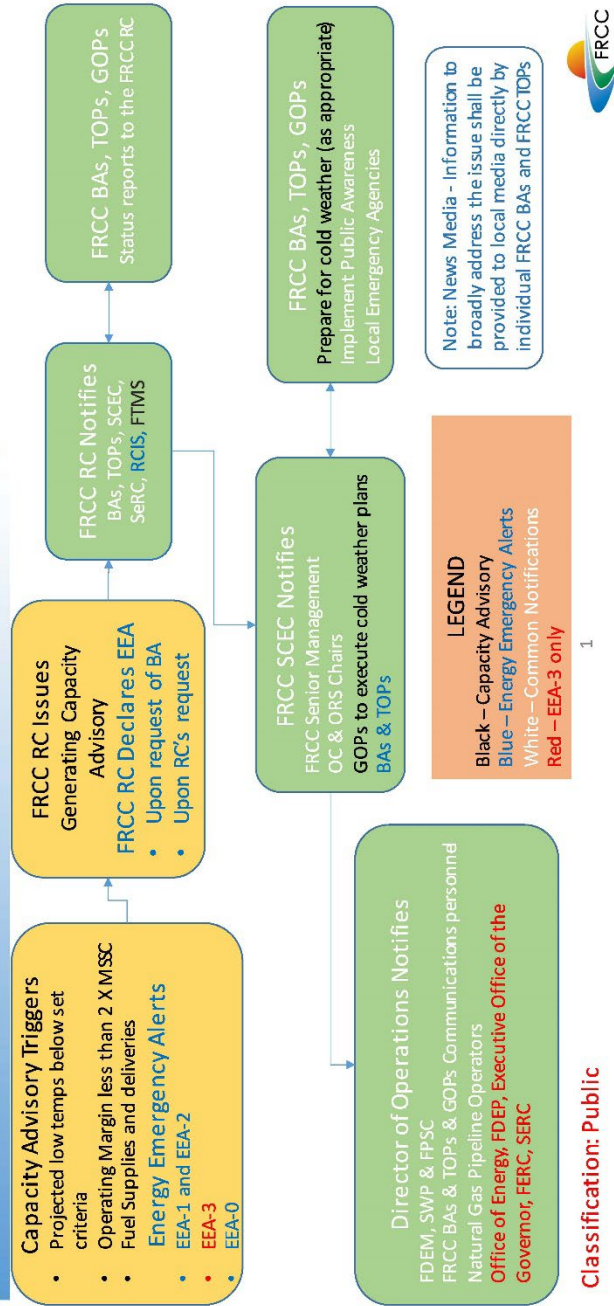
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DoO-6	Advise natural gas pipeline operators within the FRCC RC Area on the issuance of the EEA-3				
DoO-7	Notify FRCC Senior Management and the designated individuals in the following agencies or offices as appropriate: a. Environmental Protection Agency (EPA) b. Executive Office of the Governor c. Federal Energy Regulatory Commission (FERC) d. SERC Reliability Corporation (SERC)				
EEA Level 0 – Termination of EEA condition					
FRCC State Capacity Emergency Coordinator (SCEC)					
SCEC-1	Notify FRCC Senior Management, Chair of the FRCC OC and Chair of the FRCC ORS of the termination of the EEA condition				
SCEC-2	Notify FRCC BAs and FRCC TOPs of the termination of the EEA condition				
FRCC BAs, FRCC GOPs, FRCC TOPs					
OE-1	Notify the FRCC RC that Firm Load has been restored				
FRCC Director of Operations (DoO)					
DoO-1	Advise the Florida Department of Emergency Management (FDEM) of the EEA-0 condition				
DoO-2	Advise the State Warning Point (SWP) of the EEA-0 condition				
DoO-3	Advise the Florida Public Service Commission (FPSC) of the EEA-0 condition				

Classification: Public

Attachment C: Communication Flow Chart

FRCC Generating Capacity Advisory FRCC Energy Emergency Alerts



Classification: Public

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: March 26, 2024

TO: Jon Rubottom, Senior Attorney, Office of the General Counsel

FROM: Sevini K. Guffey, Public Utility Analyst IV, Division of Economics *SKg*

RE: Statement of Estimated Regulatory Costs (SERC) for Recommended Revisions to Rule 25-6.0183, Florida Administrative Code

The purpose of this rulemaking initiative is to update Commission Rule 25-6.0183 Electric Utility Procedures for Generating Capacity Shortage Emergencies, F.A.C., which applies to investor owned, rural electric cooperative, and municipal electric utilities. The proposed update is to incorporate by reference the most current version of the Florida Reliability Coordinating Council (FRCC) Generating Capacity Shortage Plan dated November 1, 2023. The proposed rule change would also enable entities to electronically access the Plan via a new hyperlink in the Commission's rule or by contacting the Commission's Division of Engineering.

The attached SERC addresses the considerations required pursuant to Section 120.541, Florida Statutes (F.S.). No workshop was requested in conjunction with the proposed rule revisions. No regulatory alternatives were submitted pursuant to paragraph 120.541(1)(a), F.S. None of the impact/cost criteria established in paragraph 120.541(2)(a), (d), and (e), F.S., will be exceeded as a result of the proposed revisions.

cc: SERC File

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
**Rule 25-6.0183, F.A.C., Electric Utility Procedures for Generating Capacity
Shortage Emergencies**

1. Will the proposed rule have an adverse impact on small business? [120.541(1)(b), F.S.] (See Section E., below, for definition of small business.)

Yes ☐

No ☒

If the answer to Question 1 is "yes", see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes ☐

No ☒

If the answer to either question above is "yes", a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

(1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)1, F.S.]

Economic growth Yes ☐ No ☒

Private-sector job creation or employment Yes ☐ No ☒

Private-sector investment Yes ☐ No ☒

(2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets) Yes ☐ No ☒

Productivity Yes ☐ No ☒

Innovation Yes ☐ No ☒

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes ☐

No ☒

Economic Analysis: The purpose of the proposed amendments to Rule 25-6.0183, F.A.C., is to incorporate by reference the most current version of the Florida Reliability Coordinating Council's (FRCC) Generating Capacity Shortage Plan (Plan), dated November 1, 2023. The amendment will enable entities to electronically access the Plan via a new hyperlink in the Commission's rule or by contacting the Commission's Division of Engineering.

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

Potentially affected entities include 57 electric utilities. Electric utilities, which come under the jurisdiction of the Commission in the future also, would be required to comply.

(2) A general description of the types of individuals likely to be affected by the rule.

Florida's 57 electric utilities are comprised of 4 investor-owned utilities, 33 municipally owned electric utilities, 17 rural electric cooperatives, and 3 independent wholesale power generation and distribution companies. Florida's 4 investor-owned electric utilities serve approximately 8.4 million customers.

[Sources: (1) Master Commission Directory, PSC- March 2024, (2) Facts and Figures of the Florida Utility Industry, PSC-April 2023]

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the Commission to implement and enforce the rule.

☒ None. To be done with the current workload and existing staff.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

- ☒ None. The rule will only affect the Commission.
- ☐ Minimal. Provide a brief explanation.
- ☐ Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

- ☒ None.
- ☐ Minimal. Provide a brief explanation.
- ☐ Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule. [120.541(2)(d), F.S.]

- ☐ None. The rule will only affect the Commission.
- ☒ Minimal. Provide a brief explanation. The amendment will enable entities to electronically access the Plan via a new hyperlink in the Commission's rule or by contacting the Commission's Division of Engineering.
- ☐ Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, and small counties and small cities: [120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

- ☒ No adverse impact on small business.

- ☐ Minimal. Provide a brief explanation.
- ☐ Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

- ☒ No impact on small cities or small counties.
- ☐ Minimal. Provide a brief explanation.
- ☐ Other. Provide an explanation for estimate and methodology used.

F. Any additional information that the Commission determines may be useful.
[120.541(2)(f), F.S.]

- ☒ None.

Additional Information:

G. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(g), F.S.]

- ☒ No regulatory alternatives were submitted.
- ☐ A regulatory alternative was received from
- ☐ Adopted in its entirety.
- ☐ Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.

Item 3

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Williams, Fogleman) ^{CH}
Office of the General Counsel (Imig, Farooqi, Harper) ^{AEH}

RE: Docket No. 20240056-TP – Commission approval of Florida Telecommunications Relay, Inc.'s fiscal year 2024-2025 proposed budget.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

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 Telecommunications Access System Act of 1991 (TASA) established a statewide telecommunications relay system. Section 427.704(1), Florida Statutes (F.S.), provides that the Florida Public Service Commission (Commission) 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. TASA provides for the purchase and distribution of specialized telecommunications devices as defined in Section 427.703(11), F.S. As defined by Section 427.703(16), F.S., this system is to provide telecommunications service for deaf or hard of hearing persons that is functionally equivalent to the service provided to hearing persons.

The telecommunications access system provides deaf or 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 telecommunications access system is accomplished through the use of 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 types the message to a Captioned Telephone that displays real-time captions of the conversation.

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 administrator. FTRI is primarily responsible for the purchase and distribution of specialized telecommunications equipment. As part of this process, FTRI contracts with other organizations to assist in the distribution of equipment and provide customer training on the proper use of the equipment and the relay service. FTRI also conducts marketing to raise awareness of available specialized equipment and related relay service. Finally, FTRI pays the relay services provider that is selected by the Commission through a request for proposals process. The current relay service provider is T-Mobile USA, Inc. (T-Mobile).

FTRI, as the TASA Administrator, is funded through the Telecommunications Relay Service (TRS) surcharge. This surcharge was capped by the Florida Legislature at a maximum of \$0.25 per switched access line (landline) per month, with a limit of 25 lines per account billed. Only local exchange telecommunications companies are required to collect and remit this surcharge to FTRI. The initial TRS surcharge was set at \$0.05 per access line per month.¹ The Commission has changed the surcharge through the years to meet FTRI's budgetary needs. The monthly surcharge is currently \$0.09 per access line.

As part of its oversight responsibilities of the telecommunications access system, the Commission reviews and approves a budget submitted by FTRI on an annual basis. On May 6, 2024, FTRI submitted its Fiscal Year 2024/2025 budget for the Commission's consideration, which is included as Attachment A.² FTRI also compared its proposed budget to the Commission-approved 2023/2024 budget, as well as the estimated revenue and expenses. FTRI's estimated revenue and expenses were based on actual data from the first two quarters and estimated data for the third and fourth quarters of the current fiscal year. On May 13, 2024, FTRI filed third quarter financial information. With this updated information, staff formulated its own estimated expenses for Fiscal Year 2023/2024, which is reflected in Attachment B.

This recommendation addresses FTRI's proposed budget and recommended TRS surcharge for Fiscal Year 2024/2025. The TRS surcharge is the only rate the Commission establishes for telecommunications companies. The Commission is vested with jurisdiction pursuant to Chapter 427, F.S.

¹ Order No. 24581, issued May 24, 1991, in Docket No. 910496-TP, *In re: Implementation of Florida Telecommunications Access System Act of 1991*.

² On April 1, 2024, FTRI submitted a proposed Fiscal Year 2024/2025 budget. Staff found errors and inconsistencies in the budget. FTRI resubmitted its corrected budget on May 6, 2024. For purposes of this recommendation, the corrected budget filed on May 6, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve FTRI's proposed Fiscal Year 2024/2025 budget as presented in Attachment A?

Recommendation: Yes. Staff recommends the Commission approve FTRI's proposed budget expenses of \$3,286,708 for Fiscal Year 2024/2025, effective upon issuance of the consummating order. (Williams, Fogleman, Imig, Harper)

Staff Analysis:

Traditional Telecommunications Relay Service

The traditional TRS cost to FTRI as approved in the T-Mobile contract is currently \$1.60 per session minute. T-Mobile's projections indicate that traditional TRS minutes of use during Fiscal Year 2024/2025 will decrease by 25 percent from the current fiscal year. It has been observed that traditional relay users are transitioning to the following services:

- IP Relay
- VRS
- IP CTS
- Wireless Service

CapTel Service

The CapTel cost to FTRI as approved in the T-Mobile contract is currently \$1.67 per session minute. CapTel service uses a specialized telephone that provides captioning of the incoming call for a deaf or hard of hearing person. T-Mobile's projections show that CapTel minutes of use during Fiscal Year 2024/2025 will decline by 45 percent from the current fiscal year. CapTel users are also transitioning to other forms of advanced services as listed above.

Florida Telecommunications Relay, Inc. Budget

Attachment A reflects FTRI's Fiscal Year 2024/2025 proposed budget, which was reviewed and adopted by FTRI's Board of Directors prior to filing with the Commission. FTRI's proposed budget projects total expenses of \$3,286,708. FTRI also proposed the Commission reduce the current \$.09 surcharge to \$.08 per line, which would result in total surcharge revenue of \$2,349,642. FTRI projects \$1,099,754 in interest income during Fiscal Year 2024/2025 through investments in its Investment Trust Money Market account and 3-month T-bills. As a result, FTRI's total operating revenue is estimated to be \$3,449,396.

T-Mobile's forecasted Fiscal Year 2024/2025 traditional TRS minutes of use are 487,992, while its forecasted CapTel minutes of use are 84,435. FTRI's proposed TRS and CapTel service provider expense for Fiscal Year 2024/2025 is \$921,793. For comparison, the Commission-approved budget for the current fiscal year reflected traditional TRS minutes of 651,963 and CapTel minutes of 153,345, with a total TRS and CapTel service provider expense of \$1,299,227.

Date: June 6, 2024

Analysis

Staff developed an estimate of FTRI's final expenses for Fiscal Year 2023/2024, which is presented in Attachment B. Staff used actual data from the first three quarters and took an average of those three quarters to estimate the fourth. Staff's estimates were then used as one element in evaluating FTRI's proposed budget, along with analyzing past Commission-approved FTRI budgets to identify and evaluate ongoing cost reduction measures.

Below is staff's review of selected items from FTRI's proposed budget expense by category.

Category I – Relay Services

Category I captures Dual Party Relay (DPR) provider expenses for traditional TRS and CapTel service currently provided by T-Mobile. In Fiscal Year 2023/2024, basic TRS and CapTel minutes of use decreased from the prior fiscal year. Based on continued advancements in technology, along with the expansion of consumer choice, it appears that minutes of use for these services will continue to decline.

The relay service expenses are calculated using the minutes of use forecasted by T-Mobile and the relay service contract rates. The current T-Mobile contract rates are \$1.60 for TRS and \$1.67 for CapTel, which when applied to the forecasted minutes of use results in FTRI's proposed \$921,793 total relay service expense.

Staff recommends approval of \$921,793 for DPR provider expenses.

Category II – Equipment & Repairs

Category II expenses reflect the purchase of equipment to be distributed to clients and the repairs that FTRI must make to keep the equipment in working order. FTRI has requested \$465,154 for Fiscal Year 2024/2025. FTRI's proposed budget represents a \$63,696 increase in expense from the current Commission-approved budget.

The proposed increase in equipment and repairs expense is largely associated with increased demand for VCP Hearing Impaired phones and In-Line Amplifier equipment, in addition to replacement of legacy equipment with more advanced devices, such as the new XLC8GLT Deluxe captioning device. FTRI explained that it no longer purchases traditional CapTel devices associated with CapTel service. The XLC8GLT Deluxe device will replace the current XLC8 and will include a large captioning screen that only works with landlines and allows the customer to view larger captions on the screen via an installed application. FTRI further proposes that, going forward, the Caption Call Equipment line item be renamed Caption Devices to more accurately reflect the advanced technology.

Staff recommends approval of the proposed \$465,154 for equipment and repairs expense.

Category III – Equipment Distribution & Training

Category III reflects the cost of distributing equipment throughout the state and the training of consumers in the use of that equipment. FTRI's proposed budget requests \$262,000 for distribution and training, which reflects a \$53,766 decrease from the current Commission-approved budget.

Date: June 6, 2024

Expenses related to Regional Distribution Centers (RDCs) are the largest component of Category III expenses. FTRI's proposed budget for RDCs is \$200,000, which is \$49,291 lower than the current Commission-approved budget. FTRI proposes no increase in Fiscal Year 2024/2025 to the fees paid per service provided by RDCs. FTRI is hopeful that the increase in these fees made in Fiscal Year 2023/2024 will continue to incent RDCs to provide more services. FTRI stated that it has seen a small increase in services provided by RDCs in the current Fiscal Year.

Staff recommends approval of FTRI's \$262,000 proposed budget for Category III expenses.

Category IV – Outreach

Outreach efforts are designed to promote FTRI's equipment distribution services and to raise awareness about Florida relay service. FTRI's proposed Fiscal Year 2024/2025 Outreach budget increases expense by \$16,873.

FTRI employs various forms of communication in its outreach strategy. FTRI plans to continue advertising in newspapers using free-standing insert ads (flyers) in markets where effective. However, FTRI acknowledges that it has witnessed rapid changes in the newspaper industry. In response, FTRI will continue to utilize other print tools such as direct mail post cards and coupon book advertisements. FTRI also plans to continue expanding its digital marketing campaign, including increased use of banner ads on websites, as well as targeted email and social media campaigns.

The Commission has encouraged FTRI to research and consider more technologically advanced and cost-effective forms of outreach. For example, the Commission encouraged FTRI to consider adding an online chat function to help with customer inquiries. FTRI implemented the chat function, termed "FTRI Chat," in its Fiscal Year 2022/2023 budget.

Staff recommends approval of FTRI's proposed budget for Category IV expenses.

Category V – General & Administrative

Category V reflects expenses associated with FTRI's operations, such as office and furnishings, employee compensation, contracted services (auditors, attorney and computer consultants), computers, and other operating expenses. FTRI is proposing \$1,058,455 for Fiscal Year 2024/2025, which represents a \$35,624 decrease in Category V expense from the current Commission-approved budget.

Staff recommends approval of FTRI's Category V expenses.

Conclusion

Staff recommends the Commission approve FTRI's proposed budget expenses of \$3,286,708 for Fiscal Year 2024/2025, effective upon issuance of the consummating order.

Date: June 6, 2024

Issue 2: What TRS surcharge should the Commission approve for Fiscal Year 2024/2025?

Recommendation: Staff recommends the Commission approve FTRI's proposal to reduce the TRS surcharge from \$0.09 to \$0.08. Staff recommends the Commission order all local exchange companies to bill the \$0.08 TRS surcharge for Fiscal Year 2024/2025, effective September 1, 2024. (Williams, Fogleman, Imig, Harper)

Staff Analysis: Based on current industry trends, FTRI estimates that access lines will decrease at the rate of approximately nine percent from the current fiscal year as more consumers transition away from landline phones. Holding the TRS surcharge constant, a decrease in access lines results in a decrease in revenues to support FTRI's activities. FTRI's proposal to reduce the TRS surcharge from \$0.09 to \$0.08 per access line places further downward pressure on revenues. If approved, the lower surcharge of \$0.08 is expected to generate \$2,349,642 in surcharge revenue.

FTRI also maintains a reserve account with a current balance of approximately \$20 million. The reserve account represents funds that were originally set aside in anticipation that the Federal Communications Commission (FCC) might delegate intrastate costs associated with Video Relay Service (VRS) and Internet Protocol Caption Telephone Service (IP-CTS) to states. Though conversations continue, there remains no clear indication that the FCC will delegate VRS and IP-CTS authority to states in the foreseeable future. FTRI currently invests the reserve account in three-month treasury bills and money market accounts to generate interest income. FTRI estimates interest income for Fiscal Year 2024/2025 will be \$1,099,754, representing a \$417,714 increase from Fiscal Year 2023/2024.

The sum of the surcharge revenue, \$2,349,642, with the estimated interest income, \$1,099,754, results in the total operating revenue of \$3,449,396. Even with a decrease in the surcharge, FTRI's proposed budget will result in an estimated surplus for Fiscal Year 2024/2025 of \$162,688.³

Staff supports the reduction to \$0.08 because it balances the budget more precisely compared to maintaining the current \$0.09 surcharge.

Conclusion

Staff recommends the Commission approve FTRI's proposal to reduce the TRS surcharge from \$0.09 to \$0.08. Staff recommends the Commission order all local exchange companies to bill the \$0.08 TRS surcharge for Fiscal Year 2024/2025, effective September 1, 2024.

³ Budget surplus and shortfalls for each TRS surcharge are calculated using staff's recommended budget expense amounts.

Issue 3: Should this docket be closed?

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

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.

CORRECTED					
Florida Telecommunications Relay, Inc.					
Fiscal Year 2024/2025 Budget at 8 cents surcharge					
(Corrections are highlighted in Yellow and in BOLD)					
	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025
OPERATING REVENUE					
1 Surcharges	3,102,955	2,904,778	2,349,642	(555,136)	(753,313)
2 Interest Income	682,040	863,497	1,099,754	236,257	417,714
TOTAL OPERATING REVENUE	3,784,995	3,768,275	3,449,396	-318,879	-335,599
OTHER REVENUE/FUNDS					
3 Surplus Account	19,024,958	19,653,370	20,175,809	522,439	1,150,851
TOTAL REVENUE	22,809,953	23,421,645	23,625,205	203,560	815,252
OPERATING EXPENSES					
CATEGORY I - RELAY SERVICES					
4 DPR Provider	1,299,227	1,299,227	921,793	(377,434)	(377,434)
SUBTOTAL-CATEGORY I	1,299,227	1,299,227	921,793	(377,434)	(377,434)
CATEGORY II - EQUIPMENT & REPAIRS					
5 TTY/TDD	0	0	0	0	0
6 Caption Call Equipment	0	11,700	28,250	16,550	28,250
7 VCP Hearing Impaired	273,454	196,148	284,697	88,549	11,243
8 VCP Speech Impaired	0	0	0	0	0
9 TeliTalk Speech Aid	24,875	23,217	14,925	(8,292)	(9,950)
10 In-Line Amplifier	70,370	53,568	89,123	35,555	18,753
11 ARS Signaling Equip	665	0	270	270	(395)
12 VRS Signaling Equip	3,569	11,578	10,141	(1,437)	6,572
13 Accessories & Supplies	100	15,190	7,500	(7,690)	7,400
14 Telecomm Equip Repair	28,425	24,934	30,248	5,314	1,823
SUBTOTAL-CATEGORY II	401,458	336,335	465,154	128,819	63,696
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING					
15 Freight-Telecomm Equip	41,475	37,143	37,000	(143)	(4,475)
16 Regional Distr Centers	249,291	155,268	200,000	44,732	(49,291)
17 Training Expense	25,000	0	25,000	25,000	0
SUBTOTAL-CATEGORY III	315,766	192,411	262,000	69,589	(53,766)

CORRECTED					
Florida Telecommunications Relay, Inc.					
Fiscal Year 2024/2025 Budget at 8 cents surcharge					
(Corrections are highlighted in Yellow and in BOLD)					
	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025
CATEGORY IV - OUTREACH					
18 Outreach Expense	562,433	562,433	579,306	16,873	16,873
SUBTOTAL-CATEGORY IV	562,433	562,433	579,306	16,873	16,873
CATEGORY V - GENERAL & ADMINISTRATIVE					
19 Advertising	0	0	0	0	0
20 Accounting/Auditing	26,698	25,628	26,833	1,205	135
21 Legal	37,790	14,730	20,000	5,270	(17,790)
22 Computer Consultation	6,210	4,916	6,403	1,487	193
? Bank Charges	0	35,695	37,108	1,413	37,108
23 Dues & Subscriptions	1,700	2,492	2,500	8	800
24 Office Equipment Purchase	15,650	8,200	8,240	40	(7,410)
25 Office Equipment Lease	1,747	1,809	1,842	33	95
26 Insurance-Hlth/Life/Dsblty	189,179	93,481	147,544	54,063	(41,635)
27 Insurance-Other	11,405	12,733	15,605	2,872	4,200
28 Office Expense	12,762	12,743	13,820	1,077	1,058
29 Postage	3,100	2,060	2,060	0	(1,040)
30 Printing	750	544	750	206	0
31 Rent	94,950	94,844	94,842	(2)	(108)
32 Utilities	5,086	6,637	7,881	1,244	2,795
33 Retirement	88,469	70,106	88,469	18,363	0
34 Employee Compensation	521,992	409,468	513,176	103,708	(8,816)
35 Taxes - Payroll	39,932	29,831	39,258	9,427	(674)
36 Taxes - Unemplmt Comp	70	70	63	(7)	(7)
37 Taxes - Licenses	61	61	61	0	0
38 Telephone	17,178	16,708	16,750	42	(428)
39 Travel & Business	12,000	6,362	8,000	1,638	(4,000)
40 Equipment Maint.	1,350	1,597	1,250	(347)	(100)
41 Employee Training/Dev	500	0	500	500	0
42 Meeting & Interpreter Exp	5,500	4,715	5,500	785	0
SUBTOTAL-CATEGORY V	1,094,079	855,430	1,058,455	203,025	(35,624)
TOTAL EXPENSES	3,672,963	3,245,836	3,286,708	40,872	(386,255)
REVENUE LESS EXPENSES	19,136,990	20,175,809	20,338,497	162,688	1,201,507
Net Income excluding Surplus			162,688		

STAFF'S BUDGET COMPARISON

	2023/2024 APPROVED BUDGET	2024/2025 FTRI PROPOSED BUDGET @ 8¢	2023/2024 FTRI ESTIMATED	2023/2024 FPSC STAFF ESTIMATED
REVENUE				
Surcharge	3,102,955	2,349,642	2,904,778	2,904,778
Interest	682,040	1,099,754	863,497	863,497
TOTAL OPERATING REVENUE	3,784,995	3,449,396	3,768,275	3,768,275
Surplus Account	19,024,958	20,175,809	19,653,370	19,653,370
TOTAL REVENUE	22,809,953	23,625,205	23,421,645	23,421,645

OPERATING EXPENSES

CATEGORY I - RELAY SERVICES				
DPR Provider	1,299,227	921,793	1,299,227	1,024,251
SUBTOTAL CATEGORY I	1,299,227	921,793	1,299,227	1,024,251

CATEGORY II - EQUIPMENT & REPAIRS				
TDD Equipment	-	-	-	-
Large Print TDD	-	-	-	-
VCO/HCO-TDD	-	-	-	-
VCO-Telephone	-	-	-	-
Dual Sensory Equipment	-	-	-	-
CapTel Phone/Caption Devices	0	28,250	11,700	15,067
VCP Hearing Impaired	273,454	284,697	196,148	194,605
VCP Speech Impaired	0	0	0	0
TeliTalk Speech Aid	24,875	14,925	23,217	26,533
In Line Amplifier	70,370	89,123	53,568	59,235
ARS-Signaling Equipment	665	270	0	0
VRS-Signaling Equipment	3,569	10,141	11,578	29,125
Equipment Accessories/Supplies	100	7,500	15,190	13,544
Telecom Equipment Repair	28,425	30,248	24,934	23,180
SUBTOTAL CAT II	401,458	465,154	336,335	361,289

CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING				
Freight - Telecomm Equipment	41,475	37,000	37,143	39,068
Regional Distribution Centers	249,291	200,000	155,268	134,573
Training Expense for RDCs	25,000	25,000	0	624
SUBTOTAL CAT III	315,766	262,000	192,411	174,265

CATEGORY IV - OUTREACH				
Outreach Expense	562,433	579,306	562,433	548,895
SUBTOTAL CAT IV	562,433	579,306	562,433	548,895

STAFF'S BUDGET COMPARISON

	2023/2024 APPROVED BUDGET	2024/2025 FTRI PROPOSED BUDGET @ 8¢	2023/2024 FTRI ESTIMATED	2023/2024 FPSC STAFF ESTIMATED
CATEGORY V - GENERAL AND ADMINISTRATIVE				
Advertising	0	0	0	0
Accounting/Audit	26,698	26,833	25,628	32,703
Legal	37,790	20,000	14,730	12,557
Consultation-Computer	6,210	6,403	4,916	4,481
Bank Charges	0	37,108	35,695	35,588
Dues/Subscriptions	1,700	2,500	2,492	2,684
Office Equipment Purchase	15,650	8,240	8,200	6,743
Office Equipment Lease	1,747	1,842	1,809	1,787
Insurance -Health/Life/Disability	189,179	147,544	93,481	81,003
Insurance-Other	11,405	15,605	12,733	12,509
Office Expense	12,762	13,820	12,743	11,771
Postage	3,100	2,060	2,060	853
Printing	750	750	544	192
Rent	94,950	94,842	94,844	94,557
Utilities	5,086	7,881	6,637	5,349
Retirement	88,469	88,469	70,106	72,632
Employee Compensation	521,992	513,176	409,468	403,319
Taxes - Payroll	39,932	39,258	29,831	30,053
Taxes - Unemployment Comp	70	63	70	1
Taxes - Licenses	61	61	61	81
Telephone	17,178	16,750	16,708	16,727
Travel & Business Expense	12,000	8,000	6,362	4,187
Equipment Maintenance	1,350	1,250	1,597	1,129
Employee Training	500	500	0	0
Meeting & Interpreter Expense	5,500	5,500	4,715	4,647
SUBTOTAL CAT V	1,094,079	1,058,455	855,430	835,553
TOTAL EXPENSES	3,672,963	3,286,708	3,245,836	2,944,253
REVENUES LESS EXPENSES	112,032	162,688	522,439	824,022

Item 4

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

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

RE: Docket No. 20240062-TP – Petition for designation as eligible telecommunications carrier in the State of Florida, by TruConnect Communications, Inc. ^{Proposed Agency Action 6/6/24}

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: ^{All Commissioners}
^{Clark}

PREHEARING OFFICER: ~~Unassigned~~

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 16, 2024, TruConnect Communications, Inc. (TruConnect or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) in the State of Florida. TruConnect's request for ETC designation is specifically for the sole purpose of providing Lifeline services to qualifying consumers throughout Florida. TruConnect is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a reseller. Specifically, TruConnect uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile) and Verizon Wireless (Verizon) to operate as a Mobile Virtual Network Operator. TruConnect is currently designated as an ETC providing Lifeline service in 11 other states.

As a CMRS provider, TruConnect is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ TruConnect is a Delaware corporation authorized to do business as a foreign corporation in the state of Florida. Formerly known as Telscape Communications, Inc., TruConnect is a subsidiary of TSC Acquisition Corporation.

TruConnect asserts it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. TruConnect acknowledges and asserts that, if approved it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665 Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. §332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Discussion of Issues

Issue 1: Should TruConnect be granted an ETC designation to provide Lifeline service throughout the state of Florida?

Recommendation: Yes. TruConnect should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Deas, Mallow, Day, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal lifeline program.⁴ Section 364.10, F.S. allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a CMRS provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 254(e)

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While Section 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires the following for ETC designation:

- 1) Offer discounted transitional basic telecommunications service.⁷
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

TruConnect plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreements with T-Mobile and Verizon. Therefore, it sought forbearance of the facilities requirement from the FCC. On December 26, 2012, the FCC approved TruConnect's compliance plan which is a condition for obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan TruConnect committed to do the following:⁹

- 1) Provide the supported services throughout the carriers' designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because TruConnect will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201, as well as the Florida specific requirements, TruConnect is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, TruConnect has offered service since 1996 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 11 states and has not been subject to any ETC revocation proceedings. The Company has over 25 years of technical and managerial

⁷Section 364.105, F.S. states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline.

⁸Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As TruConnect will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carriers.

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹⁰ TruConnect asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹¹ However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹² The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed TruConnect's petition for ETC designation in Florida. TruConnect meets the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends TruConnect should be granted an ETC designation in the service areas identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ 47 U.S.C. 214(e)(2)

¹¹ 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹² Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Imig)

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

TRUCONNECT COMMUNICATIONS, INC.
FLORIDA
SERVICE AREA ZIP CODES

32003	32083	32142	32212	32302	32355	32445	32539
32004	32084	32143	32214	32303	32356	32446	32540
32006	32085	32145	32215	32304	32357	32447	32541
32007	32086	32147	32216	32305	32358	32448	32542
32008	32087	32148	32217	32306	32359	32449	32544
32009	32091	32149	32218	32307	32360	32452	32547
32011	32092	32157	32219	32308	32361	32454	32548
32013	32094	32158	32220	32309	32362	32455	32549
32024	32095	32159	32221	32310	32395	32456	32550
32025	32096	32160	32222	32311	32399	32457	32559
32026	32097	32162	32223	32312	32401	32459	32560
32030	32099	32163	32224	32313	32402	32460	32561
32033	32102	32164	32225	32314	32403	32461	32562
32034	32105	32168	32226	32315	32404	32462	32563
32035	32110	32169	32227	32316	32405	32463	32564
32038	32111	32170	32228	32317	32406	32464	32565
32040	32112	32173	32229	32318	32407	32465	32566
32041	32113	32174	32230	32320	32408	32466	32567
32042	32114	32175	32231	32321	32409	32501	32568
32043	32115	32176	32232	32322	32410	32502	32569
32044	32116	32177	32233	32323	32411	32503	32570
32046	32117	32178	32234	32324	32412	32504	32571
32050	32118	32179	32235	32326	32413	32505	32572
32052	32119	32180	32236	32327	32417	32506	32577
32053	32120	32181	32237	32328	32420	32507	32578
32054	32121	32182	32238	32329	32421	32508	32579
32055	32122	32183	32239	32330	32422	32509	32580
32056	32123	32185	32240	32331	32423	32511	32583
32058	32124	32187	32241	32332	32424	32512	32588
32059	32125	32189	32244	32333	32425	32513	32590
32060	32126	32190	32245	32334	32426	32514	32591
32061	32127	32192	32246	32335	32427	32516	32592
32062	32128	32193	32247	32336	32428	32520	32601
32063	32129	32195	32250	32337	32430	32521	32602
32064	32130	32198	32254	32340	32431	32522	32603
32065	32131	32201	32255	32341	32432	32523	32604
32066	32132	32202	32256	32343	32433	32524	32605
32067	32133	32203	32257	32344	32434	32526	32606
32068	32134	32204	32258	32345	32435	32530	32607
32071	32135	32205	32259	32346	32437	32531	32608
32072	32136	32206	32260	32347	32438	32533	32609
32073	32137	32207	32266	32348	32439	32534	32610
32079	32138	32208	32267	32350	32440	32535	32611
32080	32139	32209	32277	32351	32442	32536	32612
32081	32140	32210	32290	32352	32443	32537	32613
32082	32141	32211	32301	32353	32444	32538	32614

TRUCONNECT COMMUNICATIONS, INC.
FLORIDA
SERVICE AREA ZIP CODES

32615	32706	32768	32824	32906	32971	33055	33129
32616	32707	32771	32825	32907	32976	33056	33130
32617	32708	32772	32826	32908	32978	33060	33131
32618	32709	32773	32827	32909	33001	33061	33132
32619	32710	32774	32828	32910	33002	33062	33133
32621	32712	32775	32829	32911	33004	33063	33134
32622	32713	32776	32830	32912	33008	33064	33135
32625	32714	32777	32831	32919	33009	33065	33136
32626	32715	32778	32832	32920	33010	33066	33137
32627	32716	32779	32833	32922	33011	33067	33138
32628	32718	32780	32834	32923	33012	33068	33139
32631	32719	32781	32835	32924	33013	33069	33140
32633	32720	32782	32836	32925	33014	33070	33141
32634	32721	32783	32837	32926	33015	33071	33142
32635	32722	32784	32839	32927	33016	33072	33143
32639	32723	32789	32853	32931	33017	33073	33144
32640	32724	32790	32854	32932	33018	33074	33145
32641	32725	32791	32855	32934	33019	33075	33146
32643	32726	32792	32856	32935	33020	33076	33147
32644	32727	32793	32857	32936	33021	33077	33148
32648	32728	32794	32858	32937	33022	33081	33149
32653	32730	32795	32859	32940	33023	33082	33150
32654	32732	32796	32860	32941	33024	33083	33151
32655	32733	32798	32861	32948	33025	33084	33152
32656	32735	32799	32862	32949	33026	33090	33153
32658	32736	32801	32867	32950	33027	33092	33154
32662	32738	32802	32868	32951	33028	33093	33155
32663	32739	32803	32869	32952	33029	33097	33156
32664	32744	32804	32872	32953	33030	33101	33157
32666	32745	32805	32877	32954	33031	33102	33158
32667	32746	32806	32878	32955	33032	33106	33159
32668	32747	32807	32885	32956	33033	33107	33160
32669	32750	32808	32886	32957	33034	33109	33161
32680	32751	32809	32887	32958	33035	33110	33162
32681	32752	32810	32890	32959	33036	33111	33163
32683	32753	32811	32891	32960	33037	33112	33164
32686	32754	32812	32893	32961	33039	33114	33165
32692	32756	32814	32896	32962	33040	33116	33166
32693	32757	32815	32897	32963	33041	33119	33167
32694	32759	32816	32898	32964	33042	33121	33168
32696	32762	32817	32899	32965	33043	33122	33169
32697	32763	32818	32901	32966	33045	33124	33170
32701	32764	32819	32902	32967	33050	33125	33172
32702	32765	32820	32903	32968	33051	33126	33173
32703	32766	32821	32904	32969	33052	33127	33174
32704	32767	32822	32905	32970	33054	33128	33175

TRUCONNECT COMMUNICATIONS, INC.
FLORIDA
SERVICE AREA ZIP CODES

33176	33301	33388	33446	33514	33592	33661	33740
33177	33302	33394	33447	33521	33593	33662	33741
33178	33303	33401	33448	33523	33594	33663	33742
33179	33304	33402	33449	33524	33595	33664	33743
33180	33305	33403	33454	33525	33596	33672	33744
33181	33306	33404	33455	33526	33597	33673	33747
33182	33307	33405	33458	33527	33598	33674	33755
33183	33308	33406	33459	33530	33601	33675	33756
33184	33309	33407	33460	33534	33602	33677	33757
33185	33310	33408	33461	33537	33603	33679	33758
33186	33311	33409	33462	33538	33604	33680	33759
33187	33312	33410	33463	33539	33605	33681	33760
33188	33313	33411	33464	33540	33606	33682	33761
33189	33314	33412	33465	33541	33607	33684	33762
33190	33315	33413	33466	33542	33608	33685	33763
33191	33316	33414	33467	33543	33609	33686	33764
33192	33317	33415	33468	33544	33610	33687	33765
33193	33318	33416	33469	33545	33611	33688	33766
33194	33319	33417	33470	33547	33612	33689	33767
33195	33320	33418	33471	33548	33613	33690	33769
33196	33321	33419	33472	33549	33614	33694	33770
33197	33322	33420	33473	33550	33615	33701	33771
33198	33323	33421	33474	33556	33616	33702	33772
33199	33324	33422	33475	33558	33617	33703	33773
33206	33325	33424	33476	33559	33618	33704	33774
33222	33326	33425	33477	33563	33619	33705	33775
33231	33327	33426	33478	33564	33620	33706	33776
33233	33328	33427	33480	33565	33621	33707	33777
33234	33329	33428	33481	33566	33622	33708	33778
33238	33330	33429	33482	33567	33623	33709	33779
33239	33331	33430	33483	33568	33624	33710	33780
33242	33332	33431	33484	33569	33625	33711	33781
33243	33334	33432	33486	33570	33626	33712	33782
33245	33335	33433	33487	33571	33629	33713	33784
33247	33336	33434	33488	33572	33630	33714	33785
33255	33337	33435	33493	33573	33631	33715	33786
33256	33338	33436	33496	33574	33633	33716	33801
33257	33339	33437	33497	33575	33634	33729	33802
33261	33340	33438	33498	33576	33635	33730	33803
33265	33345	33439	33499	33578	33637	33731	33804
33266	33346	33440	33503	33579	33646	33732	33805
33269	33348	33441	33508	33583	33647	33733	33806
33280	33349	33442	33509	33584	33650	33734	33807
33283	33351	33443	33510	33585	33651	33736	33809
33296	33355	33444	33511	33586	33655	33737	33810
33299	33359	33445	33513	33587	33660	33738	33811

TRUCONNECT COMMUNICATIONS, INC.
FLORIDA
SERVICE AREA ZIP CODES

33812	33876	33944	34024	34098	34218	34287	34482
33813	33877	33945	34025	34099	34219	34288	34483
33815	33880	33946	34030	34101	34220	34289	34484
33820	33881	33947	34031	34102	34221	34290	34487
33823	33882	33948	34032	34103	34222	34291	34488
33825	33883	33949	34033	34104	34223	34292	34489
33826	33884	33950	34034	34105	34224	34293	34491
33827	33885	33951	34035	34106	34228	34295	34492
33830	33888	33952	34036	34107	34229	34420	34498
33831	33890	33953	34037	34108	34230	34421	34601
33834	33896	33954	34038	34109	34231	34423	34602
33835	33897	33955	34039	34110	34232	34428	34603
33836	33898	33956	34041	34112	34233	34429	34604
33837	33900	33957	34042	34113	34234	34430	34605
33838	33901	33960	34044	34114	34235	34431	34606
33839	33902	33965	34050	34116	34236	34432	34607
33840	33903	33966	34051	34117	34237	34433	34608
33841	33904	33967	34052	34119	34238	34434	34609
33843	33905	33970	34053	34120	34239	34436	34610
33844	33906	33971	34054	34133	34240	34441	34611
33845	33907	33972	34055	34134	34241	34442	34613
33846	33908	33973	34058	34135	34242	34445	34614
33847	33909	33974	34060	34136	34243	34446	34636
33848	33910	33975	34066	34137	34249	34447	34637
33849	33911	33976	34067	34139	34250	34448	34638
33850	33912	33980	34068	34140	34251	34449	34639
33851	33913	33981	34069	34141	34260	34450	34652
33852	33914	33982	34076	34142	34264	34451	34653
33853	33915	33983	34078	34143	34265	34452	34654
33854	33916	33990	34080	34145	34266	34453	34655
33855	33917	33991	34081	34146	34267	34460	34656
33856	33918	33993	34082	34201	34268	34461	34660
33857	33919	33994	34083	34202	34269	34464	34661
33858	33920	34001	34084	34203	34270	34465	34667
33859	33921	34002	34085	34204	34272	34470	34668
33860	33922	34004	34086	34205	34274	34471	34669
33862	33924	34006	34087	34206	34275	34472	34673
33863	33927	34007	34088	34207	34276	34473	34674
33865	33928	34008	34089	34208	34277	34474	34677
33867	33929	34009	34090	34209	34278	34475	34679
33868	33930	34010	34091	34210	34280	34476	34680
33870	33931	34011	34092	34211	34281	34477	34681
33871	33932	34020	34093	34212	34282	34478	34682
33872	33935	34021	34094	34215	34284	34479	34683
33873	33936	34022	34095	34216	34285	34480	34684
33875	33938	34023	34096	34217	34286	34481	34685

TRUCONNECT COMMUNICATIONS, INC.
FLORIDA
SERVICE AREA ZIP CODES

34688	34786
34689	34787
34690	34788
34691	34789
34692	34797
34695	34945
34697	34946
34698	34947
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34747	34986
34748	34987
34749	34988
34753	34990
34755	34991
34756	34992
34758	34994
34759	34995
34760	34996
34761	34997
34762	34138
34769	
34770	
34771	
34772	
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34785	

Item 5

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Mallow, Day, Deas, ^{CH} Fogleman)
Office of the General Counsel (Marquez, Farooqi) ^{AEH}

RE: Docket No. 20240063-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by FLORIDA TERRACOM INC. d/b/a MAXSIP TEL.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate ^{*Proposed Agency Action AT 6/6/24*}

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 16, 2024, FLORIDA TERRACOM INC. d/b/a MAXSIP TEL (TERRACOM or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose of providing Lifeline service to qualifying consumers throughout Florida. TERRACOM is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a reseller. Specifically, TERRACOM uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile) and AT&T Mobility (AT&T) to operate as a Mobile Virtual Network Operator. TERRACOM is currently designated as an ETC providing Lifeline service in 37 other states.

As a CMRS provider, TERRACOM is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ TERRACOM is an Oklahoma corporation which is owned 51 percent by Global Reconnect, LLC, a Delaware limited liability company; and 49 percent by MAXSIP TEL LLC, a New York limited liability company. Pursuant to the terms of an outstanding stock purchase agreement, MAXSIP will purchase 100 percent of the common stock of TERRACOM upon required regulatory approvals.

TERRACOM asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. TERRACOM acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. §332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should TERRACOM be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. TERRACOM should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Mallow, Day, Deas, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a), F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

TERRACOM plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreements with T-Mobile and AT&T. Therefore, it sought forbearance of the facilities requirement from the Federal Communications Commission (FCC). On December 26, 2012, the FCC approved TERRACOM's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan TERRACOM committed to do the following:⁹

- 1) Provide the supported services throughout the carriers' designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because TERRACOM will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, TERRACOM is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, TERRACOM has offered service since 2004 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 37 states and has not been subject to any ETC revocation proceedings. The Company has over 20 years of technical and

⁷ Section 364.105, F.S., states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline.

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs, and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As TERRACOM will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carriers. TERRACOM resolved all FCC enforcement proceedings in 2015.¹⁰

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹¹ TERRACOM asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹² However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹³ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed TERRACOM's petition for ETC designation in Florida. TERRACOM meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends TERRACOM should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ FCC, Order, DA 15-776, Released July 9, 2015.

¹¹ 47 U.S.C. 214(e)(2).

¹² 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

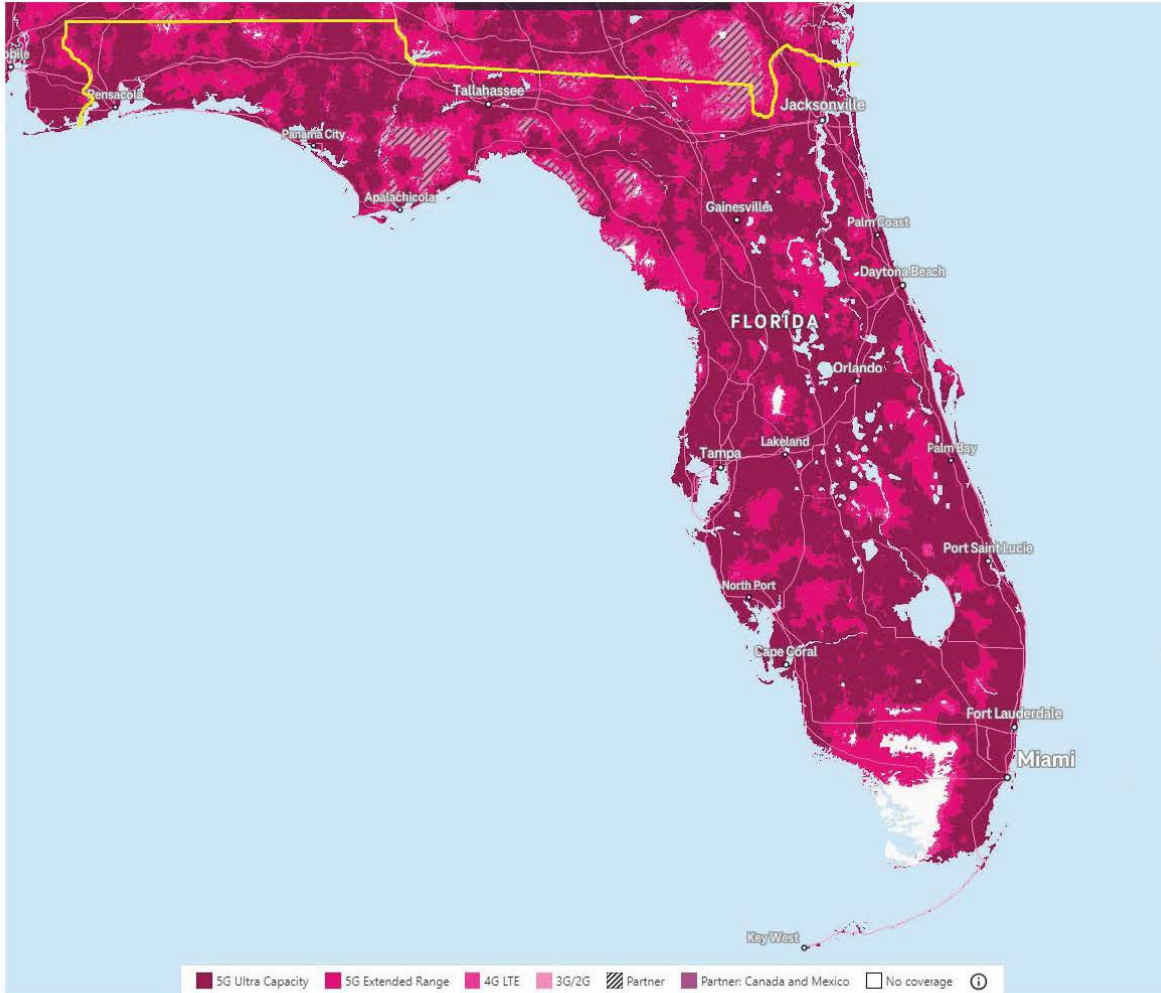
¹³ Ibid, p 13.

Issue 2: Should this docket be closed?

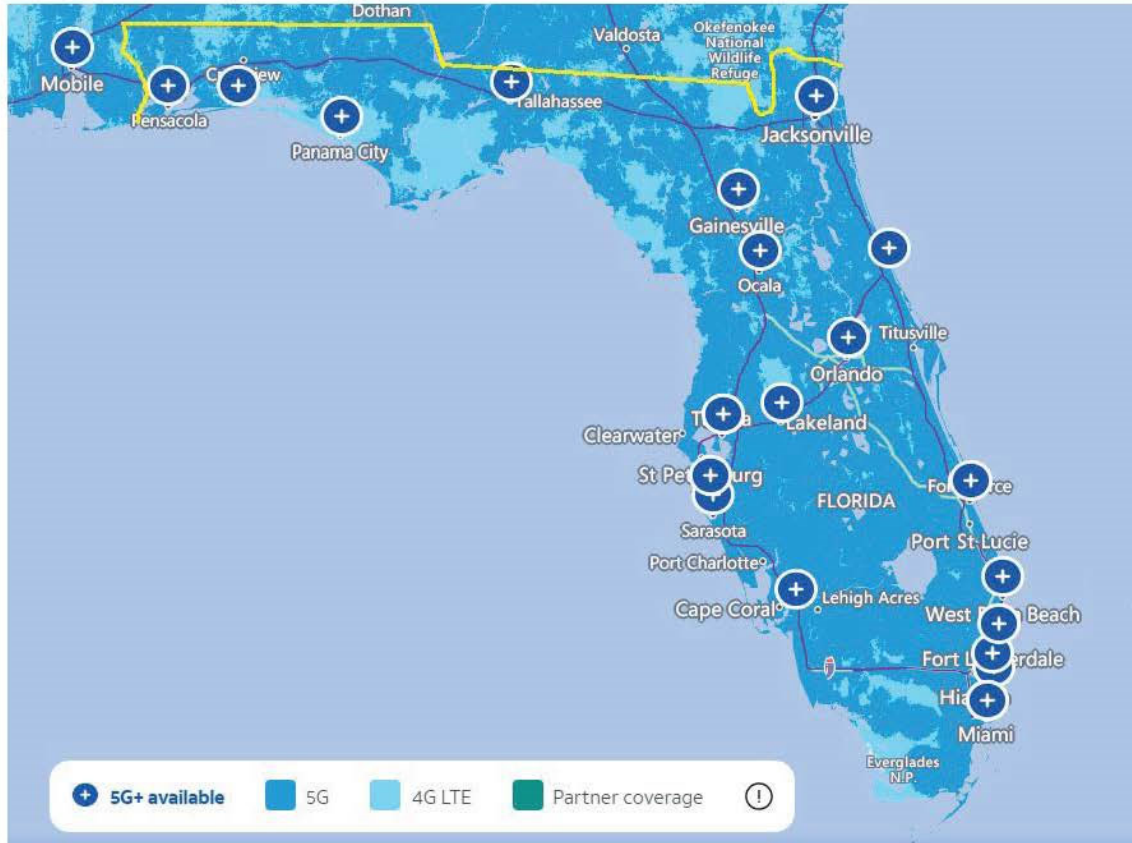
Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Marquez)

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.

T-Mobile Coverage



AT&T Coverage



Item 6

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Mallow, Day, Deas,^{CH}
Fogleman)
Office of the General Counsel (Sparks, Farooqi)^{AEH}

RE: Docket No. 20240064-TP – Petition for designation as eligible telecommunications carrier in the State of Florida, by IM Telecom, LLC d/b/a Infiniti Mobile.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate ^{Proposed Agency Action NT 6/6/24}

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 16, 2024, IM Telecom, LLC d/b/a Infiniti Mobile (INFINITI or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose to provide Lifeline service to qualifying consumers throughout Florida. INFINITI is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a wireless reseller. Specifically, INFINITI uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile), Verizon Wireless (Verizon), and AT&T Mobility (AT&T) to allow the Company to operate as a Mobile Virtual Network Operator. INFINITI is currently designated as an ETC providing Lifeline service in 19 other states.

As a CMRS provider, INFINITI is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ INFINITI is a Limited Liability Company that was organized in the State of Oklahoma on February 9, 2012. INFINITI is a subsidiary of KonaTel, Inc., a Delaware corporation which acquired INFINITI on January 31, 2019, and received all required approvals from the Federal Communications Commission (FCC) and state commissions.

INFINITI asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. INFINITI acknowledges and asserts that, if approved, it will comply with Section 364.10 and 364.105, Florida Statutes (F.S.) and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”); 47 U.S.C. §332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should INFINITI be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. INFINITI should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Mallow, Day, Deas, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

INFINITI plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreements with T-Mobile, Verizon and AT&T. Therefore, it sought forbearance of the facilities requirement from the FCC. On August 8, 2012, the FCC approved INFINITI's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan INFINITI committed to do the following:⁹

- 1) Provide the supported services throughout the carriers' designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because INFINITI will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, INFINITI is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, INFINITI has offered service since 2012 and has not filed for any form of bankruptcy relief. The company has operated as an ETC in 19 states and has not been subject

⁷ Section 364.105, F.S. states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline.

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

to any ETC revocation proceedings in any state except for Wisconsin, which was reinstated.¹⁰ The company has over 10 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As INFINITI will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carriers.

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹¹ INFINITI asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹² However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹³ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed INFINITI's petition for ETC designation in Florida. INFINITI meets all the requirements for designation as an ETC. Additionally, the company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends INFINITI should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ The Public Service Commission of Wisconsin (WI PSC) granted Infiniti designation as an ETC by Order effective May 25, 2016 in Docket No. 9694-TI-100. The WI PSC rescinded Infiniti's ETC designation in Docket No. 5-TI2723 effective July 30, 2020 because the Company had not yet offered Lifeline service in Wisconsin and did not respond to certain data requests issued by Staff. The Commission granted Infiniti's petition for re-designation as an ETC in WI effective August 1, 2023 in Docket No. 9694-TI-101.

¹¹ 47 U.S.C. § 214(e)(2)

¹² 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

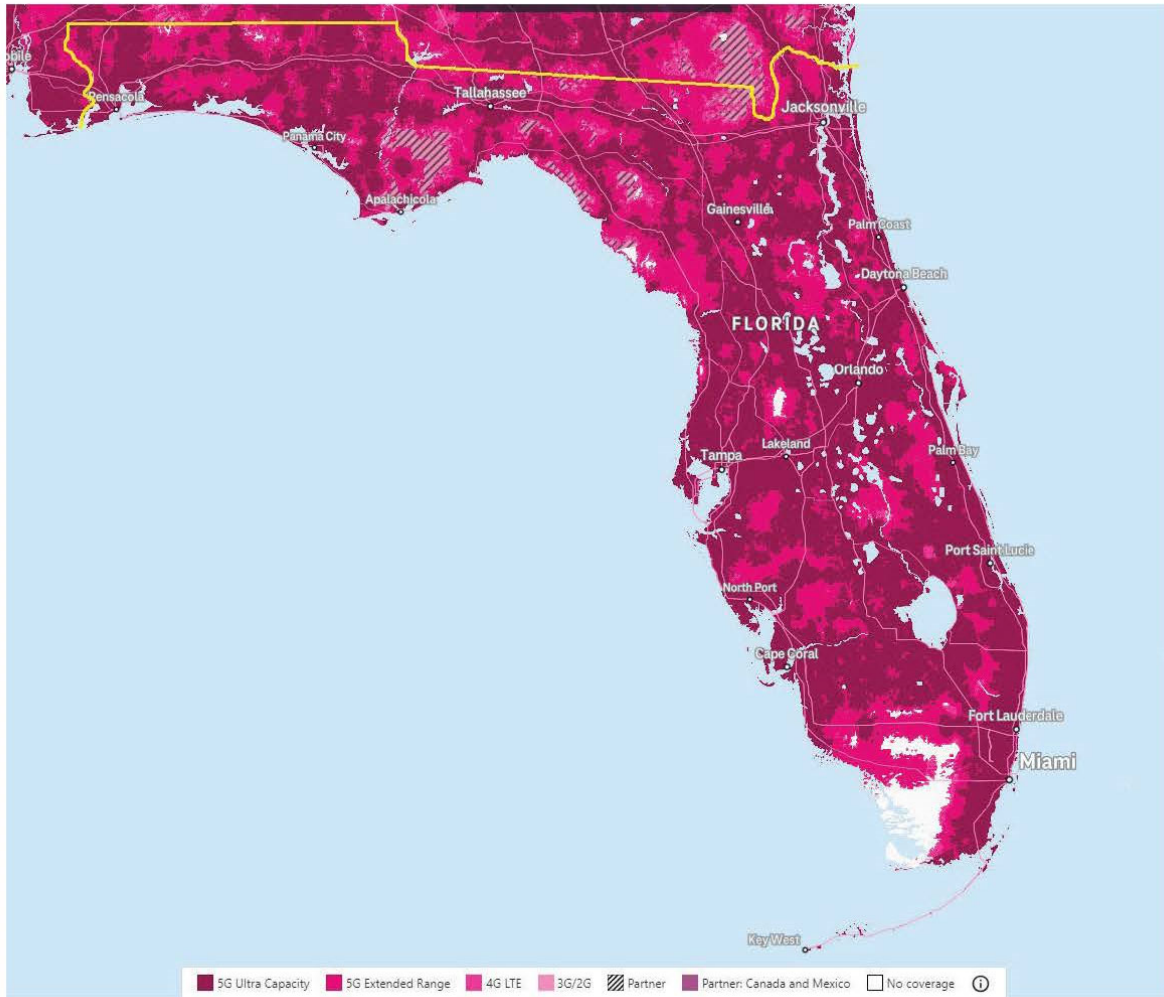
¹³ Ibid, p 13.

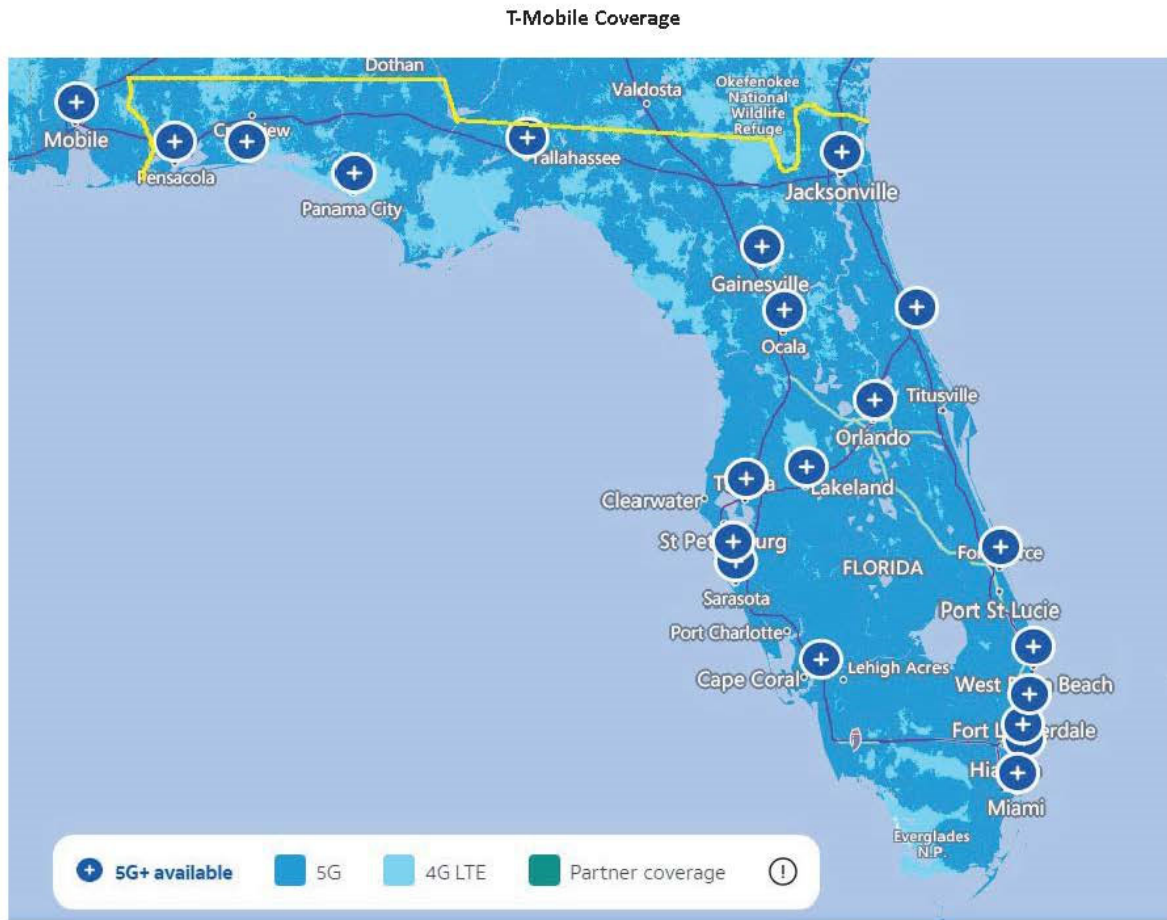
Issue 2: Should this docket be closed?

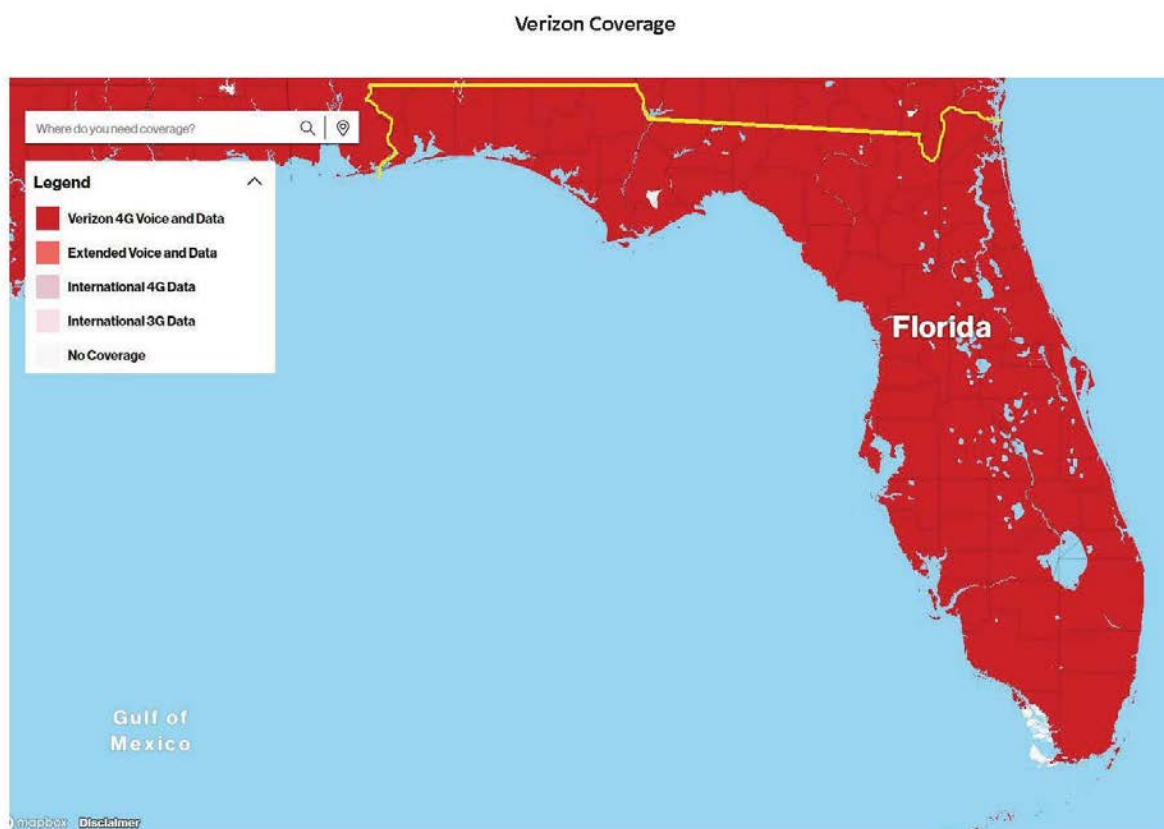
Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Sparks)

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.

AT&T Coverage







Item 7

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Mallow, Day, Deas,^{CH}
Fogleman)
Office of the General Counsel (Farooqi, Harper)^{AEH}

RE: Docket No. 20240065-TP – Petition for designation as eligible
telecommunications carrier in the State of Florida, by Q LINK WIRELESS.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate
Proposed Agency Action 6/6/24

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 16, 2024, Q LINK WIRELESS LLC (Q LINK or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose to provide Lifeline service to qualifying consumers throughout Florida. Q LINK is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a wireless reseller. Specifically, Q LINK uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile) to allow the Company to operate as a Mobile Virtual Network Operator. Q LINK is currently designated as an ETC providing Lifeline service in 36 other states, the U.S. Virgin Islands, and Puerto Rico.

As a CMRS provider, Q LINK is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ Q LINK is a Limited Liability Company that was organized in the State of Delaware on August 25, 2011. Q LINK is wholly-owned by its parent, Quadrant Holdings Group LLC (QUADRANT), and received all required approvals from the FCC and state commissions. QUADRANT also owns 100 percent of Centurion Logics, LLC and Hello Mobile Telecom, LLC (HELLO).

Q LINK asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. Q LINK acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.) and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should Q LINK be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. Q LINK should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Mallow, Day, Deas, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While Section 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

Q LINK plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with T-Mobile. Therefore, it sought forbearance of the facilities requirement from the FCC. On August 8, 2012, the FCC approved Q LINK's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan Q LINK committed to do the following:⁹

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because Q LINK will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, Q LINK is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, Q LINK has offered service since 2011 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 36 states, the U.S. Virgin Islands,

⁷ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

and Puerto Rico and has not been subject to ETC revocation proceedings in any state. Q LINK is currently under investigation by the FCC in three cases.

- 1) The FCC has proposed a \$62 million penalty against Q LINK for its apparent violation of Emergency Broadband Benefit Program (EBB) rules by seeking and receiving reimbursement for connected devices in excess of the market value.¹⁰
- 2) The FCC issued a \$20 million Notice of Apparent Liability for Forfeiture against Q LINK and HELLO for Consumer Proprietary Network Information (CPNI) violations.¹¹
- 3) The FCC proposes a \$100,000 fine against QUADRANT, Q LINK and HELLO for the Companies' failure to respond to a Commission order to provide information and documents concerning an alleged security flaw in the Q Link mobile application (related to CPNI violation).¹²

Staff requested additional information regarding these investigations and Q LINK provided explanations, as summarized below:¹³

- 1) This investigation reflects a difference of opinion between Q LINK and the FCC regarding a good-faith estimate of the market value of connected devices the Company provided to qualified low-income consumers during the Covid-19 pandemic. Because of Covid-19 related supply-chain interruptions, Q LINK contends it was forced to have devices custom-made to meet the needs of customers as sufficient off-the-shelf devices were not available. The dispute between the FCC and the Company is in regards to the methodology to estimate market value.
- 2) The FCC initiated this inquiry based on allegations that Q LINK customer information was available on its phones. Specifically, the website *Ars Technica* claimed Q LINK's system allowed customers to access their accounts through the Internet. Q LINK had investigated the allegations prior to the FCC's inquiry and was unable to duplicate the asserted flaws. The FCC's investigation does not assert that any third-party breach actually occurred, but faults Q Link for account-authentication methods asserted to be insufficiently protective under the FCC's regulations. Q LINK has updated its practices and conforms with the FCC's requirements.
- 3) This investigation is the result of a dispute regarding the length of time Q LINK took to respond to the inquiry noted above. While responding the FCC's inquiry after the initial due date, Q LINK contends that the FCC's questions were too numerous for the time period provided for response.

In each of the investigations detailed above, the Company has provided a reasonable explanation as to the nature of the FCC's investigation and the Company's response. The Company has disputed the FCC's assertion that the market value of its tablets were unreasonable and has

¹⁰ FCC, Notice of Apparent Liability for Forfeiture and Order, FCC 23-2, Released January 17, 2023.

¹¹ FCC, Notice of Apparent Liability for Forfeiture, FCC 23-59, Released July 28, 2023.

¹² FCC, Notice of Apparent Liability for Forfeiture, DA 22-825, Released August 5, 2022.

¹³ Document No. 04314-2024

Date: June 6, 2024

provided evidence to that effect. In the CPNI case, the Company has changed its procedures to align with FCC requirements. After careful consideration, staff believes that the investigations should not preclude approval of Q LINK's petition.

The company has over 10 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As Q LINK will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carriers.

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹⁴ Q LINK asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹⁵ However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹⁶ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed Q LINK's petition for ETC designation in Florida. Q LINK meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends Q LINK should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁴ 47 U.S.C. § 214(e)(2).

¹⁵ 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹⁶ Ibid, p 13.

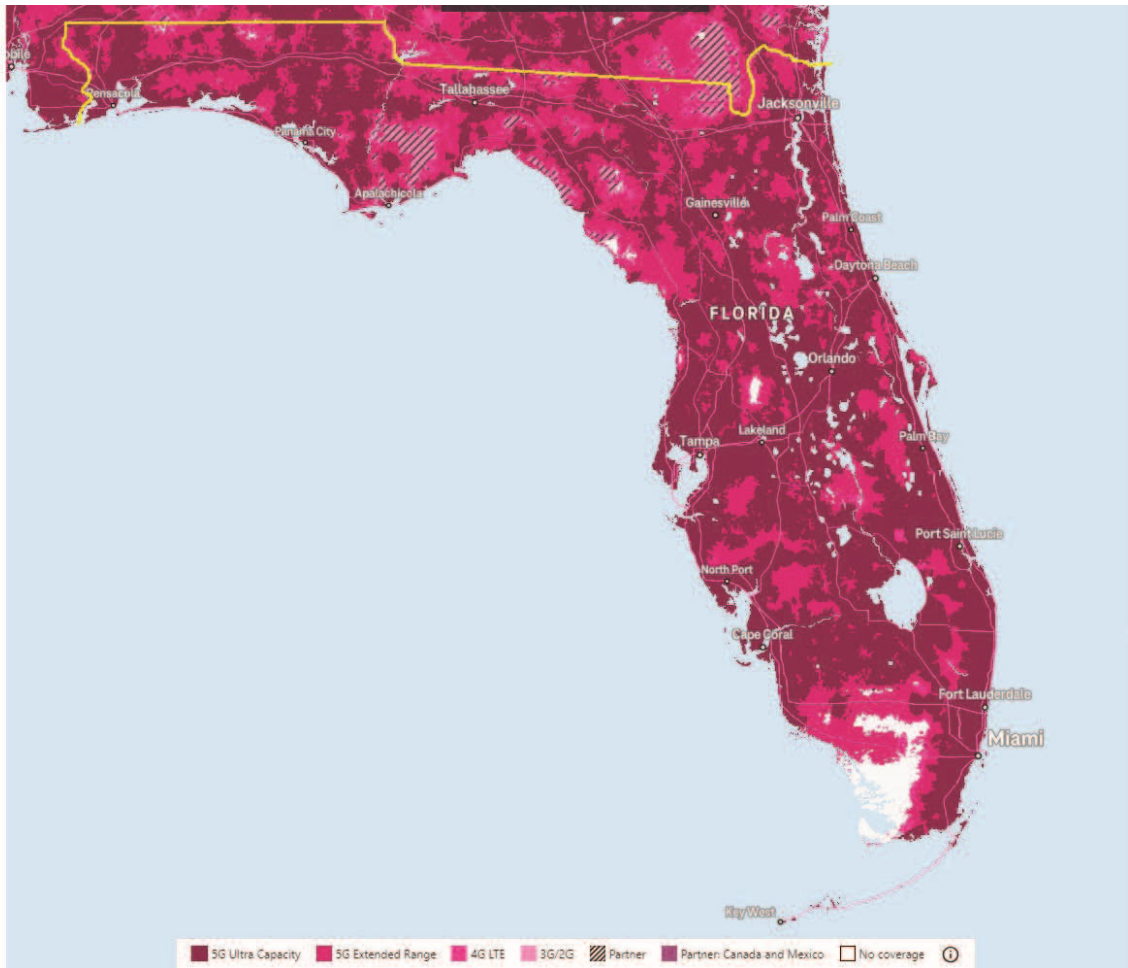
Date: June 6, 2024

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Farooqi)

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 6, 2024



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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Deas, Day, Fogleman,^{CH}
Mallow)
Office of the General Counsel (Imig, Farooqi)^{AET}

RE: Docket No. 20240066-TP – Petition for designation as eligible telecommunications carrier in the State of Florida, by Boomerang Wireless, LLC d/b/a enTouch Wireless.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 17, 2024, Boomerang Wireless d/b/a enTouch Wireless's (Boomerang or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose of providing Lifeline service to qualifying consumers throughout Florida. Boomerang is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a reseller. Specifically, Boomerang uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile) to operate as a Mobile Virtual Network Operator. Boomerang is currently designated as an ETC providing Lifeline service in 37 other states.

As a CMRS provider, Boomerang is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ Boomerang is an Iowa limited liability company (LLC) authorized to do business as a foreign LLC in the state of Florida. The company asserts in Florida it will be operating under its authorized fictitious name “enTouch”. Boomerang is wholly owned by ViaOne Acquisitions Company, LLC.

Boomerang asserts that it meets all applicable federal requirement for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. Boomerang acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. §332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Discussion of Issues

Issue 1: Should Boomerang be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. Boomerang should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission and demonstrate that it is in the public interest to maintain the Company's ETC designation. (Deas, Day, Mallow, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S. allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a CMRS provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 254(e)

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While Section 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 8) Demonstrate that it is financially and technically capable of providing the supported Lifeline service. and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires the following for ETC designation:

- 1) Offer a discounted transitional basic telecommunications service.⁷
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

Boomerang plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with T-Mobile. Therefore, it sought forbearance of the facilities requirement from the FCC. On August 8, 2012, the FCC approved Boomerang's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan Boomerang committed to do the following:

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because Boomerang will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201, as well as the Florida specific requirements, Boomerang is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, Boomerang has offered service since 2008 and has not filed for any form of bankruptcy relief. The company has operated as an ETC in 37 states and has not been subject

⁷ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

Date: June 6, 2024

to any enforcement actions or ETC revocation proceedings. The Company has over 15 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As Boomerang will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carrier.

Public Interest

State commissions are required to find that ETC designation is in the public interest.⁹ Boomerang asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹⁰ However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹¹ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed Boomerang's petition for ETC designation in Florida. Boomerang meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends Boomerang should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

⁹ 47 U.S.C. 214(e)(2)

¹⁰ 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹¹ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Imig)

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

**Boomerang Wireless d/b/a enTouch Wireless
Florida Coverage Area Zip Codes**

32003	32055	32095	32131	32173
32004	32056	32096	32132	32174
32006	32058	32097	32133	32175
32007	32059	32102	32135	32176
32008	32060	32105	32136	32177
32009	32062	32110	32137	32178
32011	32063	32111	32138	32179
32013	32064	32112	32139	32180
32024	32065	32113	32140	32181
32025	32066	32114	32141	32183
32026	32068	32115	32142	32185
32030	32071	32116	32143	32187
32033	32072	32117	32145	32189
32034	32073	32118	32147	32190
32035	32079	32119	32148	32192
32038	32080	32120	32149	32193
32040	32081	32121	32157	32195
32041	32082	32122	32158	32198
32042	32083	32123	32159	32201
32043	32084	32124	32160	32202
32044	32085	32125	32162	32203
32046	32086	32126	32163	32204
32050	32087	32127	32164	32205
32052	32091	32128	32168	32206
32053	32092	32129	32169	32207
32054	32094	32130	32170	32208

32209	32239	32311	32350	32424
32210	32240	32312	32351	32425
32211	32241	32313	32353	32426
32212	32244	32314	32355	32427
32215	32245	32315	32356	32428
32216	32246	32316	32357	32430
32217	32247	32317	32358	32431
32218	32250	32318	32359	32432
32219	32254	32321	32361	32433
32220	32255	32322	32362	32434
32221	32256	32323	32395	32435
32222	32257	32326	32401	32437
32223	32258	32327	32402	32438
32224	32259	32328	32403	32439
32225	32260	32329	32404	32440
32226	32266	32331	32405	32444
32227	32267	32332	32406	32445
32228	32277	32333	32407	32446
32229	32290	32334	32408	32447
32230	32301	32336	32409	32448
32231	32302	32337	32410	32449
32232	32303	32340	32411	32452
32233	32304	32341	32412	32454
32234	32305	32343	32413	32455
32235	32307	32345	32417	32456
32236	32308	32346	32420	32457
32237	32309	32347	32421	32459
32238	32310	32348	32422	32460

32461	32535	32578	32625	32692
32462	32536	32579	32626	32693
32463	32537	32580	32627	32694
32465	32538	32583	32628	32696
32466	32539	32588	32631	32697
32501	32540	32590	32633	32701
32502	32541	32591	32634	32702
32503	32542	32592	32635	32703
32504	32544	32601	32640	32704
32505	32547	32602	32641	32706
32506	32548	32603	32643	32707
32507	32549	32604	32644	32708
32508	32550	32605	32653	32709
32509	32559	32606	32654	32710
32511	32560	32607	32655	32712
32512	32561	32608	32656	32713
32513	32562	32609	32658	32714
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32516	32564	32611	32663	32716
32521	32565	32613	32664	32718
32522	32566	32614	32666	32719
32523	32567	32615	32667	32720
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32531	32571	32619	32681	32724
32533	32572	32621	32683	32725
32534	32577	32622	32686	32726

32727	32771	32805	32835	32898
32728	32772	32806	32836	32899
32730	32773	32807	32837	32901
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32733	32775	32809	32853	32903
32735	32776	32810	32854	32904
32736	32777	32811	32855	32905
32738	32778	32812	32856	32906
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32744	32780	32815	32858	32908
32745	32781	32816	32859	32909
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32747	32783	32818	32861	32911
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32754	32792	32824	32872	32924
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32759	32795	32827	32885	32927
32762	32796	32828	32886	32931
32763	32798	32829	32887	32932
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32765	32801	32831	32891	32935
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32767	32803	32833	32896	32937
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32941	33008	33036	33074	33128
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33681	33732	33772	33825	33858
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33685	33736	33775	33830	33862
33686	33737	33776	33831	33863
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34288	34460	34605	34683	34746
34289	34461	34606	34684	34747
34290	34464	34607	34685	34748
34291	34465	34608	34688	34749
34292	34470	34609	34689	34753
34293	34471	34610	34690	34755
34295	34472	34611	34691	34756
34420	34473	34613	34692	34758

34759	34778	34948	34972	34991
34760	34785	34949	34973	34992
34761	34786	34950	34974	34994
34762	34787	34951	34981	34995
34769	34788	34952	34982	34996
34770	34789	34953	34983	34997
34771	34797	34954	34984	
34772	34945	34956	34986	
34773	34946	34957	34987	
34777	34947	34958	34990	

Item 9

FILED 6/6/2024
DOCUMENT NO. 04636-2024
FPSC - COMMISSION CLERK

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Day, Deas, Fogleman,^{CH} Mallow)
Office of the General Counsel (Marquez, Farooqi)^{AET}

RE: Docket No. 20240067-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by Global Connection Inc. of America d/b/a STAND UP WIRELESS.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate ^{Proposed Agency Action AS 6/6/24}

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 12, 2024, Global Connection Inc. of America d/b/a STAND UP WIRELESS (Global or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose of providing Lifeline service to qualifying consumers throughout Florida. Global is a provider of commercial mobile radio service (CMRS) and provides prepaid wireless telecommunications services to consumers by using the underlying wireless network of T-Mobile USA, Inc. (T-Mobile). Global is currently designated as an ETC providing Lifeline service in 33 other states.

As a CMRS provider, Global is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ Global is a Georgia corporation that is owned 25 percent by Global Connection Holdings Corporation (Global Holdings) and 75 percent by Odin Mobile, LLC (Odin Mobile). Global Holdings and Odin Mobile both operate as holding companies and do not provide telecommunications services.

Global asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. Global acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Discussion of Issues

Issue 1: Should Global be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. Global should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Day, Deas, Fogleman, Mallow)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a), F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

Global plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with T-Mobile. Therefore, it sought forbearance of the facilities requirement from the Federal Communications Commission (FCC). On May 25, 2012, the FCC approved Global's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan Global committed to do the following:⁹

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because Global will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, Global is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, Global has offered service since 1998 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 33 states and has not been subject to any ETC revocation proceedings. The Company has over 20 years of technical and managerial

⁷ Section 364.105, F.S. states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline.

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs, and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As Global will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carrier. Global resolved all FCC enforcement proceedings in 2017.¹⁰

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹¹ Global asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹² However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹³ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed Global's petition for ETC designation in Florida. Global meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends Global should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ FCC, Order, FCC 17-175, Released December 29, 2017.

¹¹ 47 U.S.C. § 214(e)(2).

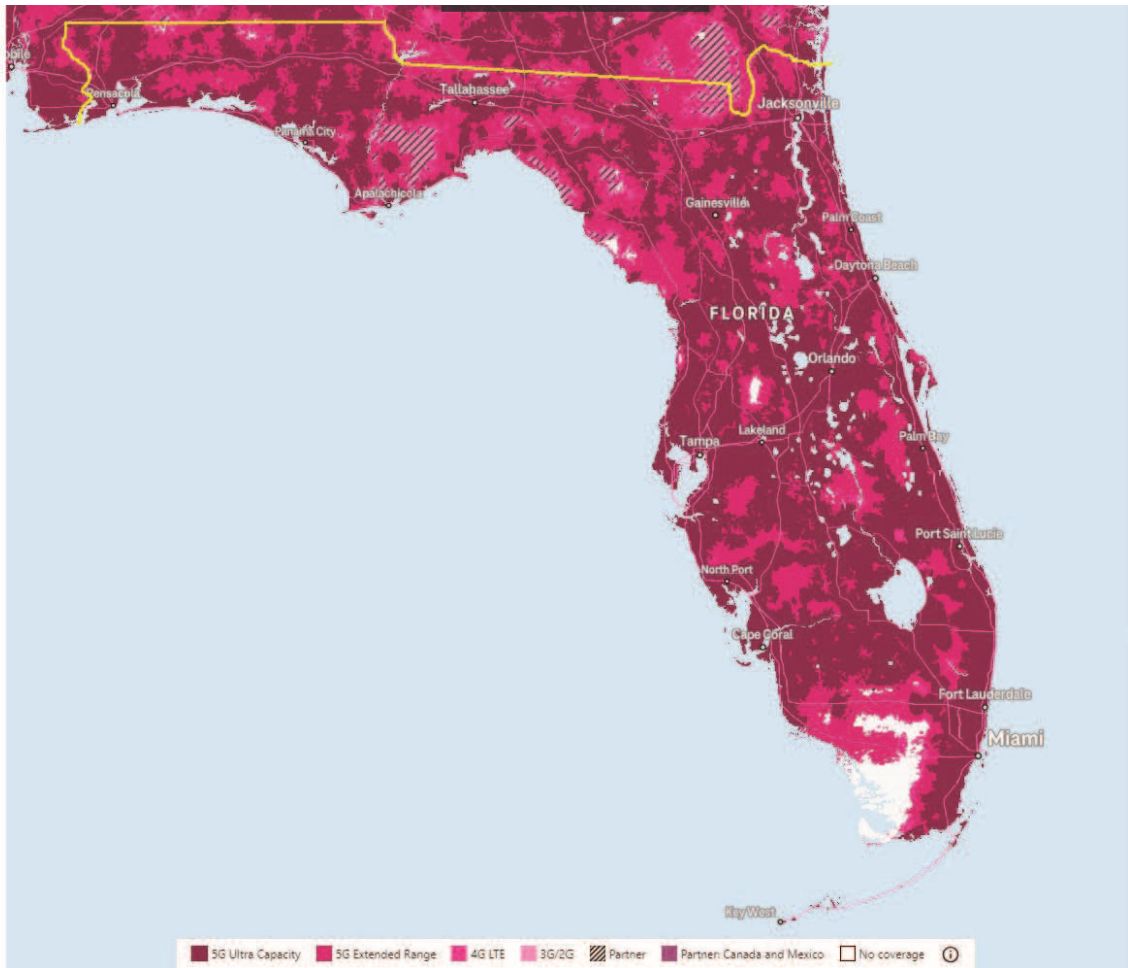
¹² 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹³ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Marquez)

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Day, Deas, Fogleman,^{CH}
Mallow)
Office of the General Counsel (Sparks, Farooqi)^{AET}

RE: Docket No. 20240069-TP – Petition for designation as an eligible telecommunications carrier (ETC) in the State of Florida, by TEMPO TELECOM, LLC.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate ^{Proposed Agency Action 6/6/24}

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 19, 2024, TEMPO TELECOM, LLC (TEMPO or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose to provide Lifeline service to qualifying consumers throughout Florida. TEMPO is a provider of commercial mobile radio service (CMRS) and provides prepaid wireless telecommunications services to consumers by using the underlying wireless network of T-Mobile USA, Inc (T-Mobile). TEMPO is currently designated as an ETC providing Lifeline service in 30 other states.

As a CMRS provider, TEMPO is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ TEMPO is a Georgia limited liability company and a wholly-owned subsidiary of Lingo Management, LLC (Lingo Management). On January 24, 2023, Lingo Management agreed that, subject to regulatory approval, Lingo Management will transfer 100 percent of the outstanding membership interests in TEMPO to Insight Mobile, Inc (Insight Mobile). Insight Mobile is a Delaware corporation that is not currently providing telecommunications services, and is wholly-owned by Mr. Shadi Aslemand. TEMPO currently has an updated compliance plan pending with the FCC that reflects the aforementioned transaction.²

TEMPO asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201. TEMPO acknowledges and asserts that, if approved, it will comply with Section 364.10 and 364.105, Florida Statutes (F.S.) and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.³ However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.⁴

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² TEMPO’s petition, Tempo Telecom LLC Second Updated Compliance Plan, April 28, 2023, Exhibit 3

³ House Bill 1231 (2011), effective July 1, 2011.

⁴ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should TEMPO be granted an ETC designation to provide Lifeline service throughout the state of Florida?

Recommendation: Yes. TEMPO should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Day, Deas, Mallow, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁵ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁶ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁷

⁵ 47 C.F.R. § 54.201(a).

⁶ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁷ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁸ and
- 2) Participate in the Lifeline Promotion Process.⁹

Forbearance of Facilities Requirements

TEMPO plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with T-Mobile. Therefore, it sought forbearance of the facilities requirement from the FCC. On May 25, 2012, the FCC approved TEMPO's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan TEMPO committed to do the following:¹⁰

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because TEMPO will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, TEMPO is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, TEMPO has offered service since 2012 and has not filed for any form of bankruptcy relief. The company has operated as an ETC in 30 states and has not been subject to any ETC revocation proceedings. The company has over 10 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating

⁸ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁹ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

¹⁰ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

revenues. As TEMPO will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carriers. Additionally, on April 28, 2023, TEMPO asserted to the FCC in an updated compliance plan filing that it has not been subject to an abnormal number of FCC enforcement proceedings within the last ten years, and such proceedings generally have focused on missed/late filings.¹¹

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹² TEMPO asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹³ However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹⁴ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed TEMPO's petition for ETC designation in Florida. TEMPO meets all the requirements for designation as an ETC. Additionally, the company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends TEMPO should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹¹ TEMPO's petition, Tempo Telecom LLC Second Updated Compliance Plan, April 28, 2023, Exhibit 3, p 8.

¹² 47 U.S.C. § 214(e)(2)

¹³ 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

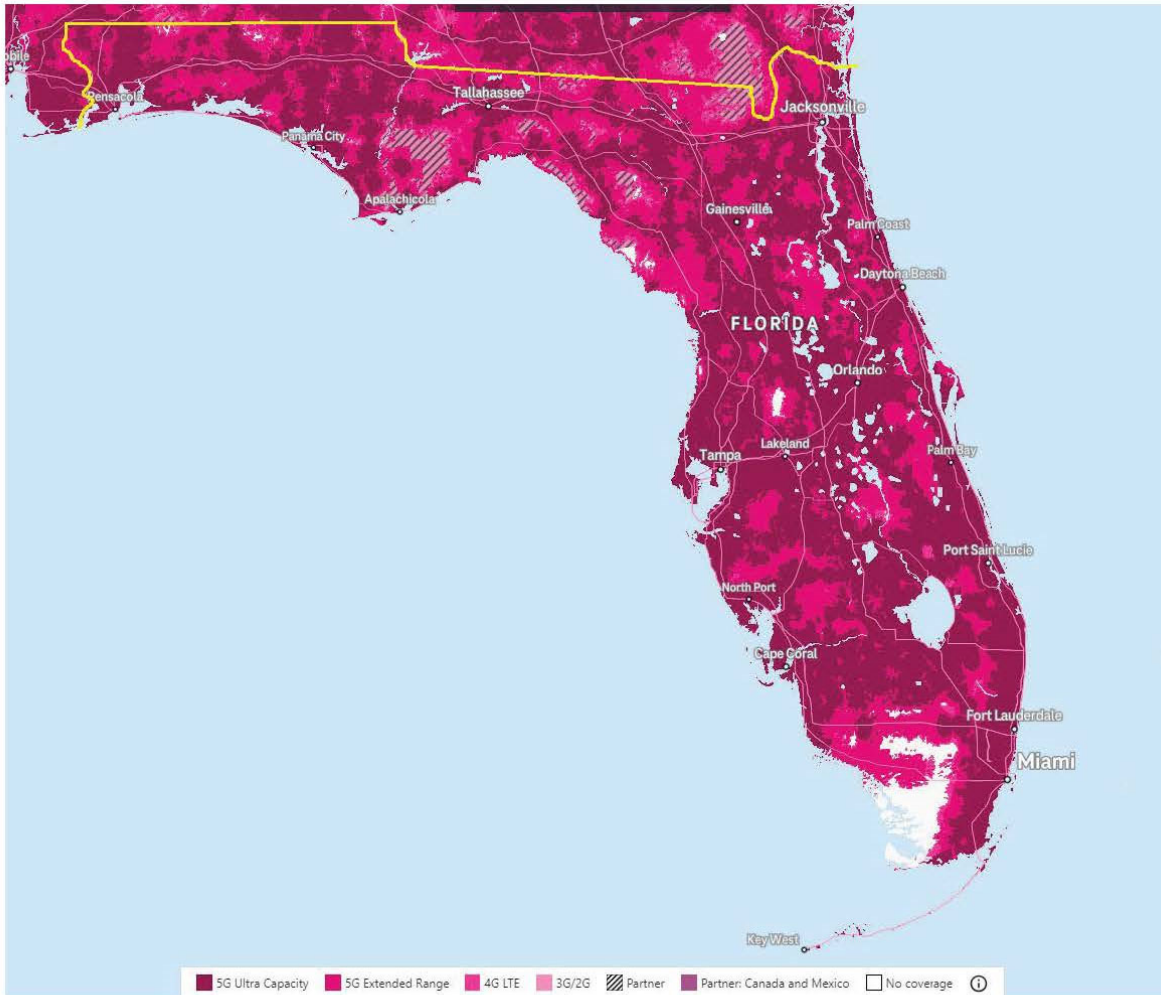
¹⁴ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Sparks)

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.

T-Mobile Coverage



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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Deas, Day, Fogleman,^{CH}
Mallow)
Office of the General Counsel (Farooqi, Harper)^{AEH}

RE: Docket No. 20240070-TP – Application for designation as an eligible telecommunications carrier in the State of Florida for the limited purpose of offering lifeline service to qualified households, by DISH Wireless L.L.C. d/b/a Gen Mobile.

Proposed Agency Action *At 6/6/24*

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 19, 2024, DISH Wireless L.L.C. d/b/a Gen Mobile (DISH or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose of providing Lifeline service to qualifying consumers throughout Florida. DISH is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers using its own facilities, along with resale agreements with T-Mobile USA, Inc. (T-Mobile) and AT&T Mobility (AT&T). DISH is currently designated as an ETC providing Lifeline service in 29 other states.

As a CMRS provider, DISH is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ DISH is a Colorado Limited Liability Company (LLC) authorized to do business as a foreign LLC in the state of Florida. DISH asserts in Florida it will be operating under its authorized fictitious name “Gen Mobile.” DISH is a wholly owned subsidiary of DISH Network Corporations.

DISH asserts that it meets all applicable federal requirement for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. DISH acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.) and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should DISH be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. DISH should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Deas, Day, Mallow, Fogleman)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal lifeline program.⁴ Section 364.10, F.S. allows the Commission to approve wireless Lifeline ETC petitions by requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a CMS provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations; and
- 7) Provide Broadband Internet Access Service;⁶
- 8) Demonstrate financial and technical capability to provide Lifeline service. and

⁴ 47 C.F.R. § 254(e)

⁵ 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires do the following for ETC designation:

- 1) Must offer discounted transitional basic telecommunications service;⁷ and
- 2) Must participate in the Lifeline Promotion Process.⁸

DISH plans to offer all of the supported services listed under Section 254(c) of the Act through a combination of its own facilities and resale agreements with T-Mobile and AT&T. Because DISH meets the facilities requirement, it is not required to obtain an approved FCC compliance plan in accordance with the 2012 Lifeline Reform Order. However, DISH has agreed to comply with the additional requirements for those granted ETC status by the FCC, which include the following:⁹

- 1) Provide the supported services throughout the carriers' designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because DISH will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, DISH is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, DISH has offered service since 2020 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 37 states and has not been subject to any ETC revocation proceedings. While DISH has only been a CMRS provider for four years, its parent company, DISH Network Corporation has over 20 years of technical and managerial experience. DISH asserts that it does not rely exclusively on Lifeline reimbursements for its operating revenues and it has access to additional capital resources from its parent and affiliate companies. DISH has not been involved in any FCC or USAC enforcement actions related to the

⁷ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

Lifeline program. However, USAC issued DISH a Notice of Determination of Amounts Owed and intent to recoup regarding the Emergency Broadband Program. DISH is currently disputing these allegations in a pending case before the FCC.¹⁰ After reviewing this Notice, staff determined that there is nothing significant in the findings that should prevent DISH from being granted ETC designation in Florida.

Public Interest Determinations

State commissions are required to find that ETC designation is in the public interest.¹¹ DISH asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹² However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹³ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed DISH's petition for ETC designation in Florida. DISH meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends DISH should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ Request for Review by DISH Wireless L.L.C. of the Decision of the Universal Service Administrator, WC Docket No. 20-445, December 11, 2023, available at <https://www.fcc.gov/ecfs/search/searchfilings/filing/12>.

¹¹ 47 U.S.C. § 214(e)(2).

¹² 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹³ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Farooqi)

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

EXHIBIT 3: FLORIDA COVERAGE AREA

00041	32062	32127	32195
00042	32063	32128	32202
00043	32064	32129	32203
00045	32065	32130	32204
00053	32066	32131	32205
00087	32068	32132	32206
00097	32071	32134	32207
00098	32073	32136	32208
32003	32080	32137	32209
32008	32081	32139	32210
32009	32082	32140	32211
32011	32083	32141	32212
32013	32084	32145	32214
32024	32086	32148	32216
32025	32087	32159	32217
32033	32091	32162	32218
32034	32092	32163	32219
32038	32094	32164	32220
32040	32095	32168	32221
32043	32096	32169	32222
32044	32097	32174	32223
32046	32102	32176	32224
32052	32110	32177	32225
32053	32112	32179	32226
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32059	32118	32189	32234
32060	32119	32190	32244
32061	32124	32193	32246

32250	32333	32425	32503
32254	32334	32426	32504
32256	32336	32427	32505
32257	32337	32428	32506
32258	32340	32430	32507
32259	32343	32431	32508
32266	32344	32433	32509
32277	32346	32435	32511
32301	32347	32437	32512
32303	32348	32438	32514
32304	32350	32439	32526
32305	32351	32440	32530
32306	32352	32442	32531
32307	32355	32443	32533
32308	32356	32444	32534
32309	32358	32445	32535
32310	32359	32446	32536
32311	32360	32448	32539
32312	32399	32449	32541
32313	32401	32455	32542
32317	32403	32456	32544
32320	32404	32459	32547
32321	32405	32460	32548
32322	32407	32461	32550
32323	32408	32462	32561
32324	32409	32463	32563
32327	32413	32464	32564
32328	32420	32465	32565
32330	32421	32466	32566
32331	32423	32501	32567
32332	32424	32502	32568

32569	32648	32736	32808
32570	32653	32738	32809
32571	32656	32744	32810
32577	32664	32746	32811
32578	32666	32750	32812
32579	32667	32751	32814
32580	32668	32754	32815
32583	32669	32757	32816
32601	32680	32759	32817
32603	32683	32763	32818
32605	32686	32764	32819
32606	32693	32765	32820
32607	32694	32766	32821
32608	32696	32767	32822
32609	32701	32771	32824
32610	32702	32773	32825
32611	32703	32776	32826
32612	32707	32778	32827
32615	32708	32779	32828
32617	32709	32780	32829
32618	32712	32784	32830
32619	32713	32789	32831
32621	32714	32792	32832
32622	32720	32796	32833
32625	32723	32798	32835
32626	32724	32801	32836
32628	32725	32803	32837
32631	32726	32804	32839
32640	32730	32805	32901
32641	32732	32806	32903
32643	32735	32807	32904

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32907	33010	33051	33137
32908	33012	33054	33138
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32934	33021	33066	33146
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32950	33027	33073	33156
32951	33028	33076	33157
32952	33029	33109	33158
32953	33030	33122	33160
32955	33031	33125	33161
32958	33032	33126	33162
32960	33033	33127	33165
32962	33034	33128	33166
32963	33035	33129	33167
32966	33036	33130	33168
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32976	33040	33133	33172
33001	33042	33134	33173
33004	33043	33135	33174

33175	33316	33415	33471
33176	33317	33416	33472
33177	33319	33417	33473
33178	33321	33418	33476
33179	33322	33426	33477
33180	33323	33428	33478
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33189	33332	33437	33498
33190	33334	33438	33510
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33548	33610	33711	33805
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33563	33615	33716	33813
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33566	33617	33755	33823
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33569	33619	33759	33827
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33576	33625	33764	33838
33578	33626	33765	33839
33579	33629	33767	33840
33584	33634	33770	33841
33585	33635	33771	33843
33592	33637	33772	33844
33594	33647	33773	33846
33596	33701	33774	33847
33597	33702	33776	33848
33598	33703	33777	33849
33602	33704	33778	33850
33603	33705	33781	33851
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33605	33707	33785	33853
33606	33708	33786	33854
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33609	33710	33803	33856

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33863	33921	33983	34208
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33870	33930	34102	34212
33872	33931	34103	34215
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33875	33936	34105	34217
33876	33944	34108	34219
33877	33946	34109	34221
33880	33947	34110	34222
33881	33948	34112	34223
33884	33950	34113	34224
33890	33952	34114	34228
33896	33953	34116	34229
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33905	33965	34138	34236
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33914	33974	34201	34242
33916	33976	34202	34243

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34269	34473	34667	34756
34275	34474	34668	34758
34285	34475	34669	34759
34286	34476	34677	34760
34287	34478	34679	34761
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34289	34480	34683	34769
34291	34481	34684	34771
34292	34482	34685	34772
34293	34484	34688	34773
34420	34488	34689	34785
34428	34491	34690	34786
34429	34498	34691	34787
34431	34601	34695	34788
34432	34602	34698	34797
34433	34604	34705	34945
34434	34606	34711	34946
34436	34607	34714	34947
34442	34608	34715	34949
34445	34609	34731	34950
34446	34610	34734	34951
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34450	34637	34739	34956
34452	34638	34741	34957
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34461	34652	34744	34974
34465	34653	34746	34981

34982
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Item 12

FILED 6/6/2024
DOCUMENT NO. 04640-2024
FPSC - COMMISSION CLERK

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Day, Deas, Fogleman,^{CH}
Mallow)
Office of the General Counsel (Farooqi, Marquez)^{AEH}

RE: Docket No. 20240081-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by Telrite Corporation d/b/a Life Wireless.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 25, 2024, Telrite Corporation d/b/a Life Wireless (Telrite or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose to provide Lifeline service to qualifying consumers throughout Florida. Telrite is a provider of commercial mobile radio service (CMRS) and a wireless telecommunications reseller using the underlying wireless network of AT&T Mobility (AT&T). Telrite is currently designated as an ETC providing Lifeline service in 40 other states.

As a CMRS provider, Telrite is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ Telrite is a Georgia corporation that has operated as a provider of telecommunications services in Florida since 2002. Telrite asserts that the business is not solely dependent on reimbursement from the federal USF, as Telrite generates non-Lifeline revenues from Telrite's affiliated companies, Pure Talk Holdings, LLC and Locus Telecommunications, LLC, which do business as PureTalk and h2o Wireless. Both of these companies provide service in Florida.

Telrite asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. Telrite acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with "primary responsibility" for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as "any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio"; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should Telrite be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. Telrite should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a) F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶
- 8) Demonstrate financial and technical capability to provide Lifeline service; and

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

Telrite plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreements with AT&T. Therefore, it sought forbearance of the facilities requirement from the FCC. On December 26, 2012, the FCC approved Telrite's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan Telrite committed to do the following:⁹

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because Telrite will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, Telrite is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition and in response to staff's data request, Telrite has offered service in Florida since 2002 and has not filed for any form of bankruptcy relief.¹⁰ The Company has operated as an ETC in 40 states and has not been subject to any ETC revocation proceedings. The Company has over 20 years of technical and managerial experience, and it does not rely

⁷ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁸ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

¹⁰ FPSC, DN 03395-2024, Docket No. 20240081-TP

exclusively on Lifeline reimbursements for its operating revenues. As Telrite will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carrier. Telrite resolved all FCC enforcement proceedings in 2017.¹¹

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹² Telrite asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers without creating an additional burden on the federal high-cost programs. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹³ However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹⁴ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed Telrite's petition for ETC designation in Florida. Telrite meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends Telrite should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹¹ FCC, Order, FCC 17-177, Released December 29, 2017.

¹² 47 U.S.C. § 214(e)(2).

¹³ 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

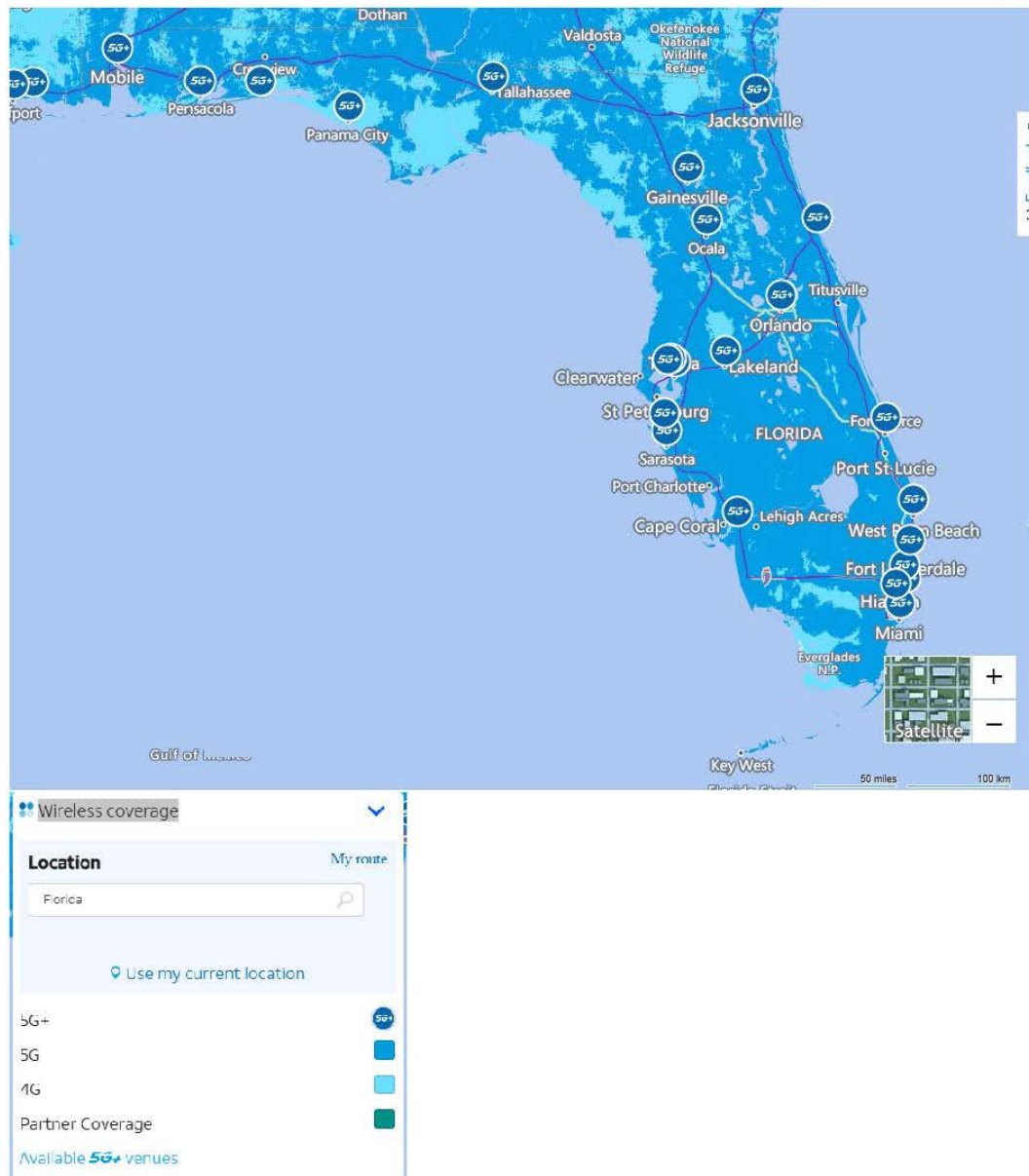
¹⁴ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Farooqi)

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.

AT&T Coverage



Item 13

FILED 6/6/2024
DOCUMENT NO. 04641-2024
FPSC - COMMISSION CLERK

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Fogleman, Day, Deas,^{CH}
Mallow)
Office of the General Counsel (Farooqi, Marquez)^{AET}

RE: Docket No. 20240082-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by American Broadband and Telecommunications Company LLC.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate
Proposed Agency Action # 6/6/24

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 26, 2024, American Broadband and Telecommunications Company LLC (American Broadband or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) for the sole purpose of providing Lifeline service to qualifying consumers throughout Florida. American Broadband is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a reseller. Specifically, American Broadband uses the network infrastructure and wireless transmission facilities of T-Mobile USA, Inc. (T-Mobile) to operate as a Mobile Virtual Network Operator. American Broadband is currently designated as an ETC providing Lifeline service in 21 other states. As a CMRS provider, American Broadband

is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ American Broadband is a Delaware limited liability company that is privately held by American Broadband and Telecommunications Holdings Inc.

American Broadband asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 § U.S.C. 214(e) and 47 § C.F.R. 54.201. American Broadband acknowledges and asserts that, if approved, it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.) and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide for a transitional discount for customers who no longer qualify for Lifeline. In addition to the federal rules and statutes discussed above, the Commission has jurisdiction in this matter pursuant to Section 364.10, F.S.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. The Commission initially exercised this authority to designate both wireline and wireless carriers as ETCs. In 2011, the Florida Legislature removed the FPSC authority to designate wireless ETC providers.² However, the Florida Legislature amended Section 364.10, F.S., in 2024 to specifically grant the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.³

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”; 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

² House Bill 1231 (2011), effective July 1, 2011.

³ Senate Bill 478 (2024), effective April 15, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should American Broadband be granted an ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. American Broadband should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Fogleman, Day, Deas, Mallow)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.⁴ Section 364.10, F.S., allows the Commission to approve wireless Lifeline ETC petitions for requesting carriers. Specifically, paragraphs 364.10(1)(a) and (3)(a), F.S., provide the Commission with the authority to designate a commercial mobile radio service provider as an ETC for the limited purpose of providing Lifeline service.

Federal rules outline the requirements for ETC designation.⁵ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁶

⁴ 47 C.F.R. § 54.201(a).

⁵ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101, 47 C.F.R. § 54.201, and 47 C.F.R. § 54.401; While 47 C.F.R. § 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the FCC in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁶ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

Date: June 6, 2024

- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

In addition, Florida law requires ETCs to:

- 1) Offer a discounted transitional basic telecommunications service;⁷ and
- 2) Participate in the Lifeline Promotion Process.⁸

Forbearance of Facilities Requirements

American Broadband plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with T-Mobile. Therefore, it sought forbearance of the facilities requirement from the Federal Communications Commission (FCC). On May 25, 2012, the FCC approved American Broadband's compliance plan as a condition of obtaining forbearance from the facilities requirement for the provision of Lifeline service. As part of its compliance plan American Broadband committed to do the following:⁹

- 1) Provide the supported services throughout the carrier's designated areas;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because American Broadband will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, American Broadband is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

As noted in its petition, American Broadband has offered service since 2004 and has not filed for any form of bankruptcy relief. The Company has operated as an ETC in 21 states and has not

⁷ Section 364.105, F.S states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline .

⁸ Rule 25-4.0665(3), F.A.C.; The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁹ 47 C.F.R. § 54.202(a)

Date: June 6, 2024

been subject to any ETC revocation proceedings. The Company has 20 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As American Broadband will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carrier. American Broadband resolved all FCC enforcement proceedings in 2022.¹⁰

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹¹ American Broadband asserts granting its ETC designation will bring Lifeline eligible consumers more choice in providers. In Florida, consumers are currently limited to three wireless Lifeline providers. These three companies represent 98 percent of the Lifeline market in Florida.¹² However, the FPSC's estimated Lifeline participation rate for the last two years has hovered around 18 percent.¹³ The increase in carriers servicing this market may increase participation through additional marketing and would serve the public interest.

Conclusion

Staff has reviewed American Broadband's petition for ETC designation in Florida. American Broadband meets all the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends American Broadband should be granted an ETC designation throughout the State of Florida as identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

¹⁰ FCC, Order, DA 22-421, Released June 3, 2022.

¹¹ 47 U.S.C. § 214(e)(2).

¹² 2023 Florida Lifeline Assistance Report, December 2023, Appendix C, p 24.

¹³ Ibid, p 13.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Farooqi)

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.

AMERICAN BROADBAND AND TELECOMMUNICATIONS COMPANY
FLORIDA
SERVICE AREA ZIP CODES

32003	32112	32209	32324	32439	32563	32680	32796
32008	32113	32210	32327	32440	32564	32683	32798
32009	32114	32211	32328	32442	32565	32686	32801
32011	32117	32212	32330	32443	32566	32693	32803
32024	32118	32214	32331	32444	32567	32694	32804
32025	32119	32216	32332	32445	32568	32696	32805
32033	32124	32217	32333	32446	32569	32701	32806
32034	32127	32218	32334	32448	32570	32702	32807
32038	32128	32219	32336	32449	32571	32703	32808
32040	32129	32220	32340	32455	32577	32707	32809
32043	32130	32221	32343	32456	32578	32708	32810
32044	32131	32222	32344	32459	32579	32709	32811
32046	32132	32223	32346	32460	32580	32712	32812
32052	32134	32224	32347	32461	32583	32713	32814
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32054	32137	32226	32350	32463	32603	32720	32816
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32060	32145	32234	32356	32501	32608	32726	32820
32061	32148	32244	32358	32502	32609	32730	32821
32062	32159	32246	32359	32503	32610	32732	32822
32063	32162	32250	32360	32504	32611	32735	32824
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32066	32168	32257	32403	32507	32617	32744	32827
32067	32169	32258	32404	32508	32618	32746	32828
32068	32174	32259	32405	32509	32619	32750	32829
32071	32176	32266	32407	32511	32621	32751	32830
32073	32177	32277	32408	32512	32622	32754	32831
32080	32179	32301	32409	32514	32625	32757	32832
32081	32180	32303	32413	32520	32626	32759	32833
32082	32181	32304	32420	32526	32628	32763	32835
32083	32182	32305	32421	32531	32631	32764	32836
32084	32187	32306	32423	32533	32639	32765	32837
32086	32189	32307	32424	32534	32640	32766	32839
32087	32190	32308	32425	32535	32641	32767	32901
32091	32193	32309	32426	32536	32643	32771	32903
32092	32195	32310	32427	32539	32648	32773	32904
32094	32202	32311	32428	32541	32653	32776	32905
32095	32203	32312	32430	32542	32656	32778	32907
32096	32204	32313	32431	32544	32664	32779	32908
32097	32205	32317	32433	32547	32666	32780	32909
32099	32206	32320	32435	32548	32667	32784	32919
32102	32207	32321	32437	32550	32668	32789	32920
32110	32208	32322	32438	32561	32669	32792	32922

AMERICAN BROADBAND AND TELECOMMUNICATIONS COMPANY
FLORIDA
SERVICE AREA ZIP CODES

32925	33030	33138	33195	33415	33496	33604	33759
32926	33031	33139	33196	33416	33498	33605	33760
32927	33032	33140	33199	33417	33510	33606	33761
32931	33033	33141	33256	33418	33511	33607	33762
32934	33034	33142	33301	33420	33513	33609	33763
32935	33035	33143	33304	33421	33514	33610	33764
32937	33036	33144	33305	33426	33521	33611	33765
32940	33037	33145	33306	33428	33523	33612	33767
32948	33039	33146	33308	33430	33525	33613	33770
32949	33040	33147	33309	33431	33527	33614	33771
32950	33042	33149	33310	33432	33534	33615	33772
32951	33043	33150	33311	33433	33538	33616	33773
32952	33050	33154	33312	33434	33540	33617	33774
32953	33051	33155	33313	33435	33541	33618	33776
32955	33054	33156	33314	33436	33542	33619	33777
32958	33055	33157	33315	33437	33543	33620	33778
32960	33056	33158	33316	33438	33544	33621	33781
32961	33060	33160	33317	33440	33545	33622	33782
32962	33062	33161	33319	33441	33547	33624	33785
32963	33063	33162	33321	33442	33548	33625	33786
32966	33064	33165	33322	33444	33549	33626	33801
32967	33065	33166	33323	33445	33556	33629	33803
32968	33066	33167	33324	33446	33558	33634	33805
32969	33067	33168	33325	33448	33559	33635	33807
32976	33068	33169	33326	33449	33563	33637	33809
33001	33069	33170	33327	33455	33565	33647	33810
33004	33070	33172	33328	33458	33566	33701	33811
33009	33071	33173	33330	33460	33567	33702	33812
33010	33073	33174	33331	33461	33569	33703	33813
33012	33076	33175	33332	33462	33570	33704	33815
33013	33101	33176	33334	33463	33572	33705	33823
33014	33109	33177	33351	33467	33573	33706	33825
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33016	33125	33179	33401	33470	33576	33708	33830
33018	33126	33180	33403	33471	33578	33709	33834
33019	33127	33181	33404	33472	33579	33710	33837
33020	33128	33182	33405	33473	33584	33711	33838
33021	33129	33183	33406	33476	33585	33712	33839
33022	33130	33184	33407	33477	33586	33713	33840
33023	33131	33185	33408	33478	33592	33714	33841
33024	33132	33186	33409	33480	33594	33715	33843
33025	33133	33187	33410	33483	33596	33716	33844
33026	33134	33189	33411	33484	33597	33730	33846
33027	33135	33190	33412	33486	33598	33744	33847
33028	33136	33193	33413	33487	33602	33755	33848
33029	33137	33194	33414	33493	33603	33756	33849

AMERICAN BROADBAND AND TELECOMMUNICATIONS COMPANY
FLORIDA
SERVICE AREA ZIP CODES

33850	33928	34120	34269	34602	34747
33852	33930	34134	34275	34604	34748
33853	33931	34135	34285	34606	34753
33854	33935	34138	34286	34607	34756
33855	33936	34139	34287	34608	34758
33856	33944	34140	34288	34609	34759
33857	33946	34141	34289	34610	34760
33859	33947	34142	34291	34613	34761
33860	33948	34145	34292	34614	34762
33863	33950	34201	34293	34637	34769
33865	33952	34202	34420	34638	34771
33867	33953	34203	34423	34639	34772
33868	33954	34205	34428	34652	34773
33870	33955	34207	34429	34653	34785
33872	33956	34208	34431	34654	34786
33873	33957	34209	34432	34655	34787
33875	33960	34210	34433	34661	34788
33876	33965	34211	34434	34667	34797
33877	33966	34212	34436	34668	34945
33880	33967	34215	34442	34669	34946
33881	33971	34216	34445	34677	34947
33884	33972	34217	34446	34679	34949
33888	33973	34219	34448	34681	34950
33890	33974	34221	34449	34683	34951
33896	33976	34222	34450	34684	34952
33897	33980	34223	34452	34685	34953
33898	33981	34224	34453	34688	34956
33901	33982	34228	34461	34689	34957
33902	33983	34229	34465	34690	34972
33903	33990	34231	34470	34691	34974
33904	33991	34232	34471	34695	34979
33905	33993	34233	34472	34698	34981
33906	34101	34234	34473	34705	34982
33907	34102	34235	34474	34711	34983
33908	34103	34236	34475	34714	34984
33909	34104	34237	34476	34715	34985
33912	34105	34238	34478	34729	34986
33913	34108	34239	34479	34731	34987
33914	34109	34240	34480	34734	34988
33916	34110	34241	34481	34736	34990
33917	34112	34242	34482	34737	34994
33919	34113	34243	34484	34739	34996
33920	34114	34251	34488	34741	34997
33921	34116	34260	34491	34743	
33922	34117	34266	34498	34744	
33924	34119	34267	34601	34746	

Item 14

State of Florida



Public Service Commission

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

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

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

RE: Docket No. 20240057-EI – Request for approval of change in rate used to capitalize allowance for funds used during construction (AFUDC) from 6.37% to 6.76%, effective January 1, 2024, by Florida Power & Light Company.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Florida Power & Light Company's (FPL or Company) current Allowance for Funds Used During Construction (AFUDC) rate of 6.37 percent was approved by Order No. PSC-2023-0142-PAA-EI, issued April 24, 2023.¹ On April 2, 2024, FPL filed a petition for approval to change its AFUDC rate from 6.37 percent to 6.76 percent, effective January 1, 2024. As required by Rule 25-6.0141(5), Florida Administrative Code (F.A.C.), FPL filed with its petition Schedules A, B, and C identifying the capital structure, capital structure adjustments, and the methodology used to calculate the monthly AFUDC rate. The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

¹Order No. PSC-2023-0142-PAA-EI, issued April 24, 2023, in Docket No. 20230031-EI, *In re: Request for approval of change in rate used to capitalize allowance for funds used during construction (AFUDC) from 6.22% to 6.37%, effective 1/1/23, by Florida Power & Light Company.*

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve FPL's request to change its AFUDC rate from 6.37 percent to 6.76 percent?

Recommendation: Yes. The appropriate AFUDC rate for FPL is 6.76 percent based on a 13-month average capital structure for the period ended December 31, 2023. (Ferrer)

Staff Analysis: FPL requested an increase in its AFUDC rate from 6.37 percent to 6.76 percent. Rule 25-6.0141(3), F.A.C., Allowance for Funds Used During Construction, provides the following guidance:

(3) The applicable AFUDC rate will be determined as follows:

(a) The most recent 13-month average embedded cost of capital, except as noted below, will be derived using all sources of capital and adjusted using adjustments consistent with those used by the Commission in the utility's last rate case.

(b) The cost rates for the components in the capital structure will be the midpoint of the last allowed return on common equity, the most recent 13-month average cost of short-term debt and customer deposits, and a zero cost rate for deferred taxes and all investment tax credits. The cost of long-term debt and preferred stock will be based on end of period cost. The annual percentage rate must be calculated to two decimal places.

In support of its requested AFUDC rate of 6.76 percent, FPL provided its calculations and capital structure in Schedules A and B attached to its request. Staff reviewed the schedules and determined that the proposed rate was calculated in accordance with Rule 25-6.0141(3), F.A.C. The requested increase in the AFUDC rate is due to an increase of 28 basis points in the weighted cost of long-term debt, an increase of 6 basis points in the weighted cost of short-term debt, and an increase of 4 basis points in the weighted cost of common equity. The cost rate for short-term debt increased from 1.93 percent in 2022 to 4.94 percent in 2023. The cost rate for long-term debt increased from 3.63 percent in 2022 to 4.46 percent in 2023. In its calculation, the Company appropriately used the mid-point return on equity of 10.8 percent, which was approved by Order No. PSC-2022-0358-FOF-EI.²

Based on its review, staff believes that the requested increase in the AFUDC rate from 6.37 percent to 6.76 percent is appropriate, consistent with Rule 25-6.0141, F.A.C., and recommends approval.

²Order No. PSC-2022-0358-FOF-EI, issued October 21, 2022, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

Date: June 6, 2024

Issue 2: What is the appropriate monthly compounding rate to achieve FPL's requested annual AFUDC of 6.76 percent?

Recommendation: The appropriate compounding rate to achieve an annual AFUDC rate of 6.76 percent is 0.005466. (Ferrer)

Staff Analysis: FPL requested a monthly compounding rate of 0.005466 to achieve an annual AFUDC rate of 6.76 percent. In support of the requested monthly compounding rate of 0.005466, the Company provided its calculations in Schedule C attached to its request. Rule 25-6.0141(4)(a), F.A.C., provides the following formula for discounting the annual AFUDC rate to reflect monthly compounding.

$$M=[((1+A/100)^{1/12})-1] \times 100$$

Where: M = Discounted monthly AFUDC rate.

A = Annual AFUDC rate.

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

Staff reviewed the Company's calculation and determined it was derived in accordance with Rule 25-6.0141(4), F.A.C., as presented in Attachment 2. Therefore, staff recommends that a monthly compounding AFUDC rate of 0.005466 be approved.

Date: June 6, 2024

Issue 3: Should the Commission approve FPL's requested effective date of January 1, 2024, for implementing the AFUDC rate?

Recommendation: Yes. The AFUDC rate should be effective January 1, 2024, for all purposes. (Ferrer)

Staff Analysis: FPL's requested AFUDC rate was calculated using the most recent 13-month average capital structure for the period ended December 31, 2023. Rule 25-6.0141(6), F.A.C., provides that:

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

The Company's requested effective date of January 1, 2024, complies with the requirement that the effective date does not precede the period used to calculate the rate, and therefore, should be approved

Issue 4: Should this docket be closed?

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

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

**FLORIDA POWER & LIGHT COMPANY
CAPITAL STRUCTURE USED FOR THE REQUESTED AFUDC RATE
AS OF DECEMBER 31, 2023**

COMPANY AS FILED				
<u>CAPITAL COMPONENTS</u>	<u>JURISDICTIONAL AVERAGE</u>	<u>CAPITAL RATIO</u>	<u>COST OF CAPITAL</u>	<u>WEIGHTED COST OF CAPITAL</u>
COMMON EQUITY	\$29,781,990,449	48.44%	10.80%	5.23%
LONG-TERM DEBT	\$19,576,710,609	31.84%	4.46%	1.42%
SHORT-TERM DEBT	\$1,130,101,159	1.84%	4.94%*	0.09%
CUSTOMER DEPOSITS	\$488,703,160	0.79%	2.11%*	0.02%
DEFERRED INCOME TAXES	\$6,938,457,552	11.29%	0.00%	0.00%
FAS 109 DEFERRED INC. TAX	\$2,730,231,950	4.44%	0.00%	0.00%
INVESTMENT TAX CREDITS	\$833,949,980	1.36%	0.00%	0.00%
TOTAL	\$61,480,144,859	100.00%		6.76%

* 13-MONTH AVERAGE

**FLORIDA POWER & LIGHT COMPANY
METHODOLOGY FOR COMPOUNDING AFUDC RATE
AS OF DECEMBER 31, 2023**

COMPANY AS FILED

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC RATE</u>	<u>CUMULATIVE AFUDC RATE</u>
1	1.000000	0.005466	0.005466
2	1.005466	0.005496	0.010962
3	1.010962	0.005526	0.016488
4	1.016488	0.005556	0.022044
5	1.022044	0.005586	0.027630
6	1.027630	0.005617	0.033247
7	1.033247	0.005648	0.038895
8	1.038895	0.005679	0.044574
9	1.044574	0.005710	0.050283
10	1.050283	0.005741	0.056024
11	1.056024	0.005772	0.061796
12	1.061796	0.005804	0.067600

Annual Rate (R) = 0.0676

Monthly Rate = $((1+R)^{(1/12)})-1 = 0.005466$

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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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Przygocki, Sowards) *ALM*
Office of the General Counsel (Farooqi) *AEH*

RE: Docket No. 20240085-WS – Joint motion requesting approval of settlement agreement, by Office of Public Counsel and North Florida Community Water Systems, Inc.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: *All Commissioners*

PREHEARING OFFICER:

Graham
~~Unassigned~~

AT 6/6/24

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

North Florida Community Water Systems, Inc. (NFCWS or Utility) owns six water and three wastewater systems in Duval, Alachua, Leon, Okaloosa, Franklin, and Washington counties. The Utility provides service to approximately 2,471 water and 243 wastewater customers. The Utility's water and wastewater system in Duval County, formerly known as Duval Waterworks, Inc. (DWI), serves approximately 51 water customers and 33 wastewater customers. In February of 2023, the Commission acknowledged the corporate reorganization and name change of several systems, including DWI, to NFCWS.¹ The corporate reorganization resulted in no

¹ Order No. PSC-2023-0097-FOF-WS, issued February 22, 2023 in Docket No. 20220199-WS, *In re: Joint application for acknowledgement of corporate reorganization and approval of name changes on Certificate Nos. 641-W and 551-S in Duval County, Certificate No. 555-W in Alachua County, Certificate Nos. 678-W and 672-W in Leon County, Certificate No. 676-W in Okaloosa County, and Certificate Nos. 501-W and 435-S in Washington County from Duval Waterworks, Inc., Gator Waterworks, Inc., Lake Talquin Waterworks, Inc., Seminole*

change in ownership or control of the utilities, and each FCWS system continued to charge its own Commission-approved rates and charges.

Based on staff's review of DWI's 2021 and 2022 Annual Reports, the Utility was identified as potentially overearning. By letter dated July 22, 2022, NFCWS acknowledged the Commission's jurisdiction over revenues in excess of the maximum of the allowed Return on Equity (ROE) for 2022. NFCWS has worked with both the staff of the Florida Public Service Commission as well as with the Office of Public Counsel (OPC) to discuss the potential disposition of any portion of such earned return above the maximum allowed ROE ("overearnings"). On May 7, 2024, NFCWS and OPC filed a Joint Motion requesting Commission approval of a Settlement Agreement to resolve the disposition of the 2022 and 2023 overearnings.² The Settlement Agreement only addresses customers of the Utility's water and wastewater systems in Duval County.

The purpose of this recommendation is to present the Settlement Agreement proposal to the Commission for approval. The Joint Motion and Settlement Agreement have been attached as Attachment A to this recommendation. The Commission has jurisdiction pursuant to Sections 367.081, 367.082, and 367.121, Florida Statutes.

Waterworks, Inc., Okaloosa Waterworks, Inc., and Sunny Hills Utility Company to North Florida Community Water Services, Inc.

² Document No. 02926-2024, dated May 7, 2024.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve the Joint Motion and Settlement Agreement by the Parties?

Recommendation: Yes. The proposed Settlement Agreement adequately addresses the potential overearnings staff had identified during its ongoing earnings surveillance activities. As outlined in the proposed Settlement Agreement, NFCWS should refund customers of its Duval County system, formerly DWI customers, 14.18 percent of water revenues and 32.38 percent of wastewater revenues billed those customers for the calendar year 2022. NFCWS should also refund 12.68 percent of water revenues and 15.27 percent of wastewater revenues billed those customers for the calendar year 2023. This refund credit should be based upon each individual customer's billed amounts for the respective calendar year. The refunds should be made in accordance with Rule 25-30.360, Florida Administrative Code (F.A.C.) (Przygocki)

Staff Analysis: As part of its ongoing surveillance activities, staff identified possible overearnings based upon its review of DWI's 2021 and 2022 Annual Reports, filed in 2022 and 2023, respectively. In further examining possible overearnings, staff requests and obtains updated data over several months to evaluate a utility's financial position to evaluate the likelihood of continued overearnings and to examine the level of operating revenues necessary to support ongoing utility operations. Staff's analysis also incorporates the utility's needs for continuing capital improvements and operating expenses.

In addition to working with staff, NFCWS also worked with OPC to discuss the potential disposition of any overearnings. On May 7, 2024, NFCWS and OPC filed a Joint Motion requesting Commission approval of a Settlement Agreement to resolve the disposition of the 2022 and 2023 overearnings. NFCWS should refund customers of its Duval County system, formerly DWI customers, 14.18 percent of water revenues and 32.38 percent of wastewater revenues billed for the calendar year 2022. NFCWS should also refund 12.68 percent of water revenues and 15.27 percent of wastewater revenues billed for the calendar year 2023. The refunds shall be made to customers of record as of the date of the Order approving this Settlement pursuant to Rule 25-30.360(3), F.A.C. This refund credit shall be based upon each individual customer's billed amounts for the respective calendar year.

In keeping with the Commission's long-standing policy and practice of encouraging parties to settle issues whenever possible, staff recommends that the Commission approve the Joint Motion and Settlement Agreement by the Parties. Staff notes that this recommendation is consistent with other Commission decisions regarding possible overearnings.³ The proposed Settlement Agreement adequately addresses the potential overearnings identified in 2022 and 2023. The refunds should be made in accordance with Rule 25-30.360, F.A.C.

³ Order Nos. PSC-2015-0173-PAA-WS, issued May 5, 2015, in Docket No. 20150069, *In re: Settlement proposal for possible overearnings by Southlake Utilities, Inc. in Lake County*; PSC-11-0012-PAA-SU, issued January 4, 2011, in Docket No. 100446-SU, *In re: Settlement proposal for possible overearnings by Tierra Verde Utilities, Inc. in Pinellas County*; PSC-10-0680-PAA-SU, issued November 15, 2010 in Docket No. 100379-SU, *In re: Settlement proposal for possible overearnings by Mid-County Services, Inc. in Pinellas County*; and PSC-05-0956-PAA-SU, issued October 7, 2005, in Docket No. 050540-SU, *In re: Settlement offer for possible overearnings in Marion County by BFF Corp.*

Date: June 6, 2024

Issue 2: Should this docket be closed?

Recommendation: No. If no timely protest is received from a substantially affected person upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to verify completion of the refunds discussed in Issue 1. Once staff has verified that the refunds have been made in accordance with Rule 25-30.360, F.A.C., the docket should be closed administratively. (Farooqi, Przygocki)

Staff Analysis: If no timely protest is received from a substantially affected person upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to verify completion of the refunds discussed in Issue 1. Once staff has verified that the refunds have been made in accordance with Rule 25-30.360, F.A.C., the docket should be closed administratively.

DOCKET NO. 20240085-WS
FILED 5/10/2024
DOCUMENT NO. 02926-2024
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of 2022 and 2023
Overearnings for:

North Florida Community Water Systems:
Duval Water & Wastewater System

Docket No. 2024_____-WS
Filed: May 7, 2024

_____/

**JOINT MOTION REQUESTING COMMISSION APPROVAL OF
SETTLEMENT AGREEMENT**

The Office of Public Counsel (“OPC”), on behalf of the Citizens of the State of Florida (“Citizens”) and North Florida Community Water Systems, Inc. (hereafter referred to as “Utility”), pursuant to Section 367.081 and Section 120.57(4), Florida Statutes, and Rule 28-106.301, Florida Administrative Code, file this Joint Motion respectfully requesting the Florida Public Service Commission (“Commission”) to approve the Settlement Agreement, attached as Exhibit “A”, as provided in this motion. In support of the Joint Motion, OPC and the Utility (the “Parties”) state:


1. The staff of the Commission identified potential 2022 overearnings based upon the review of the 2021 Annual Report of the respective Utility for its Duval water and wastewater systems.
2. The Parties exchanged data regarding Utility’s potential earnings above the maximum allowed returned on equity (ROE), and conducted discussions related to earnings data provided by Utility to OPC.
3. To avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with the Commission’s long-standing policy and practice of encouraging parties to settle issues whenever possible, OPC and the Utility have entered into a Settlement Agreement.
4. This Settlement Agreement resolves the disposition of the 2022 and 2023 overearnings for North Florida Community Water Systems’ water and wastewater systems in Duval County.

5. The Parties agree that this Settlement Agreement is in the public interest. The provisions of this Settlement Agreement are contingent on approval of this Settlement Agreement in its entirety by the Commission without modification.

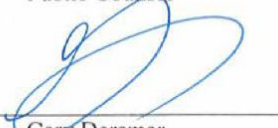
6. The Parties request expedited review and approval of this Settlement Agreement at the earliest scheduled Commission Agenda Conference.

WHEREFORE, OPC and the Utility respectfully request the Commission approve this Settlement Agreement.

Respectfully submitted this 7th day of May 2024.



Walt Trierweiler
Public Counsel



Gary Deremer
President

North Florida Community Water Systems, Inc.

Exhibit "A"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of 2022 and 2023
Overearnings for:
North Florida Community Water Systems -
Duval Water & Wastewater System
_____ /

Docket No. 2024 _____

Filed: May 6, 2024

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 6th day of May, 2024,
by and between the following utility:

North Florida Community Water Systems, Inc.
(Duval Water and Wastewater Systems)

(hereafter referred to as "Utility" or "NFCWS"), and the Office of Public Counsel ("OPC"), on
behalf of the Citizens of the State of Florida ("Citizens") and customers of each respective Utilities
(hereafter, "Parties").

WITNESSETH

WHEREAS, the staff of the Florida Public Service Commission ("Commission" or
"FPSC") identified potential 2021 overearnings based upon the review of the 2021 Annual Report
of formerly Duval Waterworks, Inc. Now a water and wastewater system part of NFCWS;

WHEREAS, the Utility submitted a letter dated July 22, 2022 to the FPSC as
acknowledgement of and consent to the FPSC's jurisdiction over the extent to which the earned
return on common equity (ROE) for the year ending December 31, 2021 exceeds the maximum of
the allowed ROE. This letter consented jurisdiction over the 2022 revenues to the PSC;

WHEREAS, it was the Utility's understanding that any decision regarding the disposition
of any portion of such earned return above the maximum allowed ROE will be subject for
disposition after the nature and extent of any such amount above the approved ROE ranges are

known;

WHEREAS, NFCWS has met with both the Staff of the Florida Public Service Commission as well as with the Office of Public Counsel to discuss the potential disposition of any portion of such earned return above the maximum allowed ROE (“overearnings”);

WHEREAS, the Parties conducted further discussions and evaluation of additional data provided by NFCWS to OPC on such overearnings;

WHEREAS, the Parties to this Agreement have undertaken to resolve the issues raised in this proceeding so as to maintain a degree of stability and predictability with respect to customer bills;

WHEREAS, the Parties have entered into this Settlement Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350 and 367, Florida Statutes, as applicable, and as a part of the negotiated exchange of consideration among the parties to this agreement each has agreed to concessions to the others with the expectation that all provisions of this Settlement Agreement will be enforced by the Commission as to all matters addressed herein with respect to all parties regardless of whether a court ultimately determines such matters to reflect Commission policy, upon acceptance of the agreement as provided herein and upon approval in the public interest; and

NOW THEREFORE, for and in consideration of the mutual covenants set forth below, the sufficiency of which is hereby acknowledged the parties agree to the following:

1. **Duval Water and Wastewater Systems.**: NFCWS (Duval water and wastewater systems) agrees to refund via credit on its customers’ accounts as follows: for calendar year 2022; 14.18% of the water revenues and 32.38% of the wastewater revenues billed for the calendar year 2022; and for calendar year 2023; 12.68% of the water revenues and 15.27% of the wastewater revenues

billed for the calendar year 2023. The refunds shall be made to customers of record as of a date of the Order approving this Settlement pursuant to Rule 25-30.360(3), Florida Administrative Code. This refund credit shall be based upon each individual customer's billed amounts for the respective calendar year. NFCWS acknowledges that although the Utility did not provide consent of revenues for 2023, and the 2023 Annual Report has not been reviewed by the Commission, Utility agrees to make refunds for 2023 as part of this Settlement Agreement.

2. In keeping with the Commission's long-standing policy and practice of encouraging parties to settle issues whenever possible, the Parties submit this Settlement Agreement for review and approval. The Parties agree that this Settlement Agreement is in the public interest. The provisions of this Settlement Agreement are contingent on approval of this Settlement Agreement in its entirety by the Commission without modification. The Parties further agree that they will support this Settlement Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Settlement Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Settlement Agreement or the subject matter hereof. No Party will assert in any proceeding before the Commission that this Settlement Agreement nor any of the terms herein shall have any precedential value nor may it be used in any other proceeding. To the extent a dispute arises among the parties about the provisions, interpretation, or application of this agreement, the parties agree to meet and confer in an effort to resolve the dispute. To the extent that the Parties cannot resolve any dispute, the matter may be submitted to the Commission for resolution. Approval of this Settlement Agreement in its entirety will resolve all matters and issues discussed herein pursuant to and in accordance with Section 120.57(4), Florida Statutes. This docket should be closed administratively after Commission staff verifies the revised tariff sheets, customer notices have

been mailed, and refunds have been made.

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this Settlement Agreement by their signature.

OFFICE OF PUBLIC COUNSEL

Date: May 6, 2024

By: Walt Trierweiler

Walt Trierweiler
Public Counsel

Attorney for the Citizens
of the State of Florida

UTILITY

Date: May 7, 2024

By: Gary Deremer

Gary Deremer
President

North Florida Community Water Systems

Item 16

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis) *TB*
Office of the General Counsel (Farooqi) *ACF*

RE: Docket No. 20240048-EQ – Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). 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 (TYSP). On March 28, 2024, Duke Energy Florida, LLC (DEF) filed a petition for approval of its amended standard offer contract and rate schedule COG-2. On May 6, 2024, DEF filed revisions to its proposed tariff sheets to correct a forecast error that impacted the avoided unit's operating and financial assumptions. The Commission has jurisdiction over this standard offer contract, pursuant to Sections 366.04 through 366.055, and 366.91, F.S.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve the amended standard offer contract and rate schedule COG-2 filed by Duke Energy Florida, LLC?

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

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs and QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP or, if no avoided unit is identified, its next avoidable planned purchase. In its 2024 Ten-Year Site Plan, DEF has identified a 215 megawatt (MW) natural gas-fueled combustion turbine as the next avoidable planned generating unit. This unit has a projected in-service date of June 1, 2032, with planned construction beginning in July 2029.

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

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2032). Thereafter, they begin receiving capacity payments in addition to firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains DEF's estimates of the annual payments for the normal and levelized capacity payment options available under the revised standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 95 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (June 1, 2032), and

continue for 10 years, while early and early levelized capacity payments begin two (2) years prior to the in-service date, or 2030 in this case.

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

Year	Energy Payment	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
2025	14,256	-	-	-	-
2026	13,941	-	-	-	-
2027	13,342	-	-	-	-
2028	12,710	-	-	-	-
2029	12,567	-	-	-	-
2030	12,243	-	-	5,354	5,359
2031	12,297	-	-	5,358	5,362
2032	12,057	4,120	4,123	5,362	5,365
2033	12,351	7,068	7,073	5,366	5,369
2034	12,159	7,074	7,077	5,371	5,372
2035	14,750	7,080	7,082	5,375	5,376
2036	15,729	7,085	7,087	5,380	5,379
2037	16,487	7,091	7,092	5,384	5,383
2038	16,827	7,097	7,096	5,389	5,387
2039	17,572	7,103	7,102	5,394	5,391
2040	18,299	7,110	7,107	5,399	5,395
2041	19,724	7,116	7,112	5,404	5,399
2042	20,039	7,123	7,117	5,409	5,403
2043	21,483	7,129	7,123	5,414	5,408
2044	21,970	7,136	7,129	5,419	5,412
Total	310,801	89,333	89,320	80,776	80,759
Total (NPV)	154,468	34,569	34,569	34,569	34,569

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

DEF's standard offer contract as revised on May 6, 2024, in type-and-strike format, is included as Attachment A to this recommendation. The changes made to DEF's tariff sheets are consistent with the updated avoided unit. Revisions include updates to calendar dates and payment information, which reflect the current economic and financial assumptions for the avoided unit.

Conclusion

The provisions of DEF's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended

¹In re: Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC, Docket No. 20240048-EQ, Document No. 02782-2024 (filed May 6, 2024).

Date: June 6, 2024

standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. Therefore, the Commission should approve the amended standard offer contract.

Date: June 6, 2024

Issue 2: Should this docket be closed?

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

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



SECTION No. IX
SECOND REVISED SHEET NO. 9.400
CANCELS FIRST REVISED SHEET NO. 9.400

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

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ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION NO. IX
SECOND REVISED SHEET NO. 9.401
CANCELS FIRST SHEET NO. 9.401

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

between

and

DUKE ENERGY FLORIDA, LLC

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: June 5, 2018



SECTION NO. IX
THIRD REVISED SHEET NO. 9.402
CANCELS SECOND REVISED SHEET NO. 9.402

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ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



SECTION NO. IX
FIFTH REVISED SHEET NO.9.403
CANCELS FOURTH REVISED SHEET NO. 9.403

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ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



SECTION NO. IX
SIXTH REVISED SHEET NO. 9.404
CANCELS FIFTH REVISED SHEET NO. 9.404

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

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

WITNESSETH:

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

WHEREAS, the RF/QF will acquire an interconnection/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: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION NO. IX
THIRD REVISED SHEET NO. 9.405
CANCELS SECOND REVISED SHEET NO. 9.405

1. Definitions

“AFR” means the Facility’s annual fuel requirement.

“AFTR” means the Facility’s annual fuel transportation requirement

“Annual Capacity Billing Factor” or “ACBF” means 12 month rolling average of the Monthly Availability Factor as further defined and explained in Appendix A.

“Appendices” shall mean the schedules, exhibits, and attachments which are appended hereto and are hereby incorporated by reference and made a part of this Contract. Such Appendices include:

“Appendix A” sets forth the Monthly Capacity Payment Calculation.

“Appendix B” sets forth the Termination Fee.

“Appendix C” sets forth the Detailed Project Information.

“Appendix D” sets forth Rate Schedule COG-2.

“Appendix E” sets forth the Agreed Upon Payment Schedules and Other Mutual Agreements

“Appendix F” sets forth Florida Public Service Commission (“FPSC”) Rules 25-17.080 through 25-17.310, F.A.C.

“As-Available Energy Rate” means the rate calculated by DEF in accordance with FPSC Rule 25-17.0825, F.A.C., and DEF’s Rate Schedule COG-1, as they may each be amended from time to time

“Auditor’s Standard Report” means a written opinion of an auditor regarding an entity’s financial statements. The report is written in a standard format, as mandated by generally accepted auditing standards (GAAS).

“Authorization to Construct” means authorization issued by any appropriate Government Agency to construct or reconstruct the Facility granted to RF/QF in accordance with the laws of the State of Florida and any relevant federal law.

“Avoided Unit” means the electrical generating unit described in Section 4 upon which this Contract is based.

“Avoided Unit Energy Cost” has the meaning assigned to it in Appendix D.

“Avoided Unit Fuel Cost” has the meaning assigned to it in Appendix D.

“Avoided Unit Heat Rate” means the average annual heat rate of the Avoided Unit as defined in Section 4.

“Avoided Unit In-Service Date” means the date upon which the Avoided Unit would have started commercial operation as specified in Section 4.

“Avoided Unit Life” means the economic life of the Avoided Unit.

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



SECTION No. IX
EIGHTH REVISED SHEET NO. 9.406
CANCELS SEVENTH REVISED SHEET NO. 9.406

"Avoided Unit Variable O&M" means the Avoided Unit variable operation and maintenance expenses as defined in Section 4. The annual escalation will begin in the payment for January deliveries.

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

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

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

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

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

"Capacity Delivery Date" means the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test subject to the requirements of Section 5(d) and Section 7.6.

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

"Certified Public Accountant" or "CPA" means someone who has passed the American Institute of Certified Public Accountants (AICPA) Uniform CPA examination, met educational, and licensure requirements in the state of license and have been issued a license to practice public accounting by a state Accountancy board.

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

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

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

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 1, 2022



SECTION No. IX
SIXTH REVISED SHEET NO. 9.407
CANCELS FIFTH REVISED SHEET NO. 9.407

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

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

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

"Creditworthy" with respect to a Party or its Credit Support Provider, as applicable, means a party is rated at least BBB by Standard & Poor's (S&P), or at least Baa3 by Moody's Investor Services (Moody's). Rating shall be the unsecured, senior long-term debt rating (not supported by third party credit enhancement) or the issuer rating will be used if not available. If a Party or its Credit Support Provider, as applicable, is rated by both S&P and Moody's, then the lower of the two ratings will apply.

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

"DEF Entities" has the meaning assigned to it in Section 16.

"Demonstration Period" means a sixty-hour period in which the Committed Capacity Test must be completed.

"Distribution System" means the distribution system consisting of electric lines, electric plant, transformers and switchgear used for conveying electricity to ultimate consumers, but not including any part of the Transmission System.

"Drop Dead Date" means the date which is twelve (12) months following the Execution Date except for the condition defined in Section 5(a)(i). The Parties recognize that firm transmission service agreements can take up to 24 months to obtain so for Section 5(a)(i) only the Drop Dead Date means the date which is twenty four (24) months following the Execution Date.

"Eastern Prevailing Time" or "EPT" means the time in effect in the Eastern Time Zone of the United States of America, whether Eastern Standard Time or Eastern Daylight Savings Time.

"Effective Date" has the meaning assigned to it in Section 5.

"Electrical Interconnection Point" means the physical point at which the Facility is connected with the Transmission System or, if RF/QF interconnects with a Transmission System other than DEF's, DEF's interconnection with the Transmission Provider's Transmission System, or such other physical point on which RF/QF and DEF may agree.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
SEVENTH REVISED SHEET NO. 9.408
CANCELS SIXTH REVISED SHEET NO. 9.408

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

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

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

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

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

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

"Expected Nameplate Capacity Rating" means the total generating capacity of the Facility that is the sum of (a) the Committed Capacity, and (b) the capacity required for any station service use of generating unit equipment or auxiliaries, including, without limitation, cooling towers, heat exchanges, duct burners and other equipment that could be used for energy production or as required by law, and shall be in service during the Committed Capacity Test Period and (c) any other capacity reserved for on-site use or energy production.

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
FIFTH REVISED SHEET NO. 9.409
CANCELS FOURTH REVISED SHEET NO. 9.409

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

“Financial Closing” means the fulfillment of each of the following conditions:

- (a) the execution and delivery of the Financing Documents; and
- (b) all Conditions Precedent to the initial availability for disbursement of funds under the Financing Documents (other than relating to the effectiveness of this Contract) are satisfied or waived.

“Financing Documents” shall mean documentation with respect to any private equity investment in RF/QF, any loan agreements (including agreements for any subordinated debt), notes, bonds, indentures, guarantees, security agreements and hedging agreements relating to the financing or refinancing of the design, development, construction, testing, commissioning, operation and maintenance of the entire Facility or any guarantee by any Financing Party of the repayment of all or any portion of such financing or refinancing.

“Financing Party” means the Persons (including any trustee or agent on behalf of such Persons) providing financing or refinancing to or on behalf of RF/QF for the design, development, construction, testing, commissioning, operation and maintenance of the Facility (whether limited recourse, or with or without recourse).

“Firm Capacity and Energy” has the meaning assigned to it in Appendix D.

“Firm Capacity Rate” has the meaning assigned to it in Appendix D.

“Firm Energy Rate” has the meaning assigned to it in Appendix D.

“Force Majeure” has the meaning given to it in Section 18.

“FPSC” means the Florida Public Service Commission or its successor.

“Government Agency” means the United States of America, or any state or any other political subdivision thereof, including without limitation, any municipality, township or county, and any domestic entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, without limitation, any corporation or other entity owned or controlled by any of the foregoing.



SECTION No. IX
FIFTH REVISED SHEET NO. 9.410
CANCELS FOURTH REVISED SHEET NO 9.410

“IEEE” means the Institute of Electrical and Electronics Engineers, Inc.

“Indemnified Party” has the meaning assigned to it in Section 16.

“Indemnifying Party” has the meaning assigned to it in Section 16.

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

“Insurance Services Office” has the meaning assigned to it in Section 17.

“KVA” means one or more kilovolts-amperes of electricity, as the context requires.

“kW” means one or more kilowatts of electricity, as the context requires.

“kWh” means one or more kilowatt-hours of electricity, as the context requires.

“Letter of Credit” means a stand-by letter of credit from a Qualified Institution that is acceptable to DEF whose approval may not be unreasonably withheld. The Letter of Credit must provide that DEF has the right to draw on the Letter of Credit in the event that less than twenty (20) Business Days remain until its expiration and RF/QF has failed to renew the Letter of Credit or provide replacement Eligible Collateral as required under this Agreement.

“Licensed Professional Engineer” means a person who is licensed to engage in the practice of engineering under Chapter 471 of the Florida Statutes.

“LOI” means a letter of intent for fuel supply.

“MCPC” means the Monthly Capacity Payment for Option A.

“Monthly Billing Period” means the period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

“Monthly Availability Factor” or “MAF” means the total energy received during the Monthly Billing Period for which the calculation is made, divided by the product of Committed Capacity and the total hours during the Monthly Billing Period.

“Monthly Capacity Payment” or “MCP” means the payment for Capacity calculated in accordance with Appendix A.

“MW” means one or more megawatts of electricity, as the context requires.

“MWh” means one or more megawatt-hours of electricity, as the context requires.

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



SECTION No. IX
THIRD REVISED SHEET NO. 9.411
CANCELS SECOND REVISED SHEET NO. 9.411

"Option A" means normal Capacity Payments as described in Appendix D.

"Option B" means early Capacity Payments as described in Appendix D.

"Option C" means levelized Capacity Payments as described in Appendix D.

"Option D" means early levelized Capacity Payments as described in Appendix D.

"Party" or "Parties" has the meaning assigned to it in the opening paragraph of this Contract.

"Person" means any individual, partnership, corporation, association, joint stock company trust, joint venture, unincorporated organization, or Governmental Agency (or any department, agency, or political subdivision thereof).

"Project Consents" mean the following Consents, each of which is necessary to RF/QF for the fulfillment of RF/QF's obligations hereunder:

- (a) the Authorization to Construct;
- (b) planning permission and consents in respect of the Facility, and any electricity substation located at the Facility site, including but not limited to, a prevention of significant deterioration permit, a noise, proximity and visual impact permit, and any required zoning permit; and
- (c) any integrated pollution control license.

"Project Contracts" means this Contract, and any other contract required to construct, operate and maintain the Facility. The Project Contracts may include, but are not limited to, the turnkey engineering, procurement and construction contract, the electrical interconnection and operating agreement, the fuel supply agreement, the facility site lease, and the operation and maintenance agreement.

"Prudent Regulated Utility Practices" means any of the practices, methods, standards and acts (including, but not limited to, the practices, methods and acts engaged in or approved by a significant portion of owners and operators of power plants regulated by the state authority or state's jurisdiction over an electric utility as defined in Florida Statute, 366.02(2) of technology, complexity and size similar to the Facility in the United States) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, could have been expected to accomplish the desired result and goals (including such goals as efficiency, reliability, economy and profitability) in a manner consistent with applicable facility design limits and equipment specifications and applicable laws and regulations. Prudent Regulated Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts in each case.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
FIFTH REVISED SHEET NO. 9.412
CANCELS FOURTH 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 EPAct 2005, Pub. L. No. 109-58, § 1253, 119 Stat. 594 (2005) or, alternatively, analogous provisions under the laws of the State of Florida.

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

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

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

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

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

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

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

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
THIRD REVISED SHEET NO. 9.413
CANCELS SECOND REVISED SHEET NO. 9.413

"RF/QF Insurance" has the meaning assigned to it in Section 17.

"RF/QF Performance Security" has the meaning assigned in Section 11.

"Security Documentation" has the meaning assigned to it in Section 12.

"Term" has the meaning assigned to it in Section 3.

"Termination Date" means the date upon which this Contract terminates unless terminated earlier in accordance with the provisions hereof. This date is specified in Section 4.

"Termination Fee" means the fee described in Appendix B as it applies to any Capacity Payments made under Option B, C or D.

"Termination Security" has the meaning assigned to it in Section 12.

"Transmission Provider" means the operator(s) of the Transmission System(s) or any successor thereof or any other entity or entities authorized to transmit Energy on behalf of RF/QF from the Electrical Interconnection Point.

"Transmission System" means the system of electric lines comprised wholly or substantially of high voltage lines, associated system protection, system stabilization, voltage transformation, and capacitance, reactance and other electric plant used for conveying electricity from a generating station to a substation, from one generating station to another, from one substation to another, or to or from any Electrical Interconnection Point or to ultimate consumers and shall include any interconnection owned by the Transmission Provider or DEF, but shall in no event include any lines which the Transmission Provider has specified to be part of the Distribution System except for any distribution facilities required to accept capacity and energy from the Facility.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 21, 2015



SECTION No. IX
SECOND REVISED SHEET NO. 9.414
CANCELS FIRST REVISED SHEET NO. 9.414

2. Facility; Renewable Facility or Qualifying Facility Status

The Facility's location and generation capabilities are as described in Table 1 below.

TABLE 1

TECHNOLOGY AND GENERATOR CAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: County:
Generator Type (Induction or Synchronous)	
Technology	
Fuel Type and Source	
Generator Rating (KVA)	
Maximum Capability (kW)	
Net Output (kW)	
Power Factor (%)	
Operating Voltage (kV)	
Peak Internal Load kW	

The RF/QF's failure to complete Table 1 in its entirety shall render this Contract null and void and of no further effect.

The RF/QF shall use the same fuel or energy source and maintain the status as a Renewable Facility or a Qualifying Facility throughout the term of this Contract. RF/QF shall at all times keep DEF informed of any material changes in its business which affects its Renewable Facility or Qualifying Facility status. DEF and RF/QF shall have the right, upon reasonable notice of not less than seven (7) Business Days, to inspect the Facility and to examine any books, records, or other documents reasonably deemed necessary to verify compliance with this Contract. In the event of an emergency at or in proximity to the RF/QF site that impacts DEF's system, DEF shall make reasonable efforts to contact the Facility and make arrangements for an emergency inspection. On or before March 31 of each year during the term of this Contract, the RF/QF shall provide to DEF a certificate signed by an officer of the RF/QF certifying that the RF/QF continuously maintained its status as a Renewable Facility or a Qualifying Facility during the prior calendar year.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
~~SEVENTEENTH-EIGHTEENTH~~ REVISED SHEET NO.
9.415
CANCELS ~~SIXTEENTH-SEVENTEENTH~~ REVISED
SHEET NO. 9.415

3. Term of Contract

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

4. Minimum Specifications and Milestones

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

Avoided Unit	Undesignated Combustion Turbine
Avoided Unit Capacity	215 MW
Avoided Unit In-Service Date	June 1, 2034 2032
Avoided Unit Heat Rate	11,094 10,487 BTU/kWh
Avoided Unit Variable O&M	0. 3889 03¢ per kWh in mid- 2023-2024 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, 2044-2042 (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, 2024 2025
Exemplary Early Capacity Payment Date	January 1, 2032 2030

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: ~~June 13, 2023~~



SECTION No. IX
TENTH REVISED SHEET NO. 9.416
CANCELS NINTH 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 and maintain firm transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point. For the avoidance of doubt, firm transmission service includes the execution of an interconnection agreement including the written authorization by the RF/QF to begin construction of the interconnection facilities, and approved firm transmission service by the host utility either under a Transmission Service Request, or equivalent process, in a form and substance satisfactory to RF/QF in its sole discretion;
 - (ii) RF/QF shall have obtained and maintain the Project Consents and any other Consents for which it is responsible under the terms hereof in a form and substance satisfactory to RF/QF in its sole discretion;
 - (iii) RF/QF shall have entered into Financing Documents relative to the construction of the entire Facility and have achieved and maintain Financial Closing in a form and substance satisfactory to RF/QF in its sole discretion; RF/QF shall have obtained an Auditor's Standard Report for the most recent financial year from a Certified Public Accountant (reasonably acceptable to DEF in all respects). If the RF/QF has a nameplate capacity of 5 MW or less, or the RF/QF is owned by a Government Agency or the RF/QF is a publicly traded company that is Creditworthy then an Auditor's Standard Report is not required. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts a copy of the Auditor's Standard Report and a copy of the signing partner's Certified Public Accountant license;
 - (iv) RF/QF shall have entered into and maintain the Project Contracts in a form and substance satisfactory to RF/QF in its sole discretion;
 - (v) RF/QF shall have obtained and maintain insurance policies or coverage in compliance with Section 17;
 - (vi) Each Party shall have delivered to the other Party (i) a copy of its constitutional documents (certified by its corporate secretary as true, complete and up-to-date) and (ii) a copy of a corporate resolution approving the terms of this Contract and the transactions contemplated hereby and authorizing one or more individuals to execute this Contract on its behalf (such copy to have been certified by its corporate representative as true, complete and up-to-date);
 - (vii) RF/QF shall have obtained and maintain Qualifying Facility status from either the FPSC or FERC. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts a copy of the certification of QF status filing and any re-filings required to reflect subsequent changes to the previously certified Facility.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
SIXTH REVISED SHEET NO.9.417
CANCELS FIFTH REVISED SHEET NO. 9.417

- (viii) RF/QF shall obtain a certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating the project is technically viable. The RF/QF shall provide the Duke Energy Florida Director of Qualified Facility Contracts this certificate and a copy of the Professional Engineer's license.
- (b) Promptly upon satisfaction of the Conditions Precedent to be satisfied, the Party having satisfied the same shall deliver to the other Party a certificate evidencing such satisfaction. DEF may waive the satisfaction of a Condition Precedent at its sole discretion. Such waiver must be made in writing. Subject to there being no Event of Default which has occurred and/or is continuing as of the date upon which the last of such certificates is delivered, the date of such last certificate shall constitute the effective date of this Contract (the "Effective Date").
- (c) Unless all Conditions Precedent are satisfied on or before the Drop Dead Date or such Conditions Precedent are waived in writing, this Contract shall terminate on such date and neither Party shall have any further liability to the other Party hereunder.
- (d) RF/QF shall ensure that before the initial Committed Capacity Test:
 - (a) the Facility shall have been constructed so that the Committed Capacity Test may be duly and properly undertaken in accordance with Section 7; and
 - (b) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the electrical interconnection and operating agreement required by the Transmission Provider, provided, however, that such physical connection shall be made consistent with the terms hereof.

6. Sale of Electricity by the RF/QF

6.1 Consistent with the terms hereof, the RF/QF shall sell to DEF and DEF shall purchase from the RF/QF electric power generated by the Facility. The purchase and sale of electricity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the RF/QF to sell more than the Facility's net output. The billing methodology may be changed at the option of the RF/QF, subject to the provisions of Appendix D.

6.2 Ownership and Offering For Sale Of Renewable Energy Attributes

Subject to Section 6.3, the RF/QF shall retain any and all rights to own and to sell any and all Environmental Attributes associated with the electric generation of the Facility.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
NINTH REVISED SHEET NO. 9.418
CANCELS EIGHTH REVISED SHEET NO. 9.418

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

7. Committed Capacity/Capacity Delivery Date

- 7.1 If the RF/QF commits to sell capacity to DEF, the amount of which shall be determined in accordance with this Section 7. Subject to Section 7.3, the Committed Capacity is set at _____ kW, with an expected Capacity Delivery Date on or before the Required Capacity Delivery Date.
- 7.2 Capacity testing of the Facility (each such test a Committed Capacity Test) shall be performed in accordance with the procedures set forth in Section 8. The Demonstration Period for the first Committed Capacity Test shall commence no earlier than ninety (90) days before the Required Capacity Delivery Date and testing must be completed before the Avoided Unit In-Service Date or an earlier date in Appendix E. The first Committed Capacity Test shall not be successfully completed unless the Facility demonstrates a Capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 7.1. Subject to Section 8.1, the RF/QF may schedule and perform up to three (3) Committed Capacity Tests to satisfy the requirements of the Contract with respect to the first Committed Capacity Test.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
NINTH REVISED SHEET NO. 9.419
CANCELS EIGHTH REVISED SHEET NO. 9.419

- 7.3** In addition to the first Committed Capacity Test, DEF shall have the right to require the RF/QF, after notice of no less than ten (10) Business Days prior to such proposed event, to validate the Committed Capacity by means of a Committed Capacity Test at any time, up to two (2) times per year, the results of which shall be provided to DEF within seven (7) calendar days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be set at the lower of the Capacity tested or the Committed Capacity as set forth in Section 7.1. Provided however, any such second test requested within a twelve (12) month period must be for cause.
- 7.4** Notwithstanding anything contrary to the terms hereof, the Committed Capacity may not exceed the amount set forth in Section 7.1 without the consent of DEF, which consent shall be granted in DEF's sole discretion.
- 7.5** Unless Option B or D as contained in Appendix D or Appendix E is chosen by RF/QF, DEF shall make no Capacity Payments to the RF/QF prior to the Avoided Unit In-Service Date.
- 7.6** The RF/QF shall be entitled to receive Capacity Payments beginning on the Capacity Delivery Date, provided the Capacity Delivery Date occurs before the Required Capacity Delivery Date (or such later date permitted by DEF) and the following Delivery Date Conditions (defined below) have been satisfied. If the Capacity Delivery Date does not occur before the Required Capacity Delivery Date, DEF shall immediately be entitled to draw down the Completion/Performance Security in full in its sole discretion.
- 7.6.1** A certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating: (a) the nameplate capacity rating or capability of the Facility at the anticipated time of commercial operation and through the term of this Contract assuming the use of Prudent Regulated Utility Practices, must be between 95% and 105% of the "Expected Nameplate Capacity Rating;" (b) that the Facility is able to generate electric Energy reliably in amounts expected by this Contract and in accordance with all other terms and conditions hereof; (c) that start-up testing of the Facility has been completed; and (d) that, pursuant to Section 10.5, all system protection and control and Automatic Generation Control devices are installed and operational.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
SEVENTH REVISED SHEET NO. 9.420
CANCELS SIXTH REVISED SHEET NO. 9.420

7.6.2 A certificate addressed to DEF from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating, in conformance with the requirements of the interconnection agreement, that: (a) all required interconnection facilities have been constructed; (b) all required interconnection tests have been completed; and (c) the Facility is physically interconnected with the Transmission System in conformance with the interconnection agreement and able to deliver energy consistent with the terms of this Contract.

7.6.3 A certificate addressed from a Licensed Professional Engineer (reasonably acceptable to DEF in all respects) stating that the RF/QF has obtained or entered into all permits and agreements including, but not limited to Project Contracts with respect to the Facility necessary for land control, construction, ownership, operation, and maintenance of the Facility (the "Project Contracts"). RF/QF must provide copies of any or all Project Contracts requested by DEF.

7.6.4 An opinion from a law firm or attorney, registered or licensed in the State of Florida (reasonably acceptable to DEF in all respects), stating, after all appropriate and reasonable inquiry, that: (a) the RF/QF has obtained or entered into all Project Contracts; (b) neither RF/QF nor the Facility is in violation of, or subject to any liability under any applicable law; and (c) RF/QF has duly filed and had recorded all of the agreements, documents, instruments, mortgages, deeds of trust, and other writings.

For each Licensed Professional Engineer utilized in 7.6.1 through 7.6.4, RF/QF should provide DEF with a copy of the Professional Engineer's license.

DEF shall have ten, (10) Business Days after receipt either to confirm to the RF/QF that all of the Delivery Date Conditions have been satisfied or have occurred, or to state with specificity what DEF reasonably believes has not been satisfied.

8. Testing Procedures

8.1 The Committed Capacity Test must be completed successfully within the Demonstration Period, which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the RF/QF by means of a written notice to DEF delivered at least thirty (30) calendar days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test ordered by DEF under any of the provisions of this Contract. DEF shall have the right to be present onsite to monitor firsthand any Committed Capacity Test required or permitted under this Contract.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
SEVENTH REVISED SHEET NO. 9.421
CANCELS SIXTH REVISED SHEET NO. 9.421

- 8.2** The Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net kW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. The Committed Capacity Test Period shall commence at the time designated by the RF/QF pursuant to Section 8.1 or at such time requested by DEF pursuant to Section 7.3; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that DEF is notified of, and consents to, such earlier time.
- 8.3** Normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period.
- 8.4** The Capacity of the Facility shall be the minimum hourly net output in kW (generator output minus auxiliary) measured over the Committed Capacity Test Period.
- 8.5** The Committed Capacity Test shall be performed according to standard industry testing procedures for the appropriate technology of the RF/QF.
- 8.6** The results of any Committed Capacity Test, including all data related to Facility operation and performance during testing, shall be submitted to DEF by the RF/QF within seven (7) calendar days of the conclusion of the Committed Capacity Test. The RF/QF shall certify that all such data is accurate and complete.
- 9. Payment for Electricity Produced by the Facility**
- 9.1 Energy**
- 9.1.1** DEF agrees to pay the RF/QF for Energy produced by the Facility and delivered to DEF in accordance with the rates and procedures contained in Appendix D, as it may be amended from time to time. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule COG-1 or Appendix D whichever applies as approved and on file with the FPSC.
- 9.1.2** DEF may, at its option, limit deliveries under this Contract to 110% of the Committed Capacity as set forth in Section 7. In the event that DEF chooses to limit deliveries, any Energy in excess of 110% of the Committed Capacity will be paid for at the rates defined in Rate Schedule COG-1 and shall not be included in the calculations in Appendix A hereto.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
SEVENTH REVISED SHEET No. 9.422
CANCELS SIXTH REVISED SHEET NO. 9.422

9.2 Capacity

DEF agrees to pay the RF/QF for the Capacity described in Section 7 in accordance with the rates and procedures contained in Appendix D, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option _____ of Appendix D or an alternative rate schedule in Appendix E. The RF/QF understands and agrees that Capacity Payments will only be made if the Capacity Delivery Date occurs before the Required Capacity Delivery Date and the Facility is delivering firm Capacity and Energy to DEF. Once so selected, this Option, the Firm Capacity Rate and/or the Firm Energy Rate cannot be changed for the term of this Contract.

9.3 Payments for Energy and Capacity

9.3.1 Payments due the RF/QF will be made monthly, and normally by the twentieth Business Day following the end of the billing period. The kilowatt-hours sold by the RF/QF and the applicable avoided energy rate at which payments are being made shall accompany the payment to the RF/QF.

9.3.2 Payments to be made under this Contract shall, for a period of not longer than two (2) years, remain subject to adjustment based on billing adjustments due to error or omission by either Party, provided that such adjustments have been agreed to between the Parties.

10. Electricity Production and Plant Maintenance Schedule

10.1 No later than sixty (60) calendar days prior to the Required Capacity Delivery Date, and prior to October 1 of each calendar year thereafter during the term of this Contract, the RF/QF shall submit to DEF in writing a good-faith estimate of the amount of electricity to be generated by the Facility and delivered to DEF for each month of the following calendar year, including the time, duration and magnitude of any scheduled maintenance period(s) or reductions in Capacity. The RF/QF agrees to provide updates to its planned maintenance periods as they become known. The Parties agree to discuss coordinating scheduled maintenance schedules.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
NINTH REVISED SHEET NO. 9.423
CANCELS EIGHTH REVISED SHEET NO. 9.423

- 10.2** By October 31 of each calendar year, DEF shall notify the RF/QF in writing whether the requested scheduled maintenance periods in the detailed plan are acceptable. If DEF does not accept any of the requested scheduled maintenance periods, DEF shall advise the RF/QF of the time period closest to the requested period(s) when the outage(s) can be scheduled. The RF/QF shall only schedule outages during periods approved by DEF, and such approval shall not be unreasonably withheld. Once the schedule for the detailed plan has been established and approved, either Party requesting a subsequent change in such schedule, except when such change is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed. Scheduled maintenance outage days shall be limited to eleven days per calendar year. In no event shall maintenance periods be scheduled during the following periods: June 1 through September 15 and December 1 through and including the last day of February.
- 10.3** The RF/QF shall comply with reasonable requests by DEF regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.
- 10.4** The Parties recognize that the intent of the availability factor in Section 4 of this Contract includes an allowance for scheduled outages, forced outages and forced reductions in the output of the Facility. Therefore, the RF/QF shall provide DEF with notification of any forced outage or reduction in output which shall include the time and date at which the forced outage or reduction occurred, a brief description of the cause of the outage or reduction and the time and date when the forced outage or reduction ceased and the Facility was able to return to normal operation. This notice shall be provided to DEF within seventy-two (72) hours of the end of the forced outage or reduction.

The RF/QF is required to provide the total electrical output to DEF except (i) during a period that was scheduled in Section 10.2, (ii) during a period in which notification of a forced outage or reduction was provided, (iii) during an event of Force Majeure or (iv) during a curtailment period as described in Section 10.5.5. In no event shall the RF/QF deliver any portion of their electrical output to a third party.

10.5 Dispatch and Control

- 10.5.1** Power supplied by the RF/QF hereunder shall be in the form of three-phase 60 hertz alternating current, at a nominal operating voltage of _____ volts (_____ kV) and power factor dispatchable and controllable in the range of 90% lagging to 90% leading as measured at the interconnection point to maintain system operating parameters, including power factor, as specified from time to time by DEF.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
ELEVENTH REVISED SHEET NO. 9.424
CANCELS TENTH REVISED SHEET NO. 9.424

- 10.5.2** The RF/QF shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, DEF's system, except for normal testing and repair in accordance with good engineering and operating practices as agreed by the Parties. The RF/QF shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal testing and repair. All RF/QF facilities shall meet IEEE and utility standards. The RF/QF shall have independent, third party qualified personnel test, calibrate and certify in writing all protective equipment at least once every twelve (12) months in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and results provided to DEF in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Regulated Utility Practices.
- 10.5.3** If the Facility is separated from the DEF system for any reason, under no circumstances shall the RF/QF reconnect the Facility to DEF's system without first obtaining DEF'S specific approval.
- 10.5.4** During the term of this Contract, the RF/QF shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with DEF. The RF/QF shall ensure that operating personnel are on duty at all times, twenty-four (24) hours a calendar day and seven (7) calendar days a week. Additionally, during the term of this Contract, the RF/QF shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder and in accordance with applicable law and Prudent Regulated Utility Practices.
- 10.5.5** DEF shall not be obligated to purchase, and may require curtailed or reduced deliveries of Energy to the extent allowed under FPSC Rule 25-17.086 and under any curtailment plan which DEF may have on file with the FPSC from time to time.
- 10.5.6** During the term of this Contract, the RF/QF shall maintain sufficient fuel on the site of the Facility to deliver the Capacity and Energy associated with the Committed Capacity for an uninterrupted seventy-two-(72) hour period. At DEF's request, the RF/QF shall demonstrate this capability to DEF's reasonable satisfaction. During the term of this Contract, the RF/QF's output shall remain within a band of plus or minus ten percent (10%) of the daily output level or levels specified by the plant operator, in ninety percent (90%) of all operating hours under normal operating conditions. This calculation will be adjusted to exclude forced outage periods and periods during which the RF/QF's output is affected by a Force Majeure event.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
NINTH REVISED SHEET NO. 9.425
CANCELS EIGHTH REVISED SHEET NO. 9.425

11. Completion/Performance Security

- 11.1** Simultaneous with the execution of this Contract RF/QF shall deliver to DEF Eligible Collateral in an amount equal to \$30.00/kw of Committed Capacity as Completion/Performance Security.
- 11.2** The choice of the type of Eligible Collateral by the RF/QF may be selected from time to time by the RF/QF and upon receipt of substitute Eligible Collateral, DEF shall promptly release the Eligible Collateral that has been replaced by the substitute Eligible Collateral. Following any termination of this Contract, the Parties shall mutually agree to a final settlement of all obligations under this Contract which such period shall not exceed 90 days from such termination date unless extended by mutual agreement between the Parties. After such settlement, any remaining Eligible Collateral posted by the RF/QF that has not been drawn upon by DEF pursuant to its rights under this Contract shall be returned to the RF/QF. Any dispute between the Parties regarding such final settlement shall be resolved according to applicable procedures set forth in Section 20.9.
- 11.3** Draws, Replenishment - DEF may draw upon Eligible Collateral provided by the RF/QF following the occurrence of an Event of Default or pursuant to the other provisions of this Contract to which DEF is entitled to under this Contract. In the event of such a draw then, except in the circumstance when this Contract otherwise terminates, the RF/QF shall within five (5) Business Days replenish the Eligible Collateral to the full amounts required.
- 11.4** In the event that the (a) Capacity Delivery Date occurs before the Required Capacity Delivery Date and (b) the ACBF is equal to or greater than 95% for the first twelve (12) months following the Capacity Delivery Date then DEF will return the Completion/Performance Security to the RF/QF within ninety (90) days of the first anniversary of the Capacity Delivery Date. In the event that the Capacity Delivery Date does not occur before the Required Capacity Delivery Date, consistent with Section 7.6 herein, DEF shall immediately be entitled to retain the Completion/Performance Security in full. In the event the Capacity Delivery Date occurs before the Required Capacity Delivery Date, and, the ACBF is less than 95% for any of the first twelve (12) months following the Capacity Delivery Date then DEF shall be entitled to retain the Completion/Performance Security until the ACBF is equal to or greater than 95% for 12 consecutive months. Upon the completion of twelve (12) consecutive months, and the ACBF is greater than or equal to 95%, then DEF will return the Completion/Performance Security within ninety (90) days. In the event that DEF requires the RF/QF to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 7.3 and, in connection with any such Committed Capacity Test(s), the RF/QF fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 7.1, DEF shall be entitled immediately to receive,

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
FIFTH REVISED SHEET NO. 9.426
CANCELS FOURTH REVISED SHEET NO. 9.426

draw upon, or retain, in its sole discretion as the case may be, one-hundred percent (100%) of the Completion/Performance Security as its sole remedy from the RF/QF's failure to perform, free from any claim or right of any nature whatsoever of the RF/QF, including any equity or right of redemption by the RF/QF. Following any draws on the Completion/Performance Security, the RF/QF shall make payment to DEF to replenish the Completion/Performance Security to the amounts required pursuant to Section 11.1 within five (5) business days.

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

12. Termination Fee and Security

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

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

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
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12.1.2 DEF shall have the right and the RF/QF shall be required to monitor the financial condition of (i) the issuer(s) in the case of any Letter of Credit and (ii) the insurer(s), in the case of any bond. In the event the senior debt rating of any issuer(s) or insurer(s) has deteriorated to the extent that they fail to meet the requirements of a Qualified Institution, DEF may require the RF/QF to replace the letter(s) of credit or the bond, as applicable. In the event that DEF notifies the RF/QF that it requires such a replacement, the replacement letter(s) of credit or bond, as applicable, must be issued by a Qualified Institution, and meet the requirements of Section 12.1.1 within thirty (30) calendar days following such notification. Failure by the RF/QF to comply with the requirements of this Section 12.1.2 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond and to exercise any other remedies it may have hereunder.

12.1.3 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, upon DEF's issuance of the Termination Fee calculation as described in Section 12.1, the RF/QF must provide DEF, within ten calendar (10) days, written assurance and documentation (the "Security Documentation"), in form and substance acceptable to DEF, that the amount of the Termination Security is sufficient to cover the balance of the Termination Fee through the end of the following quarter. In addition to the foregoing, at any time during the term of this Contract, DEF shall have the right to request and the RF/QF shall be obligated to deliver within five (5) calendar days of such request, such Security Documentation. Failure by the RF/QF to comply with the requirements of this Section 12.1.3 shall be grounds for DEF to draw in full on any existing Letter of Credit or bond or to retain any cash deposit, and to exercise any other remedies it may have hereunder.

12.1.4 Upon any termination of this Contract following the Required Capacity Delivery Date, DEF shall be entitled to receive (and in the case of the Letter(s) of Credit or bond, draw upon such Letter(s) of Credit or bond) and retain one hundred percent (100%) of the Termination Security.

13. Performance Factor

DEF desires to provide an incentive to the RF/QF to operate the Facility during on-peak and off-peak periods in a manner that approximates the projected performance of the Avoided Unit. A formula to achieve this objective is attached as Appendix A.

14. Default

Notwithstanding the occurrence of any Force Majeure as described in Section 18, each of the following shall constitute an Event of Default:

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- (a) the RF/QF changes or modifies the Facility from that provided in Section 2 with respect to its type, location, technology or fuel source, without the prior written approval of DEF;
- (b) after the Capacity Delivery Date, the Facility fails for twelve (12) consecutive months to maintain an Annual Capacity Billing Factor, as described in Appendix A, of at least seventy five percent (75%);
- (c) the RF/QF fails to satisfy its obligations to maintain sufficient fuel on the site of the Facility to deliver the Capacity and Energy associated with the Committed Capacity for an uninterrupted seventy-two-(72) hour period under Section 10.5.6 hereof;
- (d) the failure to make when due, any payment required pursuant to this Contract if such failure is not remedied within three (3) Business Days after written notice;
- (e) either Party, or the entity which owns or controls either Party, ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against either Party or the entity which owns or controls either Party; or if a receiver shall be appointed for either Party or any of its assets or properties, or for the entity which owns or controls either Party; or if any part of either Party's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within thirty (30) calendar days thereof; or if either Party shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due;
- (f) the RF/QF fails to give proper assurance of adequate performance as specified under this Contract within thirty (30) calendar days after DEF, with reasonable grounds for insecurity, has requested in writing such assurance;
- (g) the RF/QF fails to maintain licensing, certification, and all federal, state and local governmental, environmental, and licensing approvals required to operate the Facility;
- (h) the RF/QF fails to comply with the provisions of Section 11 hereof;
- (i) any of the representations or warranties, including the certification of the completion and maintaining of the Conditions Precedent, made by either Party in this Contract is false or misleading in any material respect as of the time made;
- (j) if, at any time after the Capacity Delivery Date, the RF/QF reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 7.1 (as such level may be reduced by Section 7.3) within twelve (12) months following the occurrence of such event of Force Majeure; or

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- (k) either Party breaches any material provision of this Contract not specifically mentioned in this Section 14;
- (l) the RF/QF fails to maintain its status as a Qualifying Facility;
- (m) the RF/QF sells any Energy or Capacity to an entity other than DEF;
- (n) the RF/QF suspends its Interconnection Agreement or the construction of its interconnection facilities;

15. Rights in the Event of Default

15.1 Upon the occurrence of any of the Events of Default in Section 14, the DEF may, at its option:

15.1.1 immediately terminate this Contract, without penalty or further obligation, except as set forth in Section 15.2, by written notice to the RF/QF, and offset against any payment(s) due from DEF to the RF/QF, any monies otherwise due from the RF/QF to DEF;

15.1.2 enforce the provisions of the Completion/Performance Security pursuant to Section 11 and/or the Termination Security requirement pursuant to Section 12 hereof, as applicable; and

15.1.3 exercise any other remedy(ies) which may be available to DEF at law or in equity.

15.2 Termination shall not affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

16. Indemnification

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

- (a) a breach by the Indemnifying Party of its covenants, representations, and warranties or obligations hereunder;

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- (b) any act or omission by the Indemnifying Party or its contractors, agents, servants or employees in connection with the installation or operation of its generation system or the operation thereof in connection with the other Party's system;
- (c) any defect in, failure of, or fault related to, the Indemnifying Party's generation system;
- (d) the negligence or willful misconduct of the Indemnifying Party or its contractors, agents, servants or employees; or
- (e) any other event or act that is the result of, or proximately caused by, the Indemnifying Party or its contractors, agents, servants or employees related to the Contract or the Parties' performance thereunder.

16.2 Payment by an Indemnified Party to a third party shall not be a condition precedent to the obligations of the Indemnifying Party under Section 16. No Indemnified Party under Section 16 shall settle any claim for which it claims indemnification hereunder without first allowing the Indemnifying Party the right to defend such a claim. The Indemnifying Party shall have no obligations under Section 16 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 16 shall survive termination of this Contract.

17. Insurance

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

17.2 The RF/QF Insurance for liability shall have a minimum limit of five million dollars (\$5,000,000.00) per occurrence for bodily injury (including death) or property damage. This liability limit can be met by any combination of commercial general and excess liability insurance policies.

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- 17.3** To the extent that the RF/QF Insurance is on a “claims made” basis, the retroactive date of the policy(ies) shall be the Effective Date of this Contract or an earlier date. Furthermore, to the extent the RF/QF Insurance is on a “claims made” basis, the RF/QF’s duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the RF/QF Insurance is on an “occurrence” basis, such insurance shall be maintained in effect at all times by the RF/QF during the term of this Contract.
- 17.4** The RF/QF shall provide DEF with a copy of any material communication or notice related to the RF/QF Insurance within ten (10) Business Days of the RF/QF’s receipt or issuance thereof.
- 17.5** DEF shall be designated as an additional named insured under the RF/QF Insurance (except Workers’ Compensation). The RF/QF Insurance shall be primary to any coverage maintained by DEF and provide, where permitted by law, waiver of any rights of subrogation against DEF. Any deductibles or retentions shall be the sole responsibility of RF/QF. RF/QF’s compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of RF/QF’s liability or otherwise affect RF/QF’s indemnification obligations pursuant to this Contract. Any failure to comply with all of these provisions shall not be deemed a waiver of any rights of DEF under this Contract with respect to any insurance coverage required hereunder. DEF may request the RF/QF to provide a copy of any or all of its required insurance policies, including endorsements in which DEF is included as an additional insured for any claims filed relative to this Contract.
- 18. Force Majeure**
- 18.1** “Force Majeure” is defined as an event or circumstance that is not reasonably foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the Party claiming Force Majeure or its contractors or suppliers and adversely affects the performance by that Party of its obligations under or pursuant to this Contract. Such events or circumstances may include, but are not limited to, acts of God, war (including actions or inactions of military authority), riot or insurrection, blockades, embargoes, sabotage, epidemics (that are recognized by a health agency authority, and authorities have required a mandated quarantine impacting the Facility, and the RF/QF has shown a direct correlation and impact to the Facility), explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties (not caused by the failure of the affected Party to comply with the terms of a collective bargaining agreement). Force Majeure shall not include or be based on (i) RF/QF’s ability to sell the Capacity or Energy to another market at an economic advantage or a price greater than the price herein; (ii) equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility;

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EFFECTIVE: July 19, 2021



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(iii) the RF/QF's failure to obtain on a timely basis and maintain a necessary permit or other regulatory approval; (iv) a failure of performance of any other entity, including any entity providing electric transmission service to the RF/QF, except to the extent that such failure was caused by an event that would otherwise qualify as a Force Majeure event; or (v) an interruption of fuel supply.

18.2 Except as otherwise provided in this Contract, each Party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.

18.3 In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party claiming Force Majeure shall notify the other Party in writing within five (5) Business Days of the occurrence of the event of Force Majeure, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A Party claiming Force Majeure shall not be entitled to any relief therefore unless and until conforming notice is provided. The Party claiming Force Majeure shall notify the other Party of the cessation of the event of Force Majeure or of the conclusion of the affected Party's cure for the event of Force Majeure in either case within two (2) Business Days thereof.

18.4 The Party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party and such Party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such Party deems to be unfavorable.

18.5 If the RF/QF suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the RF/QF may, upon notice to DEF temporarily adjust the Committed Capacity as provided in Sections 18.6 and 18.7. Such adjustment shall be effective the first calendar day immediately following DEF's receipt of the notice or such later date as may be specified by the RF/QF. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.

18.6 If the Facility is rendered completely inoperative as a result of Force Majeure, the RF/QF shall temporarily set the Committed Capacity equal to 0 kW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 kW, DEF shall have no obligation to make Capacity Payments hereunder.

18.7 If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the RF/QF shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
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- 18.8** Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provisions of this Contract, upon such cessation or cure, DEF shall have right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this Section 18.8. Any such Committed Capacity Test required by DEF shall be additional to any Committed Capacity Test under Section 7.3.
- 18.9** During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 18.5 all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix A.
- 18.10** The RF/QF agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with DEF's system if the same is (are) rendered inoperable due to actions of the RF/QF, its agents, or Force Majeure events affecting the RF/QF, the Facility or the interconnection with DEF. DEF agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by DEF or its agents.

19. Representations, Warranties, and Covenants of RF/QF

Each Party hereto represents and warrants that as of the Effective Date:

19.1 Organization, Standing and Qualification

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

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THIRD REVISED SHEET NO. 9.434
CANCELS SECOND REVISED SHEET NO. 9.434

19.2 Due Authorization, No Approvals, No Defaults

Each of the execution, delivery and performance by each Party of this Contract has been duly authorized by all necessary action on the part of such Party, does not require any approval, except as has been heretofore obtained, of the shareholders DEF or of the _____ (shareholders, partners, or others, as applicable) of the RF/QF or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of such Party, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the articles of incorporation of DEF or the _____ (articles of incorporation, bylaws, or other as applicable) of such Party, or any agreement, judgment, injunction, order, decree or other instrument binding upon such Party, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.

19.3 Compliance with Laws

Each party has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. Each party also is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the other Party.

19.4 Governmental Approvals

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

19.5 No Suits, Proceedings

There are no actions, suits, proceedings or investigations pending or, to the knowledge of each Party, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on each Party's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. Each Party has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment.

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



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FIFTH REVISED SHEET NO. 9.435
CANCELS FOURTH REVISED SHEET NO. 9.435

19.6 Environmental Matters

To the best of its knowledge after diligent inquiry, each Party knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.

20. General Provisions

20.1 Project Viability

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

20.2 Permits

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

20.3 Project Management

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

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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/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, trackable private delivery service, or sent by fax if followed immediately with a copy sent by registered or certified mail or trackable private delivery service, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the RF/QF:

For DEF:

Duke Energy Florida, LLC
Director of QF Contracts, FRH-155
299 First Avenue North
St. Petersburg, FL 33701

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



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

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

Attention: Director of QF Contracts, FRH-155

20.7 Applicable Law

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

20.8 Taxation

The RF/QF shall hold DEF and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy and capacity from the RF/QF in lieu of other energy and capacity. Any savings in regard to taxes or assessments shall be included in the avoided cost payments made to the RF/QF to the extent permitted by law. In the event DEF becomes liable for additional taxes, assessments or impositions arising out of its transactions with the RF/QF under this tariff schedule or any related interconnection agreement or due to changes in laws affecting DEF's purchases of energy and capacity from the RF/QF occurring after the execution of an agreement under this tariff schedule and for which DEF would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under such agreement itself, DEF may bill the RF/QF monthly for such additional expenses or may offset them against amounts due to the RF/QF from DEF. Any savings in taxes, assessments or impositions that accrue to DEF as a result of its purchase of Energy and Capacity under this tariff schedule that are not already reflected in the avoided Energy or avoided Capacity payments made to the RF/QF hereunder, shall be passed on to the RF/QF to the extent permitted by law without consequential penalty or loss of such benefit to DEF.

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20.9 Dispute, Venue and Waiver of Jury Trial

With respect to any dispute, suit, action or proceedings relating to this Contract, each party irrevocably submits to the exclusive jurisdiction of the courts of the State of Florida and the United States District Court located in Hillsborough County in Tampa, Florida, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any dispute, action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such dispute, action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 20.6 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

Each Party acknowledges and agrees that any controversy which may arise under this Contract is likely to involve complicated and difficult issues, and therefore each Party hereby irrevocably and unconditionally waives any right a Party may have to a trial by jury in respect of any litigation resulting from, arising out of or relating to this Contract or the transactions contemplated hereby. Each Party certifies and acknowledges that (a) no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver, (b) each Party understands and has considered the implications of this waiver, (c) each Party makes this waiver voluntarily and (d) each Party has been induced to enter into this Contract by, among other things, the mutual waivers and certifications in this Section 20.9.

20.10 Limitation of Liability

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
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CANCELS SECOND REVISED SHEET NO. 9.439

20.11 Severability

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

20.12 Complete Agreement and Amendments

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

20.13 Survival of Contract

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

20.14 Record Retention

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

20.15 No Waiver

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

20.16 Set-Off

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

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 13, 2017



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

20.17 Change in Environmental Law or Other Regulatory Requirements

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

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 13, 2017



SECTION No. IX
THIRD REVISED SHEET NO. 9.441
CANCELS 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, LLC.

Signature

Print Name

Title

Date

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 13, 2017



SECTION No. IX
NINTH REVISED SHEET NO. 9.442
CANCELS EIGHTH REVISED SHEET NO. 9.442

APPENDIX A

**TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT**

MONTHLY CAPACITY PAYMENT CALCULATION

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW. On-peak hours are available upon request and may change upon twelve months-notice to the RF/QF.

- A. In the event that the ACBF is less than or equal to 75%, then no Monthly Capacity Payment shall be due. That is:

$$MCP = 0$$

- B. In the event that the ACBF is greater than 75% but less than 95%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times [1 - [5 \times (.95 - ACBF)] \times CC$$

- C. In the event that the ACBF is equal to or greater than 95%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times CC$$

Where:

MCP = Monthly Capacity Payment in dollars.

BCP = Base Capacity Payment in \$/kW/Month as specified in Appendix D or E.

CC = Committed Capacity in kW.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
THIRD REVISED SHEET NO. 9.443
CANCELS SECOND REVISED SHEET NO. 9.443

- ACBF = Annual Capacity Billing Factor. The ACBF shall be the electric Energy actually received by DEF for the 12 consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the 12 consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the 12 consecutive months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro-rated accordingly. During the first 12 consecutive Monthly Billing Periods commencing with the first Monthly Billing Period in which Capacity Payments are to be made, the calculation of 12-month rolling average ACBF shall be performed as follows (a) during the first Monthly Billing Period, the ACBF shall be equal to the Monthly Availability Factor; (b) thereafter, the calculation of the ACBF shall be computed by summing the electric Energy actually received by DEF for the number of full consecutive months preceding the date of calculation excluding any energy received during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the number of full consecutive months preceding the date of calculation excluding the hours during an event of Force Majeure in which the Committed Capacity is temporarily set equal to 0 kW. If an event of Force Majeure occurs during the months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro-rated accordingly. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average ACBF.
- MAF = Monthly Availability Factor. The total Energy received during the Monthly Billing Period for which the calculation is made, divided by the product of Committed Capacity times the total hours during the Monthly Billing Period.
- Monthly Billing Period = The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
FOURTH REVISED SHEET 9.444
CANCELS THIRD REVISED SHEET NO. 9.444

**APPENDIX B
TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT**

TERMINATION FEE

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

The "Termination Fee" shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of the Termination Date (or month of calculation, as the case may be) computed according to the following formula:

$$\sum_{i=1}^n (MCP_i - MCPC_i) \cdot (1+r)^{(n-i)}$$

with: $MCPC = 0$ for all periods prior to the in-service date of the Avoided Unit:

where

- i = number of Monthly Billing Periods commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following this month in which Capacity Delivery Date occurs = 2 etc.)
- n = the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)
- r = DEF's incremental after-tax avoided cost of capital (defined as r in Appendix D).
- MCP_i = Monthly Capacity Payment paid to RF/QFQF corresponding to the Monthly Billing Period i , calculated in accordance with Appendix A.
- $MCPC_i$ = Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i , calculated in accordance with this Contract.

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: June 5, 2018



SECTION No. IX
SEVENTH REVISED SHEET NO. 9.445
CANCELS SIXTH REVISED SHEET NO. 9.445

In the event that for any Monthly Billing Period, the computation of the value of the Termination Fee for such Monthly Billing Period (as set forth above) yields a value less than zero, the amount of the Termination Fee shall be decreased by the amount of such value expressed as a positive number (the "Initial Reduction Value"); provided, however, that such Initial Reduction Value shall be subject to the following adjustments (the Initial Reduction Value, as adjusted, the "Reduction Value"):

- a. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A is less than or equal to 75%, then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Termination Fee shall not be reduced for the applicable Monthly Billing Period.
- b. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is greater than 75% but less than 95%, then the Reduction Value shall be determined as follows:

$$\text{Reduction Value} = \text{Initial Reduction Value} \times [5 \times (\text{ACBF} - .95)]$$

For the applicable Monthly Billing period, the Termination Fee shall be reduced by the amount of such Reduction Value.

- c. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor, as defined in Appendix A, is equal to or greater than 95%, then the Initial Reduction Value shall not be adjusted (Reduction Value = Initial Reduction Value), and the Termination Fee shall be reduced for the applicable Monthly Billing period by the amount of the Initial Reduction Value.

In no event shall DEF be liable to the RF/QF at any time for any amount by which the Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
SECOND REVISED SHEET NO. 9.446
CANCELS FIRST SHEET NO. 9.446

**APPENDIX C
TO
DUKE ENERGY FLORIDA, LLC
RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW
STANDARD OFFER CONTRACT**

DETAILED PROJECT INFORMATION

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

Each eligible Contract received by DEF will be evaluated to determine if the underlying RF/QF project is financially and technically viable. The RF/QF shall, to the extent available, provide DEF with a detailed project proposal which addresses the information requested below:

I. FACILITY DESCRIPTION

- Project Name
- Project Location
- * Street Address
- * Size Plot Plan
- * Legal Description of Site
- Generating Technology
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date
- Contact Person
- * Individual's Name and Title
- * Company Name
- * Address
- * Telephone Number
- * Fax Number

II. PROJECT PARTICIPANTS

- Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: June 5, 2018



SECTION No. IX
SECOND REVISED SHEET NO. 9.447
CANCELS FIRST REVISED SHEET NO. 9.447

- * Project Development
 - * Siting and Licensing the Facility
 - * Designing the Facility
 - * Constructing the Facility
 - * Securing the Fuel Supply
 - * Operating the Facility
 - * Decommissioning the Facility
- Provide details on all electrical facilities which are currently under construction or operational which were developed by the RF/QF.
 - Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders and the percentage of equity invested at Financial Closing.

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g. Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.
- Provide AFR necessary to support planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel supply arrangements in place to meet the AFR, in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR.

<u>Category</u>	<u>Description of Fuel Supply Arrangement</u>
owned =	fuel is from a fully developed source owned by one or more of the project participants
contract =	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI =	a letter of intent for fuel supply exists between developer(s) and fuel supplier(s)
SPP =	small power production facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none =	no firm fuel supply arrangement currently in place
other =	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 13, 2023



SECTION No. IX
SECOND REVISED SHEET NO. 9.448
CANCELS FIRST REVISED SHEET NO. 9.448

- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.
- Provide AFTR necessary to support planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFTR.
 - owned = fuel transport via a fully developed system owned by one or more of the project participants
 - contract = fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
 - LOI = a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
 - spot = fuel transportation will be purchased on the spot market
 - none = no firm fuel transportation arrangement currently in place
 - other = fuel transportation arrangement which does not fit any of the above categories (please describe)
- Provide the maximum, minimum and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.
- Provide information regarding RF/QF's plans to maintain sufficient on site fuel to deliver Capacity and Energy for an uninterrupted seventy-two (72) hour period.

IV. PLANT DISPATCHABILITY/CONTROLLABILITY

- Provide the following operating characteristics and a detailed explanation supporting the performance capabilities indicated:
 - * Ramp Rate (MW/minute)
 - * Peak Capability (% above Committed Capacity)
 - * Minimum power level (% of Committed Capacity)
 - * Facility Turnaround Time, Hot to Hot (hours)
 - * Start-up Time from Cold Shutdown (hours)
 - * Unit Cycling (# cycles/yr.)
 - * MW and MVAR Control (ACC, Manual, Other (please explain))

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: July 19, 2021



SECTION No. IX
FIRST REVISED SHEET NO. 9.449
CANCELS ORIGINAL SHEET NO. 9.449

V. SITING AND LICENSING

- Provide a licensing/permitting milestone schedule, which lists all permits, licenses and variances, required to site the Facility. The milestone schedule shall also identify key milestone dates for baseline monitoring, application preparation, agency review, certification and licensing/siting board approval, and agency permit issuance.
- Provide a licensing/permitting plan that addresses the issues of air emission, water use, wastewater discharge, wetlands, endangered species, protected properties, surrounding land use, zoning for the Facility, associated linear facilities and support of and opposition to the Facility.
- List the emission/effluent discharge limits the Facility will meet and describe in detail the pollution control equipment to be used to meet these limits.

VI. FACILITY DEVELOPMENT AND PERFORMANCE

- Submit a detailed engineering, procurement, construction, startup and commercial operation schedule. The schedule shall include milestones for site acquisition, engineering phases, selection of the major equipment vendors, architect engineer, and Facility operator, steam host integration and delivery of major equipment. A discussion of the current status of each milestone should also be included where applicable.
- Attach a diagram of the power block arrangement. Provide a list of the major equipment vendors and the name and model number of the major equipment to be installed.
- Provide a detailed description of the proposed environmental control technology for the Facility and describe the capabilities of the proposed technology.
- Attach preliminary flow diagrams for the steam system, water system, and fuel system, and a main electrical one line diagram for the Facility.
- State the expected heat rate (HHV) at 75 degrees Fahrenheit for loads of 100%, 75% and 50%. In addition, attach a preliminary heat balance for the Facility.

VII. FINANCIAL

- Provide DEF with assurances that the proposed RF/QF project is financially viable in accordance with FPSC Rule 25-17.0832(4)(c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.450
CANCELS ORIGINAL SHEET NO. 9.450

- Annual Project Revenues

- * Capacity Payments (\$ and \$/kW/Mo.)
- * Variable O&M (\$ and \$/MWh)
- * Energy (\$ and \$/MWh)
- * Tipping Fees (\$ and \$/ton)
- * Interest Income
- * Other Revenues
- * Variable O&M Escalation (%/yr.)
- * Energy Escalation (%/yr.)
- * Tipping Fee Escalation (%/yr.)

- Annual Project Expense

- * Fixed O&M (\$ and \$/kW/Mo.)
- * Variable O&M (\$ and \$/MWh)
- * Energy (\$ and \$/MWh)
- * Property Taxes (\$)
- * Insurance (\$)
- * Emission Compliance (\$ and \$/MWh)
- * Depreciation (\$ and %/yr.)
- * Other Expenses (\$)
- * Fixed O&M Escalation (%/yr.)
- * Variable O&M Escalation (%/yr.)
- * Energy Escalation (%/yr.)

- Other Project Information

- * Installed Cost of the Facility (\$ and \$/kW)
- * Committed Capacity (kW)
- * Average Heat Rate - HHV (MBTU/kWh)
- * Federal Income Tax Rate (%)
- * Facility Capacity Factor (%)
- * Energy Sold to DEF (MWh)

- Permanent Financing

- * Permanent Financing Term (yr.)
- * Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt and equity)
- * Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt and equity)
- * Annual Interest Expense
- * Annual Debt Service (\$)
- * Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.451
CANCELS ORIGINAL SHEET NO. 9.451

- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.
- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
THIRD REVISED SHEET NO. 9.452
CANCELS SECOND REVISED SHEET NO. 9.452

APPENDIX D

TO DUKE ENERGY FLORIDA, LLC RENEWABLE OR QUALIFYING FACILITY LESS THAN 100 KW STANDARD OFFER CONTRACT

RATE SCHEDULE COG-2

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW.

SCHEDULE

COG-2, Firm Capacity and Energy from a Renewable Facility ("RF/QF") or a Qualifying Facility less than 100 kW ("QF")

AVAILABLE

DEF will, under the provisions of this schedule and the Contract to which this Appendix is attached and incorporated into by reference, purchase firm capacity and energy offered by a RF/QF as defined in the Contract. DEF's obligation to contract to purchase firm capacity from such RF/QF by means of this schedule and the Contract will continue no later than the Expiration Date.

APPLICABLE

To RF/QFs as defined in the Contract producing capacity and energy for sale to DEF on a firm basis pursuant to the terms and conditions of this schedule and the Contract. "Firm Capacity and Energy" are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a RF/QF pursuant to the Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

Purchases within the territory served by DEF shall be, at the option of DEF, single or three phase, 60-hertz alternating current at any available standard DEF voltage. Purchases from outside the territory served by DEF shall be three phase, 60-hertz alternating current at the voltage level available at the interchange point between DEF and the entry delivering the Firm Capacity and Energy from the RF/QF.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
FIRST REVISED SHEET NO. 9.453
CANCELS ORIGINAL SHEET NO. 9.453

LIMITATION

Purchases under this schedule are subject to FPSC Rules 25-17.080 through 25-17.310, F.A.C., and are limited to those RF/QFs which:

- A. Are defined in the Contract;
- B. Execute a Contract;

RATES FOR PURCHASES BY DEF

Firm Capacity and Energy are purchased at unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by DEF. For the purpose of this schedule, an Avoided Unit has been designated by DEF. DEF's next Avoided Unit has been identified in Section 4 of the Contract. Schedule 1 to this Appendix describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Contract filed and approved pursuant to FPSC Rules 25-17.080 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Four options, A through D, as set forth below, are available for payments of firm capacity that is produced by a RF/QF and delivered to DEF. Once selected, an option shall remain in effect for the term of the Contract. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of firm Capacity which the RF/QF has contractually committed to deliver to DEF and are based on a contract term which extends through the Termination Date in Section 4 of the Contract. Payment schedules for other contract terms will be made available to any RF/QF upon request and may be calculated based on the methodologies described in Schedule 1. The currently approved parameters used to calculate the following schedule of payments are found in Schedule 2 to this Appendix.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of DEF's Avoided Unit with an in-service date as of the Avoided Unit In-Service Date in Section 4 of the Contract, calculated in accordance with FPSC Rule 25-17.0832, F.A.C., as described in Schedule 1. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Contract. The payment schedule for this option follows in Table 3.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.454
CANCELS ORIGINAL SHEET NO. 9.454

Option B - Fixed Value of Deferral Payments - Early Capacity

Payment schedules under this option are based upon the early capital cost component of the value of a year-by-year deferral of the Avoided Unit. The term "early" with respect to Option B means that these payments can start prior to the anticipated in-service date of the Avoided Unit; provided, however, that under no circumstances may payments begin before this RF/QF is delivering Firm Capacity and Energy to DEF pursuant to the terms of the Contract. When this option is selected, the Capacity Payments shall be made monthly commencing no earlier than the Capacity Delivery Date of the RF/QF and calculated as shown on Schedule 1. Capacity Payments under Option B do not result in a prepayment or create a future benefit.

The RF/QF shall select the month and year in which the deliveries of firm capacity and energy to DEF are to commence and Capacity Payments are to start. DEF will provide the RF/QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Contract. The exemplary payment schedule in Table 3 is based on a contract term that begins on the Exemplary Early Capacity Payment Date in Section 4 of the Contract.

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Avoided Unit. The capital portion of Capacity Payments under this option shall consist of equal monthly payments over the term of the Contract, calculated as shown on Schedule 1. The fixed operation and maintenance portion of Capacity Payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Avoided Unit. These calculations are shown in Schedule 1. The payment schedule for this option is contained in Table 3. Capacity Payments under Option C do not result in a prepayment or create a future benefit.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Avoided Unit. The capital portion of Capacity Payments under this option shall consist of equal monthly payments over the term of the Contract, calculated as shown on Schedule 1. The fixed operation and maintenance expense shall be calculated as shown in Schedule 1.

The RF/QF shall select the month and year in which the deliveries of firm capacity and energy to DEF are to commence and Capacity Payments are to start. DEF will provide the RF/QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Contract. The exemplary payment schedule in Table 3 is based on a contract term that begins on the Exemplary Early Capacity Payment Date in Section 4 of the Contract.



SECTION No. IX
~~SEVENTEENTH-EIGHTEENTH~~ REVISED SHEET NO.
9.455
CANCELS ~~SIXTEENTH-SEVENTEENTH~~ REVISED
SHEET NO. 9.455

TABLE 3
EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
DEF'S June 1, ~~2034-2032~~ 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
2034-2030		9.17		9.18
2032-2031		9.184.53		9.184.94
2033-2032	11.77	9.184.61	11.78	9.194.95
2034-2033	11.785.85	9.194.69	11.796.30	9.194.95
2035-2034	11.795.95	9.204.78	11.796.31	9.204.96
2036-2035	11.806.06	9.214.86	11.806.31	9.214.96
2037-2036	11.816.17	9.214.95	11.816.32	9.214.97
2038-2037	11.826.28	9.225.04	11.826.33	9.224.97
2039-2038	11.836.40	9.235.13	11.836.33	9.234.98
2040-2039	11.846.51	9.245.23	11.836.34	9.234.99
2041-2040	11.856.63	9.255.32	11.846.35	9.244.99
2042-2041	11.866.75	9.265.42	11.856.36	9.255.00
2043-2042	11.876.87	9.265.52	11.866.36	9.255.00
2044	7.00	5.62	6.37	5.01

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

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: ~~June 13, 2023~~



SECTION No. IX
SECOND REVISED SHEET NO. 9.456
CANCELS FIRST REVISED SHEET NO. 9.456

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

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

B. Energy Rates

Payments Prior to the Avoided Unit In-Service Date

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

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

2. Upon request of the RF/QF, DEF shall provide the RF/QF the option of receiving energy payments based on DEF's year-by-year projection of system incremental costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel conditions plus a mutually agreed upon market volatility risk premium.

Payments Starting on Avoided Unit In-Service Date

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



SECTION No. IX
ELEVENTH REVISED SHEET NO. 9.457
CANCELS TENTH REVISED SHEET NO. 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

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.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 13, 2017



SECTION No. IX
FOURTEENTH REVISED SHEET NO. 9.458
CANCELS THIRTEENTH REVISED SHEET NO. 9.458

ESTIMATED UNIT FUEL COST

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

DELIVERY VOLTAGE ADJUSTMENT

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

The Delivery Voltage Adjustment will be calculated based on the current delivery efficiencies in conjunction with DEF's Open Access Transmission Tariff as approved by the FERC. The current Delivery Voltage Adjustment will be provided within 30 days of a written request by any interested person.

PERFORMANCE CRITERIA

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

A. **Capacity Delivery Date**

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

B. **Availability and Capacity Factor**

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

ISSUED BY: Javier Portuondo, Managing Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 9, 2019



SECTION No. IX
THIRD REVISED SHEET NO. 9.459
CANCELS 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.

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.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: July 13, 2017



SECTION No. IX
FOURTH REVISED SHEET NO. 9.460
CANCELS THIRD REVISED SHEET NO. 9.460

CHARGES TO RENEWABLE ENERGY PROVIDER

The RF/QF shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Retail Service Charges

The RF/QF shall be responsible for all FPSC approved charges for any retail service that may be provided by DEF. The RF/QF shall be billed at the customer charge rate stated in DEF's applicable standby tariff monthly for the costs of meter reading, billing, and other administrative costs.

B. Interconnection Charges

Applicable Interconnection Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Interconnection Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

C. Transmission Charges

Applicable Transmission Charges are included in the transmission arrangements entered into with the Transmission Provider. Notwithstanding the above, Transmission Charges must be in accordance with the provisions of FPSC Rule 25-17.087.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
SECOND REVISED SHEET NO. 9.461
CANCELS FIRST REVISED SHEET NO. 9.461

TERMS OF SERVICE

- A. It shall be the RF/QF's responsibility to inform DEF of any change in its electric generation capability.
- B. Any electric service delivered by DEF to a RF/QF located in DEF's service area shall be subject to the following terms and conditions:
 - (1) A RF/QF shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.
 - (2) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - (i) In the first year of operation, the security deposit should be based upon the singular month in which the RF/QF's projected purchases from DEF exceed, by the greatest amount, DEF's estimated purchases from the RF/QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.
 - (ii) For each year thereafter, a review of the actual sales and purchases between the RF/QF and DEF will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the RF/QF exceed the actual sales in DEF in that month.
 - (3) DEF shall specify the point of interconnection and voltage level.
 - (4) The RF/QF must enter into an agreement for interconnection to DEF's system. Specific features of the RF/QF and its interconnection to DEF's facilities will be considered by DEF in preparing the interconnection agreement. In order to assure timely completion of the interconnection facilities, the RF/QF cannot suspend the interconnection agreement or the construction of the interconnection facilities. Notwithstanding the above, interconnection with, and delivery into, the Company's system must be accomplished in accordance with the provisions of FPSC Rule 25-17.087.
- C. Service under this rate schedule is subject to the rules and regulations of the FPSC.

ISSUED BY: Javier Portuondo, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: June 9, 2020



SECTION No. IX
FIRST REVISED SHEET NO. 9.462
CANCELS ORIGINAL SHEET NO. 9.462

**SCHEDULE 1
TO RATE SCHEDULE COG-2**

CALCULATION OF VALUE OF DEFERRAL PAYMENTS

APPLICABILITY

This Schedule 1 provides a detailed description of the methodology used by DEF to calculate the monthly values of deferring or avoiding the Avoided Unit identified in the Contract. When used in conjunction with the current FPSC-approved cost parameters associated with the Avoided Unit contained in Schedule 2, a RF/QF may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the RF/QF enter into a Contract with DEF.

Also contained in this Schedule 1 is the discussion of the types and forms of surety bond requirements or equivalent assurance for payment of the Termination Fee acceptable to DEF in the event of contractual default by a RF/QF.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a RF/QF pursuant to Contract shall be defined as the year-by-year value of deferral of the Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Avoided Unit one year, and shall be calculated as follows:

$$VAC_m = 1/12 [KI_n (1 - R) / (1 - R^L) + O_n]$$

Where, for a one year deferral:

- VAC_m = utility's monthly value of avoided capacity, in dollars per kilowatt per month, for each month of year n;
- K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;
- R = $(1 + i_p) / (1 + r)$;
- I_n = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction for the Avoided Unit which would have been paid had the Avoided Unit been constructed;

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.463
CANCELS ORIGINAL SHEET NO. 9.463

- O_n = total fixed operation and maintenance expense for the year n , in mid-year dollars per kilowatt per year, of the Avoided Unit;
- i_p = annual escalation rate associated with the plant cost of the Avoided Unit;
- i_o = annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;
- r = annual discount rate, defined as the utility's incremental after-tax cost of capital;
- L = expected life of the Avoided Unit; and
- n = year for which the Avoided Unit is deferred starting with the Avoided Unit In-Service Date and ending with the Termination Date.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY-OPTION B

Under the fixed value of deferral Option A, payments for firm capacity shall not commence until the in-service date of the Avoided unit(s). At the option of the RF/QF, however, DEF may begin making payments for capacity consisting of the capital cost component of the value of a year-by-year deferral of the Avoided Unit prior to the anticipated in-service date of the Avoided Unit. When such payments for capacity are elected, the avoided capital cost component of Capacity Payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the RF/QF, and shall be calculated as follows:

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

Where:

- A_M = monthly payments to be made to the RF/QF for each month of the contract year n , in dollars per kilowatt per month in which RF/QF delivers capacity pursuant to the early capacity option;
- i_p = annual escalation rate associated with the plant cost of the Avoided Unit;
- i_o = annual escalation rate associated with the operation and maintenance expense of the Avoided Unit;

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
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m = year for which the fixed value of deferral payments under the early capacity option are made to a RF/QF, starting in year one and ending in the year t ;

t = the Term, in years, of the Contract:

A_c = $F [(1 - R) / (1 - R^t)]$

Where:

F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date;

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

r = annual discount rate, defined as DEF's incremental after-tax cost of capital; and

A_o = $G [(1 - R) / (1 - R^t)]$

Where:

G = The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the Avoided Unit In-Service Date.

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

The currently approved parameters applicable to the formulas above are found in Schedule 2.

**CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS -
LEVELIZED AND EARLY LEVELIZED CAPACITY - OPTION C & OPTION D,
RESPECTIVELY**

Monthly fixed value of deferral payments for levelized and early levelized capacity shall be calculated as follows:

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.465
CANCELS ORIGINAL SHEET NO. 9.465

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

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of DEF's Avoided Unit(s);
- F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the Capacity Payments which would have been made had the Capacity Payments not been levelized;
- r = the annual discount rate, defined as DEF's incremental after-tax cost of capital;
- t = the Term, in years of the Contract
- O = the monthly fixed operation and maintenance component of the Capacity Payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.

RISK-RELATED GUARANTEES

With the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091, FPSC Rule 25-17.0832 (4)(e)10 requires that, when fixed value of deferral payments - early capacity, levelized capacity, or early levelized capacity are elected, the RF/QF must provide a surety bond or equivalent assurance of securing the payment of a Termination Fee in the event the RF/QF is unable to meet the terms and conditions of its Contract. Depending on the nature of the RF/QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Contract, one of the following may constitute an equivalent assurance of payment:

- (1) Bond;
- (2) Cash deposit(s) with DEF;
- (3) Unconditional, irrevocable, direct pay Letter of Credit;
- (4) Unsecured promise by a municipal, county or state government to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that payments for early or levelized capacity are repaid;
- (5) Unsecured promise by a privately-owned RF/QF to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from the owner(s) of the RF/QF, parent company, and/or subsidiary companies located in Florida to assure that payments for early, levelized or early levelized capacity are repaid; or
- (6) Other guarantees acceptable to DEF.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
FIRST REVISED SHEET NO. 9.466
CANCELS ORIGINAL SHEET NO. 6.466

DEF will cooperate with each RF/QF applying for fixed value of deferral payments under the early, levelized or early levelized capacity options to determine the exact form of an "equivalent assurance" for payment of the Termination Fee to be required based on the particular aspects of the RF/QF. DEF will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the RF/QF and DEF's ratepayers.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL
EFFECTIVE: April 29, 2013



SECTION No. IX
~~SEVENTEENTH~~EIGHTEENTH REVISED SHEET
NO. 9.467
CANCELS ~~SIXTEENTH~~SEVENTEENTH REVISED
SHEET NO. 9.467

**SCHEDULE 2
TO RATE SCHEDULE COG-2 CAPACITY OPTION PARAMETERS**

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

Where, for one year deferral:

		<u>Value</u>
VAC _m	= DEF's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	5.85 <u>11.77</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;	1.268 <u>287</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;	911.1 <u>1,421.8</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;	3.13 <u>49</u>
i _p	= annual escalation rate associated with the plant cost of the Avoided Unit;	1.783 <u>02%</u>
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;	6.85 <u>7.45%</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.	2034 <u>2032</u>

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: ~~June 13, 2023~~



SECTION No. IX
~~SEVENTEENTH~~ EIGHTEENTH REVISED SHEET
NO. 9.468
CANCELS ~~SIXTEENTH~~ SEVENTEENTH REVISED
SHEET NO. 9.468

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

A_m	=	monthly avoided capital cost component of Capacity Payments to be made to the RF/QF starting as early as two years prior to the Avoided Unit In-Service Date, in dollars per kilowatt per month;	4.328.95
i_p	=	annual escalation rate associated with the plant cost of the Avoided Unit;	1.783.02%
n	=	year for which early Capacity Payments to a RF/QF are to begin;	2032 <u>2030</u>
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;	282.25611. <u>37</u>
r	=	annual discount rate, defined as DEF's incremental after-tax cost of capital;	6.857.45%
t	=	the Term, in years, of the Contract for the purchase of firm capacity commencing prior to the in-service date of the Avoided Unit;	13
G	=	the cumulative present value of the avoided fixed operation and maintenance expense component of Capacity Payments which would have been made had Capacity Payments commenced with the anticipated in-service date of the Avoided Unit and continued until the Termination Date.	13.6417.26

ISSUED BY: Geoff Foster, Vice President, Rates & Regulatory Strategy - FL
EFFECTIVE: ~~June 13, 2023~~

Item 17

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis) *TB*
Office of the General Counsel (Sparks, Farooqi) *ACF*

RE: Docket No. 20240052-EQ – Petition for approval of revisions to standard offer contract and rate schedules COG-2, by Tampa Electric Company.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). 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 (TYSP). On April 1, 2024, Tampa Electric Company (TECO) filed a petition for approval of its amended standard offer contract based on its 2024 TYSP. The Commission has jurisdiction over this amended standard offer contract, pursuant to Sections 366.04 through 366.055, and 366.91, F.S.

Date: June 6, 2024

Discussion of Issues

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

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

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs and QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP or, if no avoided unit is identified, its next avoidable planned purchase. TECO has identified a 247 megawatt (MW) natural gas-fueled combustion turbine, with an in-service date of January 1, 2030, as the next avoidable planned generating unit based on its current planning process.

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

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case January 1, 2030). Thereafter, they begin receiving capacity payments in addition to firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains TECO's estimates of the annual payments for the normal and levelized capacity payment options available under the revised standard offer contract to an operator with a 50 MW facility, operating at a capacity factor of 80 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (January 1, 2030), and

continue for 10 years, while early and early levelized capacity payments begin five (5) years prior to the in-service date, or 2024 in this case.

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

Year	Energy Payments	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
2025	11,408	-	-	2,825	3,238
2026	12,388	-	-	2,877	3,238
2027	13,847	-	-	2,930	3,238
2028	15,054	-	-	2,984	3,238
2029	15,110	-	-	3,039	3,238
2030	14,370	4,811	5,353	3,095	3,238
2031	14,220	4,899	5,353	3,152	3,238
2032	14,245	4,989	5,353	3,210	3,238
2033	14,147	5,081	5,353	3,269	3,238
2034	15,324	5,175	5,353	3,329	3,238
2035	15,911	5,270	5,353	3,390	3,238
2036	17,697	5,367	5,353	3,453	3,238
2037	19,458	5,466	5,353	3,516	3,238
2038	22,202	5,566	5,353	3,581	3,238
2039	23,601	5,669	5,353	3,647	3,238
2040	26,406	5,773	5,353	3,714	3,238
2041	26,379	5,880	5,353	3,783	3,238
2042	28,298	5,988	5,353	3,852	3,238
2043	27,487	6,098	5,353	3,923	3,238
2044	28,778	6,210	5,353	3,996	3,238
Total	376,332	82,243	80,292	67,567	64,764
Total (NPV)	184,845	35,709	35,709	35,709	35,709

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

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

Conclusion

The provisions of TECO's amended standard offer contract and associated rate schedule COG-2 conform to the requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended

¹In re: Petition for approval of revisions to standard offer contract and rate schedules COG-2, by Tampa Electric Company. Docket No. 20240052-EQ, Document No. 02180-2024 (filed Apr. 22, 2024).

Date: June 6, 2024

standard offer contract offers multiple payment options so that a developer of renewable generation may select the payment stream best suited to its financial needs. Therefore, the Commission should approve the amended standard offer contract and rate schedule COG-2.

Date: June 6, 2024

Issue 2: Should this docket be closed?

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

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



~~NINETEENTH-TWENTIETH~~ REVISED SHEET NO. 8.010
CANCELS ~~EIGHTEENTH-NINETEENTH~~ 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
<u>Schedule COG-2:</u> Standard Offer Contract Rate for the Purchase of Contracted Capacity and Associated Energy	8.284
<u>Appendix A:</u> Value of Deferral Methodology	8.328
<u>Appendix B:</u> Methodology to be Used in Calculation of Avoided Energy Cost	8.344
<u>Appendix C:</u> 2030 Reciprocating Engine Combustion Turbine	8.406
<u>Appendix D:</u> Reserved for Future Use	-
<u>Appendix E:</u> Reserved for Future Use	-
<u>Appendix F:</u> Reserved for Future Use	-
<u>Interconnection Agreement:</u> Interconnection Agreement	8.600
<u>General Standards for Safety:</u> General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System	8.700
<u>Service Agreement For The Purchase of Emergency On-Demand Energy At Negotiated Rates</u>	8.800

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



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

Title	Sheet No.
<u>Standard Interconnection Agreement for Tier 1 Renewable Generator Systems</u>	8.1000
<u>Agreement Adopting Standard Interconnection Agreement for Tier 1, Tier 2 or Tier 3 Renewable Generator Systems</u>	8.1031
<u>Standard Interconnection Agreement for Tier 2 Renewable Generator Systems</u>	8.1035
<u>Standard Interconnection Agreement for Tier 3 Renewable Generator Systems</u>	8.1070
<u>Standard Interconnection Agreement for Non-Export Parallel Operators 10MVA or Less</u>	8.1110

ISSUED BY: G.L. Gillette, President

DATE EFFECTIVE: July 21, 2015



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

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

SCHEDULE

COG-1, As-Available Energy

AVAILABLE

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

APPLICABLE

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

CHARACTER OF SERVICE

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

Continued to Sheet No. 8.030

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.020

LIMITATIONS

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

RATES FOR PURCHASES BY THE COMPANY

A. Capacity Rates

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

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

B. Energy Rates

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

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

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

C. Negotiated Rates

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

Continued to Sheet No. 8.040

ISSUED BY: W. N. Cantrell, President

DATE EFFECTIVE: March 9, 2004

TAMPA ELECTRIC COMPANY

**TWENTY-FIFTH REVISED SHEET NO. 8.040
CANCELS TWENTY-FOURTH REVISED SHEET NO. 8.040**

Continued from Sheet No. 8.030

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COST

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

Continued to Sheet No. 8.050

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999



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

Continued from Sheet No. 8.040

DELIVERY VOLTAGE ADJUSTMENT

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

<u>Voltage Level</u>	<u>Adjustment Factor</u>
Secondary	1.0533
Primary	1.0269
Subtransmission	1.0146

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

METERING REQUIREMENTS

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

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

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

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

Continued to Sheet No. 8.060

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2024

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.050

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

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

BILLING OPTIONS

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

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

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

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

Continued to Sheet No. 8.061

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

**THIRD REVISED SHEET NO. 8.061
CANCELS SECOND REVISED SHEET NO. 8.061**

Continued from Sheet No. 8.060

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

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

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

Continued to Sheet No. 8.070

ISSUED BY: W. N. Cantrell, President

DATE EFFECTIVE: March 9, 2004



THIRTEENTH REVISED SHEET NO. 8.070
CANCELS TWELFTH REVISED SHEET NO. 8.070

Continued from Sheet No. 8.061

CHARGES/CREDITS TO QUALIFYING FACILITY

A. Basic Service Charges

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

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

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

<u>Rate Schedule</u>	<u>Basic Service Charge (\$)</u>	<u>Rate Schedule</u>	<u>Basic Service Charge (\$)</u>
RS	0.71	GST	0.75
GS	0.75	GSDT (secondary)	1.08
GSD (secondary)	1.08	GSDT (primary)	5.98
GSD (primary)	5.98	GSDT (subtrans.)	17.48
GSD (subtrans.)	17.48	SBDT (secondary)	1.91
SBD (secondary)	1.91	SBDT (primary)	6.80
SBD (primary)	6.80	SBDT (subtrans.)	18.31
SBD (subtrans.)	18.31	GSLDTPR	19.52
GSLDPR	19.52	GSLDTSU	83.90
GSLDSU	83.90	SBLDTPR	20.35
SBLDPR	20.35	SBLDTSU	84.73
SBLDSU	84.73		

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

Continued to Sheet No. 8.071

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: September 1, 2022

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.070

B. Interconnection Charge for Non-Variable Utility Expenses:

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

C. Interconnection Charge for Variable Utility Expenses

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

Continued to Sheet No. 8.080

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

**THIRD REVISED SHEET NO. 8.080
CANCELS SECOND REVISED SHEET NO. 8.080**

Continued from Sheet No. 8.071

D. Taxes and Assessments

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

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

TERMS OF SERVICE

- 1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.
- 2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.
- 3) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:
 - A) In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.
 - B) For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the utility shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the utility in that month.

Continued to Sheet No. 8.090

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.080

- 4) The company shall specify the point of interconnection and voltage level.
- 5) The Company will, under the provisions of this schedule, require an interconnection agreement with the Qualifying Facility using either the Company's filed Interconnection Agreement or a negotiated Interconnection Agreement. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, and may require modifications to the Company's General Standards for Safety and Interconnection where applicable.
- 6) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

- 1) Negotiated contracts deviating from the above standard rate schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.
- 2) In accordance with the provision in Rule 25-17.0883, the Company is required to provide transmission and distribution service to enable a retail customer to transmit electrical power generated at one location to the customer's facilities at another location when provision of such service and its associated charge, terms, and other conditions are not reasonably projected to result in higher cost of electric service to the Company's general body of retail and wholesale customers or adversely affect the adequacy or reliability of electric service to all customers.

A determination of whether or not transmission service for self-service wheeling is likely to result in higher cost electric service will be made by evaluating the results of an appropriately adjusted FPSC approved cost effectiveness methodology, in addition to other modeling analyses.
- 3) In accordance with FPSC Rule 25-17.0889, F.A.C., upon request by a Qualifying Facility, the Company shall provide transmission service in accordance with its Open Access Transmission Tariff to wheel As-Available Energy or Firm Capacity and Energy produced by a Qualifying Facility from the Qualifying Facility to another electric utility.

Continued to Sheet No. 8.100

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.090

- 4) The rates, terms, and conditions for any transmission and ancillary services provide to a Qualifying Facility shall be those approved by the Federal Energy Regulatory Commission (FERC) and contained in the Company's Open Access Transmission Tariff.
- 5) A Qualifying Facility may apply for transmission and ancillary services from the Company in accordance with the Company's Open Access Transmission Tariff. Requests for service must be submitted on the Company's Open Access Same-Time Information System ("OASIS"). The Company's contact person, phone number and address is posted and updated on the OASIS and can be viewed by the public on the Internet at the address: http://www.enx.com/FOA_Contacts.html. A copy of the Company's Open Access Transmission Tariff is also posted at the address: http://www.enx.com/FOA/teco_home.html.
- 6) If the Qualifying Facility is located outside of the Company's transmission area, then the Qualifying Facility must arrange for long term firm third-party transmission, ancillary services and an interconnection agreement on all necessary external transmission paths for the term of the contract.
- 7) The Company may deny, curtail, or discontinue transmission service to a Qualifying Facility on a non-discriminatory basis if the provision of such service would adversely affect the safety, adequacy, reliability, or cost of providing electric service to the Company's general body of retail and wholesale customers.

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999



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

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

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

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

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

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

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

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

Continued to Sheet No. 8.102

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

Continued from Sheet No. 8.101

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

PARAMETERS FOR DETERMINING AS-AVAILABLE AVOIDED ENERGY COSTS

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

1. The system load is the actual system load at the Hour Ending with the clock hour (HE).
2. The first allocation of load for production costing is to those units that are base loaded at a certain level for operating reasons. The remainder of the load is allocated to units available for economic dispatch through the use of incremental cost curves.
3. The fuel costs associated with each of Tampa Electric's units operating at their allocated level of generation are determined by using the individual units input/output equation, its heat rate performance factor, and the composite price of supplemental fuel.
4. The Company's own production cost for each hour of operation at a particular generation level equals the sum of the individual units' fuel cost for that hour. The production cost, thus determined, consists of the composite price of replacement fuel based on supplemental purchases and the incremental heat rate for the generating system.
5. The Company's total cost equals its own production cost (4. above), identified variable O&M, plus the cost of any off-system purchases to serve native load.
6. Native load includes all firm and non-firm retail load.
7. The cost of off-system firm and non-firm variable purchases is defined as the highest energy cost energy block purchased for native load during the hour.
8. Firm interchange sales are included in production cost calculations.

Continued to Sheet No. 8.103

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: July 13, 2010



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

Continued from Sheet No. 8.102

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

SUPPLEMENTAL FUEL

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

Continued to Sheet No. 8.104

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 25, 2013



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

Continued from Sheet No. 8.103

AVOIDED ENERGY COST CALCULATIONS

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

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

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

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

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

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

Continued to Sheet No. 8.105

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

Continued from Sheet No. 8.104

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

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

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

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

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

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

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

DELIVERY VOLTAGE ADJUSTMENT

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

Continued to Sheet No. 8.106

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012

TAMPA ELECTRIC COMPANY

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

Continued from Sheet No. 8.105

Example: (Firm Standby Time-of-Day)

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

Adjustment Factor for Line Losses:
1.0561

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

"IDENTIFIABLE" INCREMENTAL VARIABLE O&M

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

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

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

Continued to Sheet No. 8.107

ISSUED BY: W. N. Cantrell, President

DATE EFFECTIVE: March 9, 2004



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

Continued from Sheet No. 8.107

EXHIBIT 1

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

Given:

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

First Calculation ("WITHOUT" QF):

Production Cost at 1560 MWs = \$20,275/Hour

Second Calculation ("WITH" QF):

Production Cost at 1510 MWs = \$19,500/Hour

Third Calculation (QF Rate \$/MWH):

Actual Hourly Avoided Energy Cost =
 $(\$20,275/\text{Hour} - \$19,500/\text{Hour}) / (50\text{MW})$

or

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

Continued to Sheet No. 8.110

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

Continued from Sheet No. 8.109

EXHIBIT 2

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

Given:

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

First Calculation:

Production Cost at 1460 MWh = \$18,900/Hour

Second Calculation:

Production Cost at 1459 MWh = \$18,882.50/Hour

Third Calculation (QF Rate \$/MWh):

Actual Hourly Avoided Energy Cost at 1 MW (System Lambda1) =
 $(\$18,900/\text{Hour} - \$18,882.50/\text{Hour}) / (1 \text{ MW})$

or

As-Available Energy Payment Rate (AEPR) = \$17.50/MWh

NOTE:

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

Continued to Sheet No. 8.111

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

Continued from Sheet No. 8.110

EXHIBIT 3

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

Given:

Actual QF Energy = 50 MWs
TEC's Maximum Available Generation = 1530 MWs
TEC's Actual Generation = 1500 MWs
Native Load = 1540 MWs
Firm Sale = 10 MWs

Step 1 (Calculations for First 30 MWs)

First Calculation ("WITHOUT" QF):

Production Cost at 1530 MWs = \$20,590/Hour

Second Calculation ("With" QF):

Production Cost at 1500 MWs = \$20,050/Hour

Third Calculation:

Actual Hourly Avoided Energy Cost at 30 MWs =
 $(\$20,590/\text{Hour}) - (\$20,050/\text{Hour}) = \$540/\text{Hour}$

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 Lambda 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

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

Continued to Sheet No. 8.112

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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

Continued from Sheet No. 8.111

EXHIBIT 4

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

Given:

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

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

or

AEPR = \$40/Hour

NOTE:

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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.

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ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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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

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DATE EFFECTIVE: July 29, 2008



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

13. **Production and Maintenance Schedule:** During the Term, the CEP agrees to the following:
- a. The CEP shall provide the Company in writing prior to April 1st of each calendar year an estimate of the amount of electricity to be generated by the CEP and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages of the Facility or reductions to the amount of Contracted Capacity that the CPE can make available at the Delivery Point.
 - b. By July 1st of each calendar year, the Company shall notify the CEP in writing whether the requested scheduled maintenance period(s) for the Facility are acceptable. If the Company cannot accept any of the requested period(s), the Company shall advise the CEP of the time period closest to the requested period(s) when the outage(s) can be scheduled. The CEP shall only schedule outages during periods approved by the Company and such approval shall not be unreasonably withheld. Once the schedule has been established and approved, either Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed.
 - c. During the Term, the CEP shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with the Company. The CEP shall ensure that operating personnel are on duty at all times, twenty-four (24) clock hours per calendar day and seven (7) calendar days per week. Additionally, during the Term, the CEP shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder.
 - d. The Company shall not be obligated to purchase and may require curtailed or reduced deliveries of Associated Energy, to the extent necessary to maintain the reliability and integrity of any part of the Company's system, or if the Company determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to the Company's Customers. The Company shall give the CEP prior notice, if practicable, of its intent to refuse, curtail or reduce the Company's acceptance of Associated Energy pursuant to this subsection and will act to minimize the frequency and duration of such occurrences.

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- 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.

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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

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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 7.132%

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: A. D. Collins, President

DATE EFFECTIVE: June 13, 2023



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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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- 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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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.

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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

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

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

e. Representations, Warranties, and Covenants of the CEP

The CEP represents and warrants that as of the date this Contract is executed:

- i. **Organization, Standing and Qualification:** The CEP is a (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of and has all necessary power and authority to carry on its business as presently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The CEP is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on the Company.
- ii. **Due Authorization, No Approvals, No Defaults, etc.:** Each of the execution, delivery and performance by the CEP of this Contract has been duly authorized by all necessary action on the part of the CEP, does not require any approval, except as has been heretofore obtained, of the (shareholders, partners, or others, as applicable) of the CEP or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the CEP, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the (articles of incorporation, bylaws, or other as applicable) of the CEP, or any agreement,

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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

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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 |
- 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



ORIGINAL SHEET NO. 8.257

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

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

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ISSUED BY: C. R. Black, President

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- i. **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

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

WITNESSES:

Name of Capacity and Energy Provider

By: _____

Its: _____

WITNESSES:

Tampa Electric Company

By: _____

Its: _____

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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?

ISSUED BY: C. R. Black, President

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.

ISSUED BY: C. R. Black, President

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- g. Site Control: Has the project's location been identified? Has the site been secured? Does the site require specific environmental considerations, i.e. wetlands, etc.? Please explain.
4. **Developer's Qualifications:**
- a. Project's Financial Stability: The Company will assess the creditworthiness of the project developer and/or its guarantor, if any, and determine in the Company's reasonable sole discretion if the project developer's level of unsecured credit is sufficient to provide the required Security to the Company. Please provide detail for the project developer or its guarantor, if any: (a) audited year-end financial statements (including balance sheet, income statement, and statement of cash flows) for the past three fiscal years, and (b) senior unsecured bond ratings from Moody's Investors Service and Standard and Poor's, if applicable.
 - b. Developer's Experience: Has developer any projects in operation? Has developer any other projects under construction? Please provide details for each previous Independent Power Production or QF projects undertaken by the developer, including but not limited to:
 - i. Financial arrangements and Institutions,
 - ii. Fuel contracts,
 - iii. Scheduling/project control information,
 - iv. Regulatory treatment,
 - v. Ownership structure, i.e. partnership, limited partnership, contract buy-outs, etc., and
 - vi. Total operating experience and performance.
 - c. Project Financing: Has project financing been secured? Will ownership equity in project be 15% or greater? Will the project be structured as a non-recourse financing project? Please provide detail.
 - d. Working Capital: Has long-term working capital been secured? Are sufficient reserves available to fund 6 months of debt service? Are sufficient funds available to cover 6 months of O&M expenses? Does project have warranties for key operating equipment during the first year of operations? Please provide detail.
5. **Additional Information:** Please provide the following additional general information to assist the Company in evaluating your Standard Offer Contract
- a. Standard Offer Committed Capacity (MW):
 - b. Size and type of generation:
 - c. Any existing or planned capacity commitments or energy sales to other utilities, if so provide detail:

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ISSUED BY: C. R. Black, President

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- d. Will the project directly interconnect into the Company's transmission grid? Please explain:
- e. If the project is located external to the Company's retail service area, how will the power be delivered to the Company? Please explain:
- f. Will steam host use a portion of electric generation, if so provide detail:
- g. Please provide developer's ownership structure for this project:
- h. Developer's insurance carrier:
 - 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



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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 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

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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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



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

2. **Standard Energy Payment Rates:**

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

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



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3. **Fixed Energy Payment Options:**

- a. **Fixed As-Available Energy Payments:** In accordance with FPSC Rule 25-17.250(6)(a) F.A.C., the CEP may elect Fixed As-Available Energy Payments for the period prior to the in-service date of the avoided unit. The Fixed As-Available Energy Payments shall be based on the Company's year-by-year projection of system incremental fuel costs prior to hourly economy energy sales to other utilities, based on normal weather and fuel market conditions plus a fuel market volatility risk premium mutually agreed upon by the Company and the CEP and approved by the FPSC.
- b. **Fixed Base Energy Payments:** At the election of the CEP, a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the Company and the CEP, may be fixed and amortized on a present value basis over the term of the contract starting as early as the in-service date of the CEP's generating facility pursuant to FPSC Rule 25-17.250(6)(b) F.A.C. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have been operated. The Company shall develop a schedule of such Fixed Base Energy Payments for the consideration of the CEP based on the expressed interests of the CEP. Should the CEP select Fixed Base Energy Payments, the Company may require additional associated security considerations which will also be mutually agreed upon by the Company and the CEP and approved by the FPSC.

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: July 29, 2008



ORIGINAL SHEET NO. 8.302

2. **Monthly Availability and Monthly Capacity Factor:** Upon achieving commercial in-service status, payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the CEP and subject to the provision that the CEP equals or exceeds the MPS for Monthly Availability and Monthly Capacity Factor of the Company's Designated Avoided Unit, as defined in Appendices C through F of this schedule, on which the Standard Offer Contract is based.
3. **CEP's Obligation if CEP Receives Capacity Payments Under Capacity Payments Options 2, 3, 4, or 5:** The CEP's payment option choice pursuant to Paragraph 6.b.iii of the Company's Standard Offer Contract may result in payments made by the Company for capacity delivered prior to the in-service date of the avoided unit. Similarly, Levelized and Early-Levelized, and front-end loaded Other Capacity Payments for capacity delivered on or after the in-service date of the avoided unit, may also exceed the year-by-year value of deferring the Designated Avoided Unit as specified in this Agreement. The Parties recognize that capacity payments that exceed the year-by-year value of deferring the avoided unit may have to be repaid by the CEP in the event the CEP fails to perform pursuant to the terms and conditions of the Company's Standard Offer Contract.

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

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

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

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

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: May 22, 2007



~~THIRD-FOURTH~~ REVISED SHEET NO. 8.304
CANCELS ~~SECOND-THIRD~~ REVISED SHEET NO. 8.304

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

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

The CEP shall owe the Company and be liable for the current balance in the Repayment Account. The annual balance in the Repayment Account shall accrue interest at an annual rate of ~~7.1327~~ 4.07%. The Company agrees to notify the CEP monthly as to the current Repayment Account balance.

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

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

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

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



**FIFTEENTH REVISED SHEET NO. 8.306
CANCELS FOURTEENTH REVISED SHEET NO. 8.306**

Continued from Sheet No. 8.304

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

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

4. Additional Criteria:

- a. The CEP shall provide monthly generation estimates by December 1 for the next calendar year; and
- b. The CEP shall promptly update its yearly generation schedule when any changes are determined necessary; and
- c. The CEP shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
- d. The CEP shall coordinate scheduled outages with the Company;
- e. The CEP shall comply with the reasonable requests of the Company regarding daily or hourly communications.

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

Voltage Level	Adjustment Factor
Secondary	1.0533
Primary	1.0269
Subtransmission	1.0146

Continued to Sheet No. 8.308

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2024



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



SIXTH REVISED SHEET NO. 8.312
CANCELS FIFTH REVISED SHEET NO. 8.312

Continued from Sheet No. 8.308

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

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

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

CHARGES/CREDITS TO THE CEP:

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

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

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

<u>Rate Schedule</u>	<u>Basic Service Charge (\$)</u>	<u>Rate Schedule</u>	<u>Basic Service Charge (\$)</u>
RS	0.71	GST	0.75
GS	0.75	GSDT (secondary)	1.08
GSD (secondary)	1.08	GSDT (primary)	5.98
GSD (primary)	5.98	GSDT (subtrans.)	17.48
GSD (subtrans.)	17.48	SBDT (secondary)	1.91
SBD (secondary)	1.91	SBDT (primary)	6.80
SBD (primary)	6.80	SBDT (subtrans.)	18.31
SBD (subtrans.)	18.31	GSLDTPR	19.52
GSLDPR	19.52	GSLDTSU	83.90
GSLDSU	83.90	SBLDTPR	20.35
SBLDPR	20.35	SBLDTSU	84.73
SBLDSU	84.73		

Continued to Sheet No. 8.314

ISSUED BY: A. D Collins, President

DATE EFFECTIVE: September 1, 2022



SECOND REVISED SHEET NO. 8.314
CANCELS FIRST REVISED SHEET NO. 8.314

If CEP takes service under Rate Rider GSLM-2 or GSLM-3, an additional Basic Service Charge of \$6.57 a day will apply.

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

2. **Interconnection Charge for Non-Variable Utility Expenses:** The CEP shall bear the cost required for interconnection including the metering. The CEP shall have the option of payment in full for interconnection or make equal monthly installment payments over a 36 month period together with interest at the rate then prevailing for 30 days highest grade commercial paper; such rate to be determined by the Company 30 days prior to the date of each payment.
3. **Interconnection Charge for Variable Utility Expenses:** The CEP shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These costs include a) the Company's inspections of the interconnection and b) maintenance of any equipment beyond that which would be required to provide normal electric service to the CEP with respect to other Customers with similar load characteristics.
4. **Taxes and Assessments:** The CEP shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of firm capacity and energy produced by the CEP.

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

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

TERMS OF SERVICE:

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

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: January 1, 2022



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.

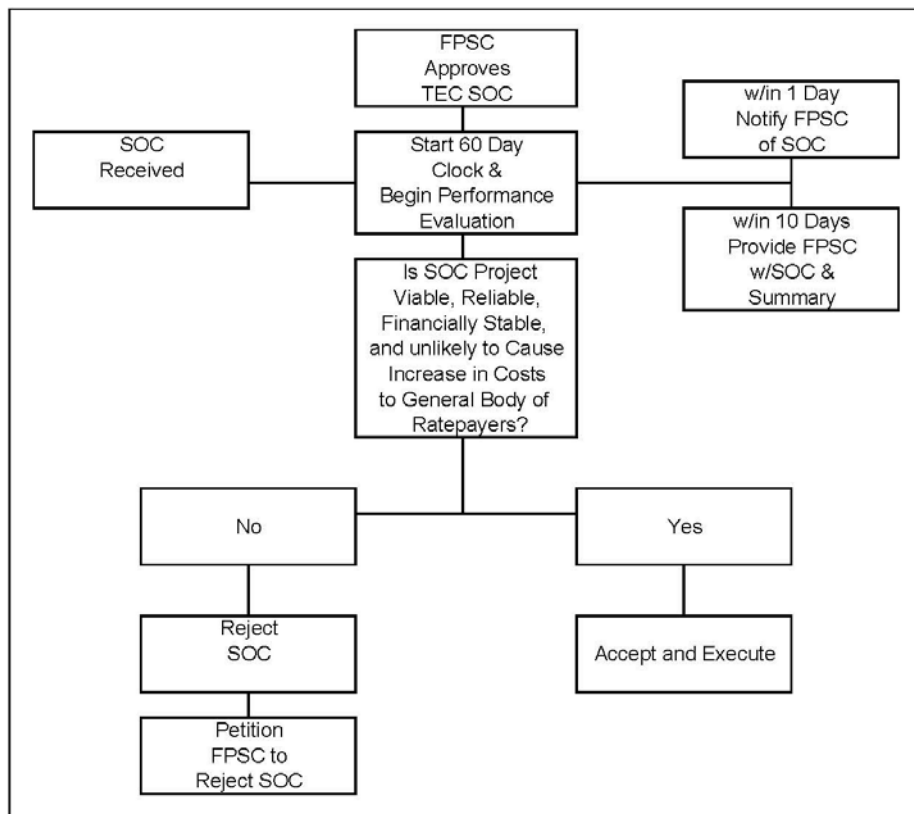
ISSUED BY: C. R. Black, President

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



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

RATE SCHEDULE COG-2
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B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
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ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



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:

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

ISSUED BY: C. R. Black, President

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:

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

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Designated Avoided Unit(s);
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with FPSC Rule 25-17.0832, paragraph 6(a) for Levelized Capacity Payments or with paragraph 6(b) for Early Levelized Capacity Payments, F.A.C.

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

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

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

Continued to Sheet No. 8.338

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: June 30, 2009



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.

ISSUED BY: G. L. Gillette, President

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



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

EXHIBIT 1

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

Given:

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

First Calculation (WITHOUT CEP):

Production Cost at 1560 MWs = \$20,275/hour

Second Calculation (WITH CEP):

Production Cost at 1510 MWs = \$19,500/hour

Third Calculation (CEP Rate \$/MWH):

Actual Hourly Avoided Energy Cost = (\$20,275/hour - \$19,500/hour) / (50 MW)

or

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

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: June 19, 2012



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 λ ¹) =
 $(\$18,900/\text{hour} - \$18,882.50/\text{hour}) / (1 \text{ MW})$

or

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



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 MWs
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



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

**RATE SCHEDULE COG-2
APPENDIX C**

2030 ~~Reciprocating Engine~~ Combustion Turbine

This Designated Avoided Unit is a ~~48.7247~~ MW (winter rating) natural gas-fired ~~Reciprocating Combustion Turbine Engine~~ with a JANUARY 1, 2030, 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 ~~Reciprocating Engine Combustion Turbine~~, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch

Continued to Sheet No. 8.408

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



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:

$$MCP = (BCC) \times CC$$

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



~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.422
CANCELS ~~FIFTEENTH~~ SIXTEENTH REVISED SHEET NO. 8.422

Continued from Sheet No. 8.418

PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (01/1/2030) of the Company's Designated Avoided Unit, a ~~48.7247~~ MW (Winter Rating) natural gas-fired ~~Reciprocating Engine~~ 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	16.258.02
K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present value to the middle of the first year	1.7234
I _n = total direct and indirect cost, in mid-year \$/kW including AFUDC but excluding CWP, 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	1505.40 <u>953.50</u>
O _n = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	34.21 <u>12.87</u>
i _p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	2.01 <u>1.8</u> %
i _o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.21 <u>1</u> %
r = discount rate, defined as the Company's incremental after tax cost of capital;	7.132 <u>4.07</u> %

Continued to Sheet No. 4.424

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



~~SIXTEENTH~~ SEVENTEENTH REVISED SHEET NO. 8.424
CANCELS ~~FIFTEENTH~~ SIXTEENTH REVISED SHEET NO.
8.424

Continued from Sheet No. 8.422

L	=	expected life of the Designated Avoided Unit(s); and	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.	2030
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 <u>2023</u> 2024	<u>8,544.57</u>
m	=	Earliest year in which early capacity payments to the CEP may begin;	<u>2023</u> 2024 *
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);	<u>1295.49684.02</u> *
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	<u>27</u> 26 *

* Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.

Continued to Sheet No. 8.426

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



SIXTEENTH-SEVENTEENTH REVISED SHEET NO. 8.426
CANCELS FIFTEENTH-SIXTEENTH REVISED SHEET NO. 8.426

Continued from Sheet No. 8.424

2030 ~~RECIPROCATING ENGINE~~ COMBUSTION TURBINE – AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
NON-LEVELIZED PAYMENT OPTIONS

CONTRACT YEAR		OPTION 1	OPTION 2						
		NORMAL PAYMENT	EARLY PAYMENT						
FROM	TO	Starting 01/1/30	Starting 01/1/29	Starting 01/1/28	Starting 01/1/27	Starting 01/1/26	Starting 01/1/25	Starting 01/1/24	Starting 01/01/23
FROM	TO	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.	\$/kW-mo.
1/1/23	12/31/23								-8.54
1/1/24	12/31/24	-	-	-	-	-	4.57-9.34		-8.74
1/1/25	12/31/25	-	-	-	-	4.99	4.65-9.50		-8.89
1/1/26	12/31/26	-	-	-	5.47	5.09	4.73-9.70		-9.07
1/1/27	12/31/27	-	-	-	6.00	5.18	4.82-9.89		-9.25
1/1/28	12/31/28	-	-	6.60	6.11	5.28	4.91		-9.44
1/1/29	12/31/29	-	7.27	6.72	6.23	5.78	5.00		-9.63
1/1/30	12/31/30	8.02	7.40	6.84	6.34	5.89	5.47		-9.83
1/1/31	12/31/31	16.25	15.04	13.96	12.97	12.07	11.26		-10.03
1/1/32	12/31/32	8.17	7.54	6.97	6.46	5.99	5.57		-10.23
1/1/33	12/31/33	16.58	15.35	14.24	13.23	12.32	11.49		-10.44
1/1/34	12/31/34	8.32	7.68	7.10	6.58	6.10	5.67		-10.65
1/1/35	12/31/35	16.94	15.66	14.53	13.50	12.57	11.72		-10.87
1/1/36	12/31/36	8.47	7.82	7.23	6.70	6.22	5.78		-11.09
1/1/37	12/31/37	17.26	15.98	14.82	13.78	12.82	11.96		-11.32
1/1/38	12/31/38	8.62	7.96	7.36	6.82	6.33	5.89		-11.55
1/1/39	12/31/39	17.64	16.30	15.12	14.06	13.09	12.20		-11.78
1/1/40	12/31/40	8.78	8.11	7.50	6.95	6.45	5.99		-12.02
1/1/41	12/31/41	17.97	16.63	15.43	14.34	13.35	12.45		-12.27
1/1/42	12/31/42	8.95	8.26	7.64	7.08	6.57	6.10		-12.52
1/1/43	12/31/43	18.33	16.97	15.74	14.63	13.62	12.70		-12.77
1/1/44	12/31/44	9.11	8.41	7.78	7.21	6.69	6.22		-13.03
1/1/45	12/31/45	18.74	17.32	16.07	14.93	13.90	12.96		-13.30
1/1/46	12/31/46	9.28	8.56	7.92	7.34	6.81	6.33		-13.57
1/1/47	12/31/47	19.09	17.67	16.39	15.24	14.18	13.23		-13.84
1/1/48	12/31/48	9.45	8.72	8.07	7.47	6.94	6.45		-14.11
1/1/49	12/31/49	19.48	18.03	16.73	15.55	14.47	13.50		-14.38
1/1/50	12/31/50	9.62	8.88	8.21	7.61	7.06	6.57		-14.65
1/1/51	12/31/51	19.87	18.40	17.07	15.86	14.77	13.77		-14.92
1/1/52	12/31/52	9.80	9.04	8.37	7.75	7.19	6.69		-15.19
1/1/53	12/31/53	20.28	18.77	17.44	16.18	15.07	14.05		-15.46
1/1/54	12/31/54	9.98	9.21	8.52	7.89	7.33	6.81		-15.73
1/1/55	12/31/55	20.69	19.15	17.77	16.54	15.37	14.34		-16.00
1/1/56	12/31/56	10.16	9.38	8.68	8.04	7.46	6.94		-16.27
1/1/57	12/31/57	21.14	19.54	18.13	16.85	15.69	14.63		-16.54
1/1/58	12/31/58	10.35	9.55	8.84	8.19	7.60	7.06		-16.81
1/1/59	12/31/59	21.54	19.94	18.50	17.19	16.04	14.93		-17.08
1/1/60	12/31/60	10.54	9.73	9.00	8.34	7.74	7.19		-17.35
1/1/61	12/31/61	21.98	20.35	18.88	17.54	16.33	15.23		-17.62
1/1/62	12/31/62	10.74	9.91	9.16	8.49	7.88	7.33		-17.89
1/1/63	12/31/63	22.43	20.76	19.26	17.90	16.67	15.54		-18.16

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: June 13, 2023



~~SIXTEENTH-SEVENTEENTH~~ REVISED SHEET NO. 8.426
CANCELS ~~FIFTEENTH-SIXTEENTH~~ REVISED SHEET NO. 8.426

1/1/47 1/1/47	12/31/47 12/31/47	10.93 22.88	10.09 24.18	9.33 49.65	8.65 48.27	8.03 47.04	7.46 45.86	6.95 44.84	-13.84
1/1/48 1/1/48	12/31/48 12/30/48	11.13 23.35	10.28 24.62	9.51 20.05	8.81 48.64	8.17 47.35	7.60 46.48	7.07 45.44	-14.43
1/1/49 1/1/49	12/31/49 12/31/49	11.34 23.82	10.47 22.06	9.68 20.46	8.97 49.02	8.33 47.70	7.74 46.54	7.20 45.42	-14.44

Continued to Sheet No. 8.427

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



~~ELEVENTH-TWELFTH~~ REVISED SHEET NO. 8.427
CANCELS ~~TENTH-ELEVENTH~~ REVISED SHEET NO. 8.427

Continued from Sheet No. 8.426

2030 ~~RECIPROCATING ENGINE~~ ~~COMBUSTION TURBINE~~ - AVOIDED UNIT
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
LEVELIZED PAYMENT OPTIONS

		OPTION 3	OPTION 4						
		LEVELIZED NORMAL PAYMENT	EARLY LEVELIZED PAYMENT						
CONTRACT YEAR		Starting 01/1/30	Starting 01/1/29	Starting 01/1/28	Starting 01/1/27	Starting 01/01/26	Starting 01/01/25	Starting 01/01/24	Starting 01/01/23
FROM	TO	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo	\$/kW-mo
1/1/23	12/31/23	-	-	-	-	-	-	-	-10.35
1/1/24	12/31/24	-	-	-	-	-	6.47	11.24	-10.35
1/1/25	12/31/25	-	-	-	-	-	7.00	11.24	-10.35
1/1/26	12/31/26	-	-	-	-	7.59	7.00	11.24	-10.35
1/1/27	12/31/27	-	-	-	8.23	7.59	7.00	11.24	-10.35
1/1/28	12/31/28	-	-	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/29	12/31/29	-	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/30	12/31/30	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/31	12/31/31	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/32	12/31/32	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/33	12/31/33	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/34	12/31/34	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/35	12/31/35	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/36	12/31/36	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/37	12/31/37	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/38	12/31/38	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/39	12/31/39	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/40	12/31/40	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/41	12/31/41	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/42	12/31/42	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/43	12/31/43	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35
1/1/44	12/31/44	10.23	9.35	8.56	8.23	7.59	7.00	11.24	-10.35

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: June 13, 2023



~~ELEVENTH-TWELFTH~~ REVISED SHEET NO. 8.427
CANCELS ~~TENTH-ELEVENTH~~ REVISED SHEET NO. 8.427

1/1/4511/45	12/31/4512/31/45	10.23	9.35	8.56	8.23	7.59	7.00	6.47	
		18.93	17.28	15.81	14.48	13.29	12.21	11.24	-10.35
1/1/4611/46	12/31/4612/31/46	10.23	9.35	8.56	8.23	7.59	7.00	6.47	
		18.93	17.28	15.81	14.48	13.29	12.21	11.24	-10.35
1/1/4711/47	12/31/4712/31/47	10.23	9.35	8.56	8.23	7.59	7.00	6.47	
		18.93	17.28	15.81	14.48	13.29	12.21	11.24	-10.35
1/1/4811/48	12/31/4812/30/48	10.23	9.35	8.56	8.23	7.59	7.00	6.47	
		18.93	17.28	15.81	14.48	13.29	12.21	11.24	-10.35
1/1/4911/49	12/31/4912/31/49	10.23	9.35	8.56	8.23	7.59	7.00	6.47	
		18.93	17.28	15.81	14.48	13.29	12.21	11.24	-10.35

Continued to Sheet No. 8.428

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: June 13, 2023



~~FOURTEENTH~~FIFTEENTH REVISED SHEET NO. 8.428
CANCELS ~~THIRTEENTH~~FOURTEENTH 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 ~~8,084~~10,867 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

Continued to Sheet No. 8.434

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



~~FOURTEENTH~~ ~~FIFTEENTH~~ REVISED SHEET NO. 8.434
CANCELS ~~THIRTEENTH~~ ~~FOURTEENTH~~ REVISED SHEET
NO. 8.434

Continued from Sheet No. 8.428

FC = Fuel Component of the Energy Payment in \$/MWH as defined by:

FC = $\frac{8,08410,867 \text{ Btu/kWh} \times \text{FP}}{1,000}$

where;

FP = Fuel Price in \$/MMBTU determined by:

FP = $\text{GC}/(1-\text{FRP}) + \text{TC}$

where;

GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.

TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Market Area Transportation (ITS-1), including usage and surcharges.

FRP = then currently approved FGT Company tariff Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.

3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.

Continued to Sheet No. 8.436

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~



~~SIXTEENTH~~ ~~SEVENTEENTH~~ REVISED SHEET NO. 8.436
CANCELS ~~FIFTEENTH~~ ~~SIXTEENTH~~ REVISED SHEET NO.
8.436

Continued from Sheet No. 8.428

PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on JANUARY 1, 2030, 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	2,841.32
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	8,084 10,867

ISSUED BY: A. D. Collins, President

DATE EFFECTIVE: ~~June 13, 2023~~

TAMPA ELECTRIC COMPANY

FOURTH REVISED SHEET NO. 8.600
CANCELS THIRD REVISED SHEET NO. 8.600

INTERCONNECTION AGREEMENT

This agreement is made and entered into this _____ day of _____, _____ by and between _____, a Qualifying Facility, or as appropriate, a Qualifying Facility that is a Distributed Resource as referenced in the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, hereinafter referred to as "QF" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties."

1. **Facility:** The QF's generating facility, hereinafter referred to as "Facility," is located at _____, within the Company's service territory. QF intends to have its Facility installed and operational on or about _____. QF shall provide the Company reasonable prior notice of the Facility's initial operation, and it shall cooperate with the Company to arrange initial deliveries of power to the Company's system.

The Facility has been or will be certified as a Qualifying Facility pursuant to the rules and regulations of the Florida Public Service Commission (FPSC) or the Federal Energy Regulatory Commission (FERC). The QF shall maintain the qualifying status of the Facility throughout the terms of the Interconnection Agreement. By the end of the first quarter of each year, QF shall furnish the Company a notarized certificate by an officer of QF certifying that the Facility has continuously maintained qualifying status on a calendar year basis since the commencement of the contract term.

2. **Construction Activities:** QF shall provide the Company with written instructions to proceed with construction of the interconnection facilities as described in this Agreement at least 24 months prior to the date on which the facilities shall be completed.

The Company agrees to complete the interconnection facilities as described in this Agreement within 24 months of receipt of written instructions to proceed.

Upon the parties' agreement as to the appropriate interconnection design requirements and receipt of written instructions to proceed delivered by QF, the Company shall design and perform or cause to be performed all of the work necessary to interconnect the Facility with the Company's system.

Continued to Sheet No. 8.605

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: December 20, 2006

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.605

Continued from Sheet No. 8.600

Prior to any work being done by the Company, the Company shall supply QF with a written cost estimate of all required materials and labor and an estimate of the date by which construction of the interconnection will be completed. This estimate shall be provided to QF within 60 days after QF provides the Company with its final electrical one-line diagrams. The Company shall also provide project timing and feasibility information to the QF.

QF agrees to pay the Company all expenses incurred by the Company necessary for integration of the Facility into the Company's electrical system, including but not limited to the design, construction, operation, maintenance and repair of the interconnection facilities described in Exhibit A. Exhibit A shall contain a complete description of the interconnection facilities including the final electrical on-line diagram. Such interconnection costs shall not include any interconnection costs which the Company would otherwise incur if it were not engaged in interconnected operations with QF but instead provided through its own generation facilities the electric power required by the Facility.

QF agrees to pay the costs for complete interconnection work (\$__ dollars): () within 30 days after the Company notifies QF that such interconnection work has been completed; or () payable in (up to 36) _____ monthly installments, plus interest on the outstanding balance calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date each payment is due, such rate to be determined by the Company, with the first such installment payment being due 30 days after the Company notifies QF that such interconnection work has been completed.

In the event QF notifies the Company in writing to cease interconnection work before its completion, QF shall be obligated to reimburse the Company for the interconnection costs incurred up to the date such notification is received. The payment terms shall be in accordance with the payment option selected by the QF in the proceeding paragraph.

3. **Cost Estimates:** Attached hereto as Exhibit B and incorporated herein by this reference is a document entitled, "QF Interconnection Cost Estimates." The parties agree that the cost of the interconnection work contained in Exhibit B is a good faith estimate of the actual cost to be incurred.

Continued to Sheet No. 8.610

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

FOURTH REVISED SHEET NO. 8.610
CANCELS THIRD REVISED SHEET NO. 8.610

Continued from Sheet No. 8.605

4. **Technical Requirements and Operations:** The parties agree that QF's interconnection with, and delivery of electricity into, the Company's system must be accomplished in accordance with the provisions of the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System," "NERC Planning Standards," September 1997, [Copyright © 1997 by the North American Electric Reliability Council] attached hereto as Exhibit C, that are applicable to generation and transmission facilities which are connected to, or are being planned to be connected to the Company's transmission system (document provided upon request). Additionally, the Parties agree that for QFs that are Distributed Resources, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction.

In the event that changes in the engineering or operating standards or practices in the utility industry, and the Company's corresponding standards or practices or changes in regulatory requirements, affect the design or operation of the Company's electrical system, and this in turn necessitates additions to or modifications of the equipment or facilities utilized in order to ensure the continued safe and reliable operations contemplated by this Agreement, as well as the continued compatibility of the Facility with the Company's system, QF agrees to bear the cost of such additions or modifications which are directly attributable to the Facility. The costs of such additions or modifications shall not include any costs which the Company would otherwise incur if it were not engaged in interconnected operations with the Facility, but instead provided through its own generation facilities the electrical power required by the Facility.

In addition, QF agrees to require that the Facility operator immediately notify the Company's System Dispatcher by telephone in the event hazardous or unsafe conditions associated with the parties' parallel operations are discovered. If such conditions are detected by the Company, then the Company will likewise immediately contact the operator of the Facility by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

To the extent the Company reasonably determines the same to be necessary to ensure the safe operation of the Facility or to protect the integrity of the Company's system, QF agrees to reduce power generation or take other appropriate actions.

Continued to Sheet No. 8.615

ISSUED BY: C. R. Black, President

DATE EFFECTIVE: December 20, 2006

TAMPA ELECTRIC COMPANY

FIRST REVISED SHEET NO. 8.615
CANCELS ORIGINAL SHEET NO. 8.615

Continued from Sheet No. 8.610

5. **Interconnection Facilities:** The interconnection facilities shall include the items listed in Exhibit A. Interconnection facilities on the Company's side of the ownership line with QF shall be owned, operated, maintained and repaired by the Company. QF shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on QF's side of the ownership line as indicated in Exhibit A. The QF shall be responsible for establishing and maintaining controlled access by third parties to the interconnection facilities owned by the QF.
6. **Maintenance and Repair Payments:** The Company will separately invoice QF monthly for all costs associated with the operation, maintenance and repair of the interconnection facilities. QF agrees to pay the Company within 20 business days of receipt of each such invoice.
7. **Site Access:** In order to help ensure the continuous, safe, reliable and compatible operation of the Facility with the Company's system, QF hereby grants to the Company for the period of interconnection the reasonable right of ingress and egress, consistent with the safe operation of the Facility, over property owned or controlled by QF to the extent the Company deems such ingress and egress necessary in order to examine, test, calibrate, coordinate, operate, maintain or repair any interconnection equipment involved in the parallel operation of the Facility and the Company's system, including the Company's metering equipment.
8. **Construction Responsibility:** In no event shall any the Company statement, representation, or lack thereof, either express or implied, relieve QF of its exclusive responsibility for the Facility. Specifically, any the Company inspection of the Facility shall not be construed as confirming or endorsing the Facility's design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Facility's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any Facility equipment or procedure.

Continued to Sheet No. 8.620

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

**SECOND REVISED SHEET NO. 8.620
CANCELS FIRST REVISED SHEET NO. 8.620**

Continued from Sheet No. 8.615

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

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

Tampa Electric Company
Risk Management Department
P. O. Box 111
Tampa, FL 33601

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

c. The policy providing such coverage for a Negotiated Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence. The Parties may negotiate the amount of insurance over \$1,000,000.

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

Continued to Sheet No. 8.625

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.625

Continued from Sheet No. 8.620

e. The QF shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company.

10. **Electric Service to QF:** The Company will provide the class or classes of electric service requested by QF, to the extent that they are consistent with applicable tariffs; provided, however, that interruptible service will not be available under circumstances where interruptions would impair QF's ability to generate and deliver Firm Capacity and Energy to the Company under the terms of the Company's Standard Offer Contract.

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

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

13. **Applicable Law:** This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed or amended from time to time.

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

Continued to Sheet No. 8.630

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

SECOND REVISED SHEET NO. 8.630
CANCELS FIRST REVISED SHEET NO. 8.630

Continued from Sheet No. 8.625

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

16. **Incorporation of Rate Schedule:** The parties agree that this Agreement shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-1 or COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.

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

18. **Notification:** For purpose of making emergency or any communications relating to the operation of the Facility, under the provisions of this Agreement, the parties designate the following persons for notification:

For QF:

Phone: _____

For Tampa Electric:

Dispatcher

Palm River Phone: (813) 621-2929

Continued to Sheet No. 8.635

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.635

Continued from Sheet No. 8.630

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

For QF:

For Tampa Electric:
Manager-Industrial/Governmental Marketing & Sales
Tampa Electric Company
702 North Franklin Street (33602)
P.O. Box 111
Tampa, Florida 33601

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

WITNESSES:

Qualifying Facility

By: _____

Its: _____

WITNESSES:

Tampa Electric Company

By: _____

Its: _____

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.700

**GENERAL STANDARDS FOR SAFETY
AND INTERCONNECTION OF COGENERATION AND
SMALL POWER PRODUCTION FACILITIES TO
THE ELECTRIC UTILITY SYSTEM**

The following section is based on Florida Public Service Commission (FPSC) Rule 25-17.087, Florida Administrative Code, (F.A.C.), Interconnection and Standards and is applicable throughout Tampa Electric Company's (the Company's) service area:

1. The Company shall interconnect with any qualifying facility (qf) which:
 - a. is in its service area;
 - b. requests interconnection;
 - c. agrees to meet system standards specified in this Rule;
 - d. agrees to pay the cost of interconnection; and
 - e. signs an interconnection agreement.
2. Nothing in this rule shall be construed to preclude the Company from evaluating each request for interconnection on its own merits and modifying the general standards specified in this Rule to reflect the result of such an evaluation.
3. Where the Company refuses to interconnect with a qf or attempts to impose unreasonable standards pursuant to subsection (2) of this rule, the qf may petition the FPSC for relief. The Company shall have the burden of demonstrating to the FPSC why interconnection with the qfs should not be required or that the standards the Company seeks to impose on the qfs pursuant to subsection (2) are reasonable.
4. Upon a showing of credit worthiness, the qfs shall have the option of making monthly installment payments over a period no longer than 36 months toward the full cost of interconnection. However, where the qfs exercises that option, the Company shall charge interest on the amount owing. The Company shall charge such interest at the 30 day highest grade commercial paper rate. In any event, no the Company may not bear the cost of interconnection.

Continued to Sheet No. 8.705

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.705

Continued from Sheet No. 8.700

5. **Application for Interconnection:** A qf shall not operate electric generating equipment in parallel with the Company's electric system without the prior written consent of the Company. Formal application for interconnection shall be made by the qf prior to the installation of any generation related equipment. This application shall be accompanied by the following:

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

Any subsequent change in the system must also be submitted for review and written approval prior to actual modification. The above mentioned review, recommendations and approval by the Company do not relieve the qf from complete responsibility for the adequate engineering design, construction and operation of the qf equipment and for any liability for injuries to property or persons associated with any failure to perform in a proper and safe manner for any reason.

Continued to Sheet No. 8.710

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.710

Continued from Sheet No. 8.705

6. **Personnel Safety:** Adequate protection and safe operational procedures must be developed and followed by the joint system. These operating procedures must be approved by both the Company and the qf. The qf shall be required to furnish, install, operate and maintain in good order and repair, and be solely responsible for, without cost to the Company, all facilities required for the safe operation of the generation system in parallel with the Company's system.

The qf shall permit the Company's employees to enter upon its property at any reasonable time for the purpose of inspection and/or testing the qf's equipment, facilities, or apparatus. Such inspections shall not relieve the qf from its obligation to maintain its equipment in safe and satisfactory operating condition.

The Company's approval of isolating devices used by the qf will be required to ensure that these will comply with the Company's switching and tagging procedure for safe working clearances.

- a. **Disconnect switch:** A manual disconnect switch, of the visible load break type, to provide a separation point between the qf's generation system and the Company's system, shall be required. The Company will specify the location of the disconnect switch. The switch shall be mounted separate from the meter socket and shall be readily accessible to the Company and be capable of being locked in the open position with a Company padlock. The Company may reserve the right to open the switch (i.e., isolating the qf's generation system) without prior notice to the qf. To the extent practicable, however, prior notice shall be given.

Continued to Sheet No. 8.715

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999

TAMPA ELECTRIC COMPANY

ORIGINAL SHEET NO. 8.715

Continued from Sheet No. 8.710

Any of the following conditions shall be cause for disconnection:

- i. The Company's system emergencies and/or maintenance requirements; Hazardous conditions existing on the qf's generating or protective equipment as determined by the Company;
- ii. Adverse effects of the qf's generation to the Company's other electric consumers and/or system as determined by the Company;
- iii. Failure of the qf to maintain any required insurance; or
- iv. Failure of the qf to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the qf's electric generating equipment or the operation of such equipment.

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

- i. Any act or omission by a party, or that party's contractors, agents, servants and employees in connection with the installation or operation of that party's generation system or the operation thereof in connection with the other party's system;
- ii. Any defect in, failure of, or fault related to a party's generation system;
- iii. The negligence of a party or negligence of that party's contractors, agents, servants or employees; or

Continued to Sheet No. 8.720

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE: March 30, 1999



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 18

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

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

RE: Docket No. 20240055-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF). 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 (TYSP). On April 1, 2024, Florida Power & Light Company (FPL) filed a petition for approval of its amended standard offer contract based on its 2024 TYSP. The Commission has jurisdiction over this amended standard offer contract, pursuant to Sections 366.04 through 366.055, and 366.91, F.S.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve the renewable energy tariff and amended standard offer contract filed by Florida Power & Light Company?

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

Staff Analysis: Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that an IOU continuously make available a standard offer contract for the purchase of firm capacity and energy from RFs and small QFs with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP or, if no avoided unit is identified, its next avoidable planned purchase. While FPL's 2024 TYSP does not feature an avoidable fossil-fueled generating unit or planned purchases that could be deferred during the planning period, FPL has identified a 1,991 megawatt (MW) combined cycle unit with a projected in-service date of June 1, 2034, as the next avoidable planned generating unit based on its current planning process. In order to comply with the Rule, the Commission has previously approved using a unit outside of the TYSP planning period as the avoided unit for standard offer contract purposes.¹

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

In order to promote renewable generation, the Commission requires each IOU to offer multiple options for capacity payments, including the options to receive early or levelized payments. If the RF/QF operator elects to receive capacity payments under the normal or levelized contract options, it will receive as-available energy payments only until the in-service date of the avoided unit (in this case June 1, 2034). Thereafter, they begin receiving capacity payments in addition to

¹ E.g., *In re: Petition for approval of renewable energy tariff & standard offer contract, by Fla. Power & Light Co.*, Docket No. 20180083-EQ, Order No. PSC-2018-0316-PAA-EQ (Fla. PSC June 20, 2018); *see also In re: Petition for approval of revised standard offer contract & a revised accompanying rate schedule QS-2, by Fla. Power & Light Co.*, Docket No. 20220072-EQ, Order No. PSC-2022-0203-PAA-EQ (Fla. PSC June 9, 2022); *In re: Petition for approval of renewable energy tariff & standard offer contract, by Fla. Power & Light Co.*, Docket No. 20200114-EQ, Order No. PSC-2020-0212-PAA-EQ (Fla. PSC June 26, 2020); *In re: Petition for approval of new standard offer for purchase of firm capacity & energy from renewable energy facilities or small qualifying facilities & rate schedule QS-2, by Gulf Power Co.*, Docket No. 20200115-EQ, Order No. PSC-2020-0213-PAA-EQ (Fla. PSC June 26, 2020).

firm energy payments. If either the early or early levelized option is selected, then the operator will begin receiving capacity payments earlier than the in-service date of the avoided unit. However, payments made under the early capacity payment options tend to be lower in the later years of the contract term, because the net present value (NPV) of the total payments must remain equal for all contract payment options.

Table 1 contains FPL's estimates of the annual payments for each payment option available under the revised standard offer contract to an operator with a 50 MW facility operating at a capacity factor of 94 percent, which is the minimum capacity factor required under the contract to qualify for full capacity payments. Normal and levelized capacity payments begin with the projected in-service date of the avoided unit (June 1, 2034) and continue for 10 years, while early and early levelized capacity payments begin four (4) years prior to the in-service date, or 2030 in this case.

**Table 1 - Estimated Annual Payments to a 50 MW Renewable Facility
(94% Capacity Factor)**

Year	Energy Payment	Capacity Payment			
		Normal	Levelized	Early	Early Levelized
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
2025	12,342	-	-	-	-
2026	14,585	-	-	-	-
2027	15,291	-	-	-	-
2028	15,058	-	-	-	-
2029	17,741	-	-	-	-
2030	15,811	-	-	1,779	1,989
2031	13,216	-	-	3,086	3,409
2032	13,126	-	-	3,151	3,409
2033	14,806	-	-	3,216	3,409
2034	15,877	3,075	3,336	3,283	3,409
2035	16,332	5,336	5,718	3,352	3,409
2036	15,161	5,447	5,718	3,421	3,409
2037	16,969	5,560	5,718	3,493	3,409
2038	18,061	5,676	5,718	3,565	3,409
2039	20,314	5,794	5,718	3,639	3,409
2040	20,694	5,915	5,718	3,715	3,409
2041	21,951	6,038	5,718	3,793	3,409
2042	22,091	6,164	5,718	3,872	3,409
2043	23,705	6,292	5,718	3,952	3,409
2044	26,567	2,644	2,383	1,661	1,420
Total	349,700	57,944	57,183	48,978	47,728
Total (NPV)	157,383	18,252	18,252	18,252	18,252

Source: FPL's Response to Staff's First Data Request²

² In re: Petition for approval of renewable energy tariff & standard offer contract, by Fla. Power & Light Co., Docket No. 20240055-EQ, Document No. 02229-2024 (filed Apr. 22, 2024).

Date: June 6, 2024

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

Conclusion

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

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the 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. (Marquez, Farooqi)

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 revised.

FLORIDA POWER & LIGHT COMPANY

~~Sixteenth-Seventeenth~~ Revised Sheet No. 9.030
Cancels ~~Sixteenth-Fifteenth~~ Revised 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 (~~2033-2034~~ 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: Tiffany Cohen, ~~Executive Director, Rate Development & Strategy~~ VP Financial Planning and Rate Strategy
Effective: ~~June 13, 2023~~

FLORIDA POWER & LIGHTCOMPANY

Second Revised Sheet No. 9.031
Cancels First Revised Sheet No. 9.031

(Continued from Sheet No.9.030)

1. QS Facility

The QS contemplates, installing operating and maintaining a _____ KVA _____ generating facility located at _____ (hereinafter called the "Facility"). The Facility is designed to produce a maximum of _____ kilowatts ("KW") of electric power at an 85% lagging to 85% leading power factor. The Facility's location and generation capabilities are as described in the table below.

TECHNOLOGY AND GENERATORCAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: County:
Generator Type (Induction or Synchronous)	
Type of Facility (Hydrogen produced from sources other than fossil fuels, biomass as defined in Section 25-17.210 (2) F.A.C. , solar energy, geothermal energy, wind energy, ocean energy, hydroelectric power, waste heat from sulfuric acid manufacturing operations: or <100KW cogenerator)	
Technology	
Fuel Type and Source	
Generator Rating (KVA)	
Maximum Capability (KW)	
Minimum Load	
Peaking Capability	
Net Output (KW)	
Power Factor(%)	
Operating Voltage (kV)	
Peak Internal Load KW	

The following sections (a) through (e) are applicable to Renewable Energy Facilities ("REFs") and section (e) is only applicable to Qualifying Facilities with a design capacity of 100 KW or less:

- (a) If the QS is a REF, the QS represents and warrants that (i) the sole source(s) of fuel or power used by the Facility to produce energy for sale to FPL during the term of this Contract shall be such sources as are defined in and provided for pursuant to Sections 366.91(2) (a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C.; (ii) Fossil fuels shall be limited to the minimum quantities necessary for start-up, shut-down and for operating stability at minimum load; and (iii) the REF is capable of generating the amount of capacity pursuant to Section 5 of this Agreement without the use of fossil fuels.
- (b) The Parties agree and acknowledge that if the QS is a REF, the QS will not charge for, and FPL shall have no obligation to pay for, any electrical energy produced by the Facility from a source of fuel or power except as specifically provided for in paragraph 1(a) above.

(Continued on Sheet No. 9.032)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: July 13, 2017

FLORIDA POWER & LIGHT COMPANY

~~Eighteenth~~ ~~Nineteenth~~ Revised Sheet No. 9.032
Cancels ~~Eighteenth~~ ~~Seventeenth~~ 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 in-service date of the avoided unit, or such later date as may be permitted by FPL pursuant to Section 5 of this Contract, FPL will be permitted to terminate this Contract consistent with the terms herein without further obligations, duties or liability to the QS.

3. Minimum Specifications

Following are the minimum specifications pertaining to this Contract:

- The avoided unit ("Avoided Unit") options on which this Contract is based are detailed in Appendix A.
- This offer shall expire on April 1, ~~2024~~ 2025.
- 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.
- 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.
- The following are the minimum performance standards for the delivery of firm capacity and energy by the QS to qualify for full capacity payments under this Contract:

	On Peak *	All Hours
Availability	94.0%	94.0%

* QS Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule QS-2 attached hereto as Appendix A

(Continued on Sheet No. 9.032.1)

Issued by: Tiffany Cohen, ~~Executive Director, Rate Development & Strategy~~ VP Financial Planning and Rate Strategy
Effective: ~~June 13, 2023~~

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

Tenth Revised Sheet No. 9.033
Cancels Ninth Sheet No. 9.033

(Continued from Sheet No. 9.032.1)

4. Sale of Energy and Capacity by the QS

4.1 Consistent with the terms hereof, the QS shall sell and deliver to FPL and FPL shall purchase and receive from the QS at the Delivery Point (defined below) all of the energy and firm capacity generated by the Facility. FPL shall have the sole and exclusive right to purchase all energy and capacity produced by the Facility. The purchase and sale of energy and firm capacity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QS to sell more energy and firm capacity than the Facility's net output. The billing methodology may be changed at the option of the QS, subject to the provisions of FPL Rate Schedule QS-2. For purposes of this Contract, Delivery Point shall be defined as either: (a) the point of interconnection between FPL's system and the transmission system of the final utility transmitting energy and firm capacity from the Facility to the FPL system, as specifically described in the applicable Wheeling Agreement, or (b) the point of interconnection between the Facility and FPL's transmission system, as specifically described in the Interconnection Agreement.

4.2 The QS shall not rely on interruptible standby service for the startup requirements (initial or otherwise) of the Facility.

4.3 The QS shall be responsible for all costs, charges and penalties associated with development and operation of the Facility.

4.4 The QS shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver, on a firm basis, the firm capacity and energy from the Facility to the Delivery Point.

5. Committed Capacity/Capacity Delivery Date

5.1 The QS commits to sell and deliver firm capacity to FPL at the Delivery Point, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity shall be _____ KW, delivery date no later than the in-service date of the Avoided Unit or as otherwise specified in Appendix E (the "Guaranteed Capacity Delivery Date").

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period (defined herein) for the first Committed Capacity Test shall commence no earlier than six (6) months prior to the Capacity Delivery Date and testing must be completed by 11:59 p.m. EST on the date prior to the Guaranteed Delivery Date. The first Committed Capacity Test shall be deemed successfully completed when the QS demonstrates to FPL's satisfaction that the Facility can make available capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1, the QS may schedule and perform up to three (3) Committed Capacity Tests to satisfy the capacity requirements of the Contract.

5.3 FPL shall have the right to require the QS, by notice no less than ten (10) business days prior to such proposed test, to validate the Committed Capacity of the Facility by means of subsequent Committed Capacity Tests as follows: (a) once per each Summer period and once per each Winter period at FPL's sole discretion, (b) at any time the QS is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure, and (c) at any time the QS fails in three consecutive months to achieve an Annual Capacity Billing Factor, as defined in Appendix B (the "ACBF"), equal to or greater than 70%. The results of any such test shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be deemed as the lower of the tested capacity or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity shall not exceed the amount set forth in Section 5.1 without the prior written consent of FPL, such consent not unreasonably withheld.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately after the date following the last to occur of (a) the Facility's successful completion of the first Committed Capacity Test but no earlier than the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E) and (b) the satisfaction by QS of the following Delivery Date Conditions (defined below).

(Continued on Sheet No. 9.033.1)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Original Sheet No.9.033.1

(Continue from Sheet No. 9.033)

5.5.1 A certificate addressed to FPL from a Licensed Professional Engineer (reasonably acceptable to FPL in all respects) stating: (a) the nameplate capacity rating of the Facility at the anticipated time of commercial operation, which must be at least 94% of the Expected Nameplate Capacity Rating; (b) that the Facility is able to generate electric energy reliably in amounts expected by this Agreement and in accordance with all other terms and conditions hereof; (c) that Start-Up Testing of the Facility has been completed; and (d) that, pursuant to Section 8.4, all system protection and control and Automatic Generation Control devices are installed and operational.

5.5.2 A certificate addressed to FPL from a Licensed Professional Engineer (reasonably acceptable to FPL in all respects) stating, in conformance with the requirements of the Interconnection Agreement, that: (a) all required interconnection facilities have been constructed; (b) all required interconnection tests have been completed; and (c) the Facility is physically interconnected with the System in conformance with the Interconnection Agreement and able to deliver energy consistent with the terms of this Agreement.

5.5.3 A certificate addressed from a Licensed Professional Engineer (reasonably acceptable to FPL in all respects) stating that QS has obtained or entered into all permits and agreements with respect to the Facility necessary for construction, ownership, operation, and maintenance of the Facility (the "Required Agreements"). QS must provide copies of any or all Required Agreements requested by FPL.

5.5.4 An opinion from a law firm or attorney, registered or licensed in the State of Florida (reasonably acceptable to FPL in all respects), stating, after all appropriate and reasonable inquiry, that: (a) QS has obtained or entered into all Required Agreements; (b) neither QS nor the Facility is in violation of or subject to any liability under any applicable law; and (c) QS has duly filed and had recorded all of the agreements, documents, instruments, mortgages, deeds of trust, and other writings described in Section 9.7.

5.5.5 FPL has received the Completion/Performance Security ((a) through (e), the "Commercial Operation Conditions").

FPL shall have ten (10) Business Days after receipt either to confirm to QS that all of the Delivery Date Conditions have been satisfied or have occurred, or to state with specificity what FPL reasonably believes has not been satisfied.

5.6 The QS shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided, the Capacity Delivery Date occurs on or before the in-service date of the Avoided Unit (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before the Guaranteed Capacity Delivery Date, FPL shall be entitled to the Completion/Performance Security (as set forth in Section 9) in full, and in addition, has the right but not the obligation to allow the QS up to an additional five (5) months to achieve the Capacity Delivery Date. If the QS fails to achieve the Capacity Delivery Date either by (a) the Guaranteed Delivery Date or b) such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and FPL will be permitted to terminate this Contract, consistent with the terms herein, without further obligations, duties or liability to the QS.

(Continue on Sheet No. 9.034)

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 5, 2018

FLORIDA POWER & LIGHT COMPANY

Third Revised Sheet No. 9.034
Cancels Second Revised 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)

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 9, 2020

FLORIDAPOW&ER & 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 7day period, provided, such number of days is considered reasonable by prudent industry standards and does not exceed two (2) fourteen (14) day intervals, one in the Spring and one in the Fall, in any calendar year. The scheduled maintenance outage days applicable for the QS are _____ days in the Spring and _____ days in the Fall of each calendar year, provided the conditions specified in the previous sentence are satisfied. In no event shall maintenance periods be scheduled during the following periods: June 1 through and including October 31st and December 1 through and including February 28 (or 29th as the case may be).

8.3 The QS shall comply with reasonable requests by FPL regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.

8.4 Dispatch and Control

8.4.1 The power supplied by the QS hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal operating voltage of _____,000 volts (_____ kV) and power factor dispatchable and controllable in the range of 85% lagging to 85% leading as measured at the Delivery Point to maintain system operating parameters, as specified by FPL.

8.4.2 At all times during the term of this Contract, the QS shall operate and maintain the Facility: (a) in such a manner as to ensure compliance with its obligations hereunder, in accordance with prudent engineering and operating practices and applicable law, and (b) with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system. The QS shall install at the Facility those system protection and control devices necessary to ensure safe and protected operation of all energized equipment during normal testing and repair. The QS shall have qualified personnel test and calibrate all protective equipment at regular intervals in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and the results shall be provided to FPL prior to returning the Facility to service. The specifics of the unit functional trip test will be consistent with good engineering and operating practices.

8.4.3 If the Facility is separated from the FPL system for any reason, under no circumstances shall the QS reconnect the Facility into FPL's system without first obtaining FPL's prior written approval.

8.4.4 During the term of this Contract, the QS shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. If the Facility has a Committed Capacity greater than 10 MW then, the QS shall ensure that operating personnel are on duty at all times, twenty-four (24) hours a calendar day and seven (7) calendar days a week. If the Facility has a Committed Capacity equal to or less than 10 MW then the QS shall ensure that operating personnel are on duty at least eight (8) hours per day from 8 AM EST to 5 PM EST from Monday to Friday, with an operator on call at all other hours.

8.4.5 FPL shall at all times be excused from its obligation to purchase and receive energy and capacity hereunder, and FPL shall have the ability to require the QS to curtail or reduce deliveries of energy, to the extent necessary (a) to maintain the reliability and integrity of any part of FPL's system, (b) in the event that FPL determines that a failure to do so is likely to endanger life or property, or (c) is likely to result in significant disruption of electric service to FPL's customers. FPL shall give the QS prior notice, if practicable, of its intent to refuse, curtail or reduce FPL's acceptance of energy and firm capacity pursuant to this Section and will act to minimize the frequency and duration of such occurrences.

(Continued on Sheet No. 9.036)

Issued by: S.E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

FLORIDA POWER & LIGHT COMPANY

Third Revised Sheet No. 9.036
Cancels Second Sheet No. 9.036

(Continued from Sheet No. 9.035)

8.4.6 After providing notice to the QS, FPL shall not be required to purchase or receive energy from the QS during any period in which, due to operational circumstances, the purchase or receipt of such energy would result in FPL's incurring costs greater than those which it would incur if it did not make such purchases. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional energy would require taking a base load unit off the line and replacing the remaining load served by that unit with peaking-type generation. FPL shall give the QS as much prior notice as practicable of its intent not to purchase or receive energy and firm capacity pursuant to this Section.

8.4.7 If the Facility has a Committed Capacity less than 75 MW, control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS. If the Facility has a Committed Capacity greater than or equal to 75 MW, then control, scheduling and dispatch of firm capacity and energy shall be the responsibility of the QS, except during a "Dispatch Hour", i.e., any clock hour for which FPL requests the delivery of such capacity and energy. During any Dispatch Hour: (a) control of the Facility will either be by Seller's manual control under the direction of FPL (whether orally or in writing) or by Automatic Generation Control by FPL's system control center as determined by FPL, and (b) FPL may request that the real power output be at any level up to the Committed Capacity of the Facility, provided, in no event shall FPL require the real power output of the Facility to be below the Facility's Minimum Load without decommitting the Facility. The Facility shall deliver the capacity and energy requested by FPL within _____ minutes, taking into account the operating limitations of the generating equipment as specified by the manufacturer, provided such time period specified herein is considered reasonable by prudent industry standards for the technology and equipment being utilized and assuming the Facility is operating at or above its Minimum Load. Start-up time from Cold Shutdown and Facility Turnaround time from Hot to Hot will be taken into consideration provided such are reasonable and consistent with prudent industry practices for the technology and equipment being utilized. The Facility's Operating Characteristics have been provided by the QS and are set forth in Appendix D, Section IV of Rate Schedule QS-2.

8.4.8 If the Facility has a Committed Capacity of less than 75 MW, FPL may require during certain periods, by oral, written, or electronic notification that the QS cause the Facility to reduce output to a level below the Committed Capacity but not lower than the Facility's Minimum Load. FPL shall provide as much notice as practicable, normally such notice will be of at least four (4) hours. The frequency of such request shall not exceed eighteen (18) times per calendar year and the duration of each request shall not exceed four (4) hours.

8.4.9 FPL's exercise of its rights under this Section 8 shall not give rise to any liability or payment obligation on the part of FPL, including any claim for breach of contract or for breach of any covenant of good faith and fair dealing.

9. Completion/Performance Security

The security contemplated by this Section 9 constitutes security for, but is not a limitation of, QS's obligations hereunder and shall not be FPL's exclusive remedy for QS's failure to perform in accordance with this Agreement.

9.1 As security for the achievement of the Guaranteed Capacity Delivery Date and satisfactory performance of its obligations hereunder, the QS shall provide FPL either: (a) an unconditional, irrevocable, standby letter of credit(s) with an expiration date no earlier than the end of the first (1st) anniversary of the Capacity Delivery Date (or the next business day thereafter), issued by a U.S. commercial bank or the U.S. branch of a foreign bank having a Credit Rating of A- or higher by S&P or A3 or higher by Moody's (a "Qualified Issuer"), in form and substance acceptable to FPL (including provisions (i) permitting partial and full draws and (ii) permitting FPL to draw in full if such letter of credit is not renewed or replaced as required by the terms hereof at least thirty (30) business days prior to its expiration date) ("Letter of Credit"); (b) a bond, issued by a financially sound Company acceptable to FPL and in a form and substance acceptable to FPL, ("Bond"); or (c) a cash collateral deposited with FPL ("Cash Collateral") (any of (a), (b), or (c), the "Completion/Performance Security"). Completion/Performance Security shall be provided in the amount and by the date listed below:

(a) \$50.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL within five (5) business days of the Effective Date; and

(b) \$100.00 per kW (for the number of kW of Committed Capacity set forth in Section 5.1) to be delivered to FPL two years before the Guaranteed Capacity Delivery Date.

"Credit Rating" means with respect to any entity, on any date of determination, the respective ratings then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Moody's or other specified rating agency or agencies or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its "corporate credit rating" by S&P.

(Continued on Sheet No. 9.037)

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 5, 2018

FLORIDA POWER & LIGHT COMPANY

Ninth Revised Sheet No. 9.037
Cancels Eighth Revised Sheet No. 9.037

(Continued from Sheet No. 9.036)

"Moody's" means Moody's Investors Service, Inc. or its successor.

"S&P" means Standard & Poor's Ratings Group (a division of The McGraw-Hill Companies, Inc.) or its successor.

9.2 The specific security instrument provided for purposes of this Contract is:

- () Letter of Credit.
- () Bond.
- () Cash Collateral.

9.3 FPL shall have the right to monitor (a) the financial condition of the issuer of a Letter of Credit in the event any Letter of Credit is provided by the QS, and (b) the insurer, in the case of any Bond. In the event the issuer of a Letter of Credit no longer qualifies as Qualified Issuer or the issuer of a Bond is no longer financially sound, FPL may require the QS to replace the Letter of Credit or the Bond, as applicable. Such replacement Letter of Credit or bond must be issued by a Qualified Issuer or a financially sound issuer, as applicable, within ten (10) business days following written notification to the QS of the requirement to replace. Failure by the QS to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing Letter of Credit or bond and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QS qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured written commitment or promise to pay in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 FPL shall be entitled to draw the Completion/Performance Security to satisfy any obligation or liability of QS arising pursuant to this Contract.

9.5.1 If the QS fails to achieve the Capacity Delivery Date on or before the in-service date of the Avoided Unit or such later date as permitted by FPL pursuant to Section 5.6, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages and resort to any other remedies which may be available to it under law or in equity.

9.5.2 In the event that FPL requires the QS to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QS fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS.

9.5.3 QS shall promptly, but in no event more than five (5) business days following any draws on the Completion/Performance Security, replenish the Completion/Performance Security to the amounts required herein.

9.6 The QS, as the Pledgor of the Completion/Performance Security, hereby pledges to FPL, as the secured Party, as security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Completion/Performance Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Completion/Performance Security, the security interest and lien granted hereunder on that Completion/Performance Security will be released immediately and, to the extent possible, without any further action by either party.

(Continued on Sheet No. 9.038)

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 5, 2018

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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: September 13, 2016

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
- 12.16 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

FLORIDAPOWER & 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

Third Revised Sheet No. 9.042
Cancels Second Revised Sheet No. 9.042

(Continued from Sheet No. 9.041)

ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED; PROVIDED, HOWEVER, THE PARTIES AGREE THAT THE FOREGOING LIMITATIONS WILL NOT IN ANY WAY LIMIT LIABILITY OR DAMAGES UNDER ANY THIRD PARTY CLAIMS OR THE LIABILITY OF A PARTY WHOSE ACTIONS GIVING RISE TO SUCH LIABILITY CONSTITUTE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS CONTRACT. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE DEEMED TO BE A WAIVER OF A PARTY'S RIGHT TO SEEK INJUNCTIVE RELIEF.

15. Insurance

15.1 The QS shall procure or cause to be procured, and shall maintain throughout the entire term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable to FPL on a standard "Insurance Services Office" commercial general liability form (such policy or policies, collectively, the "QS Insurance"). A certificate of insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QS Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract and the Interconnection Agreement, or (ii) caused by operation of the Facility or any of the QS's equipment or by the QS's failure to maintain the Facility or the QS's equipment in satisfactory and safe operating condition. Effective at least fifteen (15) calendar days prior to the synchronization of the Facility with FPL's system, the QS Insurance shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards. Without limiting the foregoing, the QS Insurance must be reasonably acceptable to FPL. Any premium assessment or deductible shall be for the account of the QS and not FPL.

15.2 The QS Insurance shall have a minimum limit of one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) combined aggregate limit, for bodily injury (including death) or property damage.

15.3 In the event that such insurance becomes totally unavailable or procurement thereof becomes commercially impracticable, such unavailability shall not constitute an Event of Default under this Contract, but FPL and the QS shall enter into negotiations to develop substitute protection which the Parties in their reasonable judgment deem adequate.

15.4 To the extent that the QS Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the effective date of this Contract or such other date as may be agreed upon to protect the interests of the FPL Entities and the QS Entities. Furthermore, to the extent the QS Insurance is on a "claims made" basis, the QS's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QS Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QS during the term of this Contract.

15.5 The QS Insurance shall provide that it may not be cancelled or materially altered without at least thirty (30) calendar days' written notice to FPL. The QS shall provide FPL with a copy of any material communication or notice related to the QS Insurance within ten (10) business days of the QS's receipt or issuance thereof.

15.6 The QS shall be designated as the named insured and FPL shall be designated as an additional named insured under the QS Insurance. The QS Insurance shall be endorsed to be primary to any coverage maintained by FPL.

16. Force Majeure

Force Majeure is defined as an event or circumstance that is not within the reasonable control of, or the result of the negligence of, the affected party, and which, by the exercise of due diligence, the affected party is unable to overcome, avoid, or cause to be avoided in a commercially reasonable manner. Such events or circumstances may include, but are not limited to, acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes, difficulties (not caused by the failure of the affected party to comply with the terms of a collective bargaining agreement), or actions or restraints by court order or governmental authority or arbitration award. Force Majeure shall not include (a) the QS's ability to sell capacity and energy to another market at a more advantageous price; (b) equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility; (c) a failure of performance of any other entity, including any entity providing electric transmission service to the QS, except to the extent that such failure was caused by an event that would otherwise qualify as a Force Majeure event; (d) failure of the QS to timely apply for or obtain permits.

(Continued on Sheet No. 9.043)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: June 7, 2022

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

Fourth Revised Sheet No. 9.045
Cancels Third 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 area the Facility is located, pursuant to which the QS assumes contractual responsibility to make any and all transmission-related arrangements (including control area services) between the QS and the transmitting utility for delivery of the Facility's capacity and energy to FPL.

17.8 Technology and Generator Capabilities

That for the term of this Contract the Technology and Generator Capabilities table set forth in Section 1 is accurate and complete.

18. General Provisions

18.1 Project Viability

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

18.2 Permits; Site Control

The QS hereby agrees to obtain and maintain Permits which the QS is required to obtain as a prerequisite to engaging in the activities specified in this Contract. QS shall also obtain and maintain Site Control for the Term of the Contract.

18.3 Project Management

18.3.1 If requested by FPL, the QS shall submit to FPL its integrated project schedule for FPL's review within sixty calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least sixty calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. If requested by FPL, the QS shall submit progress reports in a form satisfactory to FPL every calendar month until the Capacity Delivery Date and shall notify FPL of any changes in such schedules within ten calendar days after such changes are determined. FPL shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. FPL's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

18.3.2 The QS shall provide FPL with the final designer's/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: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Second Revised Sheet No. 9.046
Cancels First Sheet No. 9.046

(Continued from Sheet No. 9.045)

18.6 Notification

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

For the QS:

For FPL:
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Attn: EMT Contracts Department

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. EST on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. EST to 4:45 p.m. EST) to the visitors' entrance at the address below:

Florida Power & Light Company
700 Universe Boulevard, Juno Beach, FL 33408
Attention: Contracts Manager/Coordinator
EMT Contracts Department

18.7 Applicable Law

This Contract shall be construed in accordance with and governed by, and the rights of the Parties shall be construed in accordance with, the laws of the State of Florida as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies, without regard to conflict of law rules thereof.

18.8 Venue

The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Florida or, in the event that jurisdiction for any matter cannot be established in the United States District Court for the Southern District of Florida, in the state court for Palm Beach County, Florida, solely in respect of the interpretation and enforcement of the provisions of this Contract and of the documents referred to in this Contract, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 18.8 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(Continued on Sheet No. 9.047)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDAPOW& 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:

Date _____ (QS)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: July 29, 2008

FLORIDA POWER & LIGHT COMPANY

Seventh Revised Sheet No. 10.300
Cancels Sixth Revised Sheet No. 10.300

RATE SCHEDULE QS-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A RENEWABLE ENERGY FACILITY
OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS

SCHEDULE

QS-2, Firm Capacity and Energy

AVAILABLE

The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Renewable Energy Facility specified in Section 366.91, Florida Statutes or by a Qualifying Facility with a design capacity of 100 KW or less as specified in FPSC Rule 25-17-0832(4) and which is either directly or indirectly interconnected with the Company. Both of these types of facilities shall also be referred to herein as Qualified Seller or "QS".

The Company will petition the FPSC for closure upon any of the following as related to the generating unit upon which this standard offer contract is based i.e. the Avoided Unit : (a) a request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued, (b) the Company files a petition for a need determination or commences construction of the Avoided Unit when the generating unit is not subject to Rule 25-22.082, F.A.C., or (c) the generating unit upon which the standard offer contract is based is no longer part of the utility's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent Ten Year Site Plan.

APPLICABLE

To Renewable Energy Facilities as specified in Section 366.91, Florida Statutes producing capacity and energy from qualified renewable resources for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Renewable Capacity and Renewable Energy are capacity and energy produced and sold by a QS pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

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

CHARACTER OF SERVICE

Purchases within the areas served by the Company shall be, at the option of the Company, single or three phase, 60 hertz alternating current at any available standard Company voltage. Purchases from outside the areas served by the Company shall be three phase, 60 hertz alternating current at the voltage level available at the interchange point between the Company and the entity delivering the Firm Energy and Capacity from the QS.

LIMITATION

Purchases under this schedule are subject to Section 366.91, Florida Statutes and/or FPSC Rules 25-17.0832 through 25-17.091, F.A.C., and 25-17.200 through 25-17.310 F.A.C and are limited to those Facilities which:

- A. Commit to commence deliveries of firm capacity and energy no later than the in-service date of the Avoided Unit, as detailed in Appendix II, and to continue such deliveries for a period of at least 10 years up to a maximum of the life of the avoided unit;
- B. Are not currently under contract with the Company or with any other entity for the Facility's output for the period specified above

(Continued on Sheet No. 10.301)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Seventh Revised Sheet No. 10.301
Cancels Sixth Revised Sheet No. 10.301

(Continued from Sheet No. 10.300)

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company, and is detailed in Appendix II to this Schedule. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond the in-service date of the Avoided Unit. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QS will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie lines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a single year purchase with an in-service date of the Avoided Unit, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

(Continued on Sheet No. 10.302)

Issued by: S.E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Sixth Revised Sheet No. 10.303
Cancels Fifth Revised Sheet No. 10.303

(Continued from Sheet No. 10.302)

B. Energy Rates**(1) Payments Associated with As-Available Energy Costs prior to the In-Service Date of the Avoided Unit.**

Options A or B are available for payment of energy which is produced by the QS and delivered to the Company prior to the in-service date of the Avoided Unit. The QS shall indicate its selection in Appendix E. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company.

Option A – Energy Payments based on Actual Energy Costs

The energy rate, in cents per kilowatt-hour ($\text{\$/KWh}$), 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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: June 25, 2013

FLORIDA POWER & LIGHT COMPANY

**Eighth Revised Sheet No. 10.304
Cancels Seventh Revised Sheet No. 10.304**

(Continued from Sheet No. 10.303)

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QS to FPL, the firm energy rate in cents per kilowatt hour (¢/KWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, 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

**Seventh Revised Sheet No. 10.305
Cancels Sixth Revised Sheet No. 10.305**

(Continued from Sheet No. 10.304)

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to a QS within the Company's service area shall be adjusted according to the delivery voltage by the multipliers provided in the COG-1.

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the QS's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit, as detailed in Appendix II.

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

A QS within the areas served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from a QS outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Renewable Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon EST to 9:00 p.m. EST excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. EST to 10:00 a.m. EST and 6:00 p.m. EST to 10:00 p.m. EST prevailing Eastern time excluding Thanksgiving Day, Christmas Day, and New Years Day. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

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

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

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

A statement covering the charges and payments due the QS is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

(Continued on Sheet No. 10.306)

**Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022**

FLORIDA POWER & LIGHT COMPANY

Eighth Revised Sheet No. 10.306
Cancels Seventh Revised Sheet No. 10.306

(Continued from Sheet No. 10.305)

CHARGES TO ENERGY FACILITY

The QS shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Base Charges:

Monthly base charges for meter reading, billing and other applicable administrative costs as per applicable Customer Rate Schedule.

B. Interconnection Charge for Non-Variable Utility Expenses

The QS shall bear the cost required for interconnection, including the metering. The QS shall have the option of (i) payment in full for the interconnection costs including the time value of money during the construction of the interconnection facilities and providing a Bond, Letter of Credit or comparable assurance of payment acceptable to the Company adequate to cover the interconnection cost estimates, (ii) payment of monthly invoices from the Company for actual costs progressively incurred by the Company in installing the interconnection facilities, or (iii) upon a showing of credit worthiness, making equal monthly installment payments over a period no longer than thirty-six (36) months toward the full cost of interconnection. In the latter case, the Company shall assess interest at the rate then prevailing for thirty (30) day highest grade commercial paper, such rate to be specified by the Company thirty (30) days prior to the date of each installment payment by the QS.

C. Interconnection Charge for Variable Utility Expenses

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

In lieu of payment for actual charges, the QS may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities as provided in COG-1.

D. Taxes and Assessments

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

(Continued on Sheet No. 10.307)

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.307

(Continued from Sheet No. 10.306)

TERMS OF SERVICE

- (1) It shall be the QS's responsibility to inform the Company of any change in its electric generation capability.
- (2) Any electric service delivered by the Company to a QS located in the Company's service area shall be subject to the following terms and conditions:
 - (a) A QS shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.
 - (b) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - (i) In the first year of operation, the security deposit should be based upon the singular month in which the QS's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the QS. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.
 - (ii) For each year thereafter, a review of the actual sales and purchases between the QS and the Company will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QS exceed the actual sales to the Company in that month.
 - (c) The Company shall specify the point of interconnection and voltage level.
 - (d) The QS must enter into an interconnection agreement with the Company which will, among other things, specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the QS or its interconnection to the Company's facilities may require modifications to this Interconnection Agreement or the safety and reliability standards contained therein.
- (3) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

- (1) Special contracts deviating from the above standard rate schedule are allowable provided the Company agrees to them and they are approved by the Florida Public Service Commission.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

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

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

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

$$A_m = A_c \frac{(1+i_p)^{(m-1)}}{12} + A_o \frac{(1+i_o)^{(m-1)}}{12} \quad \text{for } m = 1 \text{ to } t$$

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 = $F / (1 - R) / (1 - R^t) / J$

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 = $G / (1 - R) / (1 - R^t) / J$

Where:

- G = The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s).
- R = $(1 + i_o) / (1 + r)$

The currently approved parameters applicable to the formulas above are found in Appendix II.

(Continued on Sheet No. 10.310)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

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.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

~~Eighteenth~~ ~~Nineteenth~~ Revised Sheet No. 10.311
Cancels ~~Eighteenth~~ ~~Seventeenth~~ Revised Sheet No. 10.311

APPENDIX II
TO RATE SCHEDULE QS-2
~~2033~~ ~~2034~~ AVOIDED UNIT INFORMATION

The Company's Avoided Unit has been determined to be a 1,991 MW Combined Cycle Unit with an in-service date of June 1, ~~2033~~ ~~2034~~ and a contract heat rate of ~~6,003~~ ~~6,008~~ 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
2024 2025	\$ -	\$ -	\$ -	\$ -
2025 2026	\$ -	\$ -	\$ -	\$ -
2026 2027	\$ -	\$ -	\$ -	\$ -
2027 2028	\$ -	\$ -	\$ -	\$ -
2028 2029	\$ -	\$ -	\$ -	\$ -
2029 2030	\$ -	\$ 4,635.08	\$ -	\$ 5,185.68
2030 2031	\$ -	\$ 4,735.19	\$ -	\$ 5,185.68
2031 2032	\$ -	\$ 4,825.30	\$ -	\$ 5,185.68
2032 2033	\$ -	\$ 4,925.41	\$ -	\$ 5,185.68
2033 2034	\$ 7,988.79	\$ 5,035.52	\$ 8,659.53	\$ 5,185.68
2034 2035	\$ 8,148.97	\$ 5,135.63	\$ 8,659.53	\$ 5,185.68
2035 2036	\$ 8,319.16	\$ 5,245.75	\$ 8,659.53	\$ 5,185.68
2036 2037	\$ 8,489.35	\$ 5,355.87	\$ 8,659.53	\$ 5,185.68
2037 2038	\$ 8,669.54	\$ 5,465.99	\$ 8,659.53	\$ 5,185.68
2038 2039	\$ 8,849.74	\$ 5,576.12	\$ 8,659.53	\$ 5,185.68
2039 2040	\$ 9,029.94	\$ 5,686.25	\$ 8,659.53	\$ 5,185.68
2040 2041	\$ 9,210.15	\$ 5,846.38	\$ 8,659.53	\$ 5,185.68
2041 2042	\$ 9,410.36	\$ 5,936.51	\$ 8,659.53	\$ 5,185.68
2042 2043	\$ 9,6010.58	\$ 6,056.64	\$ 8,659.53	\$ 5,185.68
2044	\$ 10.80	\$ 6.78	\$ 9.53	\$ 5.68

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes, the most recent estimated incremental avoided energy costs for the next ten years will be provided within thirty (30) days of written request.

ESTIMATED UNIT FUEL COSTS (\$/MMBtu):

The most recent estimated unit fuel costs for the Company's avoided unit will be provided within thirty (30) days of written request.

Issued by: Tiffany Cohen, ~~Executive Director, Rate Development & Strategy~~ VP Financial Planning and Rate Strategy
Effective: ~~June 13, 2023~~

FLORIDA POWER & LIGHT COMPANY

~~Eleventh-Twelfth~~ Revised Sheet No.10.311.1
Cancels ~~Eleventh-Tenth~~ Revised Sheet No. 10.311.1

~~2033-2034~~ AVOIDED UNIT FIXED VALUE OF DEFERRAL PAYMENTS

Where, for a one-year deferral:

	Value
VAC_m = Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$7,976,48,786.5
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;	1,447,1,432.0
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;	\$941,691,026.36
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;	\$15,401,720
i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	8,008,14%
L = expected life of the Company's Avoided Unit;	50
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.	2033,2034

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

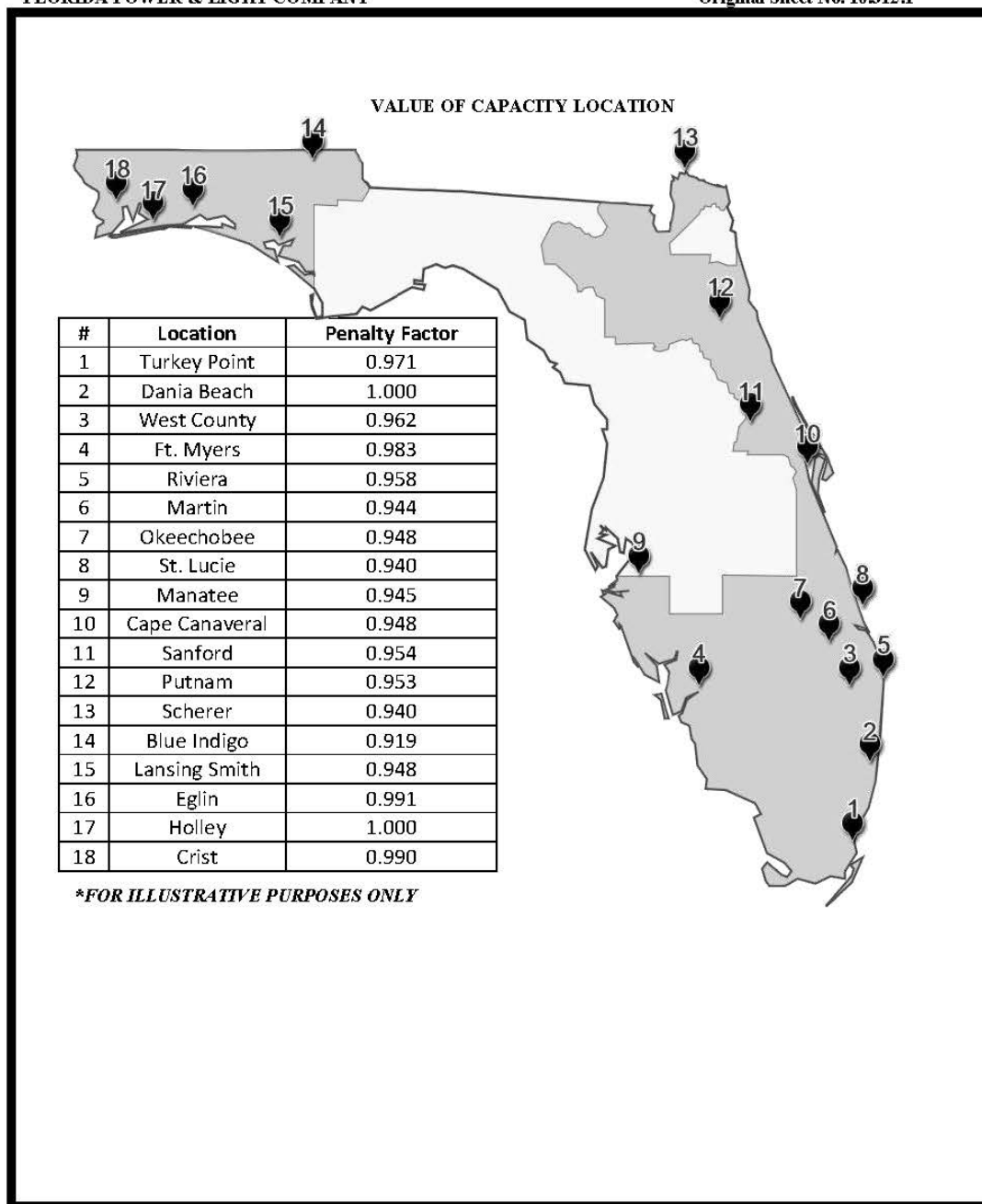
A_m = monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
n = year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence any time after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$582,796,36.01
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	8,008,14%
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.	\$113,991,26.44

*From Appendix E

Issued by: Tiffany Cohen, ~~Executive Director, Rate Development & Strategy~~ VP Financial Planning and Rate Strategy
Effective: ~~June 13, 2023~~

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.312.1



Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: January 1, 2022

FLORIDA POWER & LIGHT COMPANY

Second Revised Sheet No. 10.313
Cancels First Revised Sheet No. 10.313

APPENDIX B
TO THE STANDARD OFFER CONTRACT
FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY
FROM RENEWABLE ENERGY FACILITIES
OR QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS PAY
FOR PERFORMANCE PROVISIONS MONTHLY CAPACITY PAYMENT CALCULATION

1. Monthly Capacity Payments (MCP) for each Monthly Billing Period shall be computed according to the following:
 - A. In the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than 80%, then no Monthly Capacity Payment shall be due. That is:

$$MCP = 0$$
 - B. In the event that the ACBF is equal to or greater than 80% but less than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = BCP \times [1 + 4 \times (ACBF - 94\%)] \times CC$$
 - 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.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: August 27, 2015

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.314

APPENDIX C
TO THE STANDARD OFFER CONTRACT
TERMINATION FEE

The Termination Fee shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be), computed according to the following formula:

Termination Fee = Termination Fee applicable to Capacity Payment Option plus Termination Fee applicable to Fixed Firm Energy Option

Termination Fee applicable to Capacity Payment Options B, C, D and E

$$\sum_{i=1}^n (MCP_i - MCPC_i) \times t^{(n-i)}$$

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 94%, then the Reduction Value shall be determined as follows:

$$\text{Reduction Value} = \text{Initial Reduction Value} \times [0.04 \times (\text{ACBF} - 94\%)]$$

For the applicable Monthly Billing Period, the Termination Fee shall be reduced by the amount of such Reduction Value.

In no event shall FPL be liable to the QS at any time for any amount by which the Capacity Payment Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

Termination Fee applicable to the Fixed Firm Energy Payment Option D

Prior to in-service date of avoided unit:

The Termination Fee for the Fixed Firm Energy Option shall be equal to the cumulative sum of the Fixed Firm Energy Payments made to the QS pursuant to Option D, starting with the in-service date of the QS facility, for each billing cycle. Such number shall reach the maximum amount on the billing cycle immediately preceding the billing cycle associated with the in-service date of the Avoided Unit.

After in-service date of avoided unit:

The Termination Fee shall be decreased each billing cycle following the in-service date of the avoided unit by an amount equal to the difference between the projected Fixed Energy Cost that was used in the calculation to determine the base energy cost to be fixed and amortized pursuant to Option D for such billing cycle and the amortized Fixed Firm Energy Payment in cents/KWH times the energy delivered by the QS not to exceed the MWH block specified in Appendix E.

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: June 9, 2020

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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.316

(Continued from Sheet No. 10.315)

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (e.g., Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.
- Provide annual fuel requirements (AFR) necessary to support the requirements pursuant to Section 366.91, Florida Statutes, and the planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel supply arrangements in place to meet the 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
owned =	fuel is from a fully developed source owned by one or more of the project participants
contract =	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI =	a letter of intent for the fuel supply exists between developer(s) and fuel supplier(s)
REF =	renewable energy facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none =	no firm fuel supply arrangement currently in place
other =	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.
- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Energy Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.
- Provide annual fuel transportation requirements (AFTR) necessary to support planned levels of generation and list the assumptions used to determine these quantities.
- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Energy Facility. Use the categories below to describe the current arrangement for securing the AFTR.

owned =	fuel transport via a fully developed system owned by one or more of the project participants
contract =	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI =	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
Spot =	fuel transportation will be purchased on the spot market
none =	no firm fuel transportation arrangement currently in place
other =	fuel transportation arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the transportation price mechanism of the arrangement.
- Provide the maximum, minimum, and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.

(Continued on Sheet No. 10.317)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

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)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.318

(Continued from Sheet No. 10.317)

VII. FINANCIAL

- Provide FPL with assurances that the proposed QS project is financially viable consistent with FPSC Rule 25-17.0832(4) (c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.
 - ♦ Annual Project Revenues
 - Capacity Payments (\$ and \$/KW/Mo)
 - Variable O&M (\$ and \$/MWh)
 - Energy (\$ and \$/MWh)
 - Steam Revenues (\$ and %/lb.)
 - Tipping Fees (\$ and \$/ton)
 - Interest Income
 - Other Revenues
 - Variable O&M Escalation (%/yr)
 - Energy Escalation (%/yr)
 - Steam Escalation (%/yr)
 - Tipping Fee Escalation (%/yr)
 - ♦ Annual Project Expenses
 - Fixed O&M (\$ and \$/KW/Mo)
 - Variable O&M (\$ and \$/MWh)
 - Energy (\$ and \$/MWh)
 - Property Taxes (\$)
 - Insurance (\$)
 - Emission Compliance (\$ and \$/MWh)
 - Depreciation (\$ and %/yr)
 - Other Expenses (\$)
 - Fixed O&M Escalation (%/yr)
 - Variable O&M Escalation (%/yr)
 - Energy Escalation (%/yr)
 - ♦ Other Project Information
 - Installed Cost of the Energy Facility (\$ and \$/KW)
 - Committed Capacity (KW)
 - Average Heat Rate - HHV (MBTU/KWh)
 - Federal Income Tax Rate (%)
 - Facility Capacity Factor (%)
 - Energy Sold to FPL (MWH)
 - ♦ Permanent Financing
 - Permanent Financing Term (yrs)
 - Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt, and equity)
 - Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt, and equity)
 - Annual Interest Expense
 - Annual Debt Service (\$)
 - Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)
- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.
- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: May 22, 2007

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 10.319

**APPENDIX E
TO THE STANDARD OFFER CONTRACT
CONTRACT OPTIONS TO BE SELECTED BY QS**

Term of Contract

Execution date _____
Termination date _____

Firm Capacity Rates

Commencement date for deliveries of Firm Energy and Capacity _____

Capacity Payment Option Selected (from available Options A through E)
If Option E is selected proposed payment stream:

Schedule of Capacity Payments to be provided by the Company based on applicable parameters follows:

<u>Year</u>	<u>\$/KW/Month</u>
-------------	--------------------

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):

<u>Year</u>	<u>Projected Fixed Energy Cost (in Cents/KWH or in Dollars)</u>
-------------	---

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 19

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Wooten, Ellis, King) *TB*
Division of Accounting and Finance (Norris, Sowards, Veaghna) *ALM*
Division of Economics (Bruce, Hudson) *CP*
Office of the General Counsel (Stiller, Crawford) *JSC*

RE: Docket No. 20220142-WS – Application for transfer of water and wastewater facilities and Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, in Polk County.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action for Issues 2, 3 and 4 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Grenelefe Resort Utility, Inc. (Grenelefe, Utility, or Seller) is a Class B water and wastewater utility operating in Polk County. Grenelefe provides service to approximately 1,608 water customers and 1,357 wastewater customers. The Utility is in the St. Johns River Water Management District (SJRWMD). In its 2023 Annual Report, Grenelefe reported a net operating loss of \$184,215 for water, and \$233,950 for wastewater. The Utility's last rate case was in 2011.¹

¹Order No. PSC-12-0433-PAA-WS, issued October 21, 2012, in Docket No. 20110141-WS, *In re: Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.*

In 1997, the Florida Public Service Commission (Commission) issued original water and wastewater Certificate Nos. 589-W and 507-S to Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities.² In 2005, the Commission granted a transfer of the Utility to Grenelefe Resort Utility, Inc. from the previous owner.³

On August 9, 2022, Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC filed a joint application with the Commission for the transfer of Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC and Grenelefe Resort Utilities Development, LLC. This initial joint application would have NC Real Estate Projects, LLC acquire all assets from the Seller and serve as the Buyer of the utility. NC Real Estate Projects would then lease all utility assets and real estate to Grenelefe Resort Utilities Development, LLC for 7 months. After this 7 month period, NC Real Estate Projects, LLC would ultimately transfer both the utility assets and land to Grenelefe Resort Utilities Development, LLC, who would then serve as the utility owner and operator going forward.

On October 10, 2023, Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC d/b/a Grenelefe Utility (NC Real Estate Projects or Buyer) filed an amended joint application. This amended joint application supersedes the initial joint application, and proposes to transfer the certificates from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, with no intervening lease period. The amended application was found to be deficient. The Buyer cured all deficiencies on March 14, 2024. The sale of the Utility closed on May 31, 2022. Intervention by the Office of Public Counsel (OPC) was acknowledged on February 21, 2024.⁴

This recommendation addresses the transfer of the water and wastewater systems and Certificate Nos. 589-W and 507-S, the appropriate net book value of the water and wastewater systems for transfer purposes, and the request for a new meter installation fee. The Commission has jurisdiction pursuant to Sections 367.071 and 367.081, Florida Statutes (F.S.).

²Order No. PSC-97-1546-FOF-WS, issued December 9, 1997, in Docket No. 961006-WS, *In re: Application for certificates under grandfather rights to provide water and wastewater service by Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County*.

³Order No. PSC-05-0142-PAA-WS, issued February 7, 2005, in Docket No. 030123-WS, *In re: Application for transfer of majority organizational control of Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County and for name change on Certificate Nos. 589-W and 507-S to Grenelefe Resort Utility, Inc.*

⁴Order No. PSC-2022-0128-PCO-WS, issued February 21, 2024, in Docket No. 20220142-WS, *In re: Application for transfer of water and wastewater facilities and Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, in Polk County*.

Discussion of Issues

Issue 1: Should the transfer of Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility, in Polk County be approved?

Recommendation: Yes. The transfer of the water and wastewater systems and Certificate Nos. 589-W and 507-S is in the public interest, and should be approved effective the date of the Commission's vote. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Seller is current, with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2023. The Buyer should be responsible for filing annual reports and paying RAFs for all future years. (Wooten, Sowards, Bruce)

Staff Analysis: On October 10, 2023, Grenelefe Resort Utility, Inc. and NC Real Estate Projects, LLC d/b/a Grenelefe Utility filed a joint application for the transfer of Certificate Nos. 589-W and 507-S from Grenelefe Resort Utility, Inc. to NC Real Estate Projects, LLC d/b/a Grenelefe Utility. Staff reviewed the application and determined that it is in compliance with Section 367.071, F.S., and Commission Rules concerning applications for transfer of certificates.

Noticing, Territory, and Land Ownership

NC Real Estate Projects provided notice of the application, pursuant to Section 367.071, F.S., and Rule 25-30.030, Florida Administrative Code (F.A.C.). No formal objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the service territory, which is appended to this recommendation as Attachment A. In its application, NC Real Estate Projects provided a copy of a special warranty deed as evidence that the Buyer has the rights to long-term use of the land upon which the treatment facilities are located, pursuant to Rule 25-30.037(2)(s), 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 guaranteed revenue contracts, or customer advances of Grenelefe Resort Utility, Inc. that must be disposed of with regard to the transfer. NC Real Estate Projects has reviewed all leases and developer agreements and assumed those agreements. Staff has reviewed the purchase and sale agreement, which stated that the total purchase price for the assets is \$2,500,000. Furthermore, staff's review of the purchase and sale agreement confirmed that the closing took place on May 31, 2022, but is dependent on Commission approval of the transfer, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

The water system includes a water treatment plant and two wells. The water is chlorinated for disinfection, and polyphosphate is added for lead and copper corrosion control. The two wells have capacities of 1,500 gallons per minute each. The water distribution system extends throughout the service area. NC Real Estate Projects provided a copy of the Utility's current consumptive use permit from the SJRWMD.

Date: June 6, 2024

The wastewater treatment plant (WWTP) is an extended aeration activated sludge plant with a design capacity of 680,000 gallons per day (gpd). The plant is permitted by the Florida Department of Environmental Protection (DEP) to operate at 340,000 gpd, based on the three-month rolling average daily flow. The treatment plant consists of: ten aeration basins, four clarifiers, seven deep bed automatic backwash filters, three pre-filter chlorine contact chambers, one post chlorine contact chamber, one effluent pump wetwell, and three digesters. Additionally, there are three lift stations in the service territory.

In its March 15, 2023 inspection report to the Utility, DEP stated that based on the information provided during and following the inspection, the facility was determined to be in compliance with its rules and regulations. Staff reviewed the most recent DEP sanitary survey, issued on May 10, 2023, which identified six issues that were corrected. Staff also reviewed the results from the DEP October 4, 2023 water quality tests, including the secondary water quality test. All results were below the DEP's maximum contaminant levels for each primary or secondary contaminant.

Staff reviewed the most recent DEP compliance evaluation inspections (CEI) for the WWTP. The December 6, 2022 CEI identified the following issues: only three of the four monitoring wells could be located, the facility lacked procedures for minimizing spills, and the facilities' three lift stations lacked functioning alarms. All deficiencies were corrected, and the WWTP is currently in compliance with the DEP.

Technical and Financial Ability

Pursuant to Rule 25-30.037(2)(l), F.A.C., the application contains statements describing the financial ability of the Buyer to provide service to the proposed service area. As referenced in the transfer application, the Buyer will fulfill the commitments, obligations, and representations of the Seller, with regards to utility matters. The Utility stated that NC Real Estate Projects was created for the purpose of owning and operating the Utility after the transfer, and as such no financial statements exist. In the Utility's amended application, the owner of NC Real Estate Projects, Mr. Fredrick Scott House, provided personal financial statements, as well as an affidavit stating his ability and intent to meet all reasonable capital needs arising from the operation of the Utility. Staff has reviewed Mr. House's personal financial statements, and believes the Buyer has documented adequate resources to support the Utility's water and wastewater operations.

Pursuant to Rule 25-30.037(2)(m), F.A.C., the application contains statements describing the technical ability of the Buyer to provide service to the proposed service area. NC Real Estate Projects' application states that while it does not own any other water or wastewater systems in Florida, the Buyer's sister company has acquired the housing development served by the Utility, which incentivizes the Buyer to continue the proper maintenance and operation of the Utility. Furthermore, the Buyer plans to use the same operations personnel employed by the Seller to provide routine operation and maintenance of the systems, as well as to handle billing and customer service. As the operations personnel have experience with the Utility's facilities, it is reasonable for the Buyer to retain those employees. Based on the above, the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Date: June 6, 2024

Rates, Charges, and Initial Customer Deposits

The Utility's rates, charges, and initial customer deposits were last approved in a 2012 staff-assisted rate case.⁵ The Utility's service availability charges were approved in 1996 in a grandfather certificate.⁶ The Utility's rates were subsequently amended by three price index rate adjustments. 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. In regard to the Utility's existing miscellaneous service charges, the late payment charge and non-sufficient funds charges are appropriate. However, the remaining Utility's miscellaneous service charges do not conform to Rule 25-30.460, F.A.C., and are discussed in Issue 3.

NC Real Estate Projects requested to increase its meter installation charges for the 5/8 inch x 3/4 inch meter size, which is discussed in Issue 4. The meter installation charge for meter sizes larger than the 5/8 inch x 3/4 inch would remain the same. Therefore, staff recommends that the Utility's existing rates and initial customer deposits for water and wastewater, as shown on Schedule Nos. 1-A and 1-B, remain in effect until a change is authorized by this Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C.

Regulatory Assessment Fees and Annual Report

Staff has verified the Utility is current on the filing of annual reports and RAFs through December 31, 2023. The Buyer will be responsible for filing the annual reports and paying RAFs for 2024 and all future years.

Conclusion

Based on the foregoing, staff recommends that the transfer of the water and wastewater systems and Certificate Nos. 589-W and 507-S is in the public interest, and should be approved effective the date of the Commission's vote. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Seller is current, with respect to annual reports and regulatory assessment fees (RAFs), through December 31, 2023. The Buyer should be responsible for filing annual reports and paying RAFs for all future years.

⁵Order No. PSC-12-0433-PAA-WS, in Docket No. 110141-WS, *in re: Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.*

⁶Order No. PSC-97-1546-FOF-WS, in Docket No. 961006-WS, *in re: Application for certificates under grandfather rights to provide water and wastewater service by sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County.*

Date: June 6, 2024

Issue 2: What is the appropriate net book value for NC Real Estate Projects, LLC d/b/a Grenelefe Utility water and wastewater systems for transfer purposes?

Recommendation: The net book values (NBV) of the water and wastewater systems for transfer purposes are \$65,267 and \$59,677, respectively, as of May 31, 2022. An acquisition adjustment should not be included in rate base. Within 90 days of the date of the final order, Grenelefe should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission decision and the adjustment should be reflected in the Utility's 2024 Annual Report when filed. (Veaghn)

Staff Analysis: Rate base was last established for the Utility as of March 31, 2011. 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 May 31, 2022. Staff's recommended NBV, as described below, is shown on Schedule No 2.

Utility Plant in Service (UPIS)

The Utility's general ledger reflected water and wastewater UPIS balances of \$3,141,633 and \$3,312,204, respectively, as of May 31, 2022. Audit staff reviewed UPIS additions since the last rate case proceeding and found that the Utility was unable to provide invoices for any additions prior to 2016. Additionally, the Utility was unable to provide several invoices from 2016 to May 31, 2022. Consequently, audit staff determined that UPIS was overstated by \$76,800 for water and \$252,709 for wastewater, as of May 31, 2022. As such, staff recommends a UPIS balance of \$3,064,833 for water and \$3,059,495 for wastewater, as of May 31, 2022.

Land

The Utility's general ledger reflected a land balance of \$7,000 for water, and \$49,400 for wastewater, as of May 31, 2022. In Order No. PSC-12-0433-PAA-WS, the Commission established the value of the land to be \$3,000 for water and \$49,400 for wastewater.⁷ There have been no additions to land purchased since the Order was issued. As a result, land for water should be reduced by \$4,000. Therefore, staff recommends land balances of \$3,000 for water and \$49,400 for wastewater as of May 31, 2022.

Accumulated Depreciation

The Utility's general ledger reflected water and wastewater accumulated depreciation balances of \$2,733,497 and \$3,024,931, respectively, as of May 31, 2022. Audit staff recalculated accumulated depreciation using the audited UPIS plant balances and the depreciation rates established by Rule 25-30.140(2), F.A.C. Audit staff determined accumulated depreciation to be overstated by \$62,890 and \$286,980 for water and wastewater, respectively. The difference is the result of adjustments made to UPIS explained above. As a result, accumulated depreciation should be decreased by \$62,890 for water and \$286,980 for wastewater, as of May 31, 2022. As such, staff recommends the appropriate accumulated depreciation balance is \$2,670,608 for water and \$2,737,951 for wastewater.

⁷Order No. PSC-12-0433-PAA-WS, issued August 21, 2012, in Docket No. 110141-WS, *In re: Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.*

Date: June 6, 2024

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As of May 31, 2022, the Utility's general ledger reflected water and wastewater CIAC balances of \$2,302,685 and \$1,051,361, respectively, and accumulated amortization of CIAC balances of \$2,063,146 and \$808,785, respectively. Audit staff decreased water and wastewater accumulated amortization of CIAC by \$92,419 and \$68,691, respectively, to reflect Commission-ordered adjustments prescribed in Order No. PSC-2012-0433-PAA-WS. Staff also notes that adjustments were made due to differences in the composite rate used by the Utility and staff. Staff's composite rate was based on the adjusted UPIS balances, as discussed above. Therefore, staff recommends CIAC balances of \$2,302,685 for water and \$1,051,361 for wastewater and accumulated amortization of CIAC balances of \$1,970,727 for water and \$740,094 for wastewater as of May 31, 2022.

Net Book Value

The Utility's general ledger reflected a NBV of \$175,597 for water and \$94,097 for wastewater. Based on the adjustments above, staff recommends that the NBV for the Utility's water and wastewater systems are \$65,267 and \$59,677, respectively, as of May 31, 2022. Staff's recommended NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balance for UPIS and accumulated depreciation as of May 31, 2022 are shown on Schedule No. 2.

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 \$2.5 million. As shown on Schedule No. 2, staff has determined the appropriate NBV total to be \$124,944 (\$65,267 + \$59,677). 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 unless there is proof of extraordinary circumstances. The Buyer did not request a positive acquisition adjustment, and there are no extraordinary circumstances. As such, staff recommends that no acquisition adjustment be included.

Conclusion

Based on the above, staff recommends that the NBVs of NC Real Estate Projects, LLC d/b/a Grenelefe Utility's water and wastewater systems for transfer purposes are \$65,267 and \$59,677, respectively, as of May 31, 2022. No acquisition adjustment should be included in rate base. Within 90 days of the date of the final order, the Buyer 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 NC Real Estate Projects, LLC d/b/a Grenelefe Utility's 2024 Annual Report when filed.

Issue 3: Should NC Real Estate Projects, LLC d/b/a Grenelefe Utility's miscellaneous service charges be revised to conform to amended Rule 25-30.460, F.A.C.?

Recommendation: Yes. Staff recommends the miscellaneous service charges should be revised to conform to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. The Buyer should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Buyer should provide proof of the date notice was given, no less than 10 days after the date of the notice. The utility should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

Staff Analysis: NC Real Estate Projects did not request to revise the miscellaneous charges; however, the charges do not conform to Rule 25-30.460, F.A.C. The Utility's current miscellaneous service charges are shown below in Table 3-1.

Table 3-1
Utility's Existing Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$21.00	\$42.00
Normal Reconnection Charge	\$21.00	\$42.00
Violation Reconnection Charge - Water	\$21.00	\$42.00
Violation Reconnection Charge - Wastewater	Actual Cost	Actual Cost
Premises Visit Charge	\$21.00	\$42.00

The rule does not allow for initial connection and normal reconnection charges. These charges are the same as the premises visit charge. Therefore, the current initial connection and normal reconnection charges are obsolete and inconsistent with the rule and should be removed. Staff also recommends that the definition for the premises visit charge be updated to comply with Rule 25-30.460, F.A.C. Staff's recommended miscellaneous service charges are shown below in Table 3-2.

Table 3-2
Staff's Recommended Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Violation Reconnection Charge - Water	\$21.00	\$42.00
Violation Reconnection Charge - Wastewater	Actual Cost	Actual Cost
Premises Visit Charge	\$21.00	\$42.00

Date: June 6, 2024

Conclusion

Based on the above, the miscellaneous service charges should be revised to conform to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. NC Real Estate Projects should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. NC Real Estate Projects should provide proof of the date notice was given, no less than 10 days after the date of the notice. The Utility should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding.

Date: June 6, 2024

Issue 4: Should the Commission approve a new meter installation fee for NC Real Estate Projects, LLC d/b/a Grenelefe Utility?

Recommendation: Yes. NC Real Estate Projects' requested meter installation charge of \$600 for the 5/8 inch x 3/4 inch meter size should be approved. The Buyer should file a tariff sheet and a proposed customer notice. The Buyer should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until this Order becomes final. The approved charge should be effective for connections made on or after the stamped approval date on the tariff sheet. The Utility should provide proof of the date notice was given within 10 days of the date of notice. (Bruce)

Staff Analysis: Currently, the Utility has a meter installation charge of \$65 for the 5/8 inch x 3/4 inch meter size and actual cost for all other meter sizes. The Buyer requested a meter installation charge of \$600 for the 5/8 inch x 3/4 inch meter size. The charge for all other meter sizes would remain at actual cost. The Buyer's requested meter installation charge includes the cost of materials and labor (\$334) and the cost of the meter (\$265). The Utility indicated that the new owners are attempting to modernize and update the acquired system, which includes a complete change out of meters to radio read meters on a going forward basis. Staff has reviewed the NC Real Estate Projects' cost justification and its reasons, and staff recommends that the NC Real Estate Projects proposed meter installation charge of \$600 for the 5/8 inch x 3/4 inch is reasonable and should be approved.

Conclusion

Based on the above, NC Real Estate Projects' requested meter installation charge of \$600 for the 5/8 inch x 3/4 inch meter size should be approved. NC Real Estate Projects should file a tariff sheet and a proposed customer notice. NC Real Estate Projects should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until this Order becomes final. The approved charge should be effective for connections made on or after the stamped approval date on the tariff sheet. NC Real Estate Projects should provide proof of the date notice was given within 10 days of the date of notice.

Date: June 6, 2024

Issue 5: Should this docket be closed?

Recommendation: Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued, and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed, that the Buyer has provided the customers with the required notice, and that the Buyer has submitted copies of its applications for permit transfers to the DEP and the SJRWMD, within 60 days of the Commission's Order approving the transfer. (Stiller)

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 issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed, that the Buyer has provided the customers with the required notice, and that the Buyer has submitted copies of its applications for permit transfers to the DEP and the SJRWMD, within 60 days of the Commission's Order approving the transfer.

GRENELEFE RESORT UTILITY INC.
WATER AND WASTEWATER SERVICE AREA

DESCRIPTION OF TERRITORY SERVED

That following areas in Range 28 East, Township 28 South, Sections 5, 6, 7 and 8, Polk County, Florida:

The South $\frac{1}{2}$ of Section 6;
The North $\frac{1}{2}$ of Section 7; and

In Sections 7 and 8 described as follows: The Point of Beginning (POB) identified as the SE corner of the NW $\frac{1}{4}$ of Section 7; from the POB run N 89°42'32" E a distance of 2,599.05 feet; to the NW corner of Section 8; thence N 89°50'22" E, a distance of 1,320.00 feet; thence South a distance of 1,317.85 feet more or less; thence S 03°59'01" E a distance of 827.42 feet; thence N 89°54'04" W a distance of 1,378.88 feet; to the East line of Section 7; thence S 89°26'13" W a distance of 2,574.02 feet; thence N 00°37'09" W a distance of 2,152.99 feet; to the POB; and

In Section 5 described as follows: Begin at the SW corner of Section 5, Range 28 E, Township 28 S; run N 00°13'39" E a distance of 2,641.87 feet to the POB; from the POB run N 00°05'32" W a distance of 660.00 feet; thence N 89°49'05" E a distance of 1,600 feet more or less; thence Southerly along the water's edge of Lake Marion a distance of 688 feet more or less; thence S 89°50'03" W a distance of 1,407 feet more or less to the POB; and

In Section 5 described as follows: From the SW corner of Section 5, Range 28 E, Township 28 S also the POB; run N 00°13'39" E a distance of 2,641.87 feet; thence N 89°49'05" W a distance of 971.87 feet; thence S 00°43'25" E a distance of 2,642.27 feet; thence S 89°50'03" W a distance of 994.74 feet to the POB; and

In Section 8 described as follows: From the NW corner of Section 8, Range 28 E, Township 28 S also the POB; run N 89°50'03" E a distance of 994.74 feet; thence S 00°02'32" W a distance of 2,634.51 feet; thence S 89°50'22" W a distance of 1,000.27 feet; thence N 00°09'45" E a distance of 2,634.45 feet to the POB.

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
NC Real Estate Projects, LLC d/b/a Grenelefe Utility
pursuant to
Certificate Number 589-W

to provide water service in Polk 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>
PSC-97-1546-FOF-WS	12/09/1997	961006-WS	Grandfather Certificate
PSC-05-0142-PAA-WS	02/07/2005	030123-WS	Transfer of Majority Organizational Control
*	*	20220142-WS	Transfer of Certificate

***Order Number and date to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
NC Real Estate Projects, LLC d/b/a Grenelefe Utility
pursuant to
Certificate Number 507-S

to provide wastewater service in Polk 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>
PSC-97-1546-FOF-WS	12/09/1997	961006-WS	Grandfather Certificate
PSC-05-0142-PAA-WS	02/07/2005	030123-WS	Transfer of Majority Organizational Control
*	*	20220142-WS	Transfer of Certificate

***Order Number and date to be provided at time of issuance.**

NC Real Estate Projects, LLC d/b/a Grenelefe Utility Existing Monthly Water Rates

Residential and General Service

Base Facility Charge by Meter Size

5/8" X 3/4"	\$6.81
3/4"	\$10.22
1"	\$17.03
1 1/2"	\$34.05
2"	\$54.48
3"	\$108.96
4"	\$170.25
6"	\$340.50

Charge Per 1,000 gallons

0 – 5,000 gallons	\$1.50
5,000 – 10,000 gallons	\$1.89
10,001 – 15,000 gallons	\$2.82
Over 15,000 gallons	\$3.75

Charge Per 1,000 gallons

\$2.09

Initial Customer Deposits

Potable Water

	<u>Residential Service</u>	<u>General Service</u>
5/8" X 3/4"	\$19.80	2x Average Estimated Monthly Bill

Non-Potable Water

	<u>Residential Service</u>	<u>General Service</u>
5/8" X 3/4"	\$16.48	2x Average Estimated Monthly Bill
1"	\$100.46	2x Average Estimated Monthly Bill
1 1/2"	\$110.38	2x Average Estimated Monthly Bill
2"	\$224.90	2x Average Estimated Monthly Bill

Service Availability Charges

Meter Installation Charge

1"	Actual Cost
1 1/2"	Actual Cost
2"	Actual Cost
Service Line Extension and Tap-In	Actual Cost

**NC Real Estate Projects, LLC d/b/a Grenelefe Utility
Existing Monthly Wastewater Rates**

Residential Service

All Meter Sizes	\$9.98
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Charge Per 1,000 gallons – Residential 8,000 gallon cap	\$2.93
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General Service

Base Facility Charge by Meter Size

5/8" X 3/4"	\$9.98
3/4"	\$14.97
1"	\$24.95
1 1/2"	\$49.90
2"	\$79.84
3"	\$159.68
4"	\$249.50
6"	\$499.00

Charge Per 1,000 gallons	\$3.52
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Initial Customer Deposits

5/8" x 3/4"	\$25.56
1"	2x Average Estimated Bill
Over 1"	2x Average Estimated Bill

Miscellaneous Service Charges

Late Payment Charge	\$5.25
NSF Check Charge	Pursuant to Section 68.065, F.S.

**NC Real Estate Projects, LLC d/b/a Grenelefe Utility
Schedule of Net Book Value as of May 31, 2022
Water System**

<u>Description</u>	<u>Balance Per</u>	<u>Adjustments</u>	<u>Staff</u>
	<u>Utility</u>		<u>Recommendation</u>
Utility Plant in Service	\$3,141,633	(\$76,800)	\$3,064,833
Land & and Rights	7,000	(4,000)	3,000
Accumulated Depreciation	(2,733,497)	62,890	(2,670,608)
CIAC	(2,302,685)	0	(2,302,685)
Amortization of CIAC	<u>2,063,146</u>	<u>(92,419)</u>	<u>1,970,727</u>
Total	<u>\$175,597</u>	<u>(\$110,330)</u>	<u>\$65,267</u>

**Explanation of Staff's Recommended
Adjustments to Net Book Value as of May 31, 2022
Water System**

Explanation

Utility Plant In Service	
To reflect appropriate amount of utility plant in service.	<u>(\$76,800)</u>
Land and Land Rights	
To reflect appropriate land balance.	<u>(\$4,000)</u>
Accumulated Depreciation	
To reflect appropriate amount of accumulated depreciation.	<u>\$62,890</u>
Accumulated Amortization of CIAC	
To reflect appropriate amount of accumulated amortization of CIAC.	<u>(\$92,419)</u>
Total Adjustments to Net Book Value as of May 31, 2022	<u>(\$110,329)</u>

NC Real Estate Projects, LLC d/b/a Grenelefe Utility
Schedule of Staff Recommended
Account Balances as of May 31, 2022
Water System

<u>Account</u>			<u>Accumulated</u>
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
304	Structures & Improvements	\$77,541	(\$49,509)
307	Wells & Springs	296,357	(296,357)
310	Power Generation Equipment	106,760	(106,760)
311	Pumping Equipment	98,055	(88,752)
320	Water Treatment Equipment	7,900	(7,900)
330	Distribution Reservoirs	82,951	(72,031)
331	Transmission & Distribution	1,942,590	(1,603,526)
333	Services	98,148	(90,357)
334	Meters & Meter Installations	241,743	(239,521)
335	Hydrants	76,500	(52,606)
340	Transportation Equipment	13,466	(13,466)
341	Transportation Equipment	13,920	(13,920)
343	Tools, Shop, & Garage Equipment	2,955	(2,955)
345	Power Operated Equipment	1,768	(1,768)
346	Communication Equipment	1,800	(1,800)
347	Miscellaneous Equipment	<u>2,380</u>	<u>(2,380)</u>
	Total	<u>\$ 3,064,833</u>	<u>(\$2,670,608)</u>

**NC Real Estate Projects, LLC d/b/a Grenelefe Utility
Schedule of Net Book Value as of May 31, 2022
Wastewater System**

<u>Description</u>	<u>Balance Per</u> <u>Utility</u>	<u>Adjustments</u>	<u>Staff</u> <u>Recommendation</u>
Utility Plant in Service	\$3,312,204	(\$252,709)	\$3,059,495
Land & Land Rights	49,400	0	49,400
Accumulated Depreciation	(3,024,931)	286,980	(2,737,951)
CIAC	(1,051,361)	0	(1,051,361)
Amortization of CIAC	<u>808,785</u>	<u>(68,691)</u>	<u>740,094</u>
Total	<u>\$94,097</u>	<u>(\$34,420)</u>	<u>\$59,677</u>

**Explanation of Staff's Recommended
Adjustments to Net Book Value as of May 31, 2022
Wastewater System**

Explanation

Utility Plant In Service	
To reflect appropriate amount of utility plant in service	<u>(\$252,709)</u>
Accumulated Depreciation	
To reflect appropriate amount of accumulated depreciation	<u>\$286,980</u>
Accumulated Amortization of CIAC	
To reflect appropriate amount of accumulated amortization CIAC	<u>(\$68,691)</u>
Total Adjustment to Net Book Value as of May 31, 2022	<u>(\$34,420)</u>

Grenelefe Resort Utility, Inc.
Schedule of Staff Recommended
Account Balances as of May 31, 2022
Wastewater System

<u>Account</u>			<u>Accumulated</u>
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
354	Structures & Improvements	\$92,590	(\$92,590)
360	Collection - Sewers Forces	72,400	(72,400)
361	Collection - Sewers Gravity	743,499	(545,012)
363	Services to Customers	83,523	(80,941)
364	Flow Measuring Devices	5,275	(5,275)
370	Lift Stations	239,962	(216,989)
371	Pumping Equipment	110,246	(81,743)
374	Reuse Dist Reservoirs	5,800	(5,476)
380	Treatment & Disposal – Equipment	1,625,931	(1,557,226)
382	Outfall Sewer Line	46,900	(46,900)
390	Office Furniture & Garage Equipment	3,346	(3,346)
391	Transportation Equipment	16,200	(16,200)
393	Tools, Shop, & Garage Equipment	685	(685)
394	Laboratory Equipment	300	(300)
395	Power Operated Equipment	638	(638)
396	Communications Equipment	11,600	(11,600)
397	Miscellaneous Equipment	<u>600</u>	<u>(600)</u>
	Total	<u>\$3,059,495</u>	<u>(\$2,737,951)</u>

Item 20

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (M. Watts, Ramirez-Abundez, Ramos) *TB*
Division of Accounting and Finance (Norris, Sowards, Veaghn) *ALM*
Division of Economics (Bruce, Galloway, Hudson) *JP*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20230111-SU – Application for authority to transfer wastewater facilities and Certificate No. 537-S in Okeechobee County from The Vantage Development Corporation to Vantage Oaks Utility, LLC.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action for Issues 3, 4, and 5 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

The Vantage Development Corporation (Vantage Development, Utility, or Seller) is a Class C utility providing wastewater service to 174 residential customers in the Vantage Oaks Mobile Home Community, along with a single general service customer, in Okeechobee County, Florida. The Utility is located in the South Florida Water Management District. Water service is provided by Okeechobee Utility Authority, a governmental entity. In its 2023 Annual Report, Vantage Development reported a net operating loss of \$28,529.

In 2004, the Florida Public Service Commission (Commission) granted Vantage Development a grandfather certificate for wastewater service in Okeechobee County.¹ The certificated service territory has not been amended since that time. The Utility's last rate case was in 2007.²

On September 27, 2023, Vantage Oaks Utility, LLC (Vantage Oaks or Buyer) filed an application with the Commission for transfer of Certificate No. 537-S from Vantage Development to Vantage Oaks. The wastewater system was acquired by the Buyer in 2022, at which time the Buyer was not aware that the system was a regulated utility under the jurisdiction of the Commission.

This recommendation addresses whether a show cause proceeding should be initiated because the Buyer failed to obtain Commission approval prior to the transfer of its assets and failed to submit an application to the Commission for authority to transfer within 90 days after the sale closing date, the transfer of the wastewater system and Certificate No. 537-S, the appropriate net book value (NBV) of the wastewater system for transfer purposes, whether an acquisition adjustment should be made, and the revision of miscellaneous service charges. The Commission has jurisdiction, pursuant to Section 367.071, Florida Statutes (F.S.).

¹Order No. PSC-05-0498-FOF-SU, issued May 5, 2005, in Docket No. 20040801-SU, *In re: Application for grandfather certificate to operate wastewater utility in Okeechobee County by The Vantage Development Corporation*.

²Order No. PSC-07-0789-PAA-SU, issued September 27, 2007, in Docket No. 20070074-SU, *In re: Application for staff-assisted rate case in Okeechobee County by The Vantage Development Corporation*.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should Vantage Oaks be required to show cause why it should not be fined for an apparent violation of Section 367.071(1), F.S., and Rule 25-30.037(1)(a), Florida Administrative code (F.A.C.), for failing to obtain Commission approval prior to the transfer of its assets, and failing to submit an application to the Commission for authority to transfer no later than 90 days after the sale closing date?

Recommendation: No. Staff recommends that the Utility's apparent violation of Section 367.071(1), F.S., and Rule 25-30.037(1)(a), F.A.C., does not rise to the level which warrants the initiation of a show cause proceeding. However, Vantage Oaks should be placed on notice that show cause proceedings may be initiated if further violations of Commission laws or rules regarding the transfer of certificates are identified. (Sandy)

Staff Analysis: On September 27, 2023, Vantage Oaks submitted an application for authority to transfer wastewater facilities and Certificate No. 537-S in Okeechobee County from Vantage Development to Vantage Oaks. According to the information contained in the application, the parties closed on the sale of the Utility on June 20, 2022. Notably, Vantage Development's contract for sale to Vantage Oaks did not include any provisions stating that the contract was contingent upon Commission approval.³

Section 367.071(1), F.S., provides that no utility shall transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without determination and approval of the Commission that the proposed transfer is in the public interest and that the buyer, assignee, or transferee will fulfill the commitments, obligations, and representations of the utility. However, a transfer of certificate of authorization, facilities or any portion thereof, or majority organizational control may occur prior to Commission approval if the contract for sale, assignment, or transfer is made contingent upon Commission approval.

Furthermore, Rule 25-30.037(1)(a), F.A.C., provides that if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

Violations of the provisions of any lawful rule or any statute administered by the Commission may result in penalties as provided by Section 367.161, F.S. In particular, violations of the provisions of Chapter 367, F.S., or any rule adopted pursuant to the Chapter, may result in a penalty for each offense of not more than \$5,000. Utilities are charged with the knowledge of Commission rules and statutes. Additionally, "it is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." *Barlow v. United States*, 32 U.S. 404, 411 (1833).

By failing to make the sale contingent upon Commission approval, and by filing its transfer application fifteen months after the sale was closed, it appears that Vantage Oaks violated Section 367.071(1), F.S., and Rule 25-30.037(1)(a), F.A.C. On February 20, 2024, Vantage Oaks

³The contract for sale is attached as Exhibit A to Vantage Oaks' application, Document No. 05423-2023, filed on September 27, 2023.

Date: June 6, 2024

was mailed a notice of apparent violation. Vantage promptly responded to the notice of apparent violation on February 26, 2024, providing mitigating circumstances as to why Vantage Oaks should not be fined or otherwise penalized. The Commission considers the existence of mitigating circumstances when deciding whether to pursue show cause proceedings against utilities.⁴

Vantage Oaks states that it was unaware that the system it acquired as a part of its purchase of Vantage Oaks RV park was a Commission-regulated system. The seller did not make Vantage Oaks aware of this during negotiations for sale nor at the time of closing. However, since learning of its violations, Vantage Oaks has shown diligence in working with Commission staff to ensure transfer of this system is in conformity with Commission laws and rules.

Staff believes that Vantage Oaks has made a good faith effort to effect a lawful transfer of this system, and that the transfer is in the best interest of its customers. Because the Utility has been responsive in coming into compliance with the applicable rules and statutes regarding transfer of certificates, staff recommends that the Utility's apparent violation of Section 367.071(1), F.S., and Rule 25-30.037(1)(a), F.A.C., does not rise to the level which warrants the initiation of a show cause proceeding. Therefore, Vantage Oaks should not be required to show cause for failing to obtain Commission approval prior to closing on the sale of its facilities, and failing to submit an application to the Commission for authority to transfer no later than 90 days after the sale closing date. However, Vantage Oaks should be placed on notice that show cause proceedings may be initiated if further violations of the Commission laws or rules regarding the transfer of certificates are identified.

⁴Order No. PSC-16-0043-PAA-WU, issued January 25, 2016, in Docket No. 20150186-WU, *In re: Application for certificate to operate a water utility in Hardee County by Charlie Creek Utilities, LLC*. (A utility was not required to show cause when it took affirmative steps to cooperate with Commission staff and abide by Commission laws and rules upon learning that it was improperly operating without a Commission-issued certificate.)

Date: June 6, 2024

Issue 2: Should the transfer of Certificate No. 537-S in Okeechobee County from The Vantage Development Corporation to Vantage Oaks Utility, LLC be approved?

Recommendation: Yes. The transfer of the wastewater system and Certificate No. 537-S is in the public interest and should be approved effective the date of the Commission's vote. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Utility's existing rates and initial customer deposits, as shown on Schedule No. 2, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Utility is current with respect to regulatory assessment fees (RAFs) and annual reports, and should be responsible for filing annual reports and paying RAFs for all future years. (Ramirez-Abundez, M. Watts, Veaghn, Bruce)

Staff Analysis: On September 27, 2023, Vantage Oaks filed an application for the transfer of Certificate No. 537-S from Vantage Development to Vantage Oaks in Okeechobee County. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale of the wastewater system to Vantage Oaks took place in 2022.

Noticing, Territory, and Land Ownership

Vantage Oaks 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, and the time for doing so has expired. The application contains a description of the Utility's authorized service territory, which is appended to this recommendation as Attachment A. In its application, Vantage Oaks provided a copy of a 99-year land lease that was executed on August 31, 2023, as evidence that Vantage Oaks has continued use of the land upon which the wastewater treatment facilities are located, pursuant to Rule 25-30.037(2)(s), F.A.C. Vantage Oaks stated that upon approval of the transfer, the executed lease will be recorded in the Okeechobee County Public Records.⁵

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(g), (h), and (i), 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, customer advances, leases, developer agreements, or debt of the Seller that must be disposed of in regard to the transfer. According to the purchase and sale agreement, the total purchase price for the wastewater assets is \$3,700. According to the Buyer, the closing took place June 30, 2022.

Facility Description and Compliance

The Utility's domestic wastewater treatment plant (WWTP) is a 50,000 gallons per day extended aeration plant, consisting of flow equalization, aeration, secondary clarification and chlorination, with a polishing pond and additional filtration before land application. Vantage Oaks provided a copy of the Utility's current permit from the Florida Department of Environmental Protection

⁵Document No. 00114-2024, dated January 8, 2024, in Docket No. 20230111-SU.

Date: June 6, 2024

(DEP), pursuant to Rule 25-30.037(2)(r)1., F.A.C., and has also completed the permit renewal process with DEP to reflect the change in ownership.

Staff reviewed the most recent DEP compliance evaluation inspection for the WWTP, dated January 27, 2023, which identified eight issues. The DEP subsequently issued a warning letter on March 22, 2023, listing the eight issues which included an outdated manual, a missing annual report regarding the available connectivity to a regional system, and inoperable or deteriorating equipment. The warning letter also recognized an unauthorized discharge on December 29, 2022, due to an equipment failure. In its response to staff's first data request, the Utility explained that it worked with its contract operator, US Water Services Corporation, to correct the identified issues, and subsequently met with the DEP to discuss these corrective actions.⁶ Staff confirmed with the DEP that the Utility's corrective actions identified from its warning letter have been completed.⁷

Technical and Financial Ability

Pursuant to Rule 25-30.037(2)(1) and (m), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. As referenced in the transfer application, the Buyer will fulfill the commitments, obligations, and representations of the Seller with regard to Utility matters. Vantage Oaks' application states that it has no prior experience operating a regulated water or wastewater utility in Florida; however, the Buyer and its affiliates have operated water and wastewater systems throughout the United States. Vantage Oaks committed to employing the appropriate operational, technical, and managerial personnel and contractors with knowledge and experience in utility operation, who will ensure the continuous efficient and effective operation and management of the wastewater system. At this time, Vantage Oaks utilizes US Water Services Corporation for the contract operations and maintenance of its wastewater system.⁸

The Utility stated that the purchasing entity was created for the purpose of owning and operating the Utility after the transfer, and as such no financial statements exist for Vantage Oaks Utility, LLC. In the Utility's application, the parent company of Vantage Oaks, Parakeet Holding Company, provided financial statements, as well as an affidavit stating its ability and intent to meet all reasonable capital needs arising from the operation of the Utility. Staff has reviewed the parent company's financial statements. Based on the above, the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates, Charges, and Initial Customer Deposits

Vantage Oaks' rates and initial customer deposits were last approved in a 2007 staff-assisted rate case.⁹ The Utility's miscellaneous service charges were approved in 2005 in a grandfather certificate docket.¹⁰ The Utility's rates were subsequently amended by one price index increase

⁶Document No. 00114-2024, filed on January 8, 2024, in Docket No. 20230111-SU.

⁷Document No. 02849-2024, filed on May 8, 2024, in Docket No. 20230111-SU.

⁸Document No. 04362-2024, filed on May 29, 2024, in Docket No. 2023111-SU.

⁹Order No. PSC-07-0789-PAA-SU, issued September 27, 2007, in Docket No. 20070074-SU, *In re: Application for staff-assisted rate case in Okeechobee County by Vantage Development Corporation.*

¹⁰Order No. PSC-05-0498-FOF-SU, issued May 5, 2005, in Docket No. 20010801-SU, *In re: Application for grandfather certificate to operate wastewater utility in Okeechobee County by The Vantage Development Corporation.*

Date: June 6, 2024

rate adjustment in 2009 and a rate reduction to remove expired rate case expense amortization in 2012. 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 the Commission. However, the Utility's miscellaneous service charges do not conform to Rule 25-30.460, F.A.C., and are discussed in Issue 5. Staff recommends that the Utility's existing rates and initial customer deposits for wastewater shown on Schedule No. 2 remain in effect, until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C.

Regulatory Assessment Fees and Annual Reports

Staff has verified the Utility is current on its filing of annual reports and RAFs through December 31, 2023. The Buyer will be responsible for the Utility's annual reports and paying RAFs for 2024 and all future years.

Conclusion

Based on the foregoing, staff recommends that the transfer of the wastewater system and Certificate No. 537-S is in the public interest and should be approved effective the date of the Commission's vote. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Utility's existing rates and initial customer deposits, as shown on Schedule No. 2, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Utility is current, with respect to RAFs and annual reports, and should be responsible for filing annual reports and paying RAFs for all future years.

Date: June 6, 2024

Issue 3: What is the appropriate net book value for Vantage Oaks Utility, LLC's wastewater system for transfer purposes?

Recommendation: The net book value of the wastewater system for transfer purposes is \$57,409 as of June 30, 2022. Within 90 days of the date of the consummating order, Vantage Oaks 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 the Utility's 2024 Annual Report when filed. (Veaughn)

Staff Analysis: Rate base was last established for the Utility as of December 31, 2006. 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 June 30, 2022. Staff's recommended NBV, as described below, is shown on Schedule No. 1

Utility Plant in Service (UPIS)

The Utility's general ledger reflected a UPIS balance of \$336,868, as of June 30, 2022. Audit staff reviewed UPIS additions and retirements since the last rate case proceeding, and found that the Utility had excluded several plant additions and retirements. Additionally, the Utility used incorrect accounts in its calculation of UPIS. Consequently, audit staff determined that UPIS was understated by \$1,264. As such, staff recommends a UPIS balance of \$338,132 as of June 30, 2022.

Land

The Utility's general ledger reflected a land balance of \$10,350, as of June 30, 2022. Audit staff reviewed the Utility's general ledger and made no adjustments. As such, staff recommends a land balance of \$10,350, as of June 30, 2022.

Accumulated Depreciation

The Utility's general ledger reflected an accumulated depreciation balance of \$333,201, as of June 30, 2022. Audit staff recalculated accumulated depreciation using the audited UPIS plant balances and the depreciation rates established by Rule 25-30,140(2), F.A.C. Audit staff determined accumulated depreciation to be overstated by \$42,128. As a result, accumulated depreciation should be decreased by \$42,128. As such, staff recommends an accumulated depreciation balance of \$291,073, as of June 30, 2022.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As of June 30, 2022, the Utility's general ledger reflected a CIAC balance of \$135,538, and an accumulated amortization of CIAC balance of \$135,538. Audit staff reviewed the Utility's CIAC and Accumulated Amortization of CIAC balances and made no adjustments. Therefore, staff recommends a CIAC balance of \$135,538, and an accumulated amortization of CIAC balance of \$135,538, as of June 30, 2022.

Date: June 6, 2024

Net Book Value

The Utility's general ledger reflected a NBV of \$14,017, as of June 30, 2022. Based on the adjustments above, staff recommends a NBV for the Utility of \$57,409, as of June 30, 2022. Staff's recommended NBV and the National Association of Regulatory Utility Commissioners Uniform System of Accounts balances for UPIS and accumulated depreciation are shown on Schedule No. 1, as of June 30, 2022.

Conclusion

Based on the above, staff recommends that the NBV of the Utility's wastewater system for transfer purposes is \$57,409, as of June 30, 2022. Within 90 days of the date of the consummating order, the Buyer 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 the Utility's 2024 Annual Report when filed.

Issue 4: Should an acquisition adjustment be recognized for ratemaking purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$42,227 should be recognized for ratemaking purposes. Beginning with the date of the issuance of the Final Order approving the transfer, half of the negative acquisition adjustment should be amortized over a 7-year period and the other half amortized over the remaining life of the Utility's assets, or about four years, in accordance with Rule 25-30.0371(4)(b)2., F.A.C. (Veaghn)

Staff Analysis: An acquisition adjustment results when the purchase price differs from the original cost of the assets' NBV, adjusted to the time of the acquisition. Pursuant to Rule 25-30.0371(3), F.A.C., if the purchase price is equal to or less than 80 percent of NBV, a negative acquisition adjustment shall be included in rate base and will be equal to 80 percent of NBV, less the purchase price. Pursuant to Rule 25.30.0371(4)(b)2., F.A.C., if the purchase price is less than 50 percent of NBV, half of the negative acquisition adjustment should be amortized over a 7-year period and the other half amortized over the remaining life of the Utility's assets. The calculation of the acquisition adjustment is shown in Table 4-1. Staff estimates the remaining life of the assets to be about four years.

Table 4-1
Calculation of Negative Acquisition Adjustment

Net book value as of June 30, 2022	\$57,409
80 percent of net book value	\$45,927
Purchase price	\$3,700
Negative acquisition adjustment	\$42,227

Therefore, pursuant to Rule 25-30.0371(3), F.A.C., staff recommends a negative acquisition adjustment of \$42,227 be recognized for ratemaking purposes. Beginning with the date of issuance of the Final Order approving the transfer, half of the negative acquisition adjustment should be amortized over a 7-year period and the other half amortized over the remaining life of the Utility's assets, or four years, in accordance with Rule 25-30.0371(4)(b)2., F.A.C.

Issue 5: Should Vantage Oaks Utility, LLC's miscellaneous service charges be revised to conform to Rule 25-30.460, F.A.C.?

Recommendation: Yes. Staff recommends the miscellaneous service charges should be revised to conform to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given, no less than 10 days after the date of the notice. The Utility should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

Staff Analysis: The Utility did not request to revise its miscellaneous charges; however, the charges do not conform to Rule 25-30.460, F.A.C. The Utility's current miscellaneous service charges consist of several miscellaneous service charges as shown below in Table 5-1.

Table 5-1
Utility's Existing Miscellaneous Service Charges

	<u>Business Hours</u>
Initial Connection Charge	\$15.00
Normal Reconnection Charge	\$15.00
Violation Reconnection Charge - Wastewater	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$10.00

The rule does not allow for initial connection and normal reconnection charges. These charges are the same as the premises visit charge. Therefore, the current initial connection and normal reconnection charges are obsolete and inconsistent with the rule and should be removed. Since the premises visit entails a broader range of tasks, staff recommends the premises visit charge should reflect the amount of the normal reconnection charge of \$15. Staff also recommends that the definition for the premises visit charge be updated to comply with Rule 25-30.460, F.A.C. Staff's recommended miscellaneous service charges are shown below in Table 5-2.

Table 5-2
Staff's Recommended Miscellaneous Service Charges

	<u>Business Hours</u>
Violation Reconnection Charge - Wastewater	Actual Cost
Premises Visit Charge	\$15.00

Date: June 6, 2024

Conclusion

Based on the above, the miscellaneous service charges should be revised to conform to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice. The Utility should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding.

Date: June 6, 2024

Issue 6: Should this docket be closed?

Recommendation: Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, that proof has been provided that appropriate noticing has been done pursuant to Rule 25-30.475, F.A.C., and that within 90 days of the date of the Consummating Order, the Buyer has notified Commission staff in writing that it has adjusted its books in accordance with the Commission's Order approving the transfer. (Sandy)

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 issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, that proof has been provided that appropriate noticing has been done pursuant to Rule 25-30.475, F.A.C., and that within 90 days of the date of the Consummating Order, the Buyer has notified Commission staff in writing that it has adjusted its books in accordance with the Commission's Order approving the transfer.

Vantage Oak Utility, LLC

Okeechobee County

Wastewater Service Area

Serving Parts of Treasure Island and The Vantage Oaks RV Park

Township 37 South, Range 35 East

Section 25

Begin at the Northeast corner of Section 25, Township 37 South, Range 35 East. Thence run due South along the East line of said section a distance of about 1,690 feet. Thence run due West about 510 feet to the Point of Beginning (POB). Said point also, the Northeast corner of lot 153 of Treasure Island Unit 13. Thence continue due West a distance of 1,645.56 feet to the East Right of Way line of Everglades Blvd/S.E. 40th Avenue. Thence continue due West across Everglades Blvd/S.E. 40th Avenue a distance of 70 feet. Thence due South a distance of 35 feet. Thence due West a distance of 110 feet. Thence due South a distance of 35 feet. Thence North 88° West a distance of 830 feet. Thence South 41° East a distance of 1,195 feet. Thence due South 95 feet. Thence due West a distance of 1,205 feet. Thence due South a distance of 330 feet. Thence due East a distance of 1,352 feet to the West Right of Way line of S.E. 40th Avenue. Thence continue due East across S.E. 40th Avenue a distance of 70 feet. Thence continue due East a distance of 1,050 feet to Mosquito Creek. Thence along Mosquito Creek the following 10 courses to the Northeast corner of the Vantage Oaks Development. 1) North 49° East a distance of 50 feet. 2) North 19° East a distance of 45 feet. 3) North 62° East a distance of 80 feet. 4) North 78° East a distance of 70 feet. 5) North 59° East a distance of 60 feet. 6) North 39° East a distance of 100 feet. 7) North 64° East a distance of 180 feet. 8) North 44° East a distance of 80 feet. 9) North 19° East a distance of 60 feet. 10) North 27° West a distance of 70 feet, (or meander along Mosquito Creek about 760 feet to the Northeast corner of the Vantage Oaks Development.) Thence the following 5 courses to the POB. 1) East a distance of 30 feet. 2) North 25° West a distance of 195 feet. 3) North 5° East a distance of 291 feet. 4) North 6° East a distance of 295 feet. 5) North 24° East a distance of 159 feet to the POB.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Vantage Oaks Utility, LLC

pursuant to

Certificate Number 537-S

to provide wastewater service in Okeechobee County 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-05-0498-FOF-SU	05/05/2005	20040801-SU	Grandfather Certificate
PSC-07-0789-PAA-SU	09/27/2007	20070074-SU	Rate Increase
*	*	20230111-SU	Transfer

*** Order Number and date to be provided at time of issuance.**

Vantage Development Corporation
Schedule of Net Book Value as of June 30, 2022

<u>Description</u>	<u>Balance Per</u>		<u>Staff</u>
	<u>Utility</u>	<u>Adjustments</u>	<u>Recommendation</u>
Utility Plant in Service	\$336,868	\$1,264	\$338,132
Land & Land Rights	10,350	-	10,350
Accumulated Depreciation	(333,201)	42,128	(291,073)
CIAC	(135,538)	-	(135,538)
Amortization CIAC	<u>135,538</u>	=	<u>\$135,538</u>
Total	<u>\$14,017</u>	<u>\$43,392</u>	<u>\$57,409</u>

**Explanation of Staff's Recommended
Adjustments to Net Book Value as of June 30, 2022**

Explanation

Utility Plant in Service

To reflect appropriate amount of plant in service.

\$1,264

Accumulated Depreciation

To reflect appropriate amount of accumulated depreciation.

\$42,128

**Vantage Development Corporation
Schedule of Staff Recommended
Account Balances as of June 30, 2022**

<u>Account</u>			<u>Accumulated</u>
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
354	Structures & Improvements – Fence	\$326,099	(\$280,221)
355	Power Generation Equipment	1,348	(1,348)
362	Special Collecting Structures	2,596	(2,169)
364	Flow Measuring Devices	2,068	(2,068)
380	Treatment & Disposal Equipment - Blower	6,021	(5,297)
	Total	<u>\$338,132</u>	<u>(\$291,073)</u>

**The Vantage Oaks Utility, LLC.
Monthly Wastewater Rates**

Residential Service

All Meter Sizes	\$18.15
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Charge Per 1,000 gallons – Residential 6,000 gallon cap	\$3.09
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General Service

Flat Rate	\$1,742.96
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Base Facility Charge	\$2,322.41
RV Park Lots (128 ERCs)	

Charge per 1,000 gallons 1,026,000 gallons cap	\$3.09
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Initial Customer Deposits

	Residential Service	General Service
All Meter Sizes	\$70.00	2x average estimated bill

Item 21

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Lenberg) *JD*
Office of the General Counsel (Thompson) *JSC*

RE: Docket No. 20240058-WU – Request for tariff filing revisions for water system in Okaloosa County, by North Florida Community Water Systems.

AGENDA: 06/18/24 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 60-Day Suspension Date Waived by the Utility Until the 6/18/24 Agenda Conference

SPECIAL INSTRUCTIONS: None

Case Background

North Florida Community Water Systems, Inc. (NFCWS or utility) provides water and wastewater service to several counties including a system in Okaloosa County. The utility's Okaloosa County system provides water service to approximately 342 residential customers and 7 general service customers.¹ The utility has never had a rate case, but the rates were amended by a price index rate adjustment in 2023.

On April 5, 2024, pursuant to Section 367.091(5), Florida Statutes (F.S.), NFCWS filed a request to provide private fire protection charges and meter installation charges for meter sizes larger than 5/8 inch x 3/4 inch for the Okaloosa water system. According to the utility's current tariff,

¹ Number of customers as reported in 2023 Annual Report ending December 31, 2023.

the utility has a meter installation charge for a 5/8 inch x 3/4 inch meter size. The utility's current meter installation charge was approved in Docket No. 20200155-WU.² The utility indicated in its application that it had a request by a general service customer to install two one-inch meter sizes in the Okaloosa County water system. On April 10, 2024, the utility waived the 60-day statutory deadline which allowed staff to be able to file a recommendation for the June 18, 2024 Agenda Conference.

This recommendation addresses the utility's request for private fire protection rates and meter installation charges for meter sizes larger than 5/8 inch x 3/4 inch meter sizes. The Commission has jurisdiction pursuant to Section 367.091, F.S.

² Order No. PSC-2020-0402-PAA-WU, issued October 26, 2020, in Docket No. 20200155-WU, *In re: Application for certificate to operate water utility in Okaloosa County and application for pass through increase of regulatory fees, by Okaloosa Waterworks, Inc.*

Discussion of Issues

Issue 1: Should NFCWS's request for a new class of service for private fire protection rates be approved?

Recommendation: Yes. NFCWS's request to establish a new class of service for private fire protection rates should be approved. Staff recommends that the utility's revised proposed tariff sheet shown in Attachment A should be approved as filed. The approved tariff should be effective on the date of the Commission vote. Since there are no current customers affected by the tariff revision, no customer notices are required. (Lenberg)

Staff Analysis: Currently, NFCWS does not have private fire protection rates. Therefore, the utility is requesting fire protection rates for meter sizes of three inch to six inch. Pursuant to Rule 25-30.465, Florida Administrative Code (F.A.C.), the rate shall be one-twelfth the utility's current base facility charge (BFC) for each meter size. Since the utility's request is pursuant to Rule 25-30.465, F.A.C., staff recommends that the utility's request should be approved. The requested private fire protection rates are shown below in Table 1-1.

Table 1-1
The Utility's Current BFC Charges and Proposed Fire Protection Rates

Meter Size	Current BFC	Private Fire Protection Rate (1/12)
3"	\$541.76	\$45.15
4"	\$846.50	\$70.54
6"	\$1,693.00	\$141.08

Source: Utility's current and proposed tariff

Conclusion

Staff recommends that NFCWS's request to establish a new class of service for a private fire protection rate should be approved. Staff recommends that the utility's revised proposed tariff sheet shown in Attachment A should be approved as filed. The approved tariff should be effective on the date of the Commission vote. Since there are no current customers affected by the tariff revision, no customer notices are required.

Date: June 6, 2024

Issue 2: Should NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch be approved?

Recommendation: Yes. NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch should be approved. Staff recommends that the utility's revised proposed tariff shown in Attachment A should be approved as filed. Staff recommends that the approved charges be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until the order becomes final. The utility should provide proof of the date notice was given within 10 days of the date of the notice. (Lenberg)

Staff Analysis: In its application, NFCWS is requesting meter installation charges for all meter sizes larger than 5/8 inch x 3/4 inch at actual cost. The utility indicated that it had an inquiry by a customer to install two one-inch meters. The utility's existing meter installation charge for the 5/8 inch x 3/4 inch meter was approved in 2020.³ The Commission has approved meter installation charges at actual cost for meter sizes larger than 5/8 inch x 3/4 inch.⁴ The utility's proposed meter installation charge of actual cost for all meter sizes larger than 5/8 inch x 3/4 inch meters is reasonable and should be approved.

Conclusion

Based on the above, NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch should be approved. Staff recommends that the utility's revised proposed tariff shown in Attachment A should be approved as filed. Staff recommends that the approved charges be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until the order becomes final. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

³Order No. PSC-2020-0402-PAA-WU, issued October 26, 2020, in Docket No. 20200155-WU, *In re: Application for certificate to operate water utility in Okaloosa County and application for pass through increase of regulatory assessment fees, by Okaloosa Waterworks, Inc.*

⁴ Order No. PSC-2024-0127-PAA-WS, issued April 23, 2024, in Docket No. 20230114-WS, *In re: Application for certificate to provide water utility in Volusia County, by Applegate Utility, LLC.*

Date: June 6, 2024

Issue 3: Should this docket be closed?

Recommendation: Yes. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the refund pending resolution of the protest, and the docket should remain open. If not timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. (Thompson)

Staff Analysis: If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the refund pending resolution of the protest, and the docket should remain open. If not timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.

Date: June 6, 2024

NORTH FLORIDA COMMUNITY WATER SYSTEMS, INC.
WATER TARIFF

ORIGINAL SHEET NO. 13.65

PRIVATE FIRE PROTECTIONRATE SCHEDULE (PFP)Formerly Okaloosa Waterworks, Inc.
Okaloosa CountyAVAILABILITY - Available throughout the area served by the Company.APPLICABILITY - For private fire protection service to customers.LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.BILLING PERIOD - MonthlyRATE -

3"	\$ 45.15
4"	\$ 70.54
6"	\$ 141.08

MINIMUM CHARGE - Base Facility ChargeTERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.EFFECTIVE DATE - June 18, 2024TYPE OF FILING - Tariff Filing

Date: June 6, 2024

NORTH FLORIDA COMMUNITY WATER SYSTEMS, INC.
WATER TARIFF

FIRST REVISED SHEET NO. 19.5
CANCELS ORIGINAL SHEET NO. 19.5

SERVICE AVAILABILITY CHARGES

Formerly Okaloosa Waterworks, Inc.
Okaloosa County

Description

Customer Service Line Installation (Tap Fee) Charge

Tap Fee with Road Bore	\$2,000.00
Tap Fee without Road Bore	\$1,500.00

Meter Installation Charge

5/8" x 3/4"	\$ 353.00
All Other Meter Sizes	Actual Cost

EFFECTIVE DATE -

TYPE OF FILING -

Tariff Filing

Item 22

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (M. Watts, Ramos) *TB*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20240089-WS – Resolution of the Board of County Commissioners of Columbia County declaring Columbia County subject of the provisions of Section 367, F.S.

AGENDA: 06/18/24 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 16, 2024, the Board of County Commissioners of Columbia County (County) adopted Resolution No. 2024R-13 (Resolution, Attachment A), transferring regulation of the privately-owned, for profit water and wastewater utilities in the County to the Florida Public Service Commission (Commission). Effective upon the adoption of the resolution, all non-exempt water and wastewater systems in the County became subject to the provisions of Chapter 367, Florida Statutes (F.S.). Therefore, the effective date of the transfer of jurisdiction is May 16, 2024. This recommendation addresses the acknowledgement of that Resolution. The Commission has jurisdiction pursuant to Section 367.171, F.S.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission acknowledge Resolution No. 2024R-13 by the Board of County Commissioners of Columbia County?

Recommendation: Yes. The Commission should acknowledge Resolution No. 2024R-13 by the County Commissioners of Columbia County, effective May 16, 2024. All non-exempt, privately-owned water and wastewater utilities in Columbia County should be directed to comply with the provisions of Chapter 367, F.S. (M. Watts, Dose)

Staff Analysis: On May 16, 2024, the Board of County Commissioners of Columbia County passed and adopted Resolution No. 2024R-13, which transfers jurisdiction over the County's privately-owned water and wastewater utilities to the Commission. The Resolution contained a list of the privately-owned water and wastewater utilities, which were regulated by Columbia County on May 16, 2024. In addition, staff has contacted the County requesting information on each utility's current rates, charges, and territory served. Since they are now subject to Chapter 367, F.S., each utility must continue to collect the rates and charges for water and wastewater service which were being collected on May 16, 2024, until changed by the Commission.

Staff has contacted the Florida Department of Environment Protection (DEP) to advise it of the Resolution, and to obtain a list of all privately-owned water and wastewater facilities in Columbia County, which the DEP monitors for environmental compliance. The utilities identified by the County and the DEP will receive a letter from Commission staff advising them of the transfer of jurisdiction and providing them with information to determine whether or not they are exempt from Commission regulation pursuant to Section 367.022, F.S.

Entities which are not exempt from Commission regulation will receive instruction for filing an application for grandfather certificates. The resulting applications will be processed in individual dockets. These applicants will also be advised of their responsibility to file an annual report for 2024, pursuant to Rule 25-30.110, Florida Administrative Code (F.A.C.), as well as their responsibility to remit Annual Regulatory Assessment Fees (RAFs). The applicants will also be advised of their right to file for a pass-through of RAFs should they not be currently collecting RAFs, or if they are collecting a lesser amount than they would be paying to the Commission.

Staff recommends that the Commission acknowledge Resolution No. 2024R-13 by the County Commissioners of Columbia County, effective May 16, 2024. All non-exempt, privately-owned water and wastewater utilities in Columbia County should be directed to comply with the provisions of Chapter 367, F.S.

Date: June 6, 2024

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open to process letters to water and wastewater operators and their subsequent responses. Upon staff's verification that the final response from a water or wastewater system operator affirming exemption status has been received, and that no further action is necessary, this docket should be closed administratively. (Dose)

Staff Analysis: This docket should remain open to process letters to water and wastewater operators and their subsequent responses. Upon staff's verification that the final response from a water or wastewater system operator affirming exemption status has been received, and that no further action is necessary, this docket should be closed administratively.

COLUMBIA COUNTY, FLORIDA
Office of the County Attorney

Joel F. Foreman
County Attorney

MEMORANDUM

To: Board Agenda, May 16, 2024
From: Joel F. Foreman
Re: Transfer of jurisdiction for the regulation of Private Water and Wastewater Utilities to the Florida Public Service Commission
Date: May 10, 2024

In recent months the Board has received numerous complaints relating to water utility rates and collections practices, and staff has recommended returning regulation of these utilities to the Florida Public Service Commission ("PSC") which is better equipped to police and enforce these issues.

The County Manager has been contacted by Bart Fletcher with the Office of Public Counsel. Mr. Fletcher was contacted by a constituent who is having issues with their private utility provider, and through his investigation Mr. Fletcher has inquired about the county's regulation of that utility. Mr. Fletcher has pointed out that utilities regulated by the PSC can be easily reviewed because of the information the PSC requires these utilities to produce and the PSC's publication of that information to its website. The County does not provide this level of transparency. Because of that Mr. Fletcher has been required to make records requests directly to the County Manager's office, often with mixed results.

Florida Statutes section 367.171 provides that any county may transfer regulatory jurisdiction over private utilities to the PSC by the adoption of a simple resolution indicating the county commission's desire to transfer. Once a transfer is completed through this process, it cannot be rescinded for ten years.

Given recent challenges with private utility regulation, it is recommended that the Board adopt the attached resolution, which was modelled after one adopted by Charlotte County in February of 2023. If adopted, staff will coordinate with PSC for the timely handoff of jurisdiction. Each private utility will be required to register with PSC within thirty days, and the County will have no further regulatory authority.

Recommended motion: To adopt Resolution 2024R-13

COLUMBIA COUNTY BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2024R-13

A RESOLUTION BY THE COLUMBIA COUNTY, FLORIDA BOARD OF COUNTY COMMISSIONERS, RELATING TO REGULATION OF PRIVATE WATER AND WASTEWATER SYSTEM UTILITIES; MADE PURSUANT TO FLORIDA STATUTES SECTION 367.171; DECLARING COLUMBIA COUNTY SUBJECT TO THE PROVISIONS OF CHAPTER 367, FLORIDA STATUTES; TRANSFERRING REGULATION OF PRIVATE WATER AND WASTEWATER UTILITIES AND RATES TO THE FLORIDA PUBLIC SERVICE COMMISSION; PROVIDING FOR MAILING A CERTIFIED COPY HEREOF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Columbia County Board of County Commissioners presently regulates certain private water and wastewater system utilities pursuant to its authority as a charter county and Chapter 367, Florida Statutes, the "Water and Wastewater System Regulatory Law";

WHEREAS, the Columbia County Board of County Commissioners has determined that it is in the best interest of the citizens and residents of Columbia County that private, for-profit water and wastewater systems within Columbia County be regulated by the Florida Public Service Commission ("PSC"), which has jurisdiction and adequate staff to timely analyze utility system rates and enforce the same;

WHEREAS, the Columbia County Board of County Commissioners now desires to transfer the regulation of all private utilities in Columbia County to the PSC, pursuant to Section 367.171(1), Florida Statutes, and thereby make the provisions of Chapter 367 effective in Columbia County, Florida.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Columbia County, Florida:

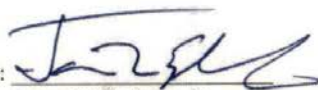
1. Columbia County, Florida, is hereby subject to the provisions of Chapter 367, Florida Statutes, the "Water and Wastewater Regulatory Law," effective immediately, and all non-exempted water and sewer systems in the County that meet the definition of "utility" as defined by Section 367.021, Florida Statutes, are hereby subject to the jurisdiction and regulatory authority of the Florida Public Service Commission.

2. As a matter of law, sections 118-221 through 118-249 of the Columbia County Code of Ordinances are preempted, and shall be of no further force or effect except to the extent they are necessary to the Florida Public Service Commission for the orderly transfer of jurisdiction to that agency.

Duly adopted in regular session this 16 day of May, 2024.

**COLUMBIA COUNTY BOARD OF COUNTY
COMMISSIONERS**

Attest:



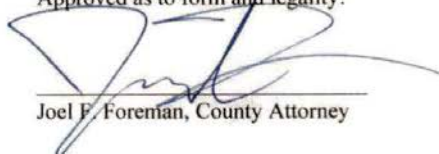
James M. Swisher, Jr.
Clerk of Court and Comptroller

By:



Ronald Williams, Chairman

Approved as to form and legality:



Joel F. Foreman, County Attorney



RESOLUTION NO. 2024R-13

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Item 23

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Draper) *EJD*
Division of Accounting and Finance (Maurey) *ALM*
Division of Engineering (Ballinger) *TB*
Office of the General Counsel (Crawford, Stiller, Thompson) *JSC*

RE: Docket No. 20240025-EI – Petition for rate increase by Duke Energy Florida, LLC.

AGENDA: 06/18/24 – Regular Agenda – Motion for Reconsideration – Oral Argument Requested; Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Duke Energy Florida, LLC (DEF or Utility) provides electric service to approximately 2 million customers across the state. DEF filed its Petition for Rate Increase, minimum filing requirements (MFRs), and testimony on April 2, 2024. DEF filed its MFRs based on three projected test years, from January 1 to December 31, 2025; January 1 to December 31, 2026; and January 1 to December 31, 2027.

The Office of Public Counsel's (OPC's) intervention in this docket was acknowledged by Order No. PSC-2024-0041-PCO-EI, issued February 26, 2024. On April 19, 2024, intervention in this proceeding was granted to Florida Rising and the League of United Latin American Citizens of Florida (FR/LULAC); Florida Industrial Power Users Group (FIPUG); Florida Retail Federation

(FRF); and Sierra Club. On April 24, 2024, intervention was granted to White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate - White Springs (PCS Phosphate); and Nucor Steel Florida, Inc. (Nucor). On May 13, 2024, intervention was granted to the Southern Alliance for Clean Energy (SACE). Petitions for Intervention are pending for Americans for Affordable Clean Energy, Inc.; Circle K Stores, Inc.; RaceTrac Inc.; and Wawa, Inc. (Fuel Retailers), and for EVgo Services, LLC as of the date of filing of this recommendation.

Order Establishing Procedure No. PSC-2024-0092-PCO-EI, issued April 11, 2024, established controlling dates and procedures for this proceeding, including for a technical hearing to be held in Tallahassee, Florida for August 12–16, 2024, with August 19–23, 2024, reserved for the continuation and conclusion of the technical hearing, if necessary. In addition to the technical hearing, the Chairman’s office scheduled four service hearings for the purpose of taking testimony from Duke’s customers regarding Duke’s provision of service and its requested rate increase. Notice of the service hearings was issued by the Commission on May 23, 2024, and published in the Florida Administrative Register on May 24, 2024. By notice, virtual and in-person service hearings are scheduled for June 11 and 18, 2024, in Tallahassee, Florida. In-person customer service hearings will be held on June 12, 2024 in Inverness, Florida, and June 12, 2024 in Largo, Florida. Spanish language interpreters were noticed for the June 11 virtual and in-person service hearing, and at the June 12 service hearing in Largo, Florida.

On April 17, 2024, OPC filed a Motion for Additional Service Hearings (OPC’s Motion). On that same date, FR/LULAC filed a Notice of Joinder in Citizens’ Motion. In the Motion, OPC requested, in part, that the Commission establish three additional in-person service hearings and provide a Spanish language interpreter at an in-person service hearing in the Orlando area. On May 8, 2024, the Prehearing Officer issued Order No. PSC-2024-0147-PCO-EI, denying OPC’s request for additional service hearings, noting that the current service hearing schedule affords multiple opportunities and choices for customers who wish to participate.

On May 17, 2024, FR/LULAC filed a Motion for Reconsideration of Order No. PSC-2024-0147-PCO-EI, which OPC, Sierra Club, and FRF support. FR/LULAC contends that Order No. PSC-2024-0147-PCO-EI overlooked the fact that the Orlando portion of Duke’s territory has more customers than any other portion of Duke’s territory and Spanish language customers do not have access to a service hearing with translation services. On the same day, FR/LULAC filed a request for oral argument. On May 20, 2024, OPC filed a Notice of Joinder of FR/LULAC’s Motion for Reconsideration.

On May 24, 2024, DEF filed a Response in Opposition (Response) to FR/LULAC’s Motion for Reconsideration. DEF contends that FR/LULAC’s arguments fail to identify a mistake of law or a fact that was overlooked by the Prehearing Officer. DEF argues that OPC raised the same points in OPC’s Motion that FR/LULAC’s have raised in this Motion for Reconsideration. Therefore, DEF argues that FR/LULAC’s Motion should be denied.

This recommendation addresses FR/LULAC’s Motion for Reconsideration, and the Joinder and Response thereto. The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes (F.S.), including Section 366.06, F.S.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should FR/LULAC's Request for Oral Argument on its Motion for Reconsideration of Order No. PSC-2024-0147-PCO-EI be granted?

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

Staff Analysis:

Law

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

FR/LULAC's Position

FR/LULAC requests the opportunity to provide oral argument on the Motion to speak directly to the Commission about why FR/LULAC places such importance on there being an Orlando-area service hearing as well as answer any questions the Commission may have.

DEF's Position

In its Response, DEF argues that oral argument is not necessary as the Commission can make its decision based on the written filings. However, if oral argument is permitted, DEF will participate.

Conclusion

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

Date: June 6, 2024

Issue 2: Should Reconsideration of Order No. PSC-2024-0147-PCO-EI be granted?

Recommendation: No. Reconsideration should be denied because the Motion for Reconsideration and Joinder fail to raise a point of fact or law that the Prehearing Officer overlooked or failed to consider in rendering their decision. (Thompson)

Staff Analysis:

Law

The appropriate standard of review for reconsideration of a Commission order is whether the motion identifies a point of fact or law that the Commission overlooked or failed to consider in rendering the order under review. *See Stewart Bonded Warehouse, Inc. v. Bevis*, 294 So. 2d 315 (Fla. 1974); *Diamond Cab Co. v. King*, 146 So. 2d 889 (Fla. 1962); and *Pingree v. Quaintance*, 394 So. 2d 162 (Fla. 1st DCA 1981). It is not appropriate to reargue matters that have already been considered. *Sherwood v. State*, 111 So. 2d 96 (Fla. 3d DCA 1959) (citing *State ex. rel. Jaytex Realty Co. v. Green*, 105 So. 2d 817 (Fla. 1st DCA 1958)). Furthermore, a motion for reconsideration should not be granted “based upon an arbitrary feeling that a mistake may have been made, but should be based upon specific factual matters set forth in the record and susceptible to review.” *Stewart Bonded Warehouse, Inc.*, 294 So. 2d at 317.

FR/LULAC’s Motion for Reconsideration

In its Motion for Reconsideration, FR/LULAC requests the Commission to reconsider the denial of an Orlando service hearing because the Orlando portion of the DEF service territory has more Duke customers than any other service area with no service hearing. Orange County has 419,517 Duke customers, behind only Pinellas County.¹ FR/LULAC notes that this is “nearly ten times” as many Duke customers as Citrus County² (51,361 customers), which was selected for a service hearing.

FR/LULAC maintains the need for an in-person service hearing despite the virtual hearing opportunities because many people can struggle with the technology to participate in a virtual service hearing and neither of the virtual service hearings include a Spanish interpreter. In contrast, the Orlando service area includes a large Spanish-speaking population.

Joinder by OPC

On May 20, 2024, OPC filed a Notice of Joinder of FR/LULAC’s Motion for Reconsideration. OPC noted that, in addition to the request made by FR/LULAC, the Commission should also have at least one more in-person service hearing in Madison, Suwannee, and/or Lafayette County region for the same purpose of mitigating the distance that any of those customers would have to travel to attend an in-person service hearing.

¹ Largo, the site of one in-person service hearing, is in Pinellas County.

² Inverness, the site of another in-person service hearing, is in Citrus County.

Date: June 6, 2024

Sierra Club and FRF also stated their support of FR/LULAC's motion. No other parties provided comment.

DEF's Response in Opposition

On May 24, 2024, DEF filed its Response in Opposition. DEF argues FR/LULAC has not identified a mistake of law or fact that would justify reconsideration of the hearing locations. Duke contends that while Order No. PSC-2024-0147-PCO-EI did not specifically set forth the rubric by which service hearings for this docket were established, it is fair to assume that the Commission is familiar with the population dispersion of the state and took that into consideration along with other relevant factors when scheduling service hearings in this proceeding.

Analysis

Motion for Reconsideration

The Commission has held that a mistake of fact or law standard applies to reconsideration by the Commission of a Prehearing Officer's order.³ The Prehearing Officer is the procedural administrator of a hearing-track case. They rule on motions and procedural matters and conduct prehearing conferences, prior to referral of such cases to the Commission for final decision. Pursuant to Rule 28-106.211, F.A.C., the Prehearing Officer may issue any orders necessary to effectuate discovery, to prevent delay, and to promote the just, speedy, and inexpensive determination of all aspects of the case. "The Prehearing Officer has wide discretion in balancing the interests of parties in the furtherance of the orderly administration of justice."⁴ The service hearings set by a Prehearing Officer are controlled in part by the selection of hearing dates by the Chairman, which is in turn based upon the availability of the Commission's calendar and many other factors.

Much of FR/LULAC's argument on reconsideration repeats matters raised in OPC's Motion for additional service hearings, which the Prehearing Officer considered when denying the request. OPC's Motion specifically requested, amongst other things, an Orlando-area service hearing in order for the in-person service hearings to be "distributed more evenly throughout DEF's service

³ See Order No. PSC-2016-0231-FOF-EI, issued June 10, 2016, in Docket No. 20160021-EI, *In re: Petition for rate increase by Florida Power & Light Company*; Order No. PSC-2002-1442-FOF-EI, issued October 21, 2002, in Docket Nos. 20020262-EI, *In re: Petition to Determine Need for an Electrical Power Plant in Martin County by Florida Power & Light Company* and 20020263-EI, *In re: Petition to Determine Need for an Electrical Power Plant in Manatee County by Florida Power & Light Company*; Order No. PSC-2001-2021-FOF-TL, issued October 9, 2001, in Docket No. 19960786A-TL, *In re: Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996*; Order No. PSC-1997-0098-FOF-EU, issued January 27, 1997, in Docket No. 19930885-EU, *In re: Petition to Resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power Company*; Order No. PSC-1996-0133-FOF-EI, issued January 29, 1996, in Docket No. 19950110-EI, *In re: Standard offer contract for the purchase of firm capacity and energy from a qualifying facility between Panda-Kathleen, L.P., and Florida Power Corporation*.

⁴ Order No. 25245, issued October 23, 1991, in Docket No. 19880069-TL, *In re: Petitions of Southern Bell Telephone and Telegraph Company for Rate Stabilization and Implementation Orders and Other Relief* (Prehearing Officer balanced competing interests of new counsel desiring more time to prepare and party seeking to proceed with discovery by delaying deposition).

Date: June 6, 2024

territory.” FR/LULAC’s Motion for Reconsideration reargues this same point. Order No. PSC-2024-0147-PCO-EI denying OPC’s Motion considered these arguments and held that “[e]xperience indicates that overall participation may increase if customers are allowed the option to participate in service hearings virtually, and that customers may actually prefer virtual to in-person participation.” Finally, while not specifically referenced in Order No. PSC-2024-0147-PCO-EI, as a matter of clarification, Spanish language interpretation will be available at several of the service hearings.

It is not appropriate to reargue matters on reconsideration that have already been considered. FR/LULAC has not clearly identified any specific mistakes of fact or law the Prehearing Officer made in denying OPC’s Motion for Additional Service Hearings. Without a specific mistake of fact or law, a motion for reconsideration must be denied, even if the reviewing body would have reached a different decision.⁵ Based on the above, FR/LULAC’s Motion should be denied.

OPC’s Notice of Joinder and Request for Additional Service Hearing

In OPC’s Notice of Joinder, OPC indicates support for FR/LULAC’s Motion for Reconsideration but also goes further in requesting a service hearing in the Madison, Suwannee, or Lafayette County region. OPC’s original Motion for Additional Service Hearings requested a hearing be held in Live Oak, Florida, which is located in Suwannee County. This request was denied in Order No. PSC-2024-0147-PCO-EI, and no mistake of fact or law is even alleged to have been overlooked in OPC’s Joinder. Therefore, OPC’s request for a service hearing in the Madison, Suwannee, or Lafayette County region should also be denied.

Conclusion

For the reasons discussed above, staff recommends that FR/LULAC’s Motion for Reconsideration and OPC’s Joinder should be denied.

⁵ *Stewart Bonded Warehouse, Inc. v. Bevis*, 294 So.2d 315, 317 (Fla. 1974); Order No. PSC 2016-0231-FOF-EI, issued June 10, 2016, in Docket No. 20160021-EI, *In re: Petition for rate increase by Florida Power & Light Company* (page 5).

Date: June 6, 2024

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's final resolution of DEF's requested permanent base rate increase. (Thompson)

Staff Analysis: This docket should remain open pending the Commission's final resolution of DEF's requested permanent base rate increase.

Item 24

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 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Kaymak, Barrett, Guffey) *GP*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20240033-EU – Joint petition for approval of territorial agreement in Marion County, by City of Ocala, Florida d/b/a Ocala Electric Utility and Sumter Electric Cooperative, Inc.

AGENDA: 06/18/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On February 15, 2024, the City of Ocala, Florida d/b/a Ocala Electric Utility (Ocala) and the Sumter Electric Cooperative, Inc. (SECO), collectively the joint petitioners, filed a petition seeking Commission approval of a Territorial Agreement in Marion County, Florida (2024 Territorial Agreement). The 2024 Territorial Agreement proposes territorial boundary line changes and also proposes transferring 52 customers and facilities from SECO to Ocala and 17 customers and facilities from Ocala to SECO. In its petition, the joint petitioners provided sample customer notifications dated January 10, 2024, that were sent to each of the customers who are subject to being transferred. The letters were issued to comply with Rule 25-6.0440(1)(d), Florida Administrative Code (F.A.C.). The proposed Agreement, maps depicting the new territorial boundaries, and legal descriptions are attached hereto as Attachment A.

Since 1987, Ocala and SECO have entered into a series of territorial agreements, the most recent of which was executed by the parties in 2003 (the 2003 Territorial Agreement). The Commission approved that agreement by Order No. PSC-03-0477-PAA-EU dated April 10, 2003, and Order No. PSC-2003-0567-CO-EU dated May 2, 2003. Early in 2017, the joint petitioners began to negotiate a new territorial agreement to replace the 2003 Agreement, which expired in May of 2018.¹ Despite it expiring, the parties have continued to abide by the 2003 agreement since beginning their negotiations towards the new Territorial Agreement now before the Commission.

Both Ocala and SECO have inadvertently connected customers that are located in the other utility's territory. As discussed in this staff recommendation, the negotiated 2024 Agreement provides that some of the customers will be transferred while others will remain with the current utility and not be transferred. The utilities contend that their respective Geographic Information System (GIS) mapping systems are now enhanced to clearly identify if requested service is located within or outside either utility's service territory to prevent future in advert connections.

During the review process, staff issued two data requests to the joint petitioners, for which responses were received on March 20, 2024 and April 30, 2024. Staff also had an informal telephonic meeting with joint petitioners on April 3, 2024.

The proposed 2024 Territorial Agreement, if approved as filed, establishes the new territorial boundaries reflecting the assets and customer transfers between the joint petitioners. The Commission has jurisdiction over this matter pursuant to Section 366.04, Florida Statutes (F.S.).

¹ The joint petitioners assert that although the 2003 agreement expired, the parties continue to meet their respective obligations set forth in that agreement. See Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 1.a.

Date: June 6, 2024

Discussion of Issues

Issue 1: Should the Commission approve the proposed 2024 Territorial Agreement between Ocala and SECO in Marion County, dated December 18, 2023?

Recommendation: Yes, the Commission should approve the proposed 2024 Territorial Agreement between Ocala and SECO in Marion County, dated December 18, 2023. The proposed territorial agreement amends the respective boundary between these utilities to more clearly delineate the service territory for each utility and eliminate the need for each utility to continue serving certain customers located in the territory of the other utility. Moreover, approval of the 2024 Territorial Agreement would help both joint petitioners gain further operational efficiencies and customer service improvements in their respective retail service territories, and address circumstances giving rise to uneconomic duplication of service facilities and hazardous situations. (Kaymak, Barrett, Guffey)

Staff Analysis: Pursuant to Section 366.04(2)(d), F.S., and Rule 25-6.0440(2), (F.A.C.), the Commission has jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Unless the Commission determines that the agreement will cause a detriment to the public interest, the agreement should be approved.²

Compliance with Rule 25-6.0440(2), F.A.C.

Rule 25-6.0440(2), F.A.C., addresses the standards the Commission should consider for approving territorial agreements for electric utilities. The Rule states:

- (2) Standards for Approval. In approving territorial agreements, the Commission may consider:
 - (a) The reasonableness of the purchase price of any facilities being transferred;
 - (b) The reasonable likelihood that the agreement, in and of itself, will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of any utility party to the agreement;
 - (c) The reasonable likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities; and
 - (d) Any other factor the Commission finds relevant in reaching a determination that the territorial agreement is in the public interest.

Proposed 2024 Territorial Agreement

Ocala and SECO executed the proposed 2024 Territorial Agreement on December 18, 2023, to replace the 2003 Agreement which expired in May 2018. Upon its approval by the Commission, the proposed 2024 Territorial Agreement will supersede the 2003 Agreement and all other prior agreements between the joint petitioners in Marion County. Through the proposed 2024 Territorial Agreement, the joint petitioners seek to (1) transfer certain customers to address errors each utility made in connecting and serving customers that were located in the geographic area

² *Utilities Commission of the City of New Smyrna Beach v. Florida Public Service Commission*, 469 So. 2d 731 (Fla. 1985).

Date: June 6, 2024

of the other utility³ and (2) make minor revisions to existing boundary lines, or “re-draws,” in order to gain further operational efficiencies and customer improvements in their respective retail service territories in Marion County. These combined objectives are expected to aid the utilities in eliminating circumstances that give rise to the uneconomic duplication of service facilities and hazardous situations.

Pursuant to Section 6.1, the proposed 2024 Territorial Agreement will remain in effect for 20 years from the date the Commission issues its order approving the agreement in its entirety and it is no longer subject to judicial review. Upon the expiration of the initial 20-year term, pursuant to Section 6.1, the agreement shall remain in effect unless either party provides written notice of termination at least 12 months prior to the termination of the Agreement in accordance with the Section 8.3.

Proposed Boundary Modifications

The joint petitioners assert that the proposed boundary re-draws are minor, and do not involve the transfer of existing customers.⁴ These minor modifications are the result of negotiations between the parties, and propose changes to their existing boundary lines only when and where the parties believe it was equitable to do so, and only in those limited areas where: (1) where one utility had facilities and the other did not and had no intention of building such facilities, and it was more efficient for the current utility to continue serving those accounts rather than duplicating facilities and transferring the accounts back to the other utility; or (2) when a re-draw was needed to keep the territorial boundary line from “splitting” a development parcel.⁵ The joint petitioners contend the proposed re-draws will accomplish these objectives, but acknowledge that even with its proposed re-draws and proposed customer transfers, each utility will continue to serve a limited number of customers currently in the territory of the other utility.

In a data request response, the joint petitioners acknowledged that a small number of inadvertently-served customers are not being proposed for transfer. A total of 51 such customers are currently served by SECO, even though they are located in Ocala’s service territory. A total of 34 such customers are currently served by Ocala, even though they are located in SECO’s service territory.⁶ The joint petitioners contend that these inadvertently-served customers are in areas where the parties determined it is efficient for the current utility to continue serving those accounts, rather than duplicating facilities and transferring the accounts back to the other utility.⁷

Proposed Customer Transfers

A total of 52 active customer accounts are proposed to be transferred from SECO to Ocala and 17 active customer accounts and facilities are proposed to be transferred from Ocala to SECO.⁸ This subset of customers were also inadvertently connected by the other utility; however, unlike

³ Document No. 02582-2024, joint petitioners’ response to staff’s second data request, No. 1.

⁴ Document No. 02582-2024, joint petitioners’ response to staff’s second data request, No. 1.

⁵ *Id.*

⁶ Document No. 02582-2024, joint petitioners’ response to staff’s second data request, No. 1. The addresses for these inadvertently served customers are provided in Attachments 1 and 2.

⁷ Document No. 02582-2024, joint petitioners’ response to staff’s first data request, No. 1.

⁸ The service location addresses for all of the customer transfers are identified in Exhibits C and D to the joint petitioners’ petition, dated February 15, 2024 (See Document No. 00725-2024).

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the customers discussed above where the current utility will continue serving those accounts, the parties negotiated the proposed transfer arrangements for these customers, as discussed below.

The proposed customer transfers under the 2024 Territorial Agreement are the result of negotiations between the parties, with the intention to “clean up encroachments” where one utility has inadvertently served customers in the other utility’s service area where the other utility has facilities.⁹ The parties attempted to avert customer transfers entirely, but negotiations were stymied by lack of agreement on an equitable method to calculate the future load (growth) value of other undeveloped parcels that could have been swapped to make the other utility whole for relinquishing parts of its previously established service territory.¹⁰ The parties fell back to negotiating the proposed transfers while maintaining the original boundary as a means to complete the agreement, and also avoid the confusion associated with revisions to their existing territorial boundary that was previously approved by the Commission. Instead, the joint petitioners agreed on the proposed customer transfer arrangements that maintains the current territorial boundary line in areas where the parties were unable to agree on another arrangement.

SECO to Ocala Customer Transfers

The 52 active SECO customer accounts to be transferred to Ocala are primarily residential and small business class customers, connected at various times, the oldest of which was connected over 30 years ago.¹¹ At the time of connection, SECO states it relied upon its then-current mapping resources, which indicated that each service address was within its franchised service territory. Enhancements to its mapping resources, however, indicated that the service addresses identified in Exhibit C of the proposed 2024 Territorial Agreement were, in fact, located in Ocala’s territory, except for the metered services for City of Ocala-owned facilities (e.g., traffic control equipment and sanitary lift stations).

Ocala to SECO Customer Transfers

Similarly, the 17 active Ocala customer accounts to be transferred to SECO were also connected at various times, some dating back to 20 years.¹² However, all of the customer locations except one shown in Exhibit D of the proposed 2024 Territorial Agreement are receiving service as small business class customers. At the time of connection, Ocala also relied on mapping resources that have since been enhanced. The joint petitioners state that both utilities now use more accurate GIS that are programmed to automatically alert utility employees when requests for service are located outside of either entity’s service territory.¹³

Implementation and Customer Notifications

The joint petitioners state that there will be no customer transfers until the Commission approves the joint petition. Although specific details have not been developed yet, the joint petitioners state that upon approval of the 2024 Territorial Agreement, the customer transfers will be coordinated to take place over a 36-month period. The joint petitioners state that multiple departments from each utility will be involved in developing and coordinating this work plan,

⁹ *Id.*

¹⁰ Document No. 02582-2024, joint petitioners’ response to staff’s second data request, No 1.d

¹¹ Document No. 01238-2024, joint petitioners’ response to staff’s first data request, No. 1.

¹² Document No. 01238-2024, joint petitioners’ response to staff’s first data request, No. 1.

¹³ Document No. 01238-2024, joint petitioners’ response to staff’s first data request, No. 6.

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which will involve general engineering studies, developing customer communications plans, conduct field reviews, develop and prioritize the necessary work orders to effectuate the customer transfers, while also conducting individual work requests designed for each customer being transferred.¹⁴

Pursuant to Rule 25-6.0440(1)(d), F.A.C., SECO notified its designated 52 customers of the proposed transfer to Ocala, and Ocala informed its designated 17 customers of their proposed transfer to SECO. The customer notification letters dated January 10, 2024, provided information on the general service rate changes that would be applicable under this proposal. As of January 2024, the residential service rate for 1,000 Kilowatt Hours (KWH) was \$116.60 for SECO and \$162.64 for Ocala, a difference of \$46.04 per month (about 36%). As of January 2024, the commercial general service rate (GS) for 1,000 Kilowatt KWH was \$122.50 for SECO and \$166.77 for Ocala, a difference of \$44.27 per month (about 39%). As of January 2024, the commercial GS3 rate for 1,000 KWH was \$133.00 for SECO and not applicable to Ocala.

SECO has not received any written correspondence from customers related to the proposed transfers. However SECO has received two phone calls from proposed transferred customers who expressed their displeasure at having to transfer, and preference to remain SECO customers. Ocala has not received any written or verbal (phone call) comments from any of the customers subject to transfer.¹⁵

At least 30 days prior to the actual transfer, SECO and Ocala customers will receive a second notification of the transfer, the timing of the transfer, and the rate comparison of each utility. Moreover prior to construction, the customers being transferred will be again notified (e.g. by phone calls, door hangers) that their electric service is being transferred to the other utility.¹⁶ The joint petitioners assert that no additional charges will be imposed on those customers that will be transferred.¹⁷

The joint petitioners have not determined a purchase price for facility transfers, or have developed construction cost estimates or detailed engineering drawings yet. No final decisions have been made regarding transferring or purchasing facilities. Upon the approval of the proposed 2024 Territorial Agreement, the parties will address which facilities are to be transferred or purchased and undertake a valuation of facilities subject to transfer. SECO and Ocala have agreed to use a commonly-accepted engineering cost estimation methodology to determine the value of facilities subject to transfer.¹⁸

The joint petitioners believe the proposed 2024 Territorial Agreement is the result of a balanced negotiation. They assert that a number of factors were analyzed, and believe the resulting 2024 Territorial Agreement corrects certain errors made by both entities, provides clarity on the minor boundary changes that eliminate split parcels, and would aid them in serving their own respective customers in a more efficient manner.

¹⁴ Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 7.

¹⁵ Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 6.

¹⁶ Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 3.

¹⁷ Document No. 02582-2024, joint petitioners' response to staff's second data request, Nos. 5 and 6.

¹⁸ Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 4.

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In its review, staff analyzed each component of Rule 25-6.0440(2), F.A.C.

Regarding paragraph (2)(a), staff notes that no purchase price was presented for staff to review. As a proxy, staff notes that the joint petitioners plan to develop specific plans and technical drawings for implementing their agreement at a later time, once Commission approval is obtained. The parties assert that when specific technical plans are developed, they will develop a valuation for the facilities subject to transfer based upon a commonly-accepted engineering cost estimation methodology.¹⁹ Staff believes this approach is reasonable because it is a commonly-accepted methodology, and one that the Commission has used in several recent dockets.²⁰

Pursuant to Rule 25-6.0440(2)(b), F.A.C., the joint petitioners' confirmed in data request responses that the availability and reliability of service to existing or future customers will not be decreased for either petitioner. Additionally, both utilities confirmed that the 2024 Territorial Agreement would help them gain further operational efficiencies and customer service improvements in their respective retail service areas.

Under the proposed 2024 Territorial Agreement, the joint petitioners have made good faith efforts to minimize existing or potential uneconomic duplication of facilities, as referenced in Rule 25-6.0440(2)(c), F.A.C. Each joint petitioner provided maps indicating the approximate distance between customer locations and primary facilities.²¹ For the majority of all customers that are proposed to be transferred, the distance between customer locations and primary facilities is less than 1,000 feet.²² The joint petitioners explained that they intend to pursue the purchasing existing facilities (rather than constructing new facilities) when the following conditions are met: 1) it is economically feasible to do so (based on the depreciated value), 2) where the existing facilities can be disconnected from other utilities' remaining facilities without significant impact on other utilities' ability to serve other customers, 3) the existing facilities appear suitable for use for several more years, 4) in underground distribution locations, and 5), in locations where equipment and facilities are compatible between the two utilities (i.e., transformer voltages, insulator rating, etc.) Based on the stated preference to purchase facilities rather than build where possible, staff believes these actions, in sum, reasonably addresses the matter of uneconomic duplication.

¹⁹ Document No. 01238-2024, joint petitioners' response to staff's first data request, No. 4.

²⁰ See Order No PSC-2019-0048-PAA-EU, issued January 28, 2019, and consummated by Order No PSC-2019-0066-CO-EU, issued February 22, 2019. Both orders were issued in Docket No. 20180159-EU, *In re: Joint petition for approval of amendment to territorial agreement in Hardee, Highlands, Polk, and Osceola Counties, by Peace River Electric Cooperative and Duke Energy Florida, LLC*; Order No PSC-2020-0252-PAA-EU, issued July 23, 2020, and consummated by Order No PSC-2020-0279-CO-EU, issued August 17, 2020. Both orders were issued in Docket No. 20200106-EU, *In re: Joint petition to approve territorial agreement in Sumter, Lake, Marion, Levy, and Citrus Counties, by Sumter Electric Cooperative, Inc. and Duke Energy Florida, LLC*; and Order No PSC-2021-0041-PAA-EU, issued January 25, 2021, and consummated by Order No PSC-2021-0085-CO-EU, issued February 19, 2021. Both orders were issued in Docket No. 20200217-EU, *In re: Joint petition for approval of territorial agreement in Jefferson, Madison, and Taylor Counties, by Tri-County Electric Cooperative and Duke Energy Florida, LLC*.

²¹ Document No. 02582-2024, joint petitioners' response to staff's second data request, No. 4.

²² *Id.*

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Rule 25-6.0440(2)(d), F.A.C., gives the Commission the discretion to address any other relevant concerns that are case-specific. In this case, a disparity of rates (based on January 2024 information for 1,000 KWH of usage) exists that will result in certain customers paying more for service.²³ Pursuant to the 2024 Territorial Agreement, the 52 customers transferred from SECO to Ocala will be paying rates that are about 36 percent to 39 percent higher, compared to the comparable rates from SECO for residential and commercial class service. Staff believes SECO met its obligation of providing notification pursuant to Rule 25-6.0440(1)(d), F.A.C., and commits to do so again when the specific transfer (within the 36 month window) is eminent. Although staff is cognizant of the rate impact on those 52 customers, the Commission has consistently adhered to the principle set forth in *Storey v. Mayo*, 217 So. 2d 304, 307-308 (Fla. 1968), and reaffirmed in *Lee County Electric Cooperative v. Marks*, 501 So. 2d 585 (Fla. 1987), that no person has a right to compel service from a particular utility simply because he believes it to be to his advantage. The Court went on to say in *Lee County* that “larger policies are at stake than one customer's self-interest, and those policies must be enforced and safeguarded by the Florida Public Service Commission.” *Lee County Electric Cooperative*, at 587.²⁴

The joint petitioners are optimistic that with modern mapping resources and advancements in GIS technology, instances of inadvertent connection can be greatly reduced or eliminated. Staff commends both parties for their efforts to correct certain errors made by both entities over a long period of time. On balance, staff believes the 2024 Territorial Agreement is a product of thoughtful negotiation and reasonable.

Conclusion

Staff recommends that the Commission should approve the proposed 2024 Territorial Agreement between Ocala and SECO in Marion County, dated December 18, 2023. The proposed territorial agreement amends the respective boundary between these utilities to more clearly delineate the service territory for each utility and eliminate the need for each utility to continue serving certain customers located in the territory of the other utility. Moreover, approval of the 2024 Territorial Agreement would help both joint petitioners gain further operational efficiencies and customer service improvements in their respective retail service territories, and address circumstances giving rise to uneconomic duplication of service facilities and hazardous situations.

²³ *AmeriSteel Corp. v. Clark*, 691 So. 2d 473, 480 (Fla. 1997). (“[T]he Commission was fully apprised of AmeriSteel's corporate interest in obtaining lower electricity rates before deciding to approve the JEA–FPL agreement.”)

²⁴ See Order No. PSC-96-0755-FOF-EU, issued June 10, 1996, in Docket No. 19950307-EU, *In re: Petition to resolve a territorial dispute with Florida Power & Light Company in St. Johns County*, by Jacksonville Electric Authority.

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Issue 2: Should this docket be closed?

Recommendation: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Sandy)

Staff Analysis: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

ATTACHMENT 1

2023 Territorial Agreement

Sumter Electric Cooperative, Inc. and
The City of Ocala

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Territorial Agreement

Section 0.1: Sumter Electric Cooperative, Inc. ("SECO"), and the City of Ocala ("OCALA"), (collectively, the "Parties" and individually, a "Party") enter into this Territorial Agreement (the "Agreement") on this 18th day of December, 2023.

WITNESSETH:

Section 0.2: WHEREAS, SECO, by virtue of Chapter 425, Florida Statutes, and the Charter issued to it thereunder, is authorized and empowered to furnish electricity and power to its members, private individuals and others, and pursuant to that authority presently furnishes electricity and power to member customers in the areas of Marion County, Florida and elsewhere; and

Section 0.3: WHEREAS, OCALA by virtue of the laws of Florida, is authorized and empowered to furnish electricity and power to persons, firms, and corporations in Marion County, Florida, and pursuant to that authority presently furnishes electricity and power to customers in areas of Marion County, Florida

Section 0.4: WHEREAS, SECO and OCALA were parties to a territorial agreement dated September 24, 2002 delineating their respective service territories in Marion County, which was approved by the Florida Public Service Commission (the "Commission") in Order No. PSC-2003-0477-PAA-EU, issued April 10, 2003, in Docket No. 20030117-EU, and made effective May 2, 2003, by Consummating Order PSC-03-0567-CO-EU ("Prior Agreement"); and

Section 0.5: WHEREAS, the Prior Agreement expired by its own terms in May of 2018, and the Parties now desire to enter into a new territorial agreement in order to gain further operational efficiencies and customer improvements in their respective retail service territories in the aforesaid county, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations; and

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Section 0.5: WHEREAS, the respective areas of service of the Parties are contiguous in many places, and the Parties seek to minimize costs to their respective rate payers by avoiding duplication of generation, transmission, and distribution facilities; and

Section 0.6: WHEREAS, the Commission has previously recognized that any such duplication of facilities results in needless and wasteful expenditures and may create hazardous conditions, both being detrimental to the public interest: and

Section 0.7: WHEREAS, the Parties desire to continue to avoid and eliminate the circumstances giving rise to potential duplication of facilities and hazardous conditions, and in furtherance of such desire, have established Territorial Boundary Lines to delineate their respective retail Territorial Areas, subject to the approval of the Commission; and

Section 0.8: WHEREAS, the Commission is empowered by Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and resolve territorial disputes between electric cooperatives and other electric utilities under its jurisdiction, and has recognized the value of such territorial agreements, and held such agreements, when properly prepared are beneficial and in the public interest.

Section 0.9: NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, which shall be constructed as being interdependent, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1: Recitals Incorporated. The foregoing recitals are true and correct, and are incorporated herein by reference.

Section 1.2: Territorial Boundary Line(s). As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) and the service areas depicted on the maps attached hereto as Composite Exhibit A which delineate and differentiate the Parties' respective Territorial Areas in Marion County. The portions of the county which are not subject to this Agreement are marked

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on the maps and/or written description as “Not Part Of This Agreement.” Additionally, as required by Rule 25-6.0440(1)(a), F.A.C., a written description of the territorial areas served is attached as Composite Exhibit B. If there are any discrepancies between Composite Exhibit A and Composite Exhibit B, then the territorial boundary maps in Composite Exhibit A shall prevail.

Section 1.2: SECO Territorial Areas. As used herein, the term “SECO Territorial Areas” shall mean the geographic areas in Marion County allocated to SECO by this agreement as its retail service territory and labeled as “SECO Territorial Area” or “SECO” on the maps contained in Composite Exhibit A.

Section 1.3: Ocala Territorial Areas. As used herein, the term “OCALA Territorial Areas” shall mean the geographic areas in Marion County allocated to Ocala by this Agreement as its retail service territory and labeled as “OCALA Territorial Area” or “OCALA” on the maps contained in Composite Exhibit A.

Section 1.4: Point of Use. As used herein, the term “Point of Use” shall mean the location within the Territorial Area of a Party where a customer’s end-use facilities consume electricity, which such Party will be entitled to provide retail electric service under this Agreement, irrespective of where the customer’s point of delivery or metering is located.

Section 1.5: New Customers. As used herein, the term “New Customers” shall mean all end use customers applying for retail electric service after the Effective Date of this Agreement at a Point of Use in the Territorial Area of either Party.

Section 1.6: Commission. As used herein, the term “Commission” shall mean the Florida Public Service Commission.

Section 1.7: Effective Date. As used herein, the term “Effective Date” shall mean the date on which the Commission’s final order granting approval of this Agreement in its entirety becomes no longer a subject to judicial review.

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Section 1.8: Temporary Service Customers. As used herein, the term “Temporary Service Customers” shall mean customers who are being temporarily served under Section 2.3, the Temporary Service provision of the Agreement.

ARTICLE II RETAIL ELECTRIC SERVICE

Section 2.1: Service Areas. Except as otherwise specifically provided herein, SECO will have the exclusive authority to furnish retail electric service within SECO’s Territorial Areas and OCALA will have the exclusive authority to furnish retail electric service in the OCALA’s Territorial Areas. The Territorial Boundary Line shall not be affected by any change, through annexation or otherwise, that may occur in the corporate limits of any municipality lying within SECO’s Territorial Areas or OCALA’s Territorial Areas, unless agreed to in writing by the Parties and approved by the Commission.

Section 2.2: Service to New Customers. Each Party agrees that it will not knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Territorial Area of the other Party, except as specifically provided in this Section and Section 2.3 of this Agreement. If the Territorial Boundary Line traverses the property of a New Customer resulting in the New Customer’s property being served by two different utilities, then the Parties shall meet to discuss whether the New Customer could be efficiently served by one utility. The Parties agree that the Party in whose service area the preponderance of the New Customer’s energy usage is expected to occur should serve the New Customer provided that the relinquishment of load is equitable to the relinquishing Party. If the Parties agree, based on good engineering practices and equitable economic considerations, that the New Customer could be efficiently served by one Party, then the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary Line that places the new residential development area in question within the Territorial Area of the designated Party.

Section 2.3: Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints, good engineering practice, or other circumstances may indicate that a customer’s Point of Use either cannot or should not be immediately served by the Party in whose

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Territorial Area such Point of Use is located. Such service shall be referred to as “Temporary Service” which may occur in the following circumstances:

Section 2.3.1: Future New Customers. Upon written request by the Party (“Requesting Party”) in whose Territorial Area the New Customer’s Point of Use is located, the other Party (“Responding Party”) may, in its sole discretion, agree in writing to temporarily provide service to such New Customer until such time as the Requesting Party provides written notice of its intent to service the Point of Use. The Responding Party shall inform the customer of the temporary nature of such service.

Section 2.3.2: Inadvertent Service. After the Effective Date of this Agreement, if any situation is discovered during the term of this Agreement in which one Party is inadvertently providing retail electric service to a customer’s Point of Use located within the service area of the other Party, service to such customer will be transferred to such other Party as soon as practical. Until the transfer of service can be completed, the Party providing inadvertent service to the customer’s Point of Use will be deemed to be Temporary Service. When an inadvertent service is discovered, the Party discovering the inadvertent service shall notify the other Party in writing pursuant to Section 8.3; the Party providing the inadvertent service shall then provide documentation showing when the service began.

Section 2.3.3: Present Temporary Service Customers. All Temporary Service customers identified by the Parties as the Effective Date of this Agreement currently served by SECO and subject to transfer to OCALA are listed by service address and account number in Exhibit C hereto. The Temporary Service customers currently served by OCALA and subject to transfer to SECO pursuant to this Agreement are listed by service address and account number in Exhibit D hereto.

Section 2.4: Discontinuation of Temporary Service. Any Temporary Service customers shall be discontinued upon written notice from the Party in whose territory the customer is located of its intent to provide service, in which case the Parties shall coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing Temporary Service hereunder may be compensated for its facilities by the other Party in accordance with Section 3.3.2.

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Section 2.5: Referral of Service Request. In the event that a prospective New Customer requests or applies for service from either Party to be provided to a Point of Use located in the Territorial Area of the other Party, the Party receiving the request or application shall advise the prospective New Customer that such service is not permitted under this Agreement as approved by the Commission and shall refer the prospective New Customer to the other Party.

Section 2.6: Reallocation of Areas. In the event that circumstances arise during the term of this Agreement in which the Parties agree that, based on sound economic considerations and good engineering practices, an area located in the Territorial Area of one Party would be better served if reallocated to the service territory of the other Party, the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary Line that places the area in question (the "Reallocated Area") within the Territorial Area of the Party and transfer of the customers located in the Reallocated Area to the other Party.

ARTICLE III TRANSFER OF CUSTOMERS

Section 3.1: In General. In order to achieve the operational efficiencies and the other benefits contemplated by this Agreement in a timely manner, all Temporary Service Customers shall be transferred to the Party in whose Territorial Area such customers are located at the earliest practical time, consistent with sound utility practices, including cost effectiveness and system design engineering, and reasonable customer notice. The status of all Temporary Service Customers shall be reported annually to the Commission pursuant to Section 3.5 below.

Section 3.2: Transfer Notice. In accordance with Rule 25-6.0440(1)(d), F.A.C., the affected Temporary Service customers subject to transfer upon the Effective Date of this Agreement will be sent written notification of this Agreement and the transfer provision described above. After the Effective Date of this Agreement, any Temporary Service customers to be transferred shall be provided similar notice as the Commission's rules require.

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Section 3.3: Compensation for Transferred Customers and Facilities.

Section 3.3.1: Going Concern Value. The Parties agree that no lost revenue or going concern value shall be paid for the transfer of customers pursuant to this Agreement.

Section 3.3.2: Compensation for Transferred Facilities. Upon the transfer of Temporary Service customers pursuant to Section 3.1 above, the receiving Party may elect to purchase the facilities of the transferring Party related exclusively to serving the Temporary Service customers based upon the replacement cost (new), less depreciation calculated on a 30 year straight line basis over the life of the asset (facility) as determined from the transferring Party's books and records, and the cost of the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices. The replacement cost shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology to the original cost, as long as both Parties apply the same escalation method.

Section 3.3.3: Time of Payment. All payments from the receiving Party to the transferring Party determined in accordance with this section shall be made in cash within 60 days of the presentation of an invoice from the transferring Party.

Section 3.3.4: Transfer Instruments. For each transfer made under this Agreement, the transferring Party will make, execute, and deliver to the receiving Party a conveyance, deed or other instrument of transfer, as is appropriate, in order to convey all rights, titles and interests of the transferring Party in any facilities, right-of-way, easements, road permits, or other rights to the receiving Party.

Section 3.3.4.1: RUS Approval. Property transfer from SECO to OCALA may be subject to approval and release from security documents by the United States of American Department of Agriculture and Rural Utilities Service ("RUS") or other lenders. All assets are subject to USDA-RUS approval if the aggregate value of assets sold, leased, or transferred in any 12-month period are more than 10 percent of the borrower's (SECO's) net utility plant prior to the transaction for distribution borrowers.

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Section 3.3.5: Transfer Segment Closings. The Parties acknowledge that it may be more efficient to accomplish a particular transfer in segments or phases. The Parties shall mutually agree on a closing date for each transfer segment, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred facilities; and to prepare the appropriate closing statement, assignments, and other instruments to transfer and convey the transferring Party's interest in the electric distribution facilities to the receiving Party pursuant to Section 3.3.4 above. At the closing, the receiving Party shall pay the transferring Party the compensation due.

Section 3.4: Service Obligations. Except as otherwise provided herein, each Party retains the right and obligation to continue to provide retail electric service at existing points of delivery, which are in the retail service areas of the other Party, at the time this Agreement becomes effective. Existing points of delivery shall mean service drops and underground service laterals which are physically connected to the customer's property, whether energized or not. Each party may maintain, repair and replace its facilities used to service such existing points of delivery.

Section 3.5: Commission Reporting. The Parties shall annually in March jointly report in writing to the Commission the status and, as appropriate, progress in transferring Temporary Customers to the appropriate Party and any other relevant information. The Parties acknowledge that sound engineering, customer growth and development within the respective OCALA or SECO Territorial Areas, and other economic considerations may delay the transfer of some Temporary Service Customers.

**ARTICLE IV
OPERATION AND MAINTENANCE**

Section 4.1: Facilities to Remain. Other than expressly provided therein, no generating plant, transmission line, substation, distribution line or related equipment shall be subject to transfer or removal hereunder; provided, however, that each Party shall operate and maintain its lines and facilities in a manner that minimized any interference with the operation of the other Party.

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Section 4.2: SECO Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of SECO to serve any SECO facility located in OCALA's Territorial Area which facility is used exclusively in connection with SECO's business as an electric utility; provided, however, that SECO shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of OCALA in OCALA Territorial Area.

Section 4.3: OCALA Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of OCALA to serve any OCALA facility located in SECO's Territorial Area which facility is used exclusively in connection with OCALA's business as an electric utility; provided, however, that OCALA shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of SECO in the SECO Territorial Area.

Section 4.4: Retail Service at Facility Sites. Where either Party serves any of its facilities located in the Territorial Area of the other Party pursuant to Sections 4.2 or 4.3 above, such Party may provide limited retail service on the site of the facility to prevent potential safety hazards or unsound operating conditions that would result from the construction and maintenance of lines and related facilities by the other Party to provide retail service at the site. As used in this section, limited retail service shall mean no more than three separate retail accounts with a combined load of 25kW or less at any such site.

**ARTICLE V
PREREQUISITE APPROVAL**

Section 5.1: Commission Approval. The provisions of this Agreement and the Parties' performance hereunder are subject to the regulatory authority of the Commission, and the appropriate approval by that agency of this Agreement in its entirety shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This Agreement shall have no effect whatsoever until such Commission approval has been obtained. Any proposed modification to this Agreement shall be submitted to the Commission for approval. In addition, the Parties agree

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SECO-OCALA Territorial Agreement
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to jointly petition the Commission to resolve any dispute concerning the provisions of this Agreement or the Parties' performance hereunder.

Section 5.2: Liability in the Event of Disapproval. In the event Commission approval pursuant to Section 5.1 is not obtained, neither Party will have any claim against the other arising under this Agreement.

Section 5.3: Supersedes Prior Agreements. Upon approval by the Commission, this Agreement shall be deemed to specifically supersede all other prior agreements between the Parties defining the boundaries of their respective Territorial Areas in Marion County.

ARTICLE VI DURATION

Section 6.1: Term. This Agreement shall continue and remain in effect for a period of twenty (20) years from the Effective Date. After expiration of the twenty (20) year term provided herein, this Agreement shall remain in effect thereafter unless either Party provided written notice of Termination at least 12 months prior to the termination of the Agreement as contemplated by Section 8.3.

ARTICLE VII CONSTRUCTION OF AGREEMENT

Section 7.1: Other Electric Utilities. Nothing in this Agreement is intended to define, establish or affect in any manner the rights of either Party hereto relative to any other electric utility not a party to this Agreement. The Parties understand that SECO or Ocala may, from time to time and subject to Commission approval, enter into territorial agreements with other electric utilities providing retail service in Marion County and that, in such event, nothing herein shall be construed to prevent SECO or Ocala from designating any portion of its Territorial Area under this Agreement as the retail service area of some other electric utility.

Section 7.2: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to further the State's policy of : actively regulating and supervising the service territories of electric utilities;

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SECO-OCALA Territorial Agreement
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supervising the planning, development, and maintenance of a coordinated electric power grid throughout Florida; avoiding uneconomic duplication of generation, transmission and distribution facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Parties' respective obligations to serve.

ARTICLE VIII MISCELLANEOUS

Section 8.1: Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties unless made in writing, signed by both Parties, and approved by the Commission.

Section 8.2: Successors and Assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation, other than the Parties, any right, remedy or claim under or by reason of this Agreement or any provision or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding only upon the Parties and their respective representatives, successors and assigns.

Section 8.3: Notices. Notices and other written communications contemplated by this Agreement shall be deemed to have been given if sent by certified mail, postage prepaid, by prepaid private courier, or by email, as follows:

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SECO-OCALA Territorial Agreement
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As to Sumter Electric Cooperative, Inc.:

NAME: John LeSelva
TITLE: Chief Operating Officer
ADDRESS: 330 S US Highway 301
Sumterville, FL 33585
EMAIL: John.laselva@secoenergy.com

With a copy to:

NAME: Tracy M. de Lemos, Esq.
TITLE: Vice President, Corporate General
Counsel
ADDRESS: 330 S US Highway 301
Sumterville, FL 33585
EMAIL: tracy.delemos@secoenergy.com

As to City of Ocala Electric Utility:

NAME: Doug Peebles
TITLE: Director, Electric Utility
ADDRESS: 1805 NE 30th Ave., Bldg, 400
Ocala, FL 34470
EMAIL: DPeebles@ocalafl.gov

With a copy to:

NAME: Randy Hahn
TITLE: Electric Engineering Manager
ADDRESS: 1805 NE 30th Ave., Bldg, 400
Ocala, FL 34470
EMAIL: RHahn@ocalafl.gov

Either Party may change its designated representative or address to which such notices or communications will be sent by giving written notice thereof to the other Party in the manner herein provided.

Section 8.4. Public Records. SECO is not a public agency nor is it acting on behalf of a public agency under this Agreement. SECO, however, acknowledges and agrees that OCALA is required to comply with Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, in the handling of any public records created under this Agreement.

Section 8.5. No Waiver of Sovereign Immunity. Nothing herein is intended to waive any applicable sovereign immunity by OCALA, or of any rights or limits of liability existing under Section 768.28, Florida Statutes. This Section shall survive the termination of all performance or obligations under this Agreement, and shall be fully binding until any proceeding brought under this Agreement is barred by any applicable statute of limitations.

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Section 8.6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall be deemed to be one and same agreement. Transmission of images of signed signature pages by facsimile, e-mail or other means shall have the same effect as the delivery of manually signed documents in person

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

SIGNATURES CONTINUE ON NEXT PAGE.

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SECO-OCALA Territorial Agreement
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CITY OF OCALA FLORIDA,
a Florida municipal corporation

DocuSigned by:

Barry Mansfield

550E4A5AC2B44F7

By: Barry Mansfield, as
City Council President

ATTEST:

DocuSigned by:

Angel B. Jacobs

By: ANGEL JACOBS, as
City Clerk

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:

William E. Sexton

By: WILLIAM E. SEXTON, as
City Attorney

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Sumter Electric Cooperative, Inc.

Attest:


Morgan Hatfield (Jan 19, 2024 22:02 EST)

NAME

TITLE Secretary

SEAL



NAME Tracy M. de Lemos, Esq.

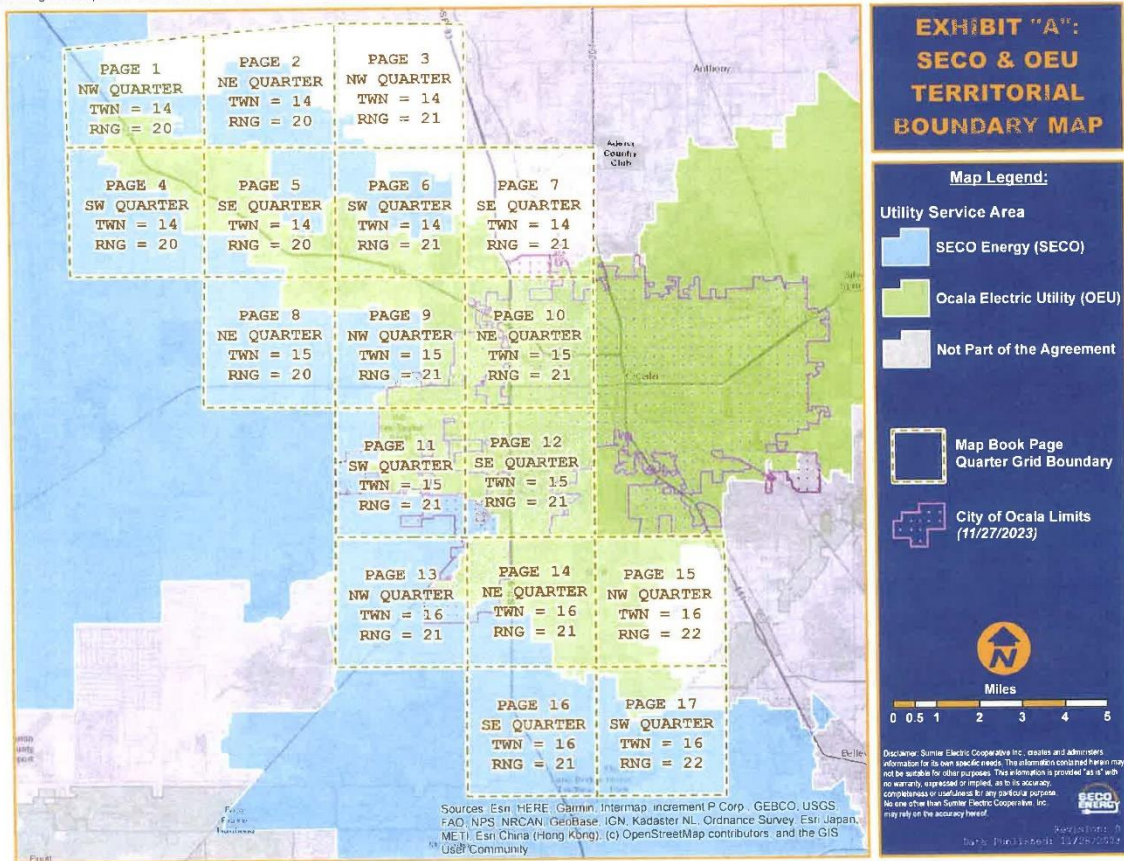
TITLE Vice President, Corporate General
Counsel

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Composite Exhibit A

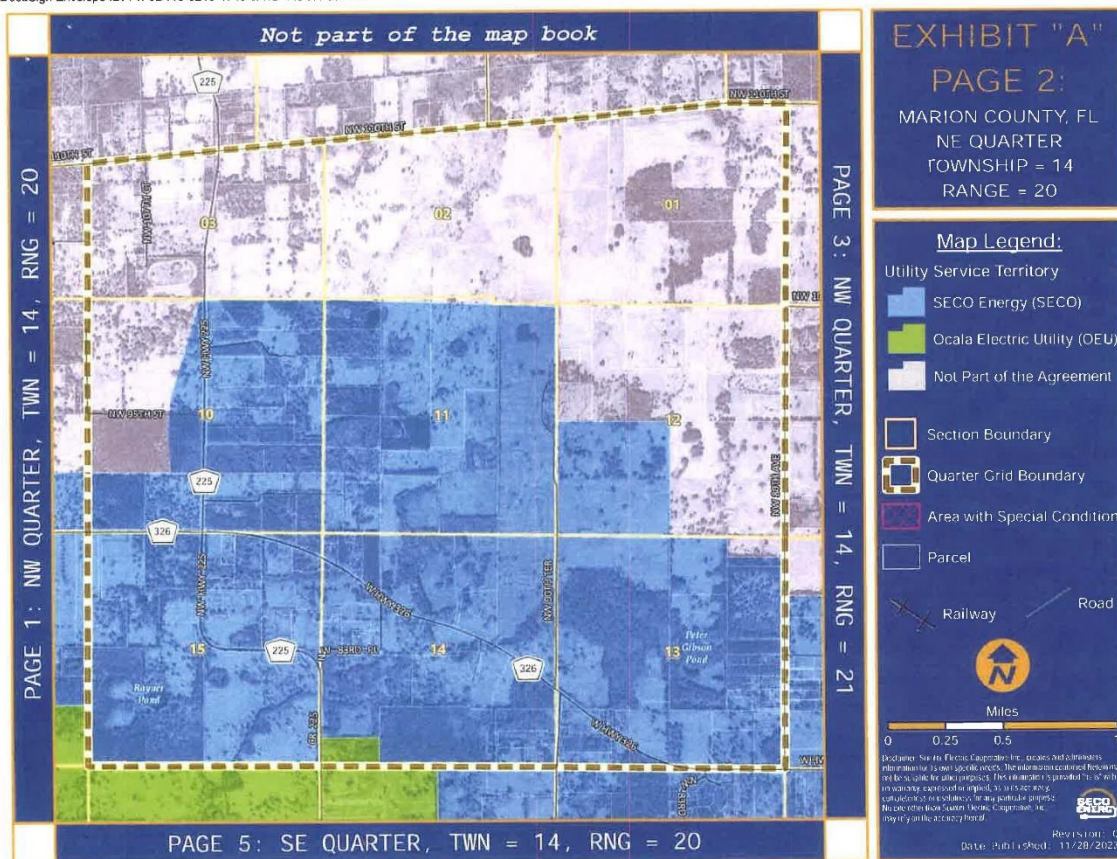
*SECO and OEU Territorial Maps and Detailed changes to
Territorial Boundary Lines, and
a General Highway Map Showing Utility Service
Territories for SECO and OEU*

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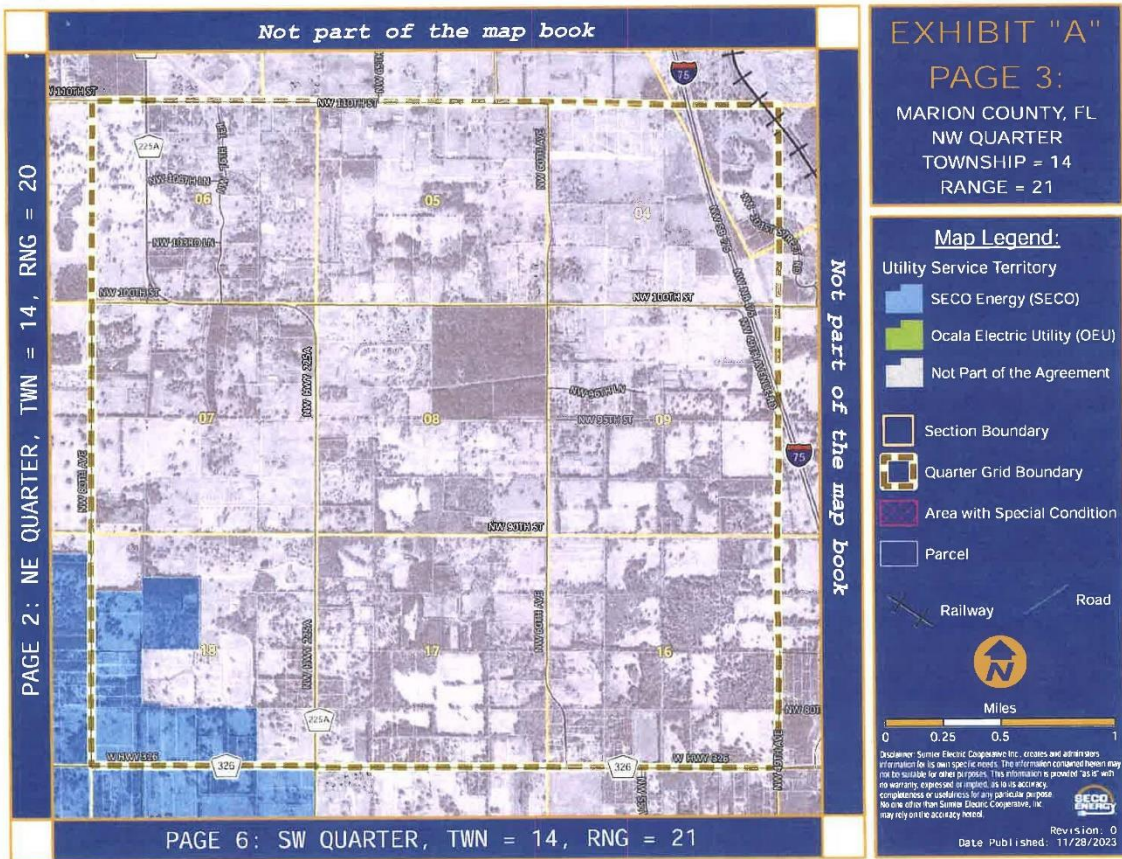




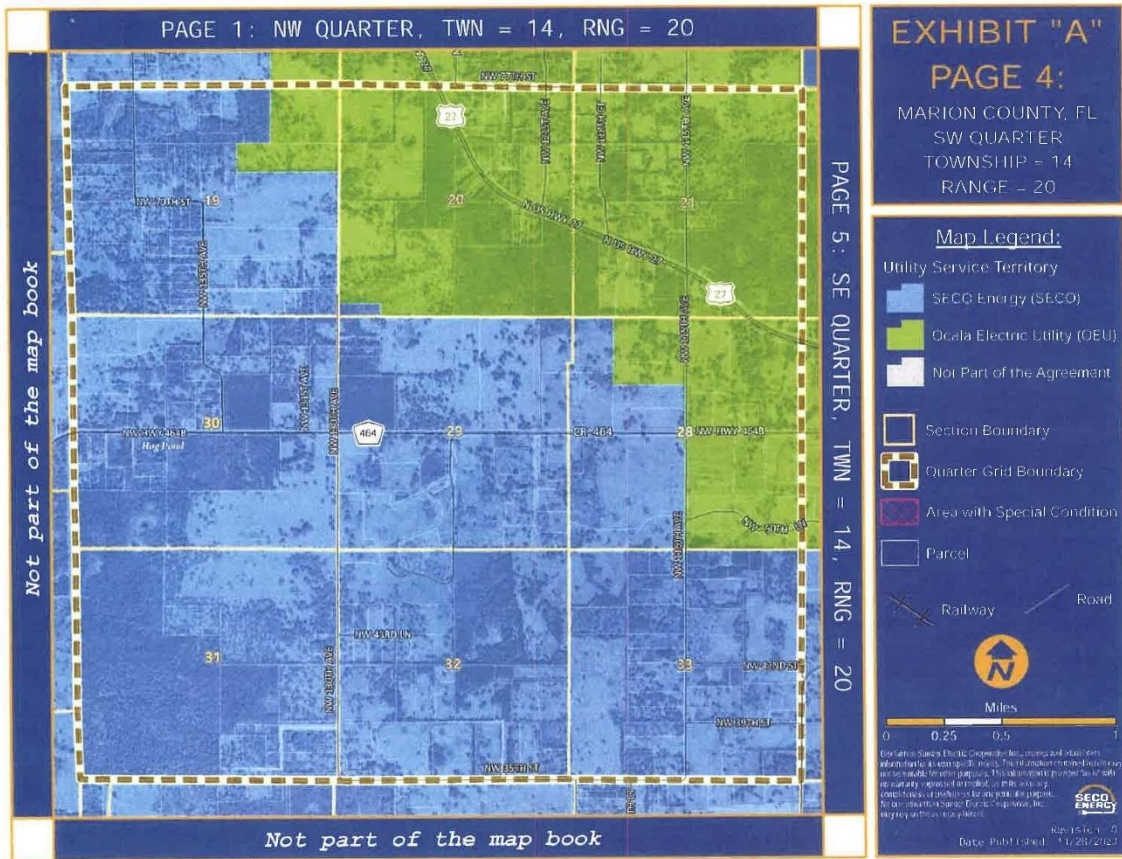
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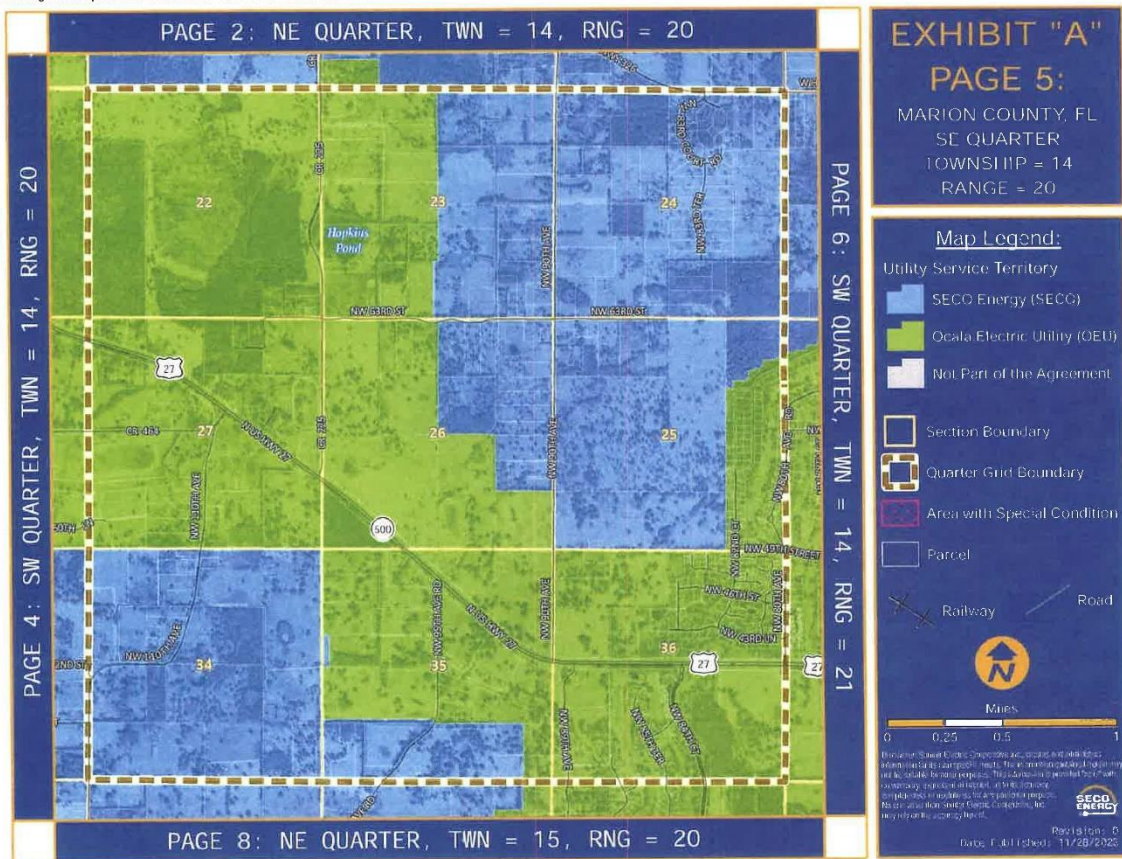
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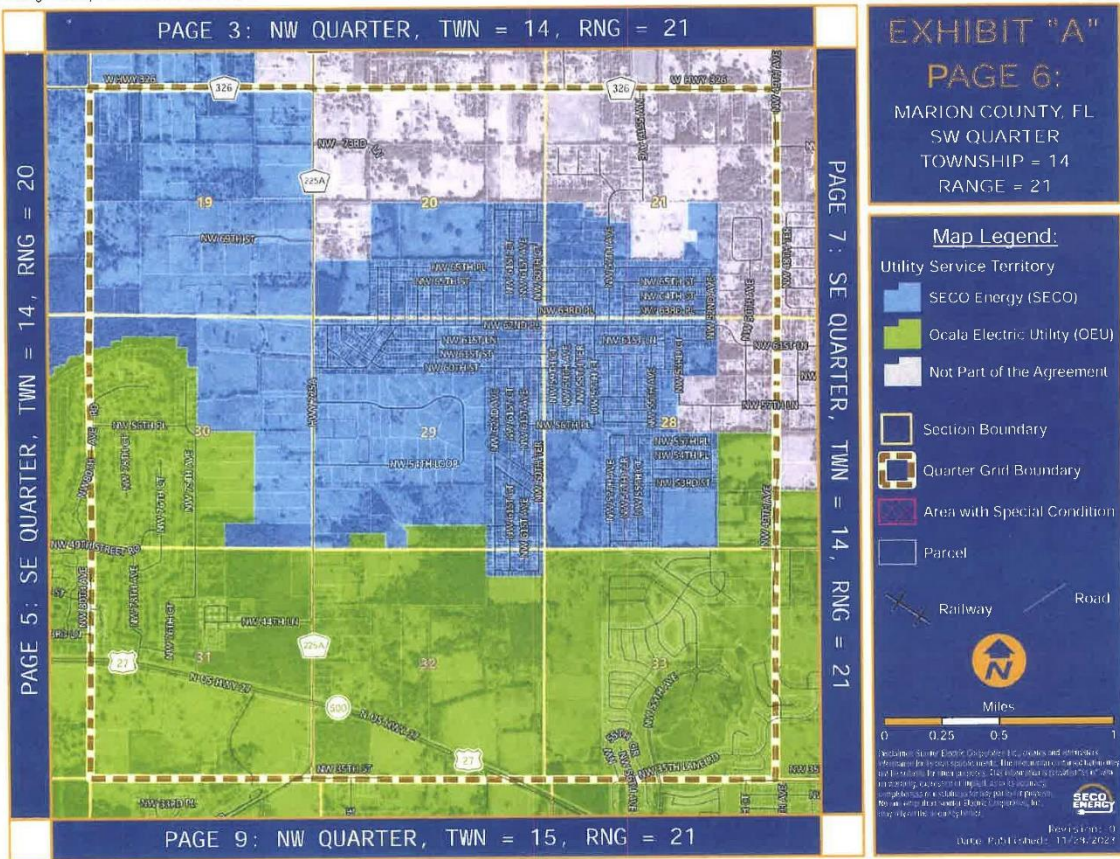
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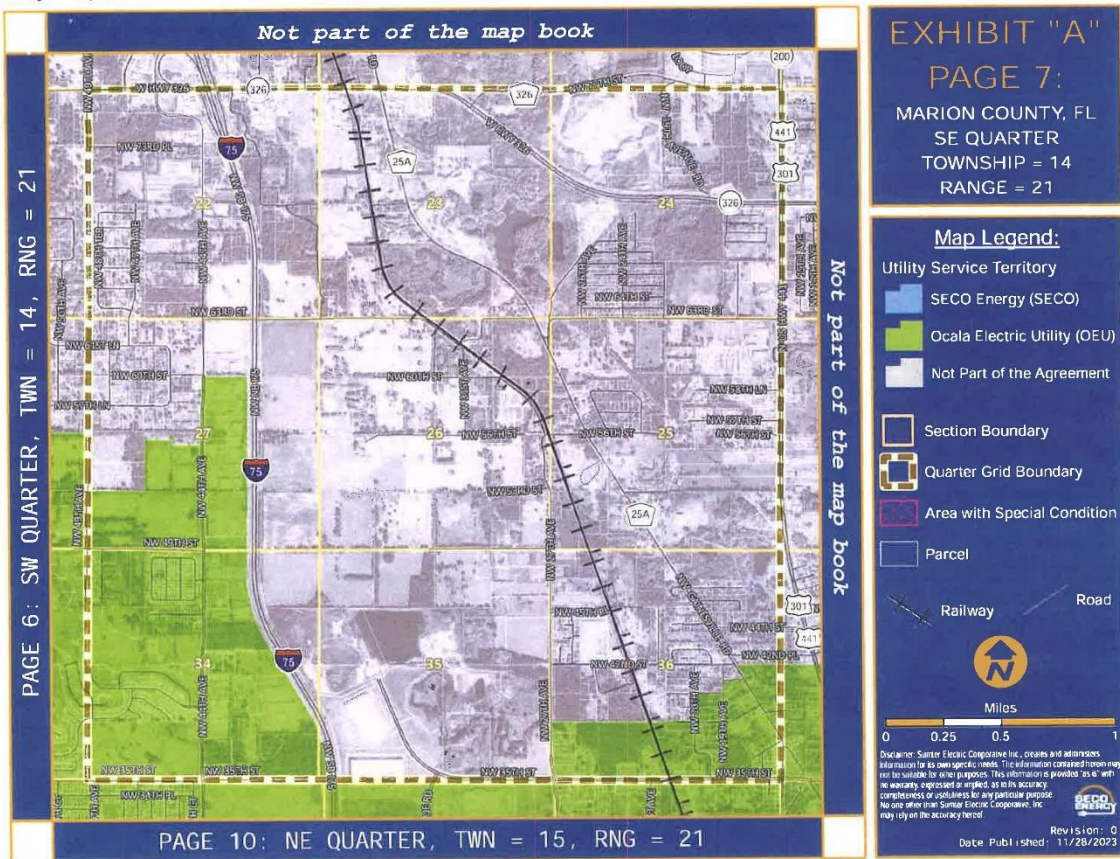
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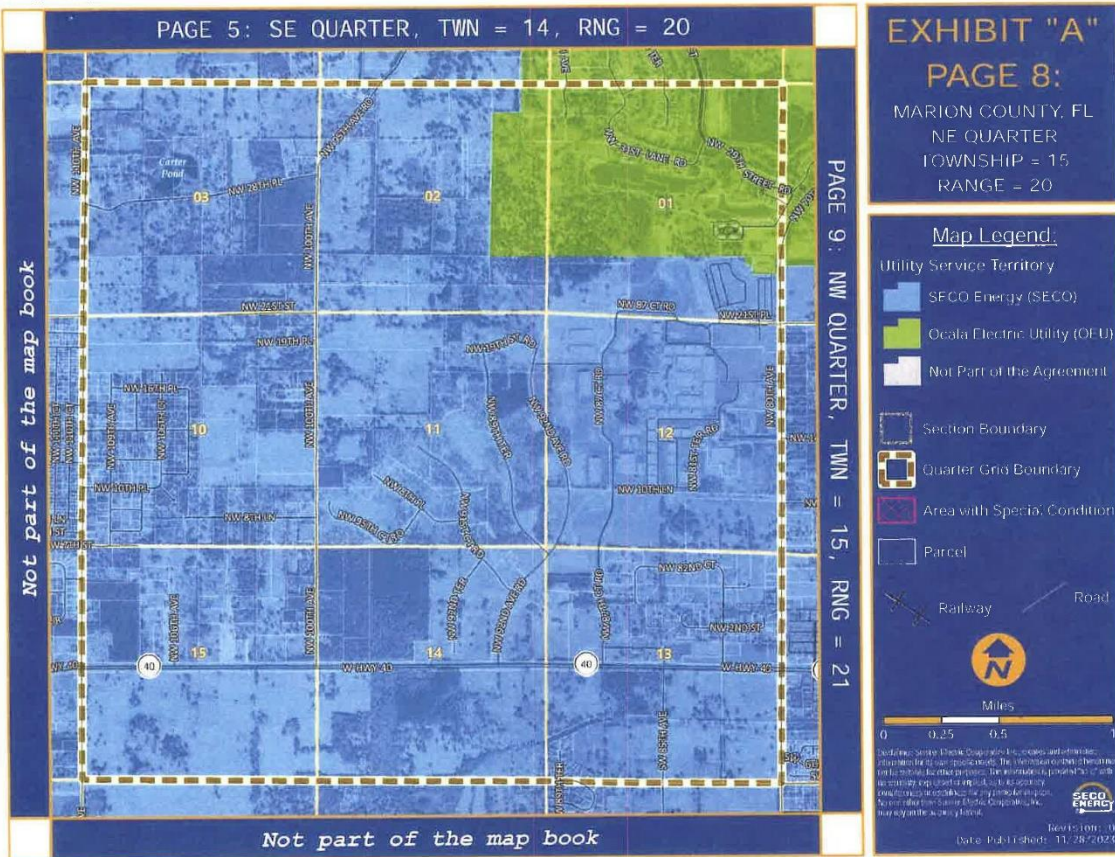
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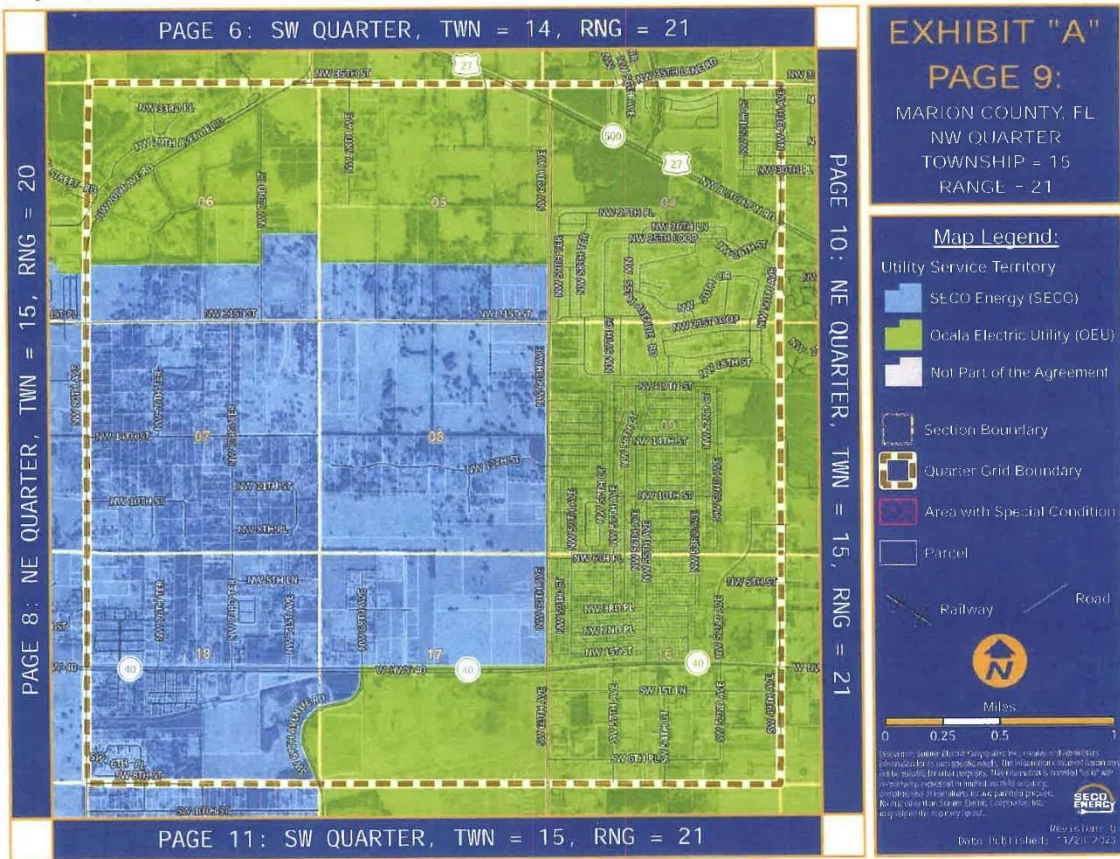
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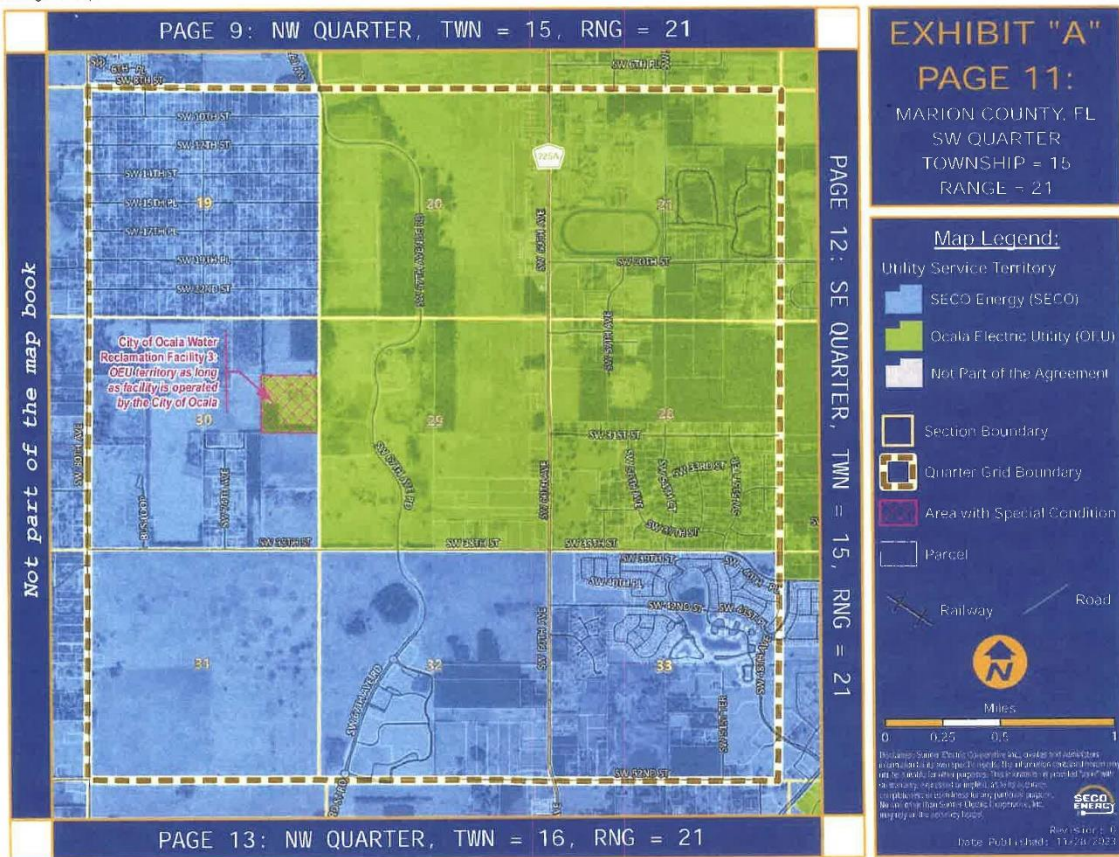
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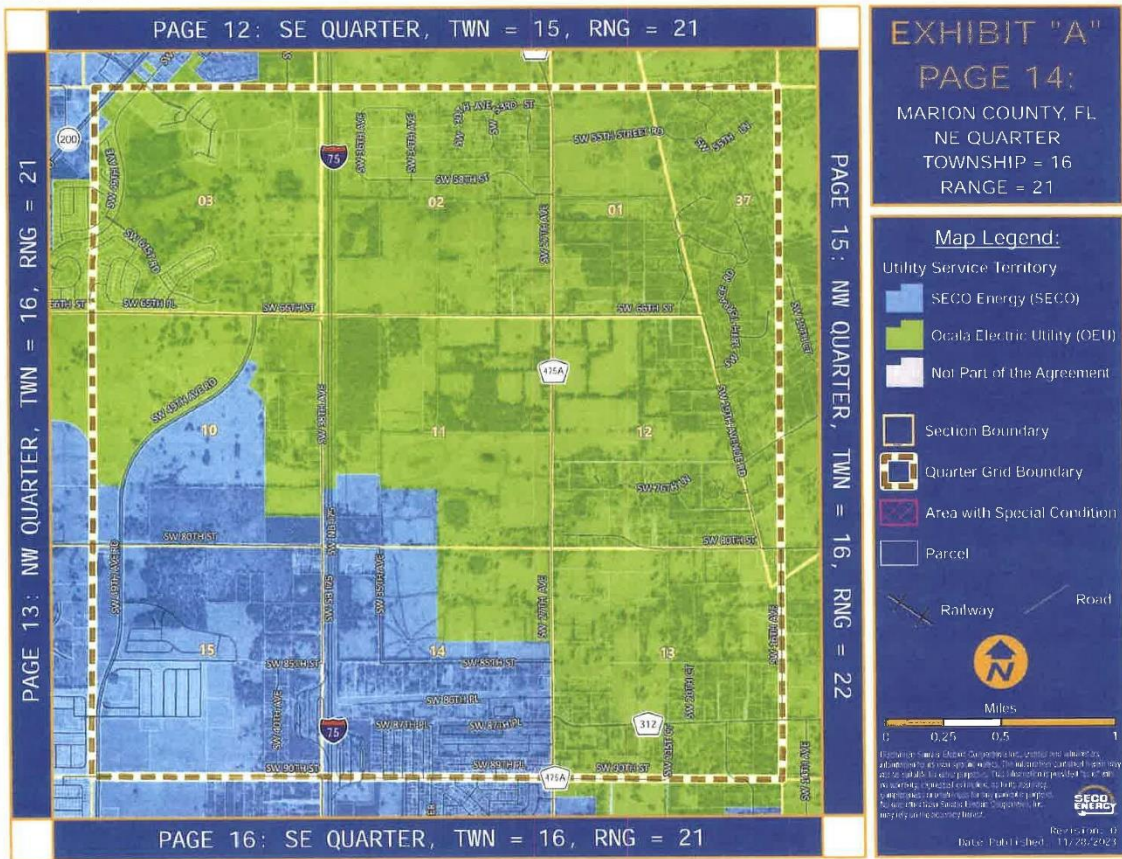
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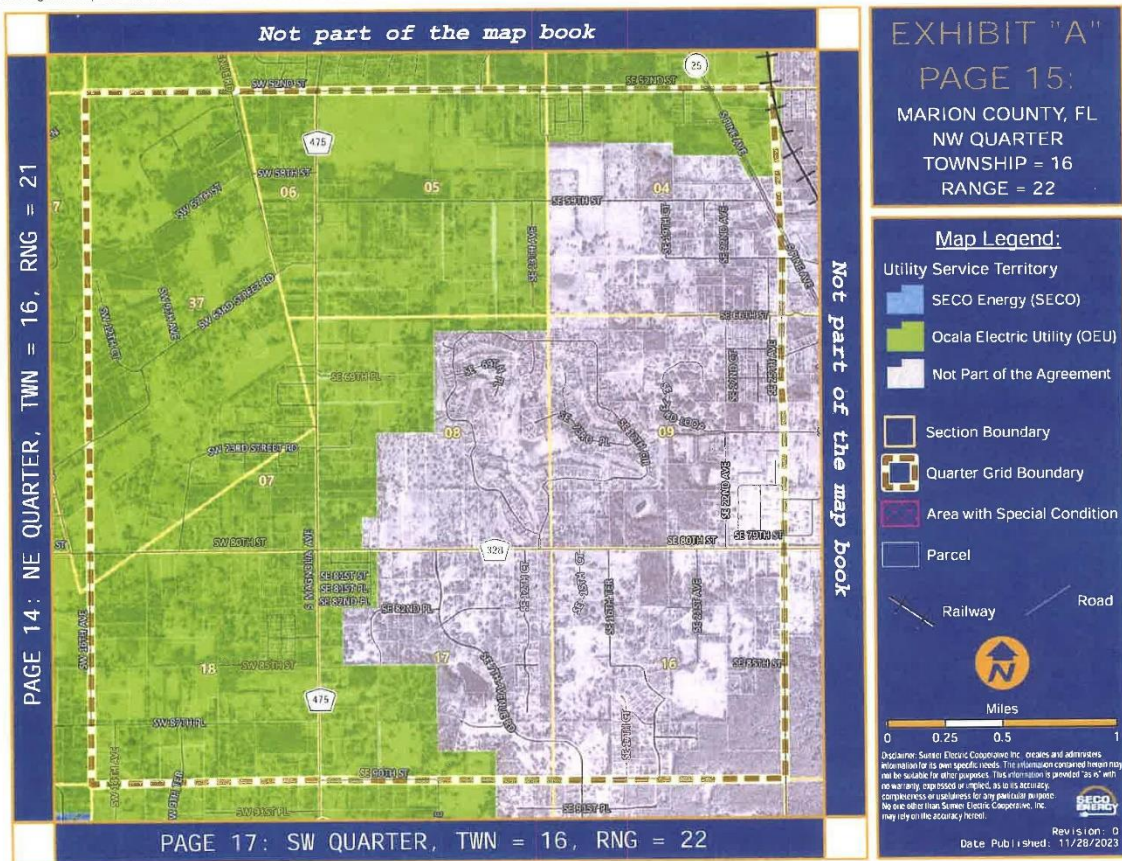
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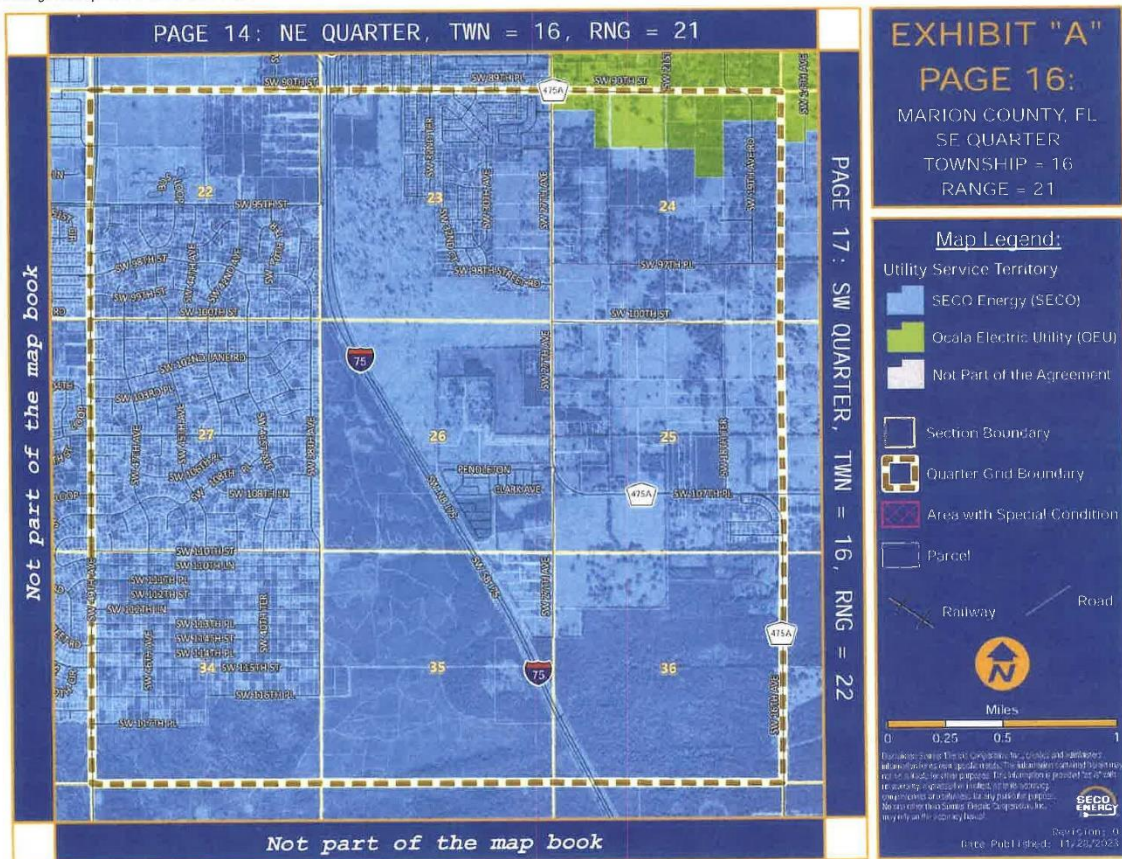
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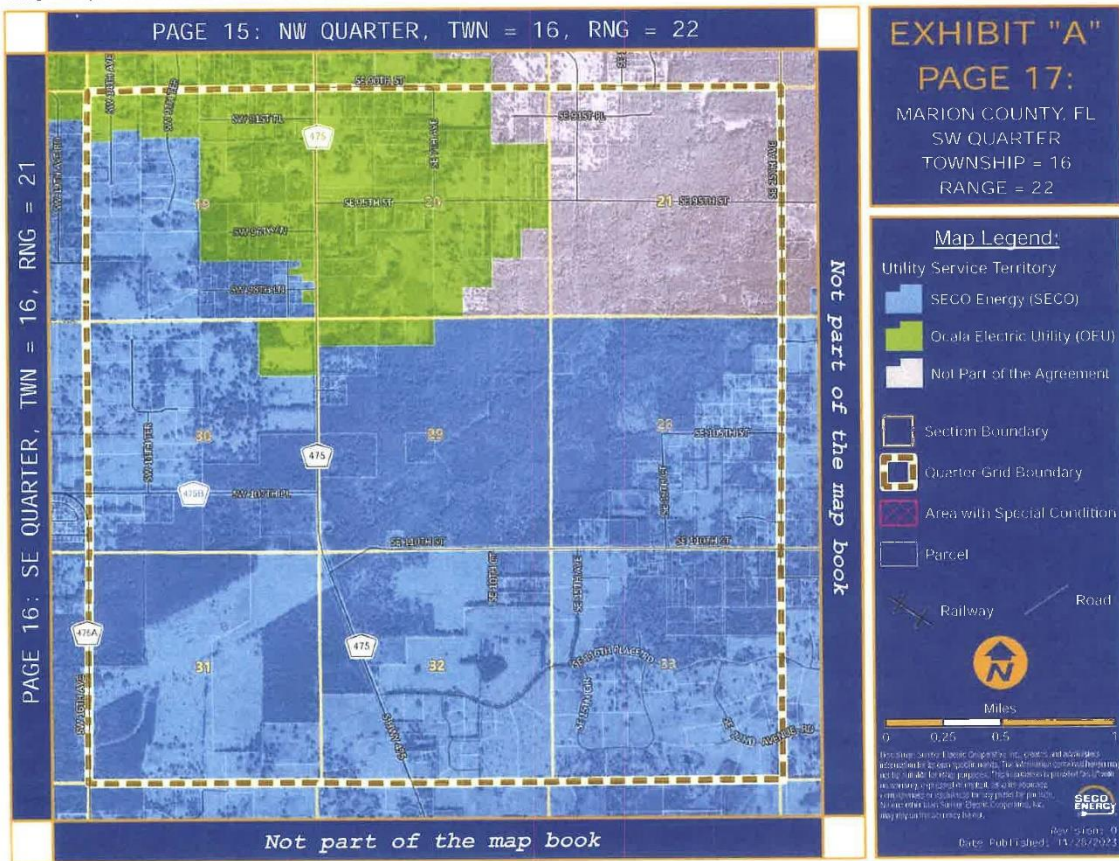
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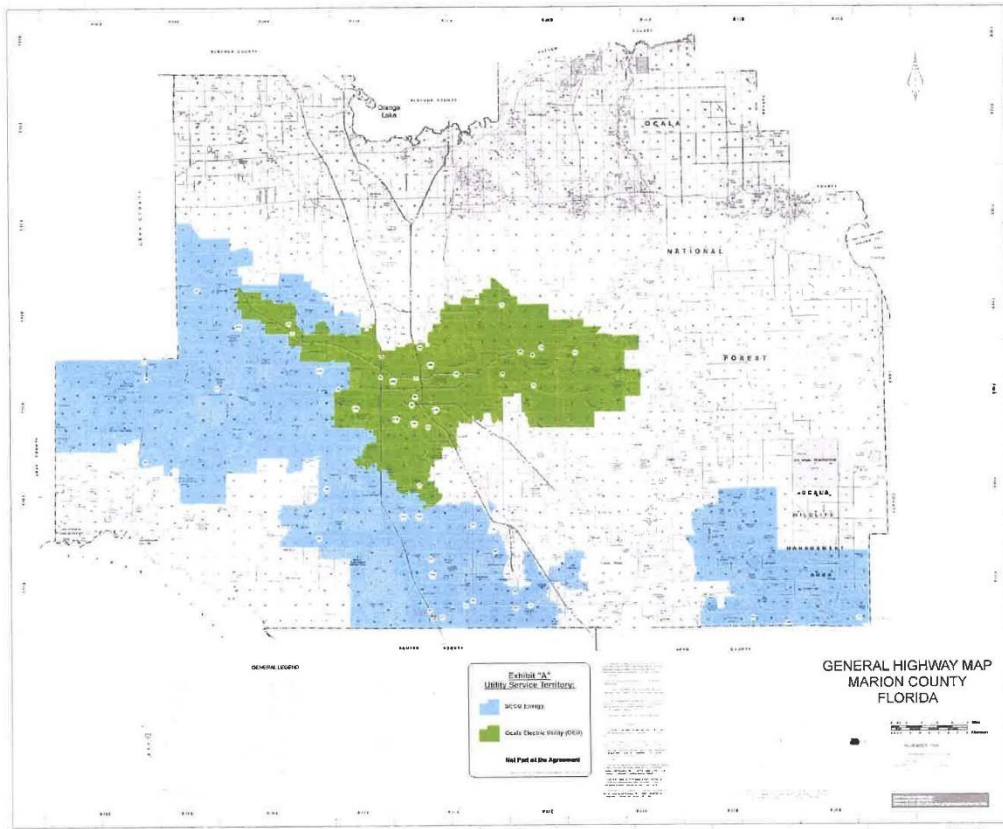
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Composite Exhibit B

*Written Description of Territorial Areas Served and
Territorial Changes Map*

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
1	NW	T14, R20	4,5	These sections are Not Part of this Agreement.
1	NW	T14, R20	6, 7, 8, 9	SECO serves the entire section that is Part of this Agreement. No areas are served by the OEU. NOTE: Section 7 at the SE there are part of 2 parcels that are served by OEU parcels # 12307-002-00 & 12438-003-01.
1	NW	T14, R20	16	SECO serves NE 1/4. SECO serves the North 1/2 of the SE 1/4. OEU serves the South 1/2 of the SE 1/4. SECO serves the North 1/2 of the NW 1/4, and the SE 1/4 of the NW 1/4. Except parcel # 1243-003-000, that is served by OEU. OEU serves the SW 1/4 of the NW 1/4. SECO serves the NE 1/4 of the SW 1/4 of section. OEU serves the rest of SW 1/4 of section. Except parcel # 12413-002-00.
1	NW	T14, R20	17	SECO serves the North 1/4 of the section. OEU serves the South 3/4 of the section.
1	NW	T14, R20	18	SECO Serves the West 3/4 of the section. Except parcel # 12438-001-00. OEU serves the East 1/4 of the section. Except parcels # 12442-008-00 & parcel # 12442-009-00.
2	NE	T14, R20	1,2,3	These sections are Not Part of this Agreement.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
2	SW	T14, R20	14	SECO serves the entire section. Except OEU serves parcel # 12397-000-00, located at the SW 1/4 corner.
2	NE	T14, R20	15	SECO serves the entire section.
3	NW	T14, R21	4, 5, 6, 7, 8, 9, 16, 17	These sections are Not Part of this Agreement.
3	NW	T14, R21	18	SECO serves the entire section that is Part of this Agreement. No areas are served by OEU.
4	NE	T14, R20	19	SECO serves section. Except OEU serves parcels # 12451-000-00, & 12431-000-00, located NE 1/4.
4	SW	T14, R20	20	OEU serves the entire section. Except Parcel # 12586-000-00 on the SW corner of section which is served by SECO.
4	SW	T14, R20	21	OEU serves the entire section. No areas are served by SECO.
4	SW	T14, R20	28	OEU serves the East 1/2 of the section. OEU serves the NE 1/4 of the NW 1/4 of section. SECO serves the rest of NW 1/4, Except parcels # 12577-000-00 & 12577-002-00 SECO serves the SW 1/4 of the section.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
4	SW	T14, R20	29	SECO serves the entire section. No areas are served by OEU.
4	SW	T14, R20	30, 31, 32, 33	SECO serves the entire sections. No areas are served by OEU.
5	SE	T14, R20	22	OEU serves the entire section. No areas are served by SECO.
5	SE	T14, R20	23	OEU serves the West 1/2 of the section. Except for part of parcel # 12489-001-18 and part of parcel # 12489-001-05, SECO serves the East 1/2 of the section.
5	SE	T14, R20	24	SECO serves the entire section. No areas are served by OEU.
5	SE	T14, R20	25	SECO serves the West 3/4 of the section. OEU serves the east 1/4 of the section. Except Parcel # 1357-012-001, located on the Northeast quarter of the section which is served by SECO.
5	SE	T14, R20	26	OEU serves the West half of the section, and the South half of the Southeast and the Northwest quarter of the SE1/4. SECO serves the Northeast quarter of the section and the Northeast quarter of the Southeast quarter.
5	SE	T14, R20	27	OEU serves the entire section. No areas are served by SECO.
5	SE	T14, R20	34	SECO serves the entire section. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
5	SE	T14, R20	35	<p>OEU serves the North 3/4 of the section, Except Parcel # 12643-000-00, and parcel # 12650-000-00.</p> <p>SECO serves the South 1/4 of the section, Except parcel # 12669-000-01, and parcel # 12669-000-02 adjacent to the east section line which is served by OEU.</p>
5	SE	T14, R20	36	OEU serves the entire section. No areas are served by SECO.
6	SW	T14, R21	19	SECO serves the entire section. No areas are served by OEU.
6	SW	T14, R21	28	<p>SECO serves the West 1/2 of the section and the Northeast quarter section that is Part of this Agreement.</p> <p>On the Southeast quarter section, SECO serves the West half and OEU serves the East half.</p>
6	SW	T14, R21	29	SECO serves the section, Except Parcels # 13561-004-00 and # 13562-002-00, which they are served by OEU.
6	SW	T14, R21	30	<p>OEU serves the Western half of the section, Except Parcel # 1357-012-001 adjacent to the Northwest section which is served by SECO.</p> <p>SECO serves the Northeast quarter of the section.</p> <p>OEU serves the West 1/2 of the SE 1/4, Except Parcels # 13566-000-00. SECO serves the East 1/2 of the SE1/4.</p>

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
6	SW	T14, R21	31	OEU serves the entire section. No areas are served by SECO.
6	SW	T14, R21	32	OEU serves the section, Except for the parcels in the Ocala Park Estates (i.e., Northeast 1/4 of the Northeast 1/4 North 1/2 section) which are served by SECO.
6	SW	T14, R21	33	OEU serves the entire section. No areas are served by SECO.
7	SE	T14, R21	22, 23, 24, 25, 26	These sections are Not Part of this Agreement.
7	SE	T14, R21	27, 34	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
7	SE	T14, R21	35	This section is Not Part of this Agreement.
7	SE	T14, R21	36	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
8	NE	T15, R20	1	OEU serves the North 3/4 of the section. SECO serves the South 1/4 of the section, Except part of Parcel # 12674-001-02 and part of parcel # 12674-001-00.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
8	NE	T15, R20	2	SECO serves the West 1/2 of the section. SECO serves the West 1/2 of the NE 1/4 of section. OEU serves East 1/2 of the NE 1/4 of section. Except parcel # 12665-000-04. OEU serves the NE 1/4 of the SE 1/4 of the section. SECO serves the rest of SE 1/4 of the section.
8	NE	T15, R20	3, 10, 11, 12, 13, 14, 15	SECO serves the entire sections. No areas are served by OEU.
9	NW	T15, R21	4	OEU serves the entire section. No areas are served by SECO.
9	NW	T15, R21	5	OEU serves the North 3/4 of the section. SECO serves the South 1/4 of the Section.
9	NW	T15, R21	6	OEU serves the North 3/4 of the section. Except part of parcel # 21619-001-01. SECO serves the South 1/4 of the Section.
9	NW	T15, R21	7, 8	SECO serves the entire sections. No areas are served by OEU.
9	NW	T15, R21	9, 16	OEU serves the entire sections. No areas are served by SECO.
9	NW	T15, R21	17	SECO serves the North 1/2 of the section (North of Hwy 40). OEU serves the South 1/2 of the section (South of Hwy 40) Except portion of Parcel # 23306-001-00 on the West side of SW 67th Ave Rd. located NW 1/4 of the NW 1/4 of the SW 1/4 which is served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
9	NW	T15, R21	18	SECO serves the section. Except Parcel # 23306-001-00 on the East side of SW 67th Ave Rd (adjacent to the East section line) which is served by OEU.
10	NE	T15, R21	1, 2, 3, 10, 11, 12, 13, 14, 15	OEU serves the entire sections. No areas are served by SECO.
11	SW	T15, R21	19	SECO serves the entire section. No areas are served by OEU.
11	SW	T15, R21	20, 21, 28, 29	OEU serves the entire sections. No areas are served by SECO.
11	SW	T15, R21	30	SECO serves the section. Except for Parcel # 23825-000-00, which is located at the SW 1/4 of the NE 1/4, which is served by OEU.
11	SW	T15, R21	31, 32, 33	SECO serves the entire sections. No areas are served by OEU.
12	SE	T15, R21	22, 23, 24, 25, 26, 27	OEU serves the entire sections. No areas are served by SECO.
12	SE	T15, R21	34	<p>OEU serves the Northeast quarter of section.</p> <p>OEU serves North 1/4 of the NW 1/4 of section. SECO serves the South 3/4 of the NW 1/4. Except Parcel # 23866-001-01.</p> <p>OEU serves the East 1/2 of the SE 1/4 of section. SECO serves the West 1/2 of the SE 1/4. Except parcel # 23877-000-09.</p> <p>SECO serves the SW 1/4. Except parcels # 23874-000-16, 23874-000-17, 23874-000-07, 23877-000-03 & 23877-000-00, are served by OEU.</p>

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
12	SE	T15, R21	35, 36, 37, 38	OEU serves the entire sections. No areas are served by OEU.
13	NW	T16, R21	4	SECO serves the West 1/2 of the section. SECO serves most of the East 1/2 of the section, Except for the areas served by OEU in Meadows at Heath Brook Phase 1 & 2, Heath Brook Hills, and Preserve at Heath Brook Phase 1, and Parcel # 35369-033-00.
13	NW	T16, R21	5, 6, 7, 8	SECO serves the entire sections. No areas are served by OEU.
13	NW	T16, R21	9	SECO serves the South 1/2 of the section. Except portion of parcel # 35512-001-00. OEU serves the North 1/2 of the section. Except part of parcels; # 35512-001-07, 35512-001-04, 35512-001-00, 35512+001-01 and lots South of Bahia Oaks Unit 2. subdivision
13	NW	T16, R21	16, 17, 18	SECO serves the entire sections. No areas are served by OEU.
14	NE	T16, R21	1, 2	OEU serves the entire sections. No areas are served by SECO.
14	NE	T16, R21	3	OEU serves the section. Except part of parcels # 23874-000-09, 35369+001-00, 23894-002-00 & 23894+002-00. Located at Northwest corner of the section which are served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
14	NE	T16, R21	10	OEU serves the North 3/4 of section. Except part of parcel # 35512-001-00, which now is Winding Oaks subdivision. SECO serves the South 1/4 of the section. Except parcel # 35520-000-00 served by OEU.
14	NE	T16, R21	11	OEU serves the North 1/2 of the section, and the SE 1/4, and the North 1/2 of the SW 1/4. Except part of parcel # 35532-000-00. SECO serves the South 1/2 of the SW 1/4 of section.
14	NE	T16, R21	12, 13	OEU serves the entire sections. No areas are served by SECO.
14	NE	T16, R21	14	SECO serves the West 1/2 of the section and Southeast quarter of the section. OEU serves the Northeastern quarter of the section. Except parcel # 35610-000-01 and part of parcel # 35610-000-00, North of SW 85th St) which SECO served.
14	NE	T16, R21	15	SECO serves the entire section. No areas are served by OEU.
14	NE	T16, R21	37	OEU serves the entire section. No areas are served by SECO.
15	NW	T16, R22	4	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	5, 6, 7	OEU serves the entire sections. No areas are served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
15	NW	T16, R22	8	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	9, 16	These sections are Not Part of this Agreement.
15	NW	T16, R22	17	OEU serves the section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	18, 37	OEU serves the entire sections. No areas are served by SECO.
16	SE	T16, R21	22, 23	SECO serves the entire sections. No areas are served by OEU.
16	SE	T16, R21	24	SECO serves the South 1/2 of the section. OEU serves NE 1/4 of the NW 1/4 and the NW 1/4 of the NW 1/4. Except parcel # 35770-012-00. SECO serves the rest of the NW 1/4 of the section. OEU serves the NW 1/4 of the NE 1/4, and North 1/2 of the NE 1/4 of the NE 1/4 and the NE 1/4 of the SW 1/4 of the NE 1/4. SECO serves the SE 1/4 of the NE 1/4 of the section.
16	SE	T16, R21	25, 26, 27, 34, 35, 36	SECO serves the entire sections. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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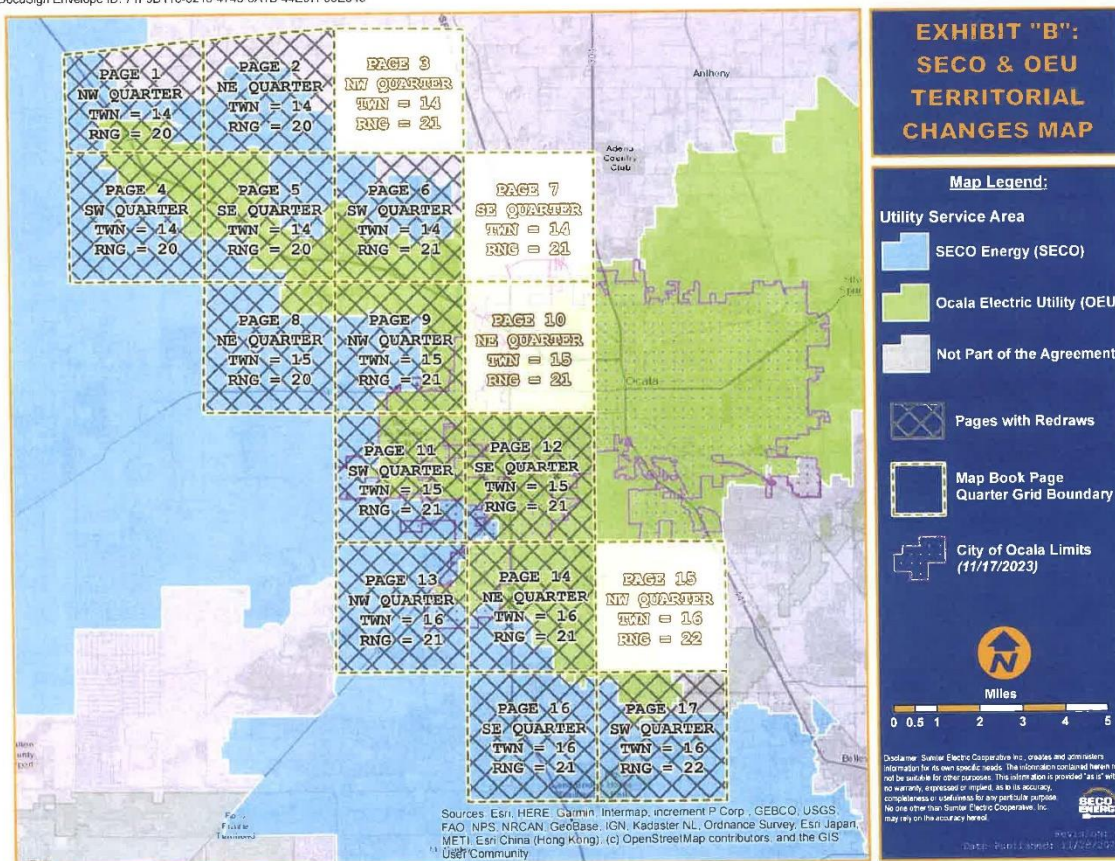
Written Description of the Territorial Boundary Lines *

EXHIBIT B

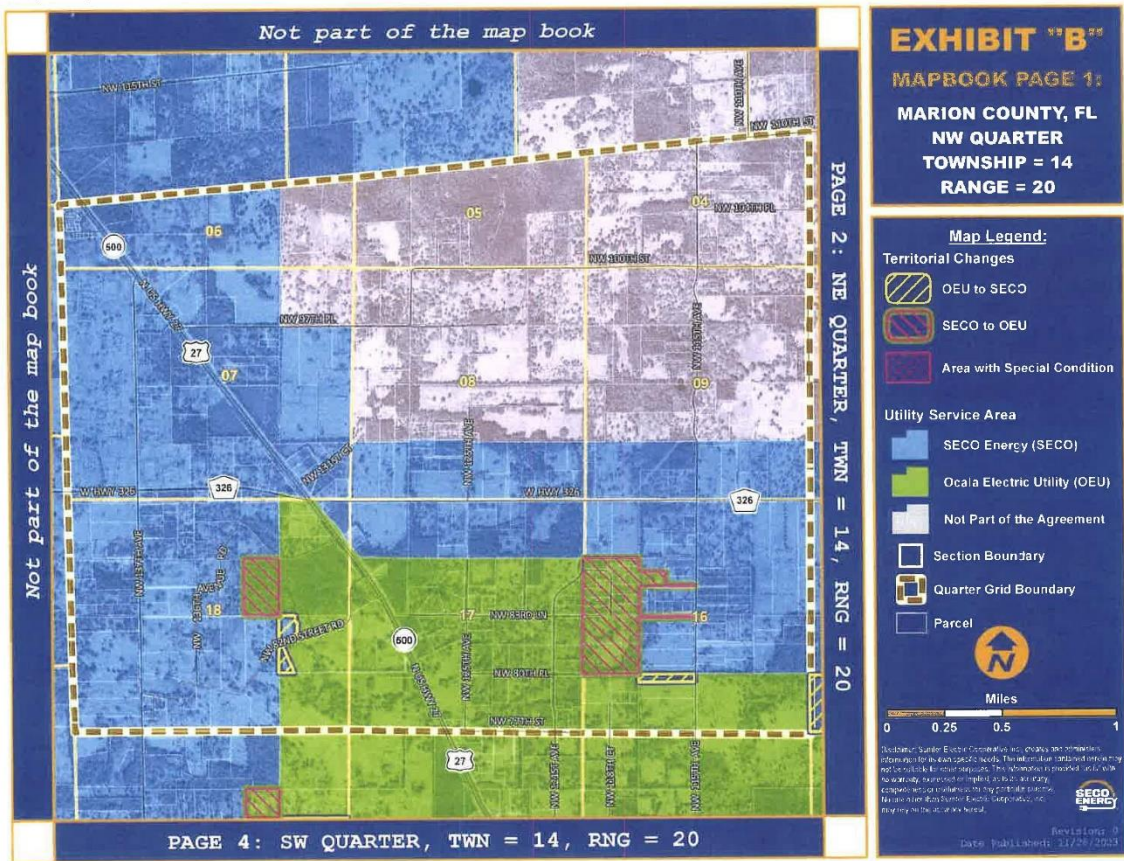
EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
17	SW	T16, R22	19	<p>OEU serves NE 1/4, and North half of the SE 1/4. SECO serves the South half. Except parcels # 36783-005-00 & 36783-003-00 of the section, they are served by OEU.</p> <p>OEU serves the North half of the NW 1/4. Except parcels #; 36760-007-09, 36760-007-15, 36760-007-16, 3677-022-000 and 3677-007-000. SECO serves the South half of the NW 1/4 of the section.</p> <p>SECO serves the SW 1/4 of the section,</p>
17	SW	T16, R22	20	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
17	SW	T16, R22	21	These section is Not Part of this Agreement.
17	SW	T16, R22	28	SECO serves the entire section. No areas are served by OEU.
17	SW	T16, R22	29	SECO serves the section with the exceptions of Parcels # 37332-000-00, 37332-000-00 & 36796-010-00, which they are located at the North quarter of the NW1/4, section which are served by OEU.
17	SW	T16, R22	30	SECO serves the section. Except for Parcel # 37336-000-00, located at the NE 1/4 of the NE 1/4 of the section which is served by OEU.
17	SW	T16, R22	31, 32, 33	SECO serves the entire sections. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

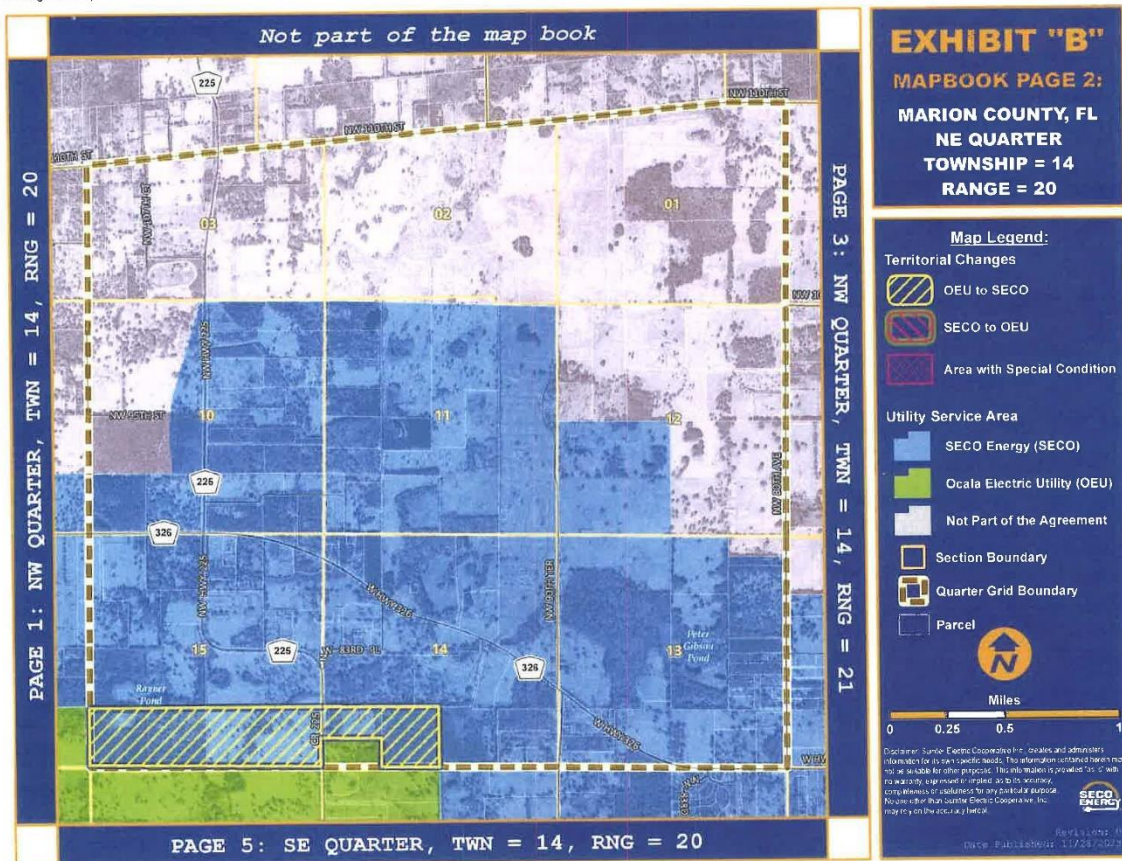
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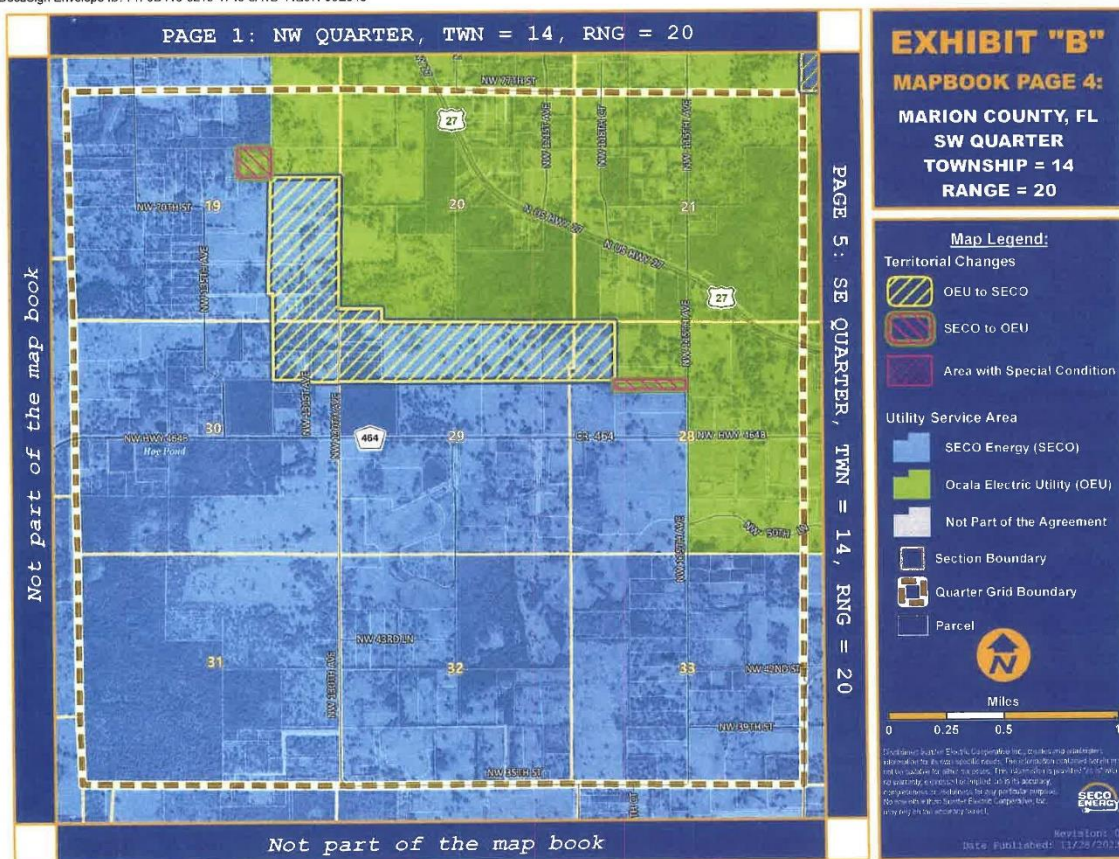
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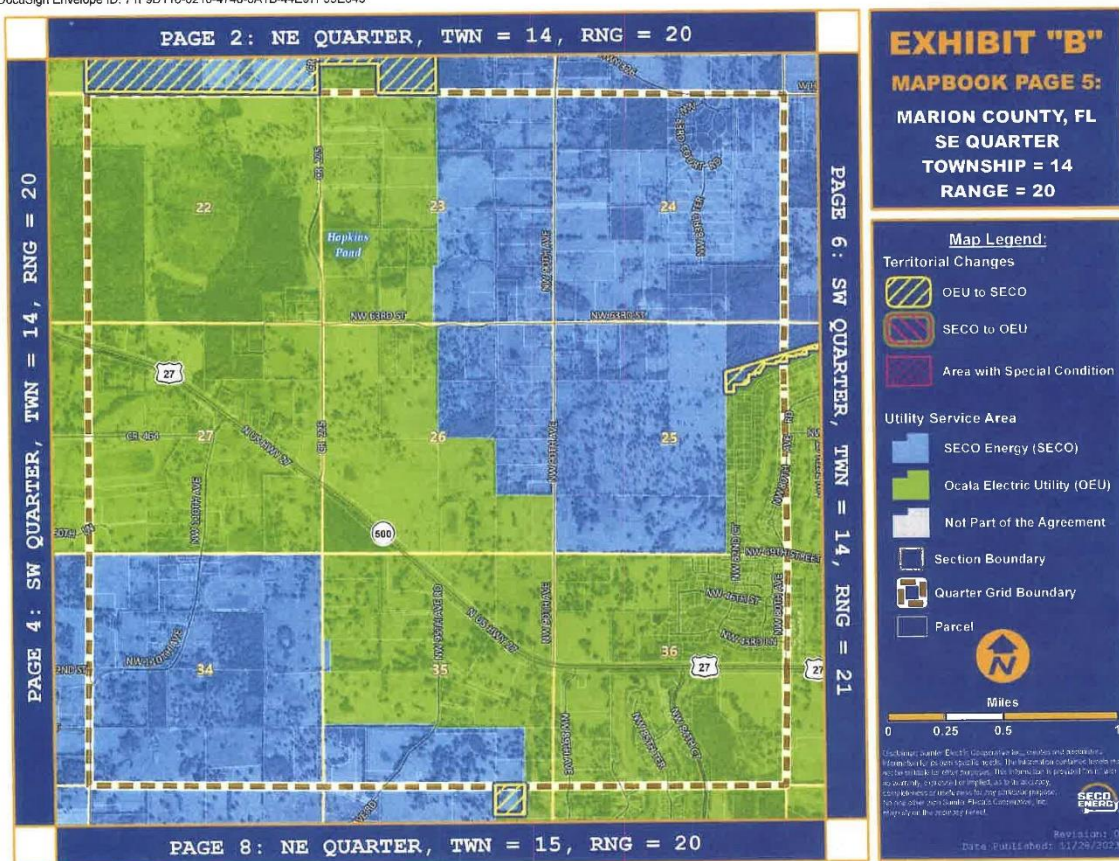
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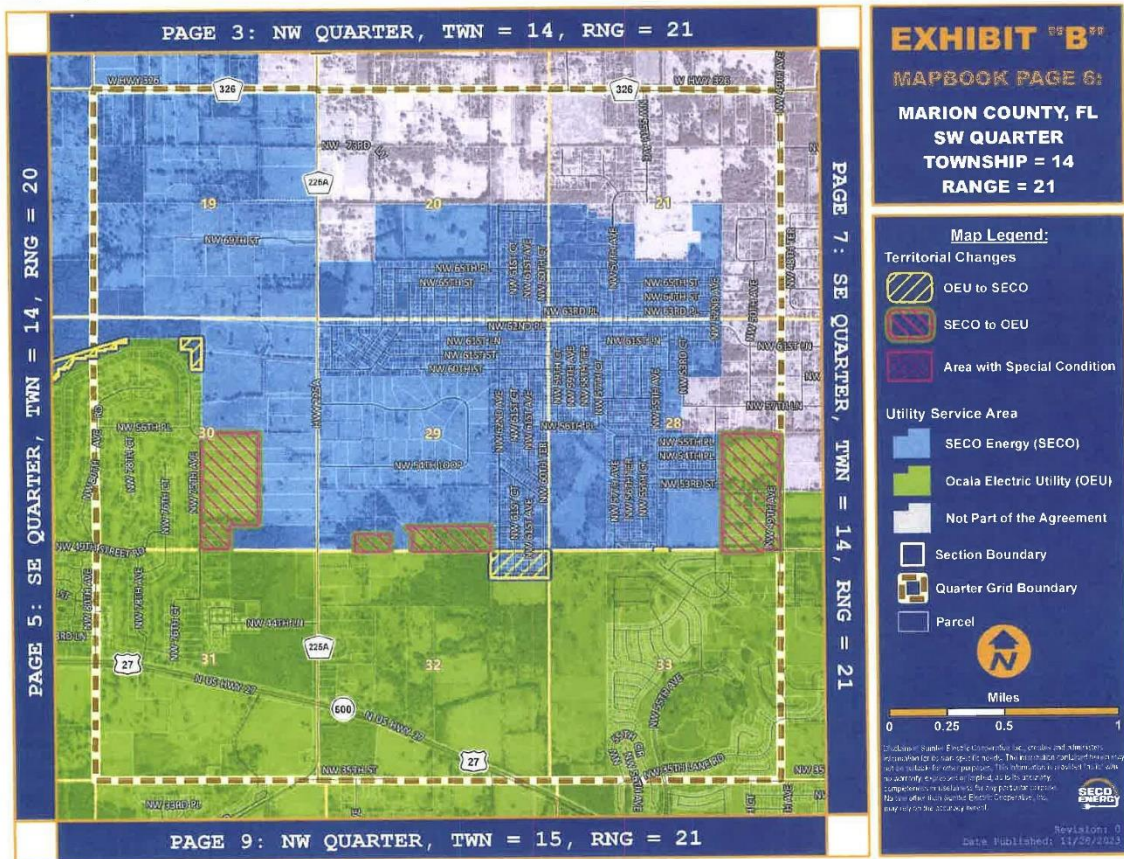
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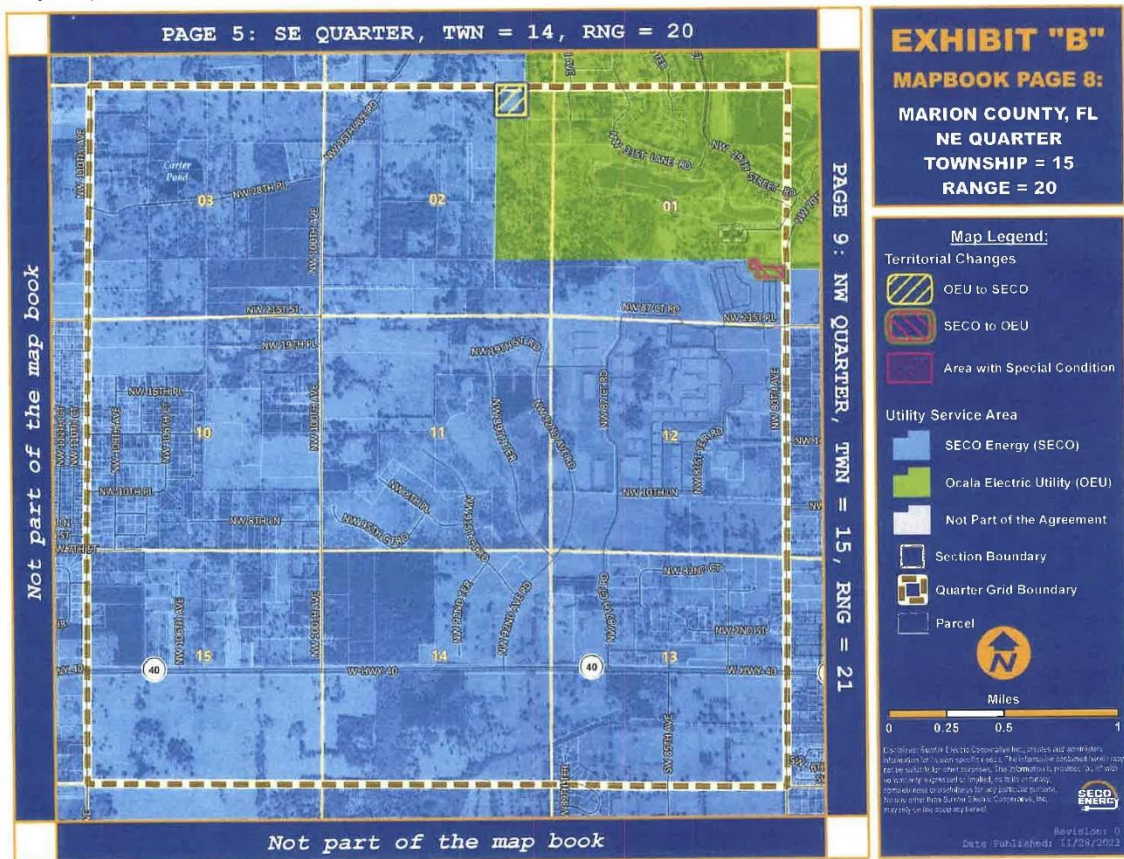
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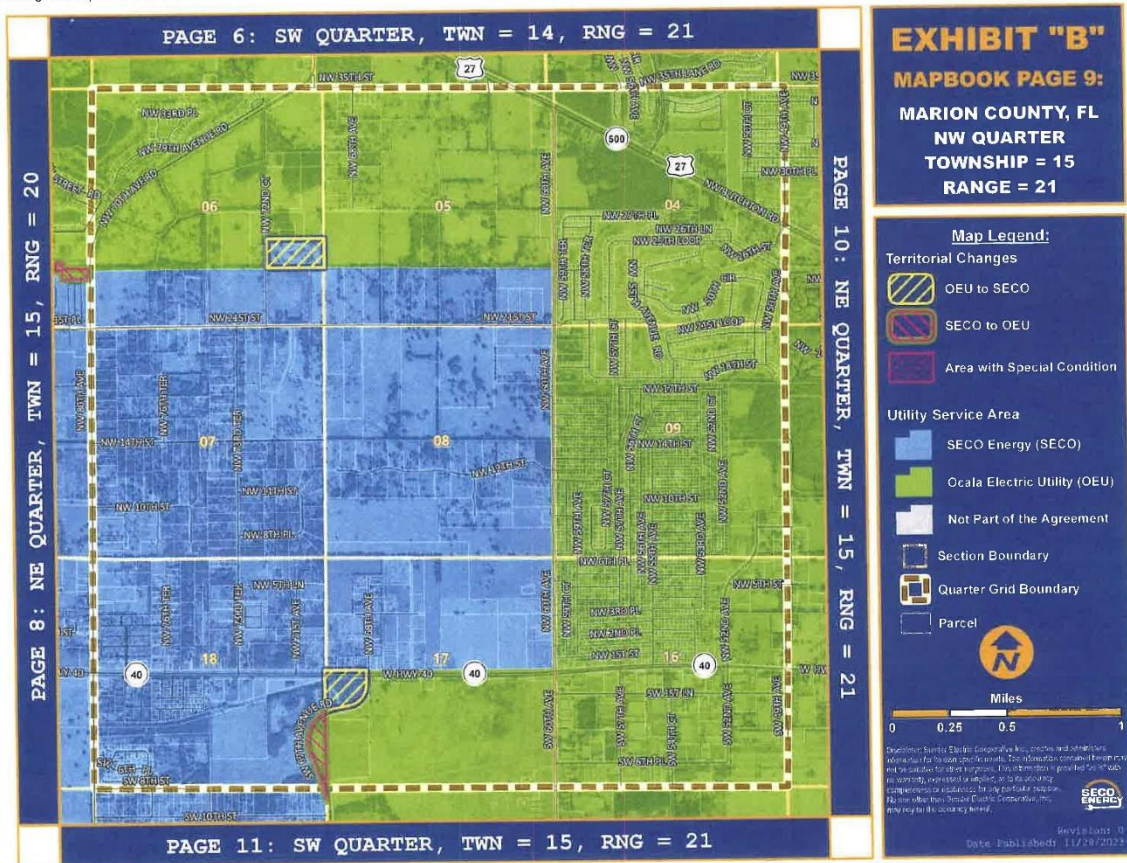
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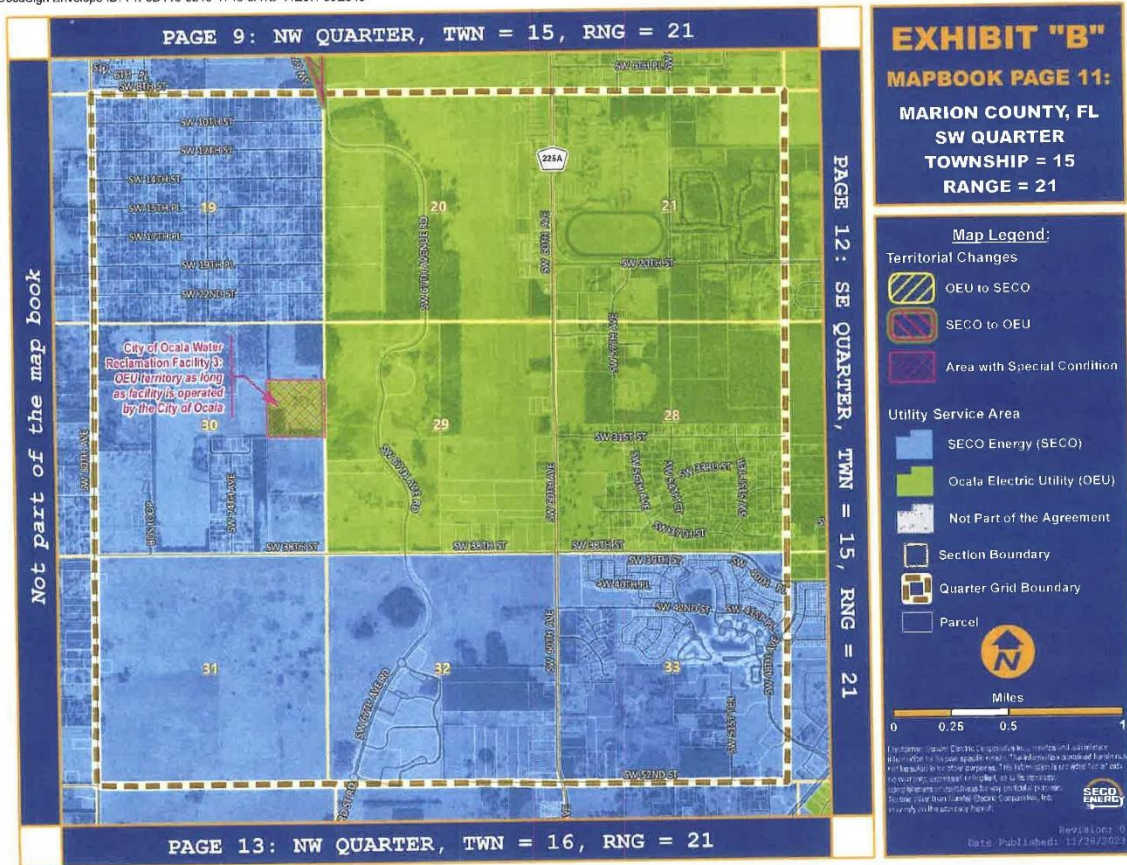
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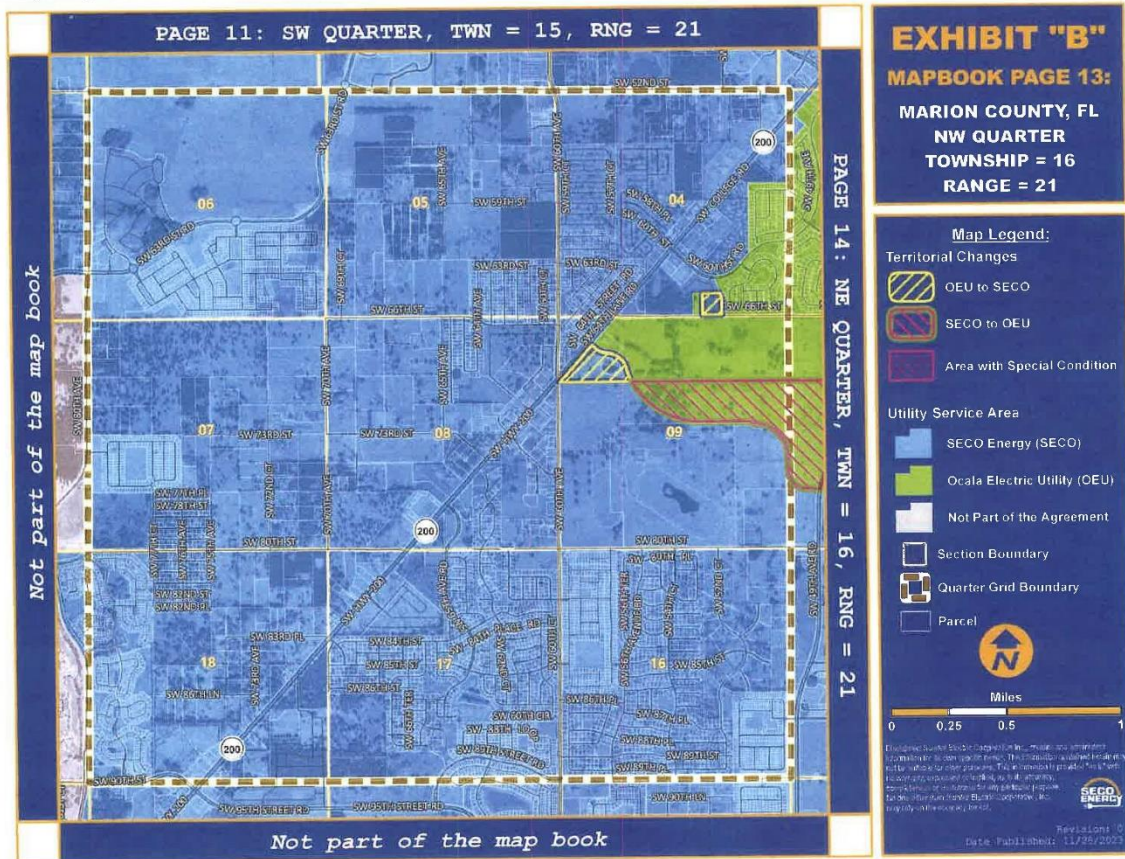
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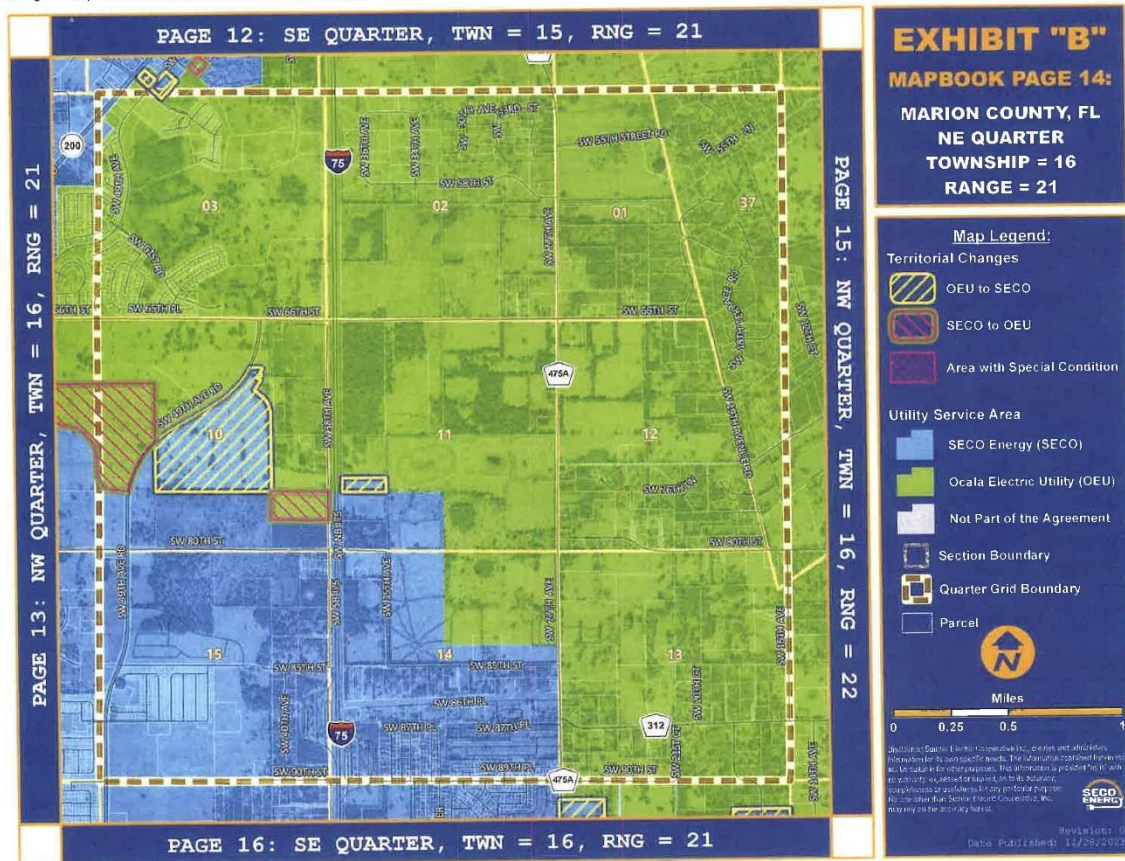
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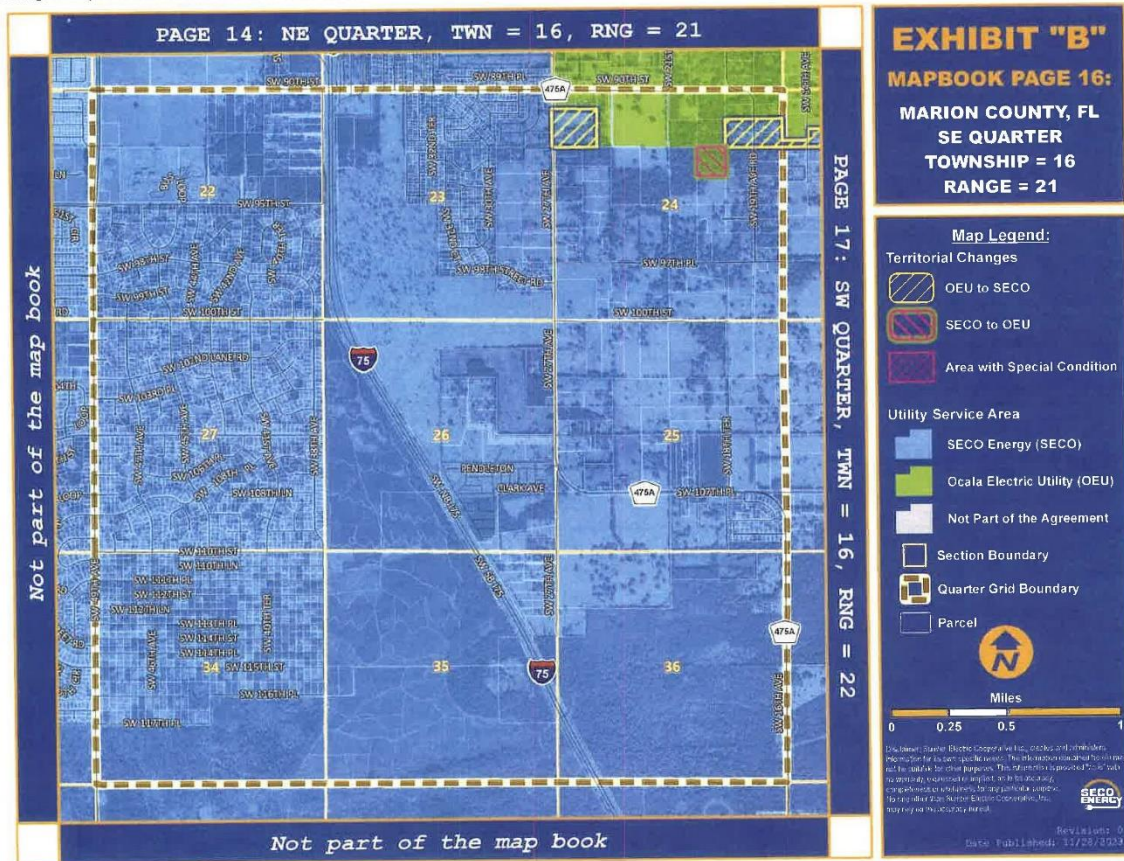
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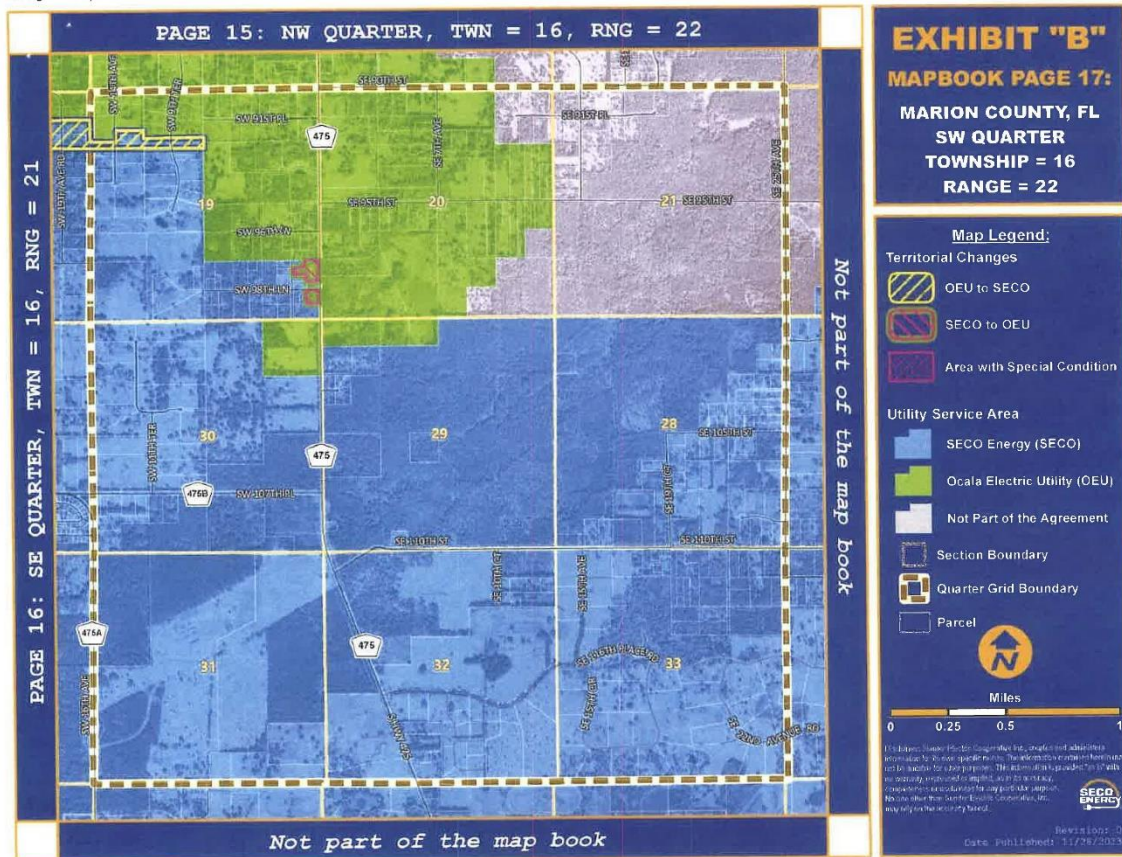
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Exhibit C

*SECO Energy Services Transferring to
the City of Ocala Electric Utility*

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Exhibit C
SECO Energy Services Transferring to The City of Ocala Electric Utility

Line	Service Location Address	Additional Lighting Services
1	13120 NW 82 ST RD, OCALA, FL 34481-9611	
2	4939 NW 115 AVE, OCALA, FL 34482-1819	
3	12770 N US HWY 27, OCALA, FL 34482	
4	NW 115 AVE, OCALA, FL 34482	
5	8365 NW 118 TERR, OCALA, FL 34475-5338	
6	12760 N US HWY 27, OCALA, FL 34482	
7	12610 N US HIGHWAY 27, OCALA, FL 34482-8643	
8	12760 N US HWY 27, OCALA, FL 34482	
9	12618 N US HIGHWAY 27, OCALA, FL 34482-8643	
10	13120 NW 82ND ST RD, OCALA, FL 34481-9611	
11	13240 NW 82 ST RD, OCALA, FL 34482-1727	1 - 100w Open Bottom Yard Light (Active)
12	13240 NW 82 ST RD, OCALA, FL 34482-1727	
13	13101 NW 82ND ST RD, OCALA, FL 34482-1728	1 - 100w Open Bottom Yard Light (Active)
14	13101 NW 82ND ST RD, OCALA, FL 34482-1728	
15	12950 NW 82 STREET RD, OCALA, FL 34482-1034	
16	12910 N US 27 (BARN), OCALA, FL 34482-1034	1 - 100w Open Bottom Yard Light (Active)
17	12662 NW H 27 (TRN BARN), OCALA, FL 34482-8643	
18	12662 NW HWY 27 (BARN), OCALA, FL 34482-8643	
19	12662 NW HWY 27 (10 HP), OCALA, FL 34482-8643	
20	12662 NW HWY 27 (HSE), OCALA, FL 34482-8643	1 - 100w Open Bottom Yard Light (Active)
21	12662 N US HWY 27(SHED), OCALA, FL 34482-8643	
22	12610 NW HWY 27, OCALA, FL 34482-1401	1 - 100w Open Bottom Yard Light (Active)
23	12610 NW HWY 27, OCALA, FL 34482-1401	11 - 100w Open Bottom Yard Lights (Active)
24	12610 NW HWY 27, OCALA, FL 34482-1401	1 - 100w Open Bottom Yard Light (Active)
25	12610 NW HWY 27, OCALA, FL 34482	
26	2750 NW 72 CT (PUMP), OCALA, FL 34482-3828	
27	4550 NW 90 AVE (GUEST HSE), OCALA, FL 34482-3823	
28	2901 NW 72 CT, OCALA, FL 34482-3984	
29	12600 N US HWY 27, OCALA, FL 34475	2 - 250w Cobra Head Lights (In-Active)
30	4765 SW 40 ST, OCALA, FL 34474-4374	
31	2460 NW 72 COURT, OCALA, FL 34482	
32	4560 NW 90 AVE (GATE), OCALA, FL 34482	
33	12600 N US HWY 27, OCALA, FL 34483	
34	2566 NW 72 CT, OCALA, FL 34482	
35	4575 NW 90 AVE, OCALA, FL 34471-5034	
36	4550 NW 90TH AVE (BARN), OCALA, FL 34482-3823	
37	4675 SW 40 ST, OCALA, FL 34474	
38	SW 48TH AVENUE & SR 200, OCALA, FL 34474	13 - 100w Lights (Active)
39	7605 NW 72ND CT, OCALA, FL 34482	
40	4897 SW 40 ST, OCALA, FL 34474-4374	
41	4679 SW 40 ST, OCALA, FL 34474-4374	
42	1925 NW 60TH AVE, OCALA, FL 34482	
43	Parcel # 21624-002-00	1 - 250w Cobra Head Light (Active)
44	Parcel # 21624-002-00	
45	10066 S MAGNOLIA AVE, OCALA, FL 34476-7574	1 - 100w Open Bottom Yard Light (Active)
46	10072 S MAGNOLIA AVE, OCALA, FL 34476-7574	
47	4560 NW 90 AVE (HOUSE), OCALA, FL 34482-3823	
48	6659 N US HWY 27, OCALA, FL 34482-3979	
49	12606 N US HWY 27, OCALA, FL 34482	
50	2675 NW 72ND CT, OCALA, FL 34471	
51	4939 NW 115 AVE, OCALA, FL 34482	
52	12856 N US HWY 27, OCALA, FL 34482	

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Exhibit D

*City of Ocala Utility Services Transferring to
SECO Energy*

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Exhibit D
City of Ocala Utility Services Transferring to SECO Energy

Line	Service Location Address
1	7897 NW HWY 225, Ocala, FL 34471
2	5850 SW HWY 200, Ocala, FL 34471
3	5850 SW HWY 200, Ocala, FL 34471
4	5600 SW College Rd, Ocala, FL 34471
5	5530 SW College Rd, Ocala, FL 34471
6	5670 SW College Rd, Ocala, FL 34471
7	5501 SW College Rd, Ocala, FL 34471
8	5135 SW College Rd, Ocala, FL 34471
9	4747 SW College Rd, Ocala, FL 34471
10	4603 SW College Rd, Ocala, FL 34471
11	4421 SW College Rd, Ocala, FL 34471
12	5850 SW College Rd, Ocala, FL 34471
13	5850 SW College Rd, Ocala, FL 34471
14	5545 SW 80th St, Ocala, FL 34471
15	5545 SW 80th St, Ocala, FL 34471
16	5850 SW College Rd, Ocala, FL 34471
17	5850 SW College Rd, Ocala, FL 34471