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FPSC - COMMISSION CLERK

July 31, 2015

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Joint Petition of Duke Energy Florida, Tampa Electric Company and Mosaic Fertilizer, LLC for Approval of Intermittent Electric Standby Power Agreement

Dear Ms. Stauffer:

Attached for filing in the above-styled matter on behalf of Duke Energy Florida, Tampa Electric Company and Mosaic Fertilizer, LLC is a Joint Petition for Approval of Intermittent Electric Standby Power Agreement.

Thank you for your assistance in connection with this matter.

Sincerely,

/s/ James D. Beasley

James D. Beasley

JDB/pp
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Duke Energy Florida,)
Tampa Electric Company and Mosaic)
Fertilizer, LLC for Approval of Intermittent)
Electric Standby Power Agreement.)
_____)

DOCKET NO. _____

FILED: July 31, 2015

**JOINT PETITION FOR APPROVAL OF INTERMITTENT
ELECTRIC STANDBY POWER AGREEMENT**

Tampa Electric Company ("Tampa Electric"), Duke Energy Florida ("DEF"), and Mosaic Fertilizer, LLC ("Mosaic"), ("Joint Petitioners") petition the Florida Public Service Commission for an order approving the attached Intermittent Electric Standby Power Agreement (the "Agreement") entered into by and between the above-referenced parties. Approval of the Agreement will assist in avoiding future disputes between Tampa Electric and DEF regarding the provision of electric service to Mosaic's South Pasture Beneficiation Plant located in Hardee County, Florida. In support of this Petition, the Joint Petitioners state:

1. Mosaic is engaged in the integrated business of mining and processing phosphate, and manufacturing fertilizer in numerous counties in central and south central Florida, and has operations and facilities located in the service territories of a number of public utilities, including, but not limited to DEF and Tampa Electric.

2. DEF, Tampa Electric and Mosaic have entered into voluntary and cooperative discussions, resulting in the formation and execution of the Agreement regarding the supply of reliable electric service in a safe and operationally acceptable manner to certain Mosaic facilities geographically located in Hardee County, Florida including the Mosaic South Pasture Beneficiation Plant. Attached hereto as Exhibit "A" is a copy of the Agreement.

3. The details of the Agreement assure that Mosaic's needs for intermittent electric standby power will be met in a manner acceptable to Mosaic and at the same time fair for Tampa Electric, DEF and their respective general body of customers.

4. The Parties recognize that, due to the specialized nature of Mosaic's integrated phosphate operations, this Agreement benefits the Parties, is put in place to deal with specific facts affecting Mosaic, and that this Agreement has no precedential effect, legal or otherwise, upon the Parties or the Commission except in connection with the Parties' ability to enforce their rights and obligations under the Agreement.

5. The Commission approved territorial agreement between DEF and Peace River Electric River Electric Cooperative, Inc. ("PRECO") assigns the affected portions of Hardee County to PRECO, but authorizes DEF to provide transmission level service needed by phosphate mining customers in the area, given PRECO's lack of appropriate facilities. While the South Pasture Beneficiation Plant is located in PRECO's retail service territory, PRECO has read the Agreement and agrees that it reflects a reasonable accommodation of Mosaic's intermittent electrical standby power needs. Attached as Exhibit "B" is PRECO's consent to approval and implementation of the Agreement.

6. Attached hereto as Exhibit "C" is a map showing the service territories of DEF, Tampa Electric and PRECO and the relative locations of the various facilities identified in Section 1 (Definitions) of the Agreement.

7. Based on the foregoing, the Joint Petitioners now seek Commission approval of the attached Agreement in order to efficiently and expeditiously assist in avoiding future disputes between Tampa Electric and DEF regarding the provision of electric service to Mosaic's South Pasture Beneficiation Plant.

8. The Joint Petitioners are not aware of any disputed issues of material fact relative to the matters addressed or the relief requested herein.

9. The Joint Petitioners respectfully request that the Commission approve the attached Agreement in its entirety.

WHEREFORE, Joint Petitioners move the Commission for expedited approval of attached Agreement.

DATED this 31st day of July, 2015

/s/ James D. Beasley

JAMES D. BEASLEY

J. JEFFRY WAHLEN

Ausley & McMullen

P.O. Box 391

Tallahassee, Florida 32302

(850) 224-9115

(850) 222-7560 (fax)

Attorneys for Tampa Electric Company

/s/ Dianne Triplett

DIANNE TRIPLETT

MATTHEW R. BERNIER

Duke Energy Florida, Inc.

299 1st Avenue North, FL 151

St. Petersburg, Florida 33701

Attorneys for Duke Energy Florida

/s/ Jon C. Moyle

JON C. MOYLE

The Moyle Firm, P.A.

118 North Gadsden Street

Tallahassee, Florida 32301

Phone: (850) 681-3823

Facsimile: (850) 681-8788

Florida Bar No. 727016

Counsel for Mosaic Fertilizer, LLC

INTERMITTENT ELECTRIC STANDBY POWER AGREEMENT

This Agreement Regarding Intermittent Electric Standby Power (“Agreement”) is made and entered this 26th day of July, 2015 by and between Duke Energy Florida, Inc. (“DEF”), Tampa Electric Company (“Tampa Electric”) and Mosaic Fertilizer, LLC (“Mosaic”) (collectively, “the Parties”).

WHEREAS, Mosaic is engaged in the integrated business of mining, processing phosphate, and manufacturing fertilizer in numerous counties in central and south central Florida, and has operations and facilities located in the service territory of a number of public utilities, including, but not limited to DEF, Tampa Electric and PRECO; and

WHEREAS, DEF, Tampa Electric and Mosaic have entered into voluntary and cooperative discussions regarding the supply of reliable electric service in a safe and operationally acceptable manner to certain Mosaic facilities geographically located in Hardee County, Florida; and

WHEREAS, the Parties have agreed to enter into this Agreement to facilitate the provision of electricity to Mosaic upon terms and conditions that are acceptable to the Parties as detailed herein; and

WHEREAS, the Parties recognize that, due to the specialized operations of Mosaic’s integrated phosphate operations, this Agreement benefits the Parties; is put in place to deal with specific facts affecting Mosaic, and that this Agreement shall have no precedential effect with respect to any other factual or legal issues or



circumstances beyond those unique to the Agreement and specifically addressed herein.

NOW, THEREFORE in consideration of the foregoing and other good and valuable consideration, the receipt of which is hereby acknowledged by each Party, the Parties do mutual agree as follows:

1. DEFINITIONS:

- a. **DEF South Pasture Standby Service Meter** means: The DEF owned service meter used by DEF to provide standby electric power to Mosaic at its point of interconnection with Mosaic's South Pasture Beneficiation Plant. Electrical connection from this meter to Mosaic will be normally open until standby service is transferred from Tampa Electric to DEF at which point the electrical connection to Tampa Electric through the South Pasture Tie Line will be severed through a Kirk Key lock protocol.
- b. **Fort Green 3 Substation Meter** means: The Mosaic owned meter associated with the Fort Green 3 substation which measures electricity flows on Mosaic's South Pasture Tie Line to Mosaic's South Pasture Beneficiation Plant.
- c. **Intermittent Electric Standby Power** means: Electrical power that Tampa Electric does not provide and sell to Mosaic on a regular basis, but that Tampa Electric provides and sells to Mosaic at the South Pierce Standby Interruptible Service Meter on an intermittent basis and that Mosaic transfers to its South Pasture Beneficiation Plant over the South Pasture Tie Line when there is insufficient

generation from Mosaic's South Pierce Generating Facilities to meet the load of Mosaic's South Pasture Beneficiation Plant.

- d. **South Pasture Beneficiation Plant** means: The Mosaic-owned phosphate beneficiation facility located in Hardee County, Florida (Section 30 – Township 33 South - Range 24 East), which processes mined phosphate materials in the production of fertilizer products;
- e. **South Pasture Tie Line** means: The planned approximately 10 mile extension of a Mosaic-owned 69 kV transmission line which will connect Mosaic's South Pierce Generating Facilities with Mosaic's South Pasture Beneficiation Plant;
- f. **South Pierce Generating Facilities** means: A Mosaic-owned 46.2 MW nameplate capacity qualifying facility generating station which consists of two steam-turbine generators that generate renewable energy from waste heat captured during the production of sulfuric acid used in the integrated phosphate fertilizer production processes.
- g. **South Pierce Generator Meter** means: Tampa Electric-owned meter and associated equipment used by Tampa Electric to measure the generator output on an hourly basis of Mosaic's South Pierce Generating Facilities associated with providing standby interruptible service to Mosaic.
- h. **South Pierce Standby Interruptible Service Meter** means: The Tampa Electric-owned service meter used by Tampa Electric to provide supplemental and standby electric power to Mosaic at its point of interconnection with Mosaic's South Pierce Generating Facilities.

- i. **Tampa Electric Intermittent Electric Standby Power 12 Month Cap** means: Up to 3,500 MWh annually of Tampa Electric-supplied and Mosaic-purchased intermittent standby electricity that will flow through the South Pierce Standby Interruptible Service Meter, and that will be transferred by Mosaic to the South Pasture Beneficiation Plant over the South Pasture Tie-Line. The 3,500 MWh is an annual cap, calculated monthly from the Effective Date of this Agreement and each twelve months thereafter, unless the start month of the twelve month period is changed pursuant to the process for exceedance of the cap set forth in paragraph 6.
2. **Term:** The initial term of this Agreement shall become effective as of the date of a final Commission Order approving this Agreement without changes or modifications to which any Party objects ("Effective Date"). The initial term of this Agreement shall be for ten years from the Effective Date with an automatic ten year extension provided all the parties are satisfied with the Agreement. Within a period of time between six months and three months prior to the end of the ten year initial term, the parties shall meet and confer. The meeting shall provide an opportunity for the parties to confirm their desire to extend the Agreement for another ten year term or petition the Commission for a change in the Agreement.
3. **Point of Provision of Intermittent Electric Standby Power:** Tampa Electric will provide Intermittent Electric Standby Power under this Agreement to Mosaic for use by Mosaic at the South Pasture Beneficiation Plant through Tampa Electric's South Pierce Standby Interruptible Service Meter and such electric power will be

delivered by Mosaic to the South Pasture Beneficiation Plant by Mosaic's South Pasture Tie Line.

4. **Calculation and Reporting of Intermittent Electric Standby Power:** Intermittent Electric Standby Power supplied by Tampa Electric that flows through the South Pierce Service Meter, and that will be purchased and transferred by Mosaic to the South Pasture Beneficiation Plant over the South Pasture Tie-Line, will be determined and calculated monthly by DEF based on hourly data. The calculation will be made by calculating the amount, if any, by which the South Pasture Beneficiation Plant load as measured on the Fort Green 3 Substation Meter exceeds the Mosaic-owned South Pierce total generation as measured by Tampa Electric on the South Pierce Generator Meter, measured on an hourly basis. DEF shall provide to Mosaic and Tampa Electric a monthly report reflecting the cumulative Intermittent Electric Standby Power provided to Mosaic during the 12 calendar months preceding the month in which the report is submitted. The determination of whether the Tampa Electric Intermittent Electric Standby Power 12 Month Cap has been exceeded will be made by reference to the cumulative Intermittent Electric Standby Power reflected in the monthly reports provided by DEF. Tampa Electric agrees to provide hourly South Pierce Generation Facilities data and Mosaic agrees to permit DEF access to the Fort Green 3 Substation Meter to facilitate DEF's acquisition of interval data and the determinations and calculations of Tampa Electric Intermittent Standby Electric Power flows to the South Pasture Beneficiation Plant. DEF shall provide the Parties with an annual

report detailing the amount of Tampa Electric supplied Intermittent Standby Electric Power provided to the South Pasture Beneficiation Plant.

5. **Authorized Charges:** DEF is authorized to include an additional monthly charge of \$200.00 to Mosaic's account maintained for the Mosaic South Pasture Beneficiation Plant Interruptible Standby account to compensate DEF for its reasonable costs and expenses associated with monitoring, calculating and reporting Tampa Electric Intermittent Standby Electric Power flows as described in paragraph 4 of the Agreement. DEF is further authorized to charge Mosaic in accordance with its current Commission approved Rate Schedule, SS 2, Interruptible Standby Service or any successor rate schedule, associated with the new DEF South Pasture Standby Service Meter that will be used to measure DEF service to South Pasture Beneficiation Plant whenever standby electrical service is transferred from Tampa Electric to DEF.

6. **Exceedance of Tampa Electric Intermittent Standby Electric Power 12 Month Cap:** If the Tampa Electric Intermittent Standby Electric Power 12 Month Cap is exceeded during any month as reflected in monthly reports submitted by DEF pursuant to paragraph 4, within 30 days of issuance of subject report, and Mosaic's reasonable verification and confirmation of same within 15 days of receipt of such information, Mosaic will disconnect the South Pasture Beneficiation Plant from the South Pierce Generation Facility and connect the South Pasture Beneficiation Plant to the DEF South Pasture Standby Service Meter. Mosaic will then purchase (at a minimum) an amount of Standby Service

MWh from DEF that equals or exceeds the total amount of Tampa Electric Intermittent Electric Standby Power MWh consumed during the relevant 12 month period during which the Tampa Electric Intermittent Standby Electric Power 12 Month Cap was measured and exceeded. When the Standby Service MWh from DEF has met or exceeded that prior service from Tampa Electric, Mosaic will reconnect the South Pasture Beneficiation Plant to the South Pasture Tie Line. Upon reconnection of the South Pasture Beneficiation Plant to the South Pasture Tie Line, the Tampa Electric Intermittent Electric Standby Power 12 Month Cap will be reset to zero (0) MWh, and the 12 month period for measuring exceedances will be restarted. The parties will use their normal billing cycles for the purposes of gathering data and preparing reports as set forth in this Agreement.

7. **Notification of Additions to the South Pasture Tie Line and Material Changes to the South Pierce Generating Facilities:** Mosaic will timely notify Duke and Tampa Electric prior to adding any electric loads in Hardee County to the South Pasture Tie Line which are remote from the South Pasture Beneficiation Plant and not capable of being measured by the Fort Green 3 Substation Meter, and thus included in DEF's monthly calculation of Tampa Electric Intermittent Standby Electric Power as detailed in paragraph 4. Mosaic will timely notify DEF and Tampa Electric prior to adding any additional Mosaic load of 6 MW or greater served through or from the South Pasture Beneficiation Plant. Mosaic will timely notify Duke and Tampa Electric prior to making any permanent material changes to the

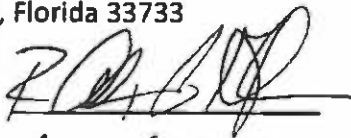
electric generating capacity of the South Pierce Generating Facilities, which either increases or decreases the output of the units by 6 MW or greater, and will notify Duke and Tampa Electric should major outages of a more permanent nature (e.g., extended outages or derations of the units or the sulfuric acid plants that provide the steam to run the units). Notwithstanding the foregoing, however, such notification will not increase or have any impact on the amount of the Tampa Electric Intermittent Electric Standby Power 12 Month Cap set forth in section 1(i).


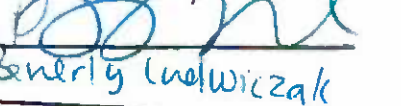
8. **No Revenue Sharing:** The Parties agree that none of the load serving obligations entered into as part of this Agreement will result, at any time during its initial or extended terms, in the sharing of revenues associated with service provided hereunder between DEF and Tampa Electric.
9. **Dispute Resolution:** The Parties agree that should a dispute arise pursuant to the terms of this Agreement, upon notification and request, they will meet in person and in a good faith effort to use their respective best efforts to resolve the dispute. This dispute resolution meeting shall be a condition precedent to any Party taking regulatory or legal action.
10. **Effect of Agreement:** The Parties agree that: (i) this Agreement is valid and binding between them upon approval of the Commission; and (ii) this Agreement or its terms shall have no precedential value or significance in any other legal proceeding before this Commission or other tribunal.

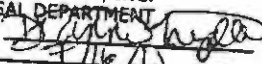
11. **Assignment of Agreement:** The Parties agree that this Agreement may be assigned to a corporate affiliate or successor in interest of any Party upon advanced written notice to the other Parties.
12. **Presentation of Agreement to the Commission:** The Parties agree to file an executed copy of this Agreement with the Commission for review and approval as expeditiously as possible, and to support the Commission's timely approval of this Agreement without modification.
13. **Changes to the Agreement:** Any change to this Agreement shall be made in writing, signed by all Parties.
14. **Extension of the Agreement:** If the Parties agree to jointly file a request to extend this Agreement beyond the automatic ten year extension contemplated in Section 2, such request shall be filed at least three (3) months before the expiration of that automatic ten year extension. The Agreement shall continue in full force and effect beyond the end of the ten year extension while the Commission is considering whether to approve the further extension of the Agreement.
15. **Reservation of Rights:** The Parties reserve all legal rights and remedies they may otherwise possess.
16. **Entire Agreement:** This Agreement represents the complete and entire understanding and agreement between the Parties and any terms or provisions not set forth in this Agreement are not enforceable.

INTERMITTENT ELECTRIC STANDBY POWER AGREEMENT SIGNATURE PAGE

Duke Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733

Signature: 
Name (print): ALEX GLENN
Date: July 22, 2015

Witness: 
Witness: 

DUKE ENERGY, INC.
LEGAL DEPARTMENT
APPROVED BY: 
DATE: 7/16/15

Tampa Electric Company
702 North Franklin Street
Tampa, Florida 33602

Signature: _____
Name (print): _____
Date: _____

Witness: _____
Witness: _____

Mosaic Fertilizer, LLC
13830 Circa Crossing Drive
Lithia, Florida 33547

Signature: _____
Name (print): _____
Date: _____

Witness: _____
Witness: _____

INTERMITTENT ELECTRIC STANDBY POWER AGREEMENT SIGNATURE PAGE

Duke Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733

Signature: _____

Witness: _____

Name (print): _____

Witness: _____

Date: _____

Tampa Electric Company
702 North Franklin Street
Tampa, Florida 33602

Signature: 

Witness: 

Name (print): Gordon L. Gillette

Witness: 

Date: 7/26/15

Mosaic Fertilizer, LLC
13830 Circa Crossing Drive
Lithia, Florida 33547

Signature: _____

Witness: _____

Name (print): _____

Witness: _____

Date: _____

INTERMITTENT ELECTRIC STANDBY POWER AGREEMENT SIGNATURE PAGE

Duke Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733

Signature: _____

Witness: _____

Name (print): _____

Witness: _____

Date: _____

Tampa Electric Company
702 North Franklin Street
Tampa, Florida 33602

Signature: _____


Witness: _____

Name (print): _____

Witness: _____

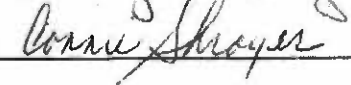
Date: _____

Mosaic Fertilizer, LLC
13830 Circa Crossing Drive
Lithia, Florida 33547

Signature: 

Witness: 

Name (print): GARY N DAVIS

Witness: 

Date: 7/23/15

**PEACE RIVER ELECTRIC COOPERATIVE, INC.'S
CONSENT TO APPROVAL AND IMPLEMENTATION OF
INTERMITTENT ELECTRIC STANDBY POWER AGREEMENT**

Peace River Electric Cooperative, Inc. ("PRECO") states as follows:

1. PRECO has read the Intermittent Electric Standby Power Agreement dated July 26, 2015, by and between Duke Energy Florida, Inc. ("DEF"), Tampa Electric Company ("Tampa Electric") and Mosaic Fertilizer, LLC ("Mosaic") (collectively "the Parties") wherein the Parties have agreed to make certain accommodations to satisfy Mosaic's need for Tampa Electric to provide and sell electric power to Mosaic at the South Pierce Standby Interruptible Service Meter on an intermittent, non-regular basis, which power Mosaic transfers to its South Pasture Beneficiation Plant over its South Pasture Tie Line when there is insufficient generation from Mosaic's South Pierce Generating Facility to meet the load of Mosaic's South Pasture Beneficiation Plant.

2. PRECO concurs that the proposed provision of intermittent electric standby power to Mosaic by Tampa Electric is a reasonable accommodation of Mosaic's express needs and consents to the Florida Public Service Commission's approval of the Intermittent Electric Standby Power Agreement proposed by DEF, Tampa Electric and Mosaic and the Parties' subsequent implementation of such Agreement.

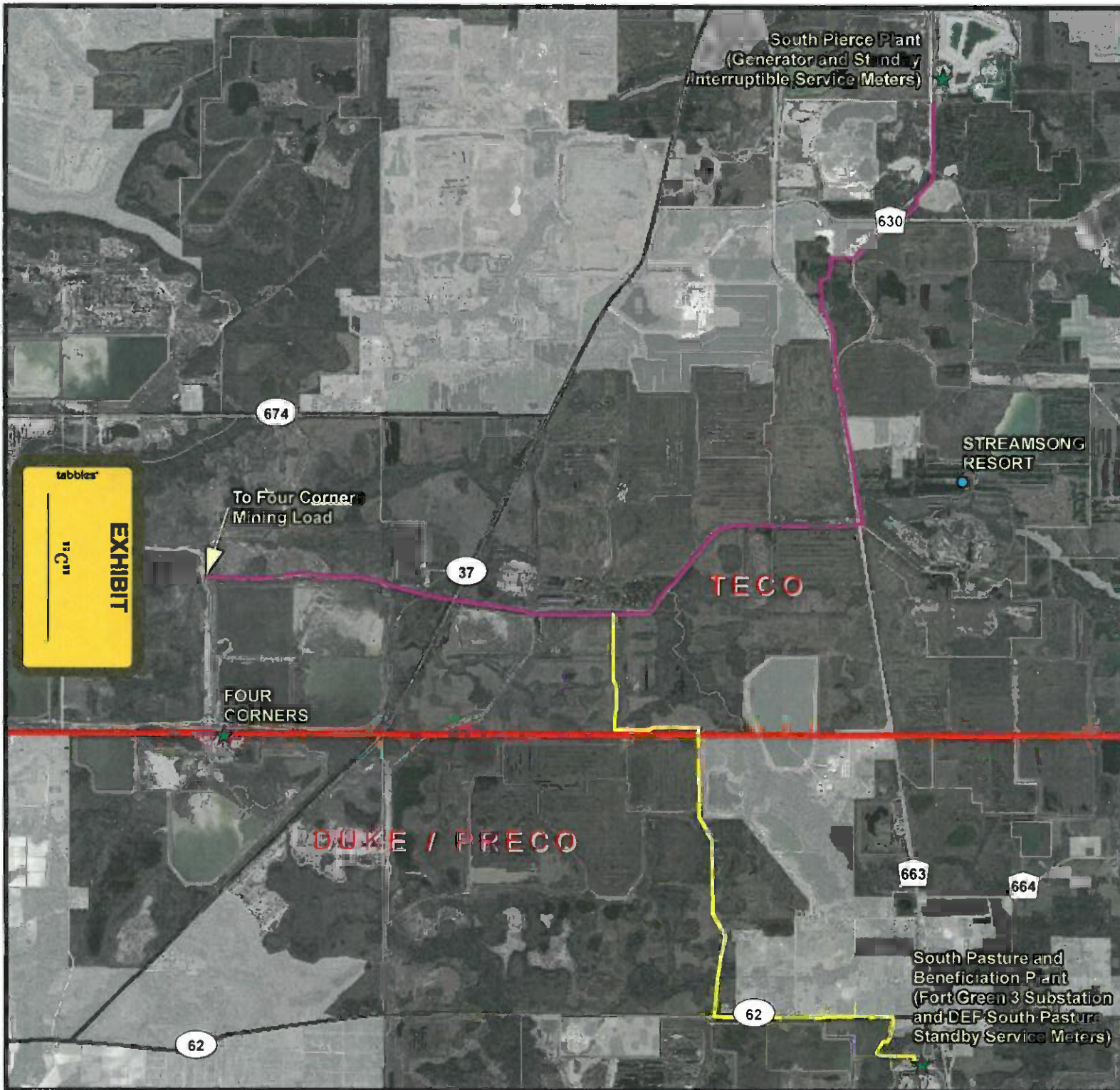
3. PRECO agrees that there shall be no revenue sharing by or between PRECO, DEF or Tampa Electric in connection with the Intermittent Electric Standby Power Agreement.

DATED this 26th day of July 2015.

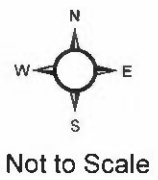
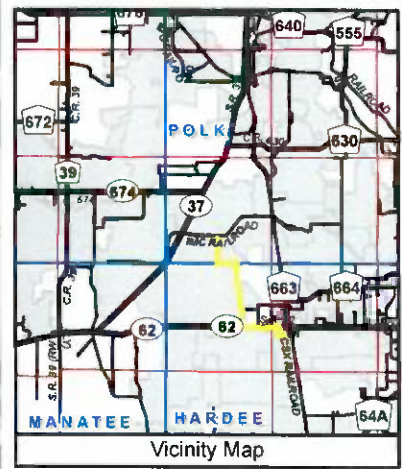
PEACE RIVER ELECTRIC COOPERATIVE, INC.

By: *RMM W. Shu*
Title: General Manager / CEO





tabbles
11' 00"
EXHIBIT



- Legend**
- ★ Plant Site
 - Streamsong Resort
 - South Pasture Extension
 - Existing Cogen Line
 - Territorial Boundary

South Pasture Extension



GIS DEPARTMENT

By: rpd Date: 7/24/2015
G:\projects\2014\2014_0011\maps\20150720 South Pasture Ext.mxd