

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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100167
RECEIVED - PPSO
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COMM. CLERK

April 1, 2010

HAND DELIVERED

Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Tampa Electric Company's Petition for Approval of Revisions to the Standard Offer Contract and Rate Schedules COG-1 and COG-2

Dear Ms. Cole:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Tampa Electric Company's Petition for Approval of Revisions to the Standard Offer Contract and Rate Schedules COG-1 and COG-2.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Enclosure

COM _____
APA _____
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ADM _____
OPC 1
CLK _____

DOCUMENT NUMBER DATE

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FPSC-COMMISSIONER CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for Approval of Revisions to Standard Offer)
Contract and Associated Rate Schedules)
COG-1 and COG-2)
_____)

DOCKET NO. 100167
FILED: April 1, 2010

**TAMPA ELECTRIC COMPANY'S PETITION FOR APPROVAL OF
REVISIONS TO THE STANDARD OFFER CONTRACT AND
RATE SCHEDULES COG-1 AND COG-2**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Sections 366.051 and 366.91, Florida Statutes, and Rules 25-17.200 through 25-17.310, Florida Administrative Code, petitions the Florida Public Service Commission ("the Commission") to approve revisions to its Standard Offer Contract ("SOC" or "Standard Offer") and associated rate schedules, COG-1 and COG-2. As grounds therefor, the company says:

1. The name, address, telephone number and facsimile number of the petitioner are:

Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-4111
(813) 228-1770 (fax)

2. Tampa Electric is an investor-owned public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes.

3. All notices, pleadings and correspondence required to be served on the Petitioner should be directed to:

James D. Beasley
J. Jeffry Wahlen
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7560 (fax)

Paul Brown, Administrator
Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-1444
(813) 228-1770 (fax)

DOCUMENT NUMBER 100167

02398 APR -1 2010

FPSC-COMMISSION CLERK

4. In its petition, Tampa Electric has proposed revisions to its Standard Offer based on the generating unit technology and in-service dates reflected in the company's generation expansion plan contained in its proposed Ten Year Site Plan ("TYSP"), filed concurrently with this Petition. The company is proposing a Standard Offer based on a 2013 aero-derivative combustion turbine, the only fossil fueled technology type identified in the company's TYSP.

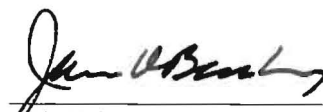
5. The revised tariff sheets containing the proposed revisions to the SOC and Rate Schedule COG-2 are attached hereto in both standard and legislative formats as Exhibits "B", and "C", respectively. Also attached hereto, Exhibit "A" contains a listing of revised tariff sheets and a description of the proposed changes for each tariff sheet.

6. Tampa Electric is not aware of any disputed issues of material fact relative to the subject matter of this petition.

WHEREFORE, Tampa Electric respectfully requests that the Commission grant this Petition for Approval of its revised SOC and COG-2 tariff as reflected in the revised tariff sheets contained in Exhibits "B", and "C".

DATED this 1st day of April 2009.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**Proposed Revisions to Tampa Electric Company's
Standard Offer Contract for the
Purchase of Contracted Capacity and Associated Energy
From a Renewable Generating Facility or a Small Qualifying Facility**

TARIFF SHEET NO.	COMMENTS
8.010	Updated in-served date for avoided CT and replaced Appendix D title, "2018 Natural Gas Combined Cycle", with "Reserved for future Use" .
8.102	Grammatical correction in #3.
8.103	Replaced Supplemental Fuel text with simplified language appropriate for all fuel types purchased.
8.107	Eliminated Supplemental Fuel Exhibit 1 – illustrated language in Tariff Sheet 8.103 that is being replaced. This exhibit is no longer required.
8.236	Updated interest rate which is tied to current discount rate.
8.326	Updated in-served date for avoided CT and replaced Appendix D title, "2018 Natural Gas Combined Cycle", with "Reserved for future Use".
8.376	Replaced Supplemental Fuel text with simplified language appropriate for all fuel types purchased.
8.394	Eliminated Supplemental Fuel Exhibit 1 – illustrated language in Tariff Sheet 8.376 that is being replaced. This exhibit is no longer required.
8.406	Updated avoided unit in-service date.
8.416	Corrected the maintenance time frame to reflect the manufacturers maintenance guideline for the aeroderivative, avoided CT.
8.422	Updated avoided unit costs and financial assumptions for avoided CT.
8.424	Updated avoided unit costs to reflect avoided CT.
8.426	Updated table of capacity payments based on avoided CT.
8.428	Updated CT heat rate.
8.436	Updated CT heat rate and variable O&M costs.
8.438	Replace all text with "Reserved for Future Use".
8.440	Replace all text with "Reserved for Future Use".
8.442	Replace all text with "Reserved for Future Use".
8.444	Replace all text with "Reserved for Future Use".
8.446	Replace all text with "Reserved for Future Use".
8.448	Replace all text with "Reserved for Future Use".
8.450	Replace all text with "Reserved for Future Use".
8.452	Replace all text with "Reserved for Future Use".
8.454	Replace all text with "Reserved for Future Use".
8.456	Replace all text with "Reserved for Future Use".
8.458	Replace all text with "Reserved for Future Use".
8.460	Replace all text with "Reserved for Future Use".

STANDARD TARIFF SHEETS

EXHIBIT B



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> 2013 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



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



Continued from Sheet No. 8.102

9. The Company's available maximum generation resources in this methodology is defined as the maximum capacity less spinning 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



THIRD REVISED SHEET NO. 8.107
CANCELS SECOND REVISED SHEET NO. 8.107

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SECOND REVISED SHEET NO. 8.236
CANCELS FIRST REVISED SHEET NO. 8.236

Continued from Sheet No. 8.234

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 7.99%.

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.

Continued to Sheet No. 8.238

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



**RATE SCHEDULE COG-2
TABLE OF APPENDICIES**

APPENDIX	TITLE	SHEET NO.
A	VALUE OF DEFERRAL METHODOLGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2013 COMBUSTION TURBINE • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs	8.406
D	RESERVED FOR FUTURE USE	-
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-



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



FIRST REVISED SHEET NO. 8.394
CANCELS ORIGINAL SHEET NO. 8.394

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ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



**RATE SCHEDULE COG-2
APPENDIX C**

2013 COMBUSTION TURBINE

This Designated Avoided Unit is a 61 MW (winter rating) natural gas-fired combustion turbine with a May 1, 2013, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs shall meet or exceed the following MPS on a monthly basis. The MPS are based on the anticipated peak and off-peak dispatchability, unit availability, and operating factor of the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of a combustion turbine, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch

Continued to Sheet No. 8.408



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 2 weeks (336 hours) for major maintenance every eighth year will be allowed. Scheduled maintenance shall not be planned during December through February without prior written consent from the Company. At the option of the CEP and by written notification to 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 from Sheet No. 8.418

PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (5/1/2013) of the Company's Designated Avoided Unit, a 61 MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	VALUE
$VAC_m =$ Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	8.96
$K =$ 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	1.5975
$I_n =$ 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	727.54
$O_n =$ total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	20.35
$i_p =$ annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	1.7%
$i_o =$ annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.1%
$r =$ discount rate, defined as the Company's incremental after tax cost of capital;	7.99%

Continued to Sheet No. 4.424



Continue from Sheet No. 8.122

L	=	expected life of the Designated Avoided Unit(s); and	25
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.	2013
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 2010;	5.92
m	=	Earliest year in which early capacity payments to the CEP may begin;	2010*
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);	536.02*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	13 *

* 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



**THIRD REVISED SHEET NO. 8.426
CANCELS SECOND REVISED SHEET NO. 8.426**

Continued from Sheet No. 8.424

2013 COMBUSTION TURBINE
MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2				OPTION 3	OPTION 4		
		NORMAL PAYMENT	EARLY PAYMENT				LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	
5/1/10	4/30/11				5.92				6.35	
5/1/11	4/30/12			6.75	6.03			7.20	6.37	
5/1/12	4/30/13		7.74	6.87	6.13		8.22	7.23	6.39	
5/1/13	4/30/14	8.96	7.88	6.99	6.24	9.46	8.25	7.25	6.42	
5/1/14	4/30/15	9.12	8.02	7.11	6.35	9.49	8.28	7.28	6.44	
5/1/15	4/30/16	9.28	8.16	7.24	6.46	9.53	8.31	7.31	6.47	
5/1/16	4/30/17	9.44	8.31	7.37	6.58	9.56	8.34	7.34	6.50	
5/1/17	4/30/18	9.61	8.46	7.50	6.70	9.60	8.38	7.37	6.52	
5/1/18	4/30/19	9.78	8.61	7.63	6.82	9.64	8.41	7.40	6.55	
5/1/19	4/30/20	9.95	8.76	7.77	6.94	9.68	8.45	7.43	6.58	
5/1/20	4/30/21	10.13	8.91	7.91	7.06	9.72	8.48	7.46	6.61	
5/1/21	4/30/22	10.31	9.07	8.05	7.19	9.76	8.52	7.49	6.63	
5/1/22	4/30/23	10.50	9.23	8.19	7.31	9.80	8.56	7.53	6.66	

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

Continued to Sheet No. 8.428



Continued from Sheet No. 8.426

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 11,496 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

FC = Fuel Component of the Energy Payment in \$/MWH as defined by:

$$FC = \frac{11,496 \text{ Btu/kWh} \times FP}{1,000}$$

where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC/(1-FRP) + TC$$

Continued to Sheet No. 8.434



THIRD REVISED SHEET NO. 8.436
CANCELS SECOND REVISED SHEET NO. 8.436

Continued from Sheet No. 8.428

PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, 2013, 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	3.79
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	11,496



SECOND REVISED SHEET NO. 8.438
CANCELS FIRST REVISED SHEET NO. 8.438

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



TWENTIETH REVISED SHEET NO. 8.440
CANCELS NINETEENTH REVISED SHEET NO. 8.440

RESERVE FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



FIRST REVISED SHEET NO. 8.442
CANCELS ORIGINAL SHEET NO. 8.442

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



FIRST REVISED SHEET NO. 8.444
CANCELS ORIGINAL SHEET NO. 8.444

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



FIRST REVISED SHEET NO. 8.446
CANCELS ORIGINAL SHEET NO. 8.446

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.448
CANCELS FIRST REVISED SHEET NO. 8.448

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



TWENTY-SECOND REVISED SHEET NO. 8.450
CANCELS TWENTY-FIRST REVISED SHEET NO. 8.450

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.452
CANCELS FIRST REVISED SHEET NO. 8.452

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.454
CANCELS FIRST REVISED SHEET NO. 8.454

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.456
CANCELS FIRST REVISED SHEET NO. 8.456

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:



SECOND REVISED SHEET NO. 8.458
CANCELS FIRST REVISED SHEET NO. 8.458

RESERVED FOR FUTURE USE

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE:

EXHIBIT C

LEGISLATIVE FORMAT TARIFF SHEETS



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
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<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> 2012-2013 Combustion Turbine	8.406
<u>Appendix D:</u> 2018 Natural Gas Combined Cycle Unit Reserved for Future Use	8.438
<u>Appendix E:</u> Reserved for Future Use	-
<u>Appendix F:</u> Reserved for Future Use	-
<u>Interconnection Agreement:</u> Interconnection Agreement	8.600
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<u>Service Agreement For The Purchase of Emergency On-Demand Energy At Negotiated Rates</u>	8.800



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 ~~its~~their allocated level of generation ~~is~~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



Continued from Sheet No. 8.102

9. The Company's available maximum generation resources in this methodology is defined as the maximum capacity less spinning 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 that fuel purchased in excess of Tampa Electric's long-term contract minimum requirements. As illustrated in Exhibit 1, supplemental fuel can be composed of contract fuel (natural gas or coal) purchases above minimums and fuel purchases on the spot market. When spot prices are lower than prices for minimum quantities on long term contract purchases, spot prices are "supplemental." Under market conditions where spot prices are greater than the price of fuel purchased under contract, it is economical for Tampa Electric to purchase more than the contract minimums. In this instance the supplemental price is a combination of the contract price of fuel above minimum contract requirements and any fuel purchased on the spot market. The company looks to the supplemental fuel for purposes of incremental pricing to determine the level of as-available energy payments because contract minimum purchases are a fixed expense.~~

~~Supplemental fuel is composed of contract fuel purchases above minimum levels and fuel purchases on the spot market. Tampa Electric pursues the least expensive alternative whether it be spot purchases or purchases of contract fuel above the contract minimum, or a mixture of both. The supplemental fuel price is calculated by weight averaging all of the supplemental fuel purchases, by fuel type, during the preceding month.~~

~~With regard to oil-fired generation, Tampa Electric treats all of its oil purchases as supplemental fuel inasmuch as it has no contract minimums. For graphic portrayal of Tampa Electric's definition of supplemental fuel see Exhibit 1 attached.~~

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.

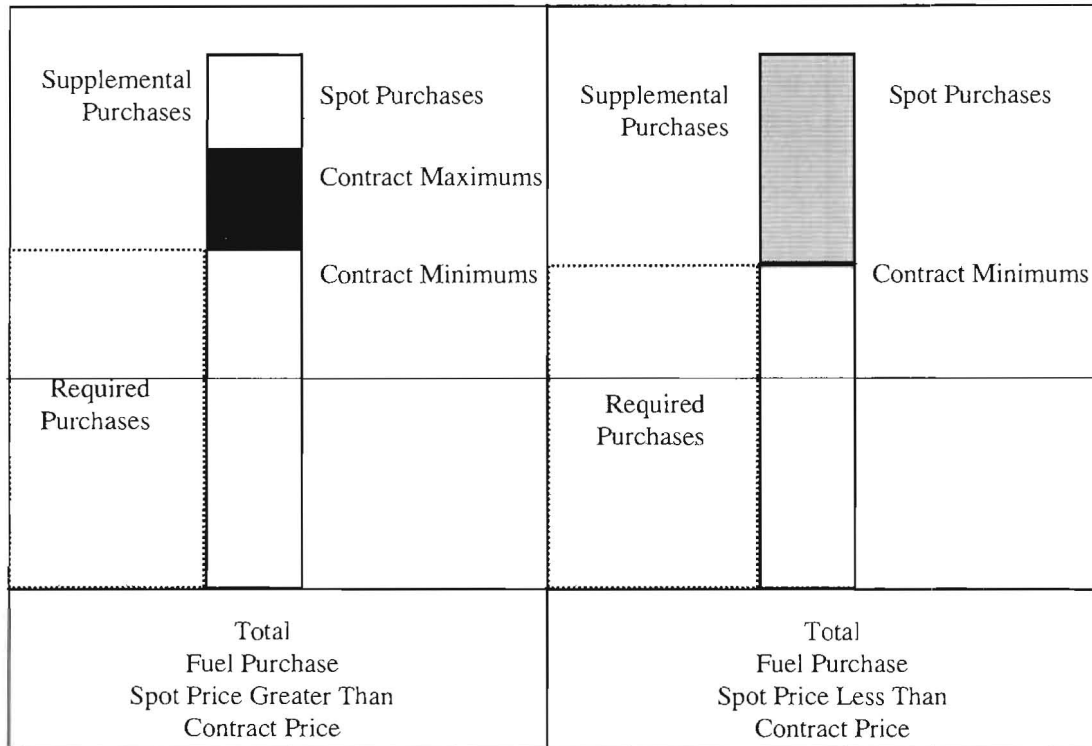
Continued to Sheet No. 8.104



Continued from Sheet No. 8.106

EXHIBIT 1

~~REQUIRED AND SUPPLEMENTAL FUEL PURCHASES
 UNDER DIFFERENT MARKET CONDITIONS~~



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Continued to Sheet No. 8.109



Continued from Sheet No. 8.234

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 ~~8.337.99%~~.

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.

Continued to Sheet No. 8.238



~~Rate Schedule~~ RATE SCHEDULE COG-2
~~Table of Appendices~~ TABLE OF APPENDICIES

<u>APPENDIX</u>	<u>TITLE</u>	<u>SHEET NO.</u>
A	VALUE OF DEFERRAL METHODOLGY	8.328
B	METHODOLOGY TO BE USED IN THE CALCULATION OF AVOIDED ENERGY COST	8.344
C	2012-2013 COMBUSTION TURBINE <ul style="list-style-type: none"> • Minimum Performance Standard • Parameters for Avoided Unit Capacity Costs • Exemplary Capacity Payment Schedules • Parameters for Avoided Unit Energy Costs 	8.406
D	2018 NATURAL GAS COMBINED CYCLE Minimum Performance Standard Parameters for Avoided Unit Capacity Costs Exemplary Capacity Payment Schedules Parameters for Avoided Unit Energy Costs <u>RESERVED FOR FUTURE USE</u>	8.438-
E	RESERVED FOR FUTURE USE	-
F	RESERVED FOR FUTURE USE	-



Continued from Sheet no. 8.356

SUPPLEMENTAL FUEL:

~~The term "supplemental fuel" refers to that fuel purchased in excess of the Company's long-term contract minimum requirements. As illustrated in Exhibit 1, supplemental fuel can be composed of contract fuel (coal and natural gas) purchases above minimums and fuel purchases on the spot market. When spot prices are lower than prices for minimum quantities on long term contract purchases, spot prices are "supplemental." Under market conditions where spot prices are greater than the price of fuel purchased under contract, it is economical for the Company to purchase more than the contract minimums. In this instance the supplemental price is a combination of the contract price of fuel above minimum contract requirements and any fuel purchased on the spot market. The Company looks to the supplemental fuel for purposes of incremental pricing to determine the level of As-Available Energy payments because contract minimum purchases are a fixed expense.~~

~~Supplemental fuel is composed of contract fuel purchases above minimum levels and fuel purchases on the spot market. The Company pursues the least expensive alternative whether it be spot purchases or purchases of contract fuel above the contract minimum, or a mixture of both. The supplemental fuel price is calculated by weight averaging all of the supplemental fuel purchases, by fuel type, during the preceding month.~~

~~With regard to oil-fired generation, the Company treats all of its oil purchases as supplemental fuel inasmuch as it has no contract minimums. For graphic portrayal of Tampa Electric's definition of supplemental fuel see Exhibit 1 attached.~~

~~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:

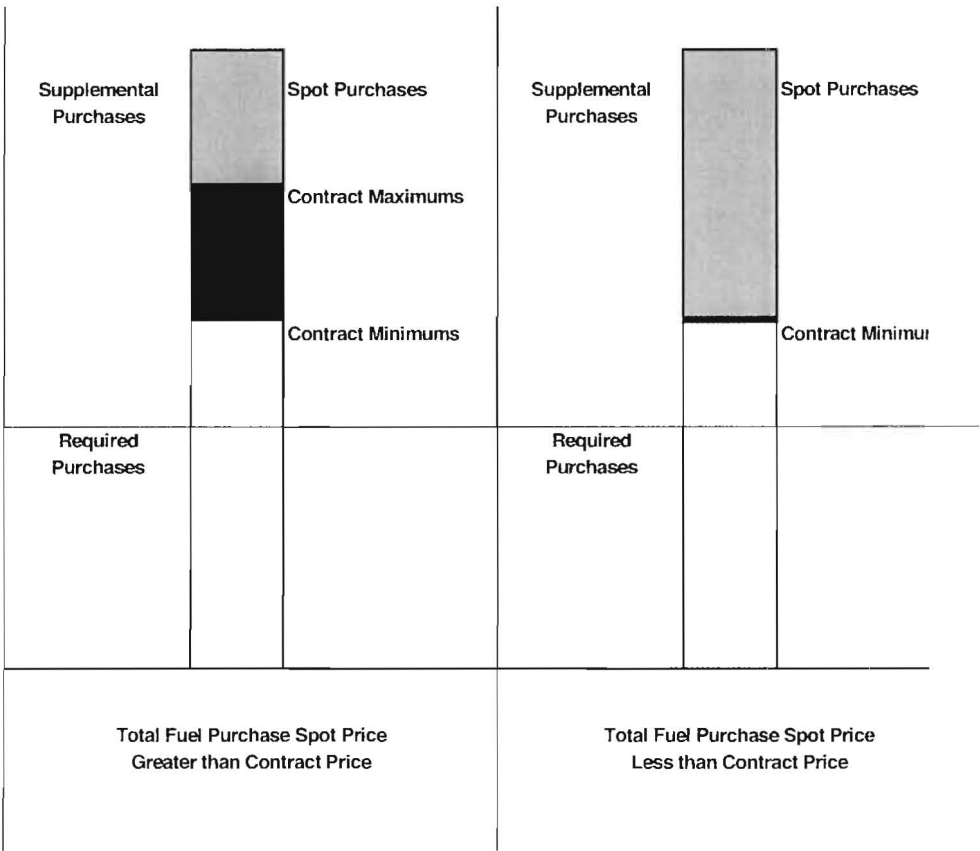
The 1st calculation determines the Company's production cost without the benefit of cogeneration.

Continue to Sheet No. 8.378



EXHIBIT 1

REQUIRED AND SUPPLEMENTAL FUEL PURCHASES
 UNDER DIFFERENT MARKET CONDITIONS



RESERVED FOR FUTURE USE



**RATE SCHEDULE COG-2
APPENDIX C**

2012-2013 COMBUSTION TURBINE

This Designated Avoided Unit is a 61 MW (winter rating) natural gas-fired combustion turbine with a May 1, ~~2012~~2013, in-service date.

MINIMUM PERFORMANCE STANDARDS

In order to receive a Monthly Capacity Payment, all Contracted Capacity and Associated Energy provided by CEPs shall meet or exceed the following MPS on a monthly basis. The MPS are based on the anticipated peak and off-peak dispatchability, unit availability, and operating factor of the Designated Avoided Unit over the term of this Standard Offer Contract. The CEP's proposed generating facility ("the Facility") as defined in the Standard Offer Contract will be evaluated against the anticipated performance of a combustion turbine, starting with the first Monthly Period following the date selected in Paragraph 6.b.ii of the Company's Standard Offer Contract.

1. **Dispatch Requirements:** The CEP shall provide peaking capacity to the Company on a firm commitment, first-call, on-call, as-needed basis. In order to receive a Contracted Capacity Payment for each calendar month that the Facility is to be dispatched, the CEP must meet or exceed both the minimum Monthly Availability and Monthly Capacity Factor requirements.
2. **Dispatch Procedure:** Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 7:00 A.M. EPT, the CEP shall electronically transmit a schedule ("Available Schedule") of the hour-by-hour amounts of Contracted Capacity expected to be available from the Facility the next day ("Committed Capacity"). Commencing on the calendar day prior to the Facility In-Service Date or the Extended Facility In-Service Date, as applicable, and continuing each calendar day thereafter during the Term, by 3:00 P.M. EPT, the Company shall electronically transmit the hour-by-hour amounts of Contracted Capacity that the Company desires the CEP to dispatch from the Facility the next day based on the Available Schedule supplied at 7:00 A.M. EPT by the CEP ("Dispatch Schedule"). The CEP's Available Schedule and the Company's Dispatch

Continued to Sheet No. 8.408



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 2 weeks (336 hours) each year for annual major maintenance and a total of 5 weeks (840 hours) every fifth eighth year for major overhauls will be allowed. Scheduled maintenance shall not be planned during December through February without prior written consent from the Company. At the option of the CEP and by written notification to 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 from Sheet No. 8.418

PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (5/1/20122013) of the Company's Designated Avoided Unit, a 61 MW (Winter Rating) natural gas-fired Combustion Turbine, for a 1 year deferral:

	VALUE
VAC _m = Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	8. 038 .96
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. 598 41.5975
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	624.85 <u>727.54</u>
O _n = total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	20. 01 <u>20.35</u>
i _p = annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	1. 81 .7%
i _o = annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2. 22 .1%
r = discount rate, defined as the Company's incremental after tax cost of capital;	8. 337 .99%

Continued to Sheet No. 4.424



Continue from Sheet No. 8.122

L	=	expected life of the Designated Avoided Unit(s); and	25
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.	2012 <u>2013</u>
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 2009 <u>2010</u> ;	5.275 <u>5.92</u>
m	=	Earliest year in which early capacity payments to the CEP may begin;	2009 <u>2010</u> *
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);	461.205 <u>36.02</u> *
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	13 *

** 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



SECONDTTHIRD** REVISED SHEET NO. 8.426
 CANCELS FIRST**SECOND** REVISED SHEET NO. 8.426**

Continued from Sheet No. 8.424

2012 COMBUSTION TURBINE
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2				OPTION 3	OPTION 4		
		NORMAL PAYMENT	EARLY PAYMENT				LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	
5/1/09	4/30/10	-	-	-	5.27	-	-	-	5.66	
5/1/10	4/30/11	-	-	6.02	5.37	-	-	6.43	5.68	
5/1/11	4/30/12	-	6.92	6.13	5.47	-	7.36	6.46	5.71	
5/1/12	4/30/13	8.03	7.06	6.25	5.57	8.49	7.39	6.49	5.73	
5/1/13	4/30/14	8.18	7.19	6.37	5.68	8.63	7.43	6.52	5.76	
5/1/14	4/30/15	8.33	7.32	6.49	5.78	8.66	7.46	6.55	5.79	
5/1/15	4/30/16	8.49	7.46	6.61	5.89	8.60	7.49	6.58	5.81	
5/1/16	4/30/17	8.65	7.60	6.73	6.00	8.64	7.53	6.61	5.84	
5/1/17	4/30/18	8.81	7.75	6.86	6.12	8.68	7.56	6.64	5.87	
5/1/18	4/30/19	8.98	7.89	6.99	6.23	8.72	7.60	6.67	5.90	
5/1/19	4/30/20	9.15	8.04	7.12	6.35	8.76	7.64	6.70	5.93	
5/1/20	4/30/21	9.32	8.19	7.26	6.47	8.81	7.67	6.74	5.96	
5/1/21	4/30/22	9.50	8.35	7.39	6.59	8.85	7.71	6.77	5.99	

2013 COMBUSTION TURBINE
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)

		OPTION 1	OPTION 2				OPTION 3	OPTION 4		
		NORMAL PAYMENT	EARLY PAYMENT				LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT		
CONTRACT YEAR		Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	
FROM	TO	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	\$/kw-mo.	
5/1/10	4/30/11	-	-	-	5.92	-	-	-	6.35	
5/1/11	4/30/12	-	-	6.75	6.03	-	-	7.20	6.37	
5/1/12	4/30/13	-	7.74	6.87	6.13	-	8.22	7.23	6.39	
5/1/13	4/30/14	8.96	7.88	6.99	6.24	9.46	8.25	7.25	6.42	

ISSUED BY: ~~C. R. Black~~ G. L. Gillette,
 President

DATE EFFECTIVE: ~~June 30, 2009~~



~~SECOND~~^{THIRD} REVISED SHEET NO. 8.426
 CANCELS ~~FIRST~~^{SECOND} REVISED SHEET NO. 8.426

<u>5/1/14</u>	<u>4/30/15</u>	<u>9.12</u>	<u>8.02</u>	<u>7.11</u>	<u>6.35</u>	<u>9.49</u>	<u>8.28</u>	<u>7.28</u>	<u>6.44</u>
<u>5/1/15</u>	<u>4/30/16</u>	<u>9.28</u>	<u>8.16</u>	<u>7.24</u>	<u>6.46</u>	<u>9.53</u>	<u>8.31</u>	<u>7.31</u>	<u>6.47</u>
<u>5/1/16</u>	<u>4/30/17</u>	<u>9.44</u>	<u>8.31</u>	<u>7.37</u>	<u>6.58</u>	<u>9.56</u>	<u>8.34</u>	<u>7.34</u>	<u>6.50</u>
<u>5/1/17</u>	<u>4/30/18</u>	<u>9.61</u>	<u>8.46</u>	<u>7.50</u>	<u>6.70</u>	<u>9.60</u>	<u>8.38</u>	<u>7.37</u>	<u>6.52</u>
<u>5/1/18</u>	<u>4/30/19</u>	<u>9.78</u>	<u>8.61</u>	<u>7.63</u>	<u>6.82</u>	<u>9.64</u>	<u>8.41</u>	<u>7.40</u>	<u>6.55</u>
<u>5/1/19</u>	<u>4/30/20</u>	<u>9.95</u>	<u>8.76</u>	<u>7.77</u>	<u>6.94</u>	<u>9.68</u>	<u>8.45</u>	<u>7.43</u>	<u>6.58</u>
<u>5/1/20</u>	<u>4/30/21</u>	<u>10.13</u>	<u>8.91</u>	<u>7.91</u>	<u>7.06</u>	<u>9.72</u>	<u>8.48</u>	<u>7.46</u>	<u>6.61</u>
<u>5/1/21</u>	<u>4/30/22</u>	<u>10.31</u>	<u>9.07</u>	<u>8.05</u>	<u>7.19</u>	<u>9.76</u>	<u>8.52</u>	<u>7.49</u>	<u>6.63</u>
<u>5/1/22</u>	<u>4/30/23</u>	<u>10.50</u>	<u>9.23</u>	<u>8.19</u>	<u>7.31</u>	<u>9.80</u>	<u>8.56</u>	<u>7.53</u>	<u>6.66</u>

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

Continued to Sheet No. 8.428



Continued from Sheet No. 8.426

d. The Company has not dispatched the CEP's unit but the CEP is providing capacity and energy.

Note: For any given hour the CEP unit must be operating on AGC a minimum of 30 minutes to qualify under case (a).

The CEP's total monthly energy payment shall equal; (1) the sum of the hourly energy at the Unit Energy Payment Rate (UEPR), when the CEP's unit was dispatched by the Company, plus (2) the sum of the hourly energy at the corresponding hourly AEPR when the CEP's unit was operating at times other than when the Company dispatched the unit.

2. **Unit Energy Payment Rate:** Starting the in-service date of the avoided unit, the CEP will be paid at the UEPR for energy provided in Paragraph 1.a, Paragraph 1.b and that portion of the energy provided up to the dispatched level in Paragraph 1.c as defined above. The UEPR, which is based on the Company's Designated Avoided Unit and Heat Rate value of ~~10,200~~11,496 Btu/kWh, will be calculated monthly by the following formula:

$$UEPR = FC + O_v$$

where;

O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.

FC = Fuel Component of the Energy Payment in \$/MWH as defined by:

$$FC = \frac{10,200 \text{ Btu/kWh} \times FP}{1,000}$$

where;

FP = Fuel Price in \$/MMBTU determined by:

$$FP = GC / (1 - FRP) + TC$$

Continued to Sheet No. 8.434



Continued from Sheet No. 8.428

PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS

Beginning on May 1, ~~2012~~2013, 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	3.723 <u>.79</u>
H = The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	10,200 <u>1,496</u>

ISSUED BY: ~~C. R. Black~~G. L. Gillette,
President

DATE EFFECTIVE: ~~June 30, 2009~~



**RATE SCHEDULE COG-2
APPENDIX D**

2018 NATURAL GAS COMBINED CYCLE UNIT

This Designated Avoided Unit is a 607 MW (winter rating) natural gas-fired combined cycle (NGCC) with a May 1, 2018, 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 an NGCC, 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~~

RESERVED FOR FUTURE USE



- ~~— 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 45 minutes from a cold-start condition.~~
5. ~~**Minimum Run Time:** Minimum run time for the CEP's unit shall be 4 hours.~~

~~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.~~
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.~~

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- 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.~~
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 3 weeks (504 hours) every four years for maintenance and an additional 5 weeks (840 hours) every eighth year for major overhauls for a maximum of 8 weeks every eighth year will be allowed. Scheduled maintenance shall not be planned during December through February without prior written consent from the Company. At the option of the CEP and by written notification to 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. RESERVED FOR FUTURE USE~~



~~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:~~

$$MCP = \$0$$

~~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:~~

$$MCP = [(BCC) \times (.02 \times (CF - 45))] \times CC$$

~~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:~~

$$= \del{80\% \times \text{Monthly Average On-peak Operating Factor} + 20\% \times \text{Monthly Average Off-peak Operating Factor}}$$

~~During November 1 - March 31:~~

$$= \del{90\% \times \text{Monthly Average On-peak Operating Factor} + 10\% \times \text{Monthly Average Off-peak Operating Factor}}$$

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~~6. **Non-Dispatch Condition:** The CEP may be entitled to a Monthly Capacity Payment ($BCC \times CC$) 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.~~

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PARAMETERS FOR AVOIDED CAPACITY COSTS

Beginning with the in-service date (1/1/2018) of the Company's Designated Avoided Unit, a 607 MW (Winter Rating) NGCC, for a 1-year deferral:

		VALUE
$VAC_m =$	Company's monthly value of avoided capacity, \$/kW/month, for each month of year n	16.56
$K =$	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	1.6508
$t_n =$	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	1528.71
$O_n =$	total fixed operation and maintenance expense for the year n, in mid-year \$/kW/year, of the Designated Avoided Unit(s);	5.79
$i_p =$	annual escalation rate associated with the plant cost of the Designated Avoided Unit(s)	1.8%
$i_o =$	annual escalation rate associated with the operation and maintenance expense of the Designated Avoided Unit(s);	2.2%
$r =$	discount rate, defined as the Company's incremental after tax cost of capital;	8.33%

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L	=	expected life of the Designated Avoided Unit(s); and	25
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.	2018
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 2008;	5.38
m	=	Earliest year in which early capacity payments to the CEP may begin;	2009*
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);	721.03*
t	=	the term, in years, of the contract for the purchase of firm capacity if early capacity payments commence in year m;	19*

** Actual values will be determined based on the capacity payment start date and contract term selected by the CEP.*

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ISSUED BY: ~~C. R. Black~~ G. L. Gillette,
President

DATE EFFECTIVE: ~~June 30, 2009~~



**FIRST SECOND REVISED SHEET NO. 8.452
 CANCELS ORIGINAL FIRST REVISED SHEET NO. 8.452**

2018 NATURAL GAS-COMBINED-CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE - (\$/KW-MONTH)
 NON-LEVELIZED PAYMENT OPTIONS

		OPTION-1	OPTION-2									
		NORMAL PAYMENT	EARLY-PAYMENT									
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09	
FROM	TO	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	\$/kw-mo	
5/1/09	4/30/10	-	-	-	-	-	-	-	-	-	5.38	
5/1/10	4/30/11	-	-	-	-	-	-	-	-	6.00	5.48	
5/1/11	4/30/12	-	-	-	-	-	-	-	6.74	6.11	5.58	
5/1/12	4/30/13	-	-	-	-	-	-	7.52	6.83	6.22	5.68	
5/1/13	4/30/14	-	-	-	-	-	8.47	7.66	6.95	6.33	5.78	
5/1/14	4/30/15	-	-	-	-	9.57	8.62	7.80	7.08	6.45	5.89	
5/1/15	4/30/16	-	-	-	10.87	9.75	8.78	7.94	7.24	6.56	5.99	
5/1/16	4/30/17	-	-	12.42	11.07	9.92	8.94	8.08	7.34	6.68	6.10	
5/1/17	4/30/18	-	14.28	12.65	11.27	10.10	9.10	8.23	7.47	6.80	6.24	
5/1/18	4/30/19	16.56	14.54	12.88	11.48	10.29	9.27	8.38	7.61	6.93	6.32	
5/1/19	4/30/20	16.86	14.81	13.11	11.68	10.47	9.43	8.53	7.74	7.05	6.44	
5/1/20	4/30/21	17.16	15.07	13.35	11.90	10.66	9.60	8.69	7.88	7.18	6.56	
5/1/21	4/30/22	17.47	15.35	13.59	12.11	10.86	9.78	8.84	8.03	7.31	6.67	
5/1/22	4/30/23	17.79	15.63	13.83	12.33	11.05	9.96	9.00	8.17	7.44	6.80	
5/1/23	4/30/24	18.11	15.91	14.09	12.55	11.25	10.14	9.17	8.32	7.58	6.92	
5/1/24	4/30/25	18.44	16.20	14.34	12.78	11.46	10.32	9.33	8.47	7.71	7.04	
5/1/25	4/30/26	18.77	16.49	14.60	13.01	11.67	10.51	9.50	8.63	7.85	7.17	
5/1/26	4/30/27	19.11	16.79	14.87	13.25	11.88	10.70	9.67	8.78	8.00	7.30	
5/1/27	4/30/28	19.46	17.09	15.13	13.49	12.09	10.89	9.85	8.94	8.14	7.43	

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ISSUED BY: C. R. Black, G. L. Gillette,
 President

DATE EFFECTIVE: June 30, 2009



**FIRST-SECOND REVISED SHEET NO. 8.454
 CANCELS ORIGINAL FIRST REVISED SHEET NO. 8.454**

2018 NATURAL GAS COMBINED CYCLE UNIT
 MONTHLY CAPACITY PAYMENT RATE (\$/KW-MONTH)
 LEVELIZED PAYMENT OPTIONS

		OPTION-3	OPTION-4								
		LEVELIZED NORMAL PAYMENT	LEVELIZED EARLY PAYMENT								
CONTRACT YEAR		Starting 5/1/18	Starting 5/1/17	Starting 5/1/16	Starting 5/1/15	Starting 5/1/14	Starting 5/1/13	Starting 5/1/12	Starting 5/1/11	Starting 5/1/10	Starting 5/1/09
FROM	TO	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo	\$/kw mo
-	-	-	-	-	-	-	-	-	-	-	-
5/1/09	4/30/10	-	-	-	-	-	-	-	-	-	6.07
5/1/10	4/30/11	-	-	-	-	-	-	-	-	6.73	6.07
5/1/11	4/30/12	-	-	-	-	-	-	-	7.49	6.74	6.08
5/1/12	4/30/13	-	-	-	-	-	-	8.35	7.49	6.74	6.08
5/1/13	4/30/14	-	-	-	-	-	9.35	8.36	7.50	6.74	6.08
5/1/14	4/30/15	-	-	-	-	10.51	9.36	8.36	7.50	6.75	6.09
5/1/15	4/30/16	-	-	-	11.86	10.51	9.36	8.37	7.50	6.75	6.09
5/1/16	4/30/17	-	-	13.47	11.87	10.52	9.37	8.37	7.51	6.76	6.09
5/1/17	4/30/18	-	15.39	13.48	11.88	10.53	9.37	8.38	7.51	6.76	6.10
5/1/18	4/30/19	17.72	15.40	13.48	11.89	10.53	9.38	8.38	7.52	6.76	6.10
5/1/19	4/30/20	17.73	15.41	13.49	11.89	10.64	9.38	8.39	7.52	6.77	6.11
5/1/20	4/30/21	17.74	15.42	13.50	11.90	10.55	9.39	8.39	7.53	6.77	6.11
5/1/21	4/30/22	17.75	15.43	13.51	11.91	10.55	9.40	8.40	7.53	6.78	6.11
5/1/22	4/30/23	17.76	15.44	13.52	11.92	10.56	9.40	8.41	7.54	6.78	6.12
5/1/23	4/30/24	17.78	15.45	13.53	11.92	10.57	9.41	8.41	7.55	6.79	6.12
5/1/24	4/30/25	17.79	15.46	13.54	11.93	10.68	9.42	8.42	7.55	6.79	6.13
5/1/25	4/30/26	17.80	15.47	13.55	11.94	10.58	9.42	8.42	7.56	6.80	6.13
5/1/26	4/30/27	17.81	15.48	13.56	11.95	10.59	9.43	8.43	7.56	6.80	6.14
5/1/27	4/30/28	17.82	15.49	13.57	11.96	10.60	9.44	8.44	7.57	6.81	6.14
-	-	-	-	-	-	-	-	-	-	-	-

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ISSUED BY: C. R. Black G. L. Gillette,
 President

DATE EFFECTIVE: June 30, 2009



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 7,462 Btu/kWh, will be calculated monthly by the following formula:~~

$$UEPR = FC + O_v$$

where;

~~O_v = Unit Variable Operation & Maintenance Expense in \$/MWH.~~

~~FC = Fuel Component of the Energy Payment in \$/MWH as defined by:~~

~~$$FC = \frac{7,462 \text{ Btu/kWh} \times FP}{1,000}$$~~

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ISSUED BY: C. R. Black G. L. Gillette,
President

DATE EFFECTIVE: June 30, 2009



where;

~~FP = Fuel Price in \$/MMBTU determined by:~~

~~FP = GC / (1 - FRP) + TC~~

where;

~~GC = Fuel Price in \$/MMBTU determined by taking the first publication of each month of Inside FERC's Gas Market Report low price quotation under the column titled "Index" for "Florida Gas Transmission Co., "Zone 2", listings.~~

~~TC = then currently approved Florida Gas Transmission (FGT) Company tariff rate in \$/MMBTU for forward haul Interruptible Market Area Transportation, (ITS-1), including usage and surcharges.~~

~~FRP = then currently approved FGT Company tariff Fuel Reimbursement Charge Percentage in percent applicable to forward hauls for recovery of costs associated with the natural gas used to operate FGT's pipeline system.~~

~~3. **As-Available Energy Payment Rate (AEPR):** For energy provided and not covered under Paragraph 2 above, the AEPR will be applicable and will be based on the system avoided energy cost as defined in Appendix B.~~

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ISSUED BY: ~~C. R. Black~~ G. L. Gillette,
President

DATE EFFECTIVE: ~~June 30, 2009~~



~~PARAMETERS FOR AVOIDED UNIT ENERGY AND VARIABLE OPERATION AND MAINTENANCE COSTS~~

Beginning on May 1, 2018, to the extent that the Designated Avoided Unit(s) would have been operated had it been installed by the Company:

	VALUE
Θ_v ≡ total variable operating and maintenance expense, in \$/MWH, of the Designated Avoided Unit(s), in year n	3.83
H ≡ The average annual heat rate, in British Thermal Units (Btus) per kilowatt-hour (Btu/kWh), of the Designated Avoided Unit(s)	7,462

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ISSUED BY: ~~C. R. Black~~ G. L. Gillette,
President

DATE EFFECTIVE: June 30, 2009