

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of standard offer contract and request for temporary waiver of rule on annual filing, by Florida Public Utilities Company.

DOCKET NO. 20250055-EQ
ORDER NO. PSC-2025-0255-PAA-EQ
ISSUED: June 30, 2025

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING TEMPORARY WAIVER
OF RULE 25-17.250(1), FLORIDA ADMINISTRATIVE CODE, AND
ORDER APPROVING FLORIDA PUBLIC UTILITY COMPANY'S
STANDARD OFFER CONTRACT AND SCHEDULE

BY THE COMMISSION:

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

Case Background

Section 366.91(3), Florida Statutes (F.S.), requires each investor-owned utility (IOU) to continuously offer to purchase capacity and energy from renewable generating facilities and small qualifying facilities. Rules 25-17.200 through 25-17.310, Florida Administrative Code (F.A.C.), implement the statute and require each IOU to file with the Commission, by April 1 of each year, a revised standard offer contract based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's current Ten-Year Site Plan (TYSP), or planned power purchase if no such generating unit is planned. On April 1, 2025, Florida Public Utilities Company (FPUC or Company) filed a petition for approval of its standard offer contract and request for temporary waiver of Rule 25-17.250(1), F.A.C., regarding the annual filing requirement. If granted, the rule waiver would allow FPUC to forgo filing a standard offer contract until such a time as the Company enters into a new contract or contracts for power supply to its electric divisions.

FPUC's standard offer contract reflects changes and revisions from the previous tariff approved by Order No. PSC-2021-0234-PAA-EQ,¹ arising from the May 2024 All Requirements Power and Energy agreement with Florida Power and Light (FPL). We have jurisdiction over this standard offer contract and rule waiver request pursuant to Sections 120.542, 366.04, 366.041, 366.05, 366.055, 366.06, and 366.91, F.S.

Decision

Rule Waiver

Rule 25-17.250(1), F.A.C., requires each electric investor-owned utility (IOU) to file with this Commission by April 1 of each year a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. The standard offer contracts reflect each IOU's next avoided unit shown in its most recent TYSP. The rule further requires that "[e]ach investor-owned utility with no planned generating unit identified in its TYSP shall submit a standard offer based on avoiding or deferring a planned purchase." As FPUC is a non-generating electric IOU, it does not file a TYSP and has no avoidable generating units.

Rule 25-17.250(2)(a), F.A.C., provides that in order to ensure that each IOU continuously offers a contract to producers of renewable energy, each standard offer contract shall remain open until: 1) a request for proposal is issued for the utility's planned generating unit, or 2) the IOU files a petition for a need determination or commences construction for generating units, or 3) the generating unit upon which the standard offer contract was based is no longer part of the IOU's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent TYSP.

In its petition, FPUC asks that it be granted a temporary waiver from the requirement to file its standard offer contract annually on April 1 of each year until such time as the Company has entered into a new contract or contracts for power supply to its electric divisions. FPUC is a party to a long-term purchase power contract with Florida Power & Light that extends to 2032. FPUC states that granting a waiver from the filing requirement would enable the Company to avoid for up to five years the cost and use of resources necessary to accomplish the yearly filing, since the Company's standard offer contract will not change until its purchased power agreements change. FPUC provides that in the event that the Company's purchased power agreements change sooner and in a manner that it becomes necessary to amend the Company's standard offer contract, that the Company would make a revised standard offer filing as soon as necessary to reflect such changes to its purchased power agreement.

Pursuant to 120.542(6), F.S., FPUC's request for a rule waiver was submitted to Florida Administrative Weekly for publication. Interested parties had until April 28, 2025, to submit written comments. No public comment was received.

¹ Order No. PSC-2021-0234-PAA-EQ, issued June 29, 2021, in Docket No. 20210068-EQ, *In re: Petition for approval of standard offer contract and request for temporary waiver of rule on annual filing, by Florida Public Utilities Company.*

Section 120.542, F.S., authorizes us to grant variances or waivers to the requirements of our rules where the entity subject to the rules demonstrates that the purpose of the underlying statute has been or will be achieved by other means, and when application of a rule would create substantial hardship or would violate principles of fairness. "Substantial hardship" as defined in this Section means "a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver."

The underlying statutory provision pertaining to Rule 25-17.250(1), F.A.C., is Section 366.91, F.S. Section 366.91(1), F.S., states:

The Legislature finds that it is in the public interest to promote the development of renewable energy resources in this State. Renewable energy resources have the potential to help diversify fuel types to meet Florida's growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the State, improve environmental conditions, and make Florida a leader in new and innovative technologies.

Section 366.91(3), F.S., enumerates requirements to promote the development of renewable energy resources. In summary:

- a) By January 1, 2006, each investor-owned electric utility (IOU) and municipal utility subject to the Florida Energy Efficiency and Conservation Act (FEECA) of 1980 must continuously offer to purchase capacity and energy from specific types of renewable resources;
- b) The contract shall be based on the utility's full avoided costs, as defined in Section 366.051, Florida Statutes; and,
- c) Each contract must provide a term of at least ten years.

We find that FPUC has demonstrated it will suffer a substantial hardship if the provisions of Rule 25-17.250(1), F.A.C., are strictly applied, and therefore, FPUC has provided a basis for a waiver of the rule. Granting FPUC a waiver of Rule 25-17.250(1), F.A.C., would help the Company avoid unnecessary costs and allocation of resources to produce a filing that is otherwise redundant of the prior year's filing and is already in compliance with the pertinent rules and statutes. A waiver of Rule 25-17.250(1), F.A.C., allows the Commission to continue promoting the development of renewable energy resources in Florida because it allows FPUC to offer an economically feasible standard offer contract for renewable energy.

Standard Offer Contract

Section 366.91(3), F.S., and Rule 25-17.250, F.A.C., require that FPUC, as an IOU, continuously make available a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities (RF) and small qualifying facilities (QF) with design capacities of 100 kilowatts (kW) or less. Pursuant to Rules 25-17.250(1) and (3), F.A.C., the standard offer contract must provide a term of at least 10 years, and the payment terms must be

based on the utility's next avoidable fossil-fueled generating unit identified in its most recent TYSP, or if no avoided unit is identified, its next avoidable planned purchase.

FPUC proposes two changes to its tariff. First, it updates the tariff to reflect FPL as the entity serving its Northwest Florida (Marianna) division. Second, it increases the reconnection fees for QFs from \$52 to \$70. This increase will update the fees to an amount approved in a recent Commission rate case.² We find these modifications appear reasonable and reflect current system conditions. Attachment A of this recommendation reflects revisions and changes to the previously approved standard offer contract.

In conclusion, we find that FPUC's proposed standard offer contract shall be approved as filed. The proposed standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. The provisions of FPUC's standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C., and is hereby approved and made effective as of the date of our vote.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utility Company's petition for a temporary waiver of Rule 25-17.250(1), Florida Administrative Code, is hereby granted. It is further

ORDERED that Florida Public Utility Company's standard offer contract and schedule are approved. It is further

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

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

² Order No. PSC-2025-0114-PAA-EI, issued April 7, 2025, in Docket No. 20240099-EI, *In re: Petition for rate increase by Florida Public Utilities Company*.

ORDER NO. PSC-2025-0255-PAA-EQ
DOCKET NO. 20250055-EQ
PAGE 5

By ORDER of the Florida Public Service Commission this 30th day of June, 2025.



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

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

TPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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

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

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 21, 2025.

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

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

EXHIBIT A

FLORIDA PUBLIC UTILITIES COMPANY

STANDARD OFFER RATE SCHEDULES

**FOR PURCHASES FROM COGENERATORS & RENEWABLE GENERATING
FACILITIES**

*(Third Revised Sheet No. 3; First Revised Sheet No. 15; Third Revised Sheet No. 18; Third
Revised Sheet No. 24; First Revised Sheet No. 32.1)*

(Clean and Legislative Versions)

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

Third Revised Sheet No. 3
Cancels ~~Second~~ Revised Sheet No. 3

TERRITORY SERVED

FPUC serves the following divisions:

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

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

Issued by: Jeffrey Householder, President

Effective

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

First Revised Sheet No. 15
Cancels Original Sheet No. 15

RULES AND REGULATIONS (Continued)

12. Reconnection of Service

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

- A. Where service was discontinued without notice,
- (1) The dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of seventy dollars (\$70.00) shall be paid.
 - (2) All bills for service due Company by reason of fraudulent use or tampering shall be paid, a deposit to guarantee the payment of future bills shall be made, and a reconnection fee of seventy dollars (\$70.00) shall be paid.
 - (3) If reconnection is requested on the same premises after discontinuance, a reconnection fee of seventy dollars (\$70.00) shall be paid.
- B. Where service was discontinued with notice,
- (1) Satisfactory arrangements for payment of all bills for service then due shall be made and a reconnection fee of seventy dollars (\$70.00) shall be paid.
 - (2) A satisfactory guarantee of payment for all future bills shall be furnished and a reconnection fee of seventy dollars (\$70.00) shall be paid.
 - (3) The violation of these Rules and Regulations shall be corrected and a reconnection fee of seventy dollars (\$70.00) shall be paid.

Issued by: Jeffrey Householder, President

Effective:

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

Third Revised Sheet No. 18
Cancels Second Revised Sheet No. 18

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

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

3. Negotiated Rates

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

Issued by: Jeffrey Householder, President

Effective:

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

Third Revised Sheet No. 24
Cancels Second Revised Sheet No. 24

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

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

2. Determination of Billing Capacity:

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

Issued by: Jeffrey Housholder, President

Effective:

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

First Revised Sheet No. 32.1
Cancels Original Sheet No. 32.1

Continued from Sheet No. 31

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

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

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

A. Where service was discontinued without notice, the dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of seventy dollars (\$70.00) shall be paid.

B. Where service was discontinued with notice, the violation of Section 12 of this Agreement shall be corrected and a reconnection fee of seventy dollars (\$70.00) shall be paid.

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

13. Liability insurance in the amount of two million seven hundred fifty thousand dollars (\$2,750,000.00) per occurrence for bodily injury, death, or property damage Facility's generator and interconnections shall be furnished by Qualifying Facility and certified by his agent annually and upon any change of policy.

14. With the exception of Workers' Compensation, Company shall be named as an additional insured under the Qualifying Facility's Insurance. The Qualifying Facility's Insurance shall be deemed primary to any coverage maintained by Company and shall provide, to extent allowed by law, for the waiver of any rights of subrogation against the Company. Any

Issued by: Jeffrey Householder, President

Effective:

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

~~Second-Third Revised Sheet~~
Cancels ~~First~~ Second Revised Sheet No. 3

TERRITORY SERVED

FPUC serves the following divisions:

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

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

Issued by: Jeffrey Householder, President

Effective: ~~JUN 05 2018~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
No. 15
Original Volume No. 1

First Revised ~~Original~~ Sheet

~~Original~~ Sheet No. 15

RULES AND REGULATIONS (Continued)

12. Reconnection of Service

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

A. Where service was discontinued without notice,

- (1) The dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.
- (2) All bills for service due Company by reason of fraudulent use or tampering shall be paid, a deposit to guarantee the payment of future bills shall be made, and a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.
- (3) If reconnection is requested on the same premises after discontinuance, a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.

B. Where service was discontinued with notice,

- (1) Satisfactory arrangements for payment of all bills for service then due shall be made and a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.
- (2) A satisfactory guarantee of payment for all future bills shall be furnished and a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.
- (3) The violation of these Rules and Regulations shall be corrected and a reconnection fee of ~~fifty two seventy~~ dollars (\$~~5270.00~~) shall be paid.

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
18
Original Volume No. 1

~~Second-Third~~ Revised Sheet No.

Cancels ~~First-Second~~ Revised Sheet No. 18

SOA Rate Schedule (Continued)

Continued from Sheet No. 17

2. Energy Rates

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

3. Negotiated Rates

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

Issued by: Jeffrey Household, President

Effective: JUN 05 2018

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
24

~~Second-Third~~ Revised Sheet No.

Original Volume No. I _____

Cancels First-~~Second~~ Revised Sheet No. 24

SOF Rate Schedule (Continued)

Continued from Sheet No. 23

Rate for Purchases by the Company

1. Capacity and Energy Rates

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

2. Determination of Billing Capacity:

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

Issued by: Jeffrey Householder, President

Effective: JUN 05 2018

| Florida Public Utilities Company
| F.P.S.C. Standard Offer Rate Schedule
| 24
| Original Volume No. 1
| reflected in the Full Requirements Wholesale Power Supplier's tariff on file
| with the FPSC.

Second: ~~Third~~ Revised Sheet No.
Cancels First: ~~Second~~ Revised Sheet No. 24

| Issued by: Jeffrey Householder, President

Effective: ~~JUN-05-2018~~

Florida Public Utilities Company
F.P.S.C. Standard Offer Rate Schedule
32.1

~~Original~~ First Revised Sheet No.

Original Volume No. 1

~~Cancels Original Sheet No. 32.1~~

Continued from Sheet No. 31

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

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

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

A. Where service was discontinued without notice, the dangerous condition shall be removed and, if the Qualifying Facility had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee of ~~fifty-twoseventy~~ dollars (\$~~5270.00~~) shall be paid.

B. Where service was discontinued with notice, the violation of Section 12 of this Agreement shall be corrected and a reconnection fee of ~~fifty-twoseventy~~ dollars (\$~~5270.00~~) shall be paid.

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

13. Liability insurance in the amount of two million seven hundred fifty thousand dollars (\$2,750,000.00) per occurrence for bodily injury, death, or property damage indemnifying Company against loss or liability due to the presence or operation of Qualifying Facility's generator and interconnections shall be furnished by Qualifying Facility and certified by his agent annually and upon any change of policy.

14. With the exception of Workers' Compensation, Company shall be named as an additional insured under the Qualifying Facility's Insurance. The Qualifying Facility's Insurance shall be deemed primary to any coverage maintained by Company and shall provide, to extent allowed by law, for the waiver of any rights of subrogation against the Company. Any

Issued by: Jeffrey Householder, President

Effective: NOV-11-2016