



Dianne M. Triplett  
DEPUTY GENERAL COUNSEL

April 22, 2026

**VIA ELECTRONIC FILING**

Adam J. Teitzman, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Petition For Limited Proceeding to Approve Large Load Tariff by Duke Energy  
Florida, LLC*  
*Docket* \_\_\_\_\_

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC (“DEF”), please find enclosed for electronic filing:

- Petition For Limited Proceeding to Approve Large Load Tariff;
- Appendix A – Legislative Format Tariffs -(Section IV Fifth Revised Sheet No.4.000, Ninth Revised Sheet No.4.001, Fifth Revised Sheet No.4.030, Fourth Revised Sheet No.4.031, Fifth Revised Sheet No.4.032, Original Sheet No.4.130, Original Sheet No.4.131, Original Sheet No.4.132, Section VII Seventeenth Revised Sheet No.7.000; Original Sheet No.7.510, Original Sheet No.7.511, Original Sheet No.7.512, Original Sheet No.7.513, Original Sheet No.7.514, Original Sheet No.7.515, Original Sheet No.7.516, Original Sheet No.7.517, Original Sheet No.7.518, Original Sheet No.7.519, Original Sheet No.7.520, Original Sheet No.7.521, Original Sheet No. 7.522, Original Sheet No. 7.523, Original Sheet No. 7.524, Original Sheet No. 7.525, Original Sheet No. 7.526, Original Sheet No. 7.527, Original Sheet No. 7.528, Original Sheet No. 7.529 and Original Sheet No. 7.530);
- Appendix B - Clean Format Tariffs (Section IV- Fifth Revised Sheet No.4.000, Ninth Revised Sheet No.4.001, Fifth Revised Sheet No.4.030, Fourth Revised Sheet No.4.031, Fifth Revised Sheet No.4.032, Original Sheet No.4.130, Original Sheet No.4.131, Original Sheet No.4.132, Section VII- Seventeenth Revised Sheet No.7.000, Original Sheet No.7.510, Original Sheet No.7.511, Original Sheet No.7.512, Original Sheet No.7.513, Original Sheet No.7.514, Original Sheet No.7.515, Original Sheet No.7.516,

Original Sheet No.7.517, Original Sheet No.7.518, Original Sheet No.7.519, Original Sheet No.7.520, Original Sheet No.7.521, Original Sheet No. 7.522, Original Sheet No. 7.523, Original Sheet No. 7.524, Original Sheet No. 7.525, Original Sheet No. 7.526, Original Sheet No. 7.527, Original Sheet No. 7.528, Original Sheet No. 7.529, and Original Sheet No. 7.530);

- Direct Testimony of Matt Chatelain with Exhibit No. (MJC-1); and
- Direct Testimony of Steve Wishart.

Thank you for your assistance in this matter. Should you have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/mh  
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida’s Petition for a Limited Proceeding to Approve Large Load Tariff

DOCKET NO. \_\_\_\_\_-EI

DATED: April 22, 2026

**PETITION OF DUKE ENERGY FLORIDA, LLC**

Duke Energy Florida, LLC (“DEF” or the “Company”), pursuant to the provisions of Chapter 366.06, Florida Statutes, and Rules 25-6.033 and 25-9.001 *et seq.*, Florida Administrative Code (“F.A.C.”), respectfully petitions the Florida Public Service Commission (“PSC” or the “Commission”) for approval of the Large Load Customer Policy (“LLCP”) and Large Load Customer Agreement (“LLCA”) and other requested relief (the “Petition”). DEF originally filed for approval of the LLCP, LLCA, and a Large Load Customer Rate Schedule in a petition on September 5, 2025 (“Original Petition”). The Commission opened Docket Number 20250113-EI to consider the Original Petition. Several parties intervened, DEF responded to multiple discovery requests and the parties deposed its witnesses. The Office of Public Counsel (“OPC”) filed testimony, DEF deposed that witness, and DEF filed rebuttal testimony. The hearing in Docket 20250113-EI was set for April 8, 2026. On March 13, 2026, the Florida Legislature passed Senate Bill 484. On March 16, 2026, DEF filed a motion for temporary abatement of the procedural schedule in Docket 2025-113-EI, and the Commission granted that motion and ordered DEF to submit a status report no later than April 20, 2026. In that status report, DEF indicated that it would file a new Petition for the Commission to consider the amended tariff in light of the legislation. However, given the work that has already been completed in Docket 20250113-EI with respect to DEF’s Original Petition, and since many of the discovery responses and deposition transcripts are

relevant and helpful to the Commission and the parties, DEF requests that the discovery responses and deposition transcripts be made part of the record in this new docket. As a courtesy, DEF has served this new petition on all the parties from the 20250113-EI docket.

DEF's request includes this Petition and Appendices A and B, which are the proposed LLCP, LLCA, and changes to the Contribution in Aid of Construction ("CIAC") tariff, in legislative and clean format, respectively. DEF's request also includes direct testimony and exhibits of DEF Witnesses Matt Chatelain and Steve Wishart, explaining the rationale and need for the requested tariffs, the customer protections designed to keep the full body of retail customers neutral and protected, and the opportunity presented by new large load customers seeking to locate in DEF's territory. DEF's request also includes, in an Exhibit to Mr. Chatelain's testimony, a redline comparison of the tariffs proposed in the Original Petition to the tariffs proposed in this Petition, so that the Commission and the parties can readily discern the minor changes DEF has made to comply with the new legislation. This request will allow the Company to be responsive to recent trends that demonstrate that DEF may be requested to provide service to large load customers and mitigate undue impacts to other customers that DEF serves.

**I. Introduction**

1. The Petitioner's name and address is:

Duke Energy Florida, LLC  
299 1st Avenue North  
St. Petersburg, Florida 33701

2. Any pleading, motion, notice, order, or other document required to be served upon DEF or filed by any party to this proceeding should be served upon the following individuals:

Dianne M. Triplett  
[Dianne.Triplett@duke-energy.com](mailto:Dianne.Triplett@duke-energy.com)  
Duke Energy Florida, LLC  
299 1st Avenue North  
St. Petersburg, FL 33701  
(727) 820-4692

Matthew R. Bernier  
[Matt.Bernier@duke-energy.com](mailto:Matt.Bernier@duke-energy.com)  
Duke Energy Florida, LLC  
106 E. College Avenue, Ste. 800  
Tallahassee, FL 32301  
(850) 521-1428 / (850) 521-1437 (fax)

Stephanie Cuello  
[Stephanie.Cuello@duke-energy.com](mailto:Stephanie.Cuello@duke-energy.com)  
[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)  
Duke Energy Florida, LLC  
106 E. College Avenue, Ste. 800  
Tallahassee, FL 32301  
(850) 521-1425 / (850) 521-1437 (fax)

3. DEF is an investor-owned electric utility operating under the jurisdiction of this Commission pursuant to Chapter 366, Fla. Stat., and is a subsidiary of Duke Energy Corporation. The Company's principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

4. DEF provides generation, transmission, and distribution electric service to two million customers in Florida. DEF's service area comprises approximately 20,000 square miles in thirty-five out of the state's sixty-seven counties, including the densely populated areas of Pinellas and western Pasco Counties and the greater Orlando area in Orange, Osceola, and Seminole Counties. DEF supplies retail electricity to approximately 350 communities and wholesale electricity to Florida municipalities, utilities, and power agencies in the State of Florida.

## **II. Background**

5. All customers can benefit from the addition of large load customers locating in their service territory. As with any new business joining a community, the introduction of large load customers, including data centers, carries with it increased job opportunities, growth in tax base, and additional local community investment. With the addition of large load customers, the

incumbent utility's existing cost to serve can be spread across more customer hours, over time reducing the cost to existing customers. Thus, the addition of large load customers can place downward pressure on rates for existing customers. In addition, utilities can take and are taking steps to ensure large load customers cover their fair share of costs to serve to insulate the remaining customer base from paying more to serve new large load customers. The Direct Testimony of DEF witness Steve Wishart describes more fully the national trends and the benefits to DEF customers if large loads decide to locate in Florida.

6. Florida is well positioned to proactively plan for the arrival of data center load and leverage lessons learned in other jurisdictions to carefully balance attracting new business and economic development opportunities while adequately protecting existing retail customers. DEF must be proactive and prepared with the rates and contract structures in place when and if large load customers seek to locate in Florida and in DEF's territory. Creating a protective framework on the front-end sets DEF up for success and protects customers from day one. In addition, Senate Bill 484 requires that each public utility submit a large load tariff for consideration by the Commission. This filing also meets that requirement.

7. As shown herein, DEF has proposed a reasonable, measured approach to accommodate new large loads by appropriately balancing the interests of these customers and the other existing and future DEF customers, and also complying with the new legislation. First, although in the Original Petition DEF had proposed a new customer class and optional Large Load Customer rate schedule ("LLC-1"), given the new legislation, DEF will not be submitting the LLC-1 rate schedule in this Petition. Rather, as reflected in the LLCP, all large load customers will take service under the existing GSD-1 or GSDDT-1 rate, until DEF's next rate case filing. At that time, DEF will propose a new rate schedule for large load customers that will meet the objectives of the

new legislation. Additionally, all large load customers with a Peak Contract Demand forecast reasonably expected to be greater than or equal to a Monthly Maximum Demand of 50,000 kW (50 MW) of firm load any time during the Term will (1) be subject to the new proposed LLCP, as proposed in this Petition, and (2) execute a new proposed customer agreement, the LLCA. DEF has also proposed changes to the CIAC tariff, such that large load applicants will be required to advance the total estimated costs to extend service. The proposed LLCP and LLCA will include important protections for existing customers to recognize the unique nature of new large load customers. The Direct Testimony and Exhibits of DEF Witnesses Matt Chatelain and Steve Wishart demonstrate that DEF's proposed approach as outlined in this filing appropriately balances the need to protect existing customers while remaining sufficiently welcoming to new large loads and the economic development opportunities they bring.

### **III. Detailed Description and Comparison to Original Petition**

8. The Company has developed a customer policy, the LLCP, and standard form customer agreement, the LLCA, which are together structured to include terms and conditions that protect DEF's other retail customers from bearing the cost burden associated with potential future stranded or underutilized assets. The LLCP will apply to all large load customers that meet specific criteria, and as part of the LLCP, all such customers must execute an LLCA. DEF designed these provisions to help ensure new large load customers fairly contribute to the cost of serving their load. For example, DEF proposes certain minimum "take-or-pay" provisions based on 75-85% of contracted capacity. These protections help ensure that large load customers pay for the incremental costs incurred by DEF to serve them.

9. In addition, the Company requests a 20-year LLCA contract term for large load customers. If a customer terminates service before the minimum term expires, DEF will require

that the customer provide a two-year termination notice. The customer must also pay termination damages that vary depending on when the customer terminates the contract. For example, if the customer terminates before taking service, the customer must pay all actual costs incurred by DEF to date. If termination occurs after taking service, the termination payment is equal to the three years of minimum bill payments plus the net book value of the CIAC facilities less any refundable portion of the upfront CIAC payment, which has not yet been refunded.

10. Finally, to secure all payment obligations from the customer associated with DEF providing service, the customer must provide adequate security, in the form of a letter of credit, cash, or parent guarantee. The amounts vary depending on the amount being secured and the creditworthiness of the counterparty.

11. To comply with the new legislation, DEF made the following changes to the tariffs:
- a. Changed applicability of LLCP from 100 MW to 50 MW.
  - b. Withdrew LLC-1 from consideration, with the intent to propose a new large load rate schedule in its next rate case proceeding.
  - c. Removed flexibility from CIAC provision, such that all customers must pay CIAC up front, subject to refund over five years.
  - d. Changed minimum term from 15 to 20 years, with all customers required to give a two-year notice.
  - e. Increased termination charge to three years of minimum bills (irrespective of when they terminate during the twenty-year term) plus net book value of CIAC facilities.
  - f. Imposed a minimum load factor for use when calculating monthly minimum bills.

- g. Imposed requirement that DEF may not serve a foreign entity large load customer.
- h. Clarified requirements that a customer cannot avoid the LLCP by separating loads at a single location.

These changes are further described in the Direct Testimony of DEF witness Chatelain. They further strengthen the already robust customer protections that DEF already proposed in its Original Petition.

#### **IV. Expedited Treatment**

12. DEF's Original Petition had been pending for nearly seven months when the new legislation was passed. As described above, the parties thoroughly reviewed that filing and conducted extensive discovery. Many of the elements referenced in the legislation were already included in the tariffs included in its Original Petition. Structurally, the LLCP and LLCA are the same. DEF has included a comparison between the filings, for ease of reference. It is also requesting that the discovery responses and deposition transcripts from Docket 20250113-EI be transferred to this docket. Accordingly, DEF requests expedited treatment of this filing.

13. DEF believes that the Commission can issue a decision on this Petition no later than its October 3 Agenda Conference. To meet either of those dates, DEF will agree to a seven-day response time for discovery responses for the relatively limited questions that should be necessary on the changes DEF has proposed. After review of the Commission calendar on the FPSC website, it appears that July 28, 2026 is available for a potential hearing date.

#### **V. Conclusion**

WHEREFORE, for all these reasons, as more fully explained in the testimony and exhibits filed in support of its Petition, the Company respectfully requests that the Florida Public Service Commission to:

- (1) Accept this filing for agency action; and
- (2) Approve the proposed LLCP, LLCA, and CIAC tariff changes as reflected in Appendices A and B attached hereto, on an expedited basis, specifically no later than October 3, 2026.

Respectfully submitted this 22<sup>nd</sup> day of April, 2026,

*/s/ Dianne M. Triplett*  
**DIANNE M. TRIPLETT**  
Deputy General Counsel  
299 1<sup>st</sup> Avenue North  
St. Petersburg, Florida 33701  
T: (727) 820-4692  
E: [dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com)

**MATTHEW R. BERNIER**  
Associate General Counsel  
106 East College Avenue, Suite 800  
Tallahassee, Florida 32301  
T: (850) 521-1428  
E: [matthew.bernier@duke-energy.com](mailto:matthew.bernier@duke-energy.com)

**STEPHANIE A. CUELLO**  
Senior Counsel 106 East College Avenue, Suite 800  
Tallahassee, Florida 32301 T:  
(850) 521-1425  
E: [stephanie.cuello@duke-energy.com](mailto:stephanie.cuello@duke-energy.com)  
[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)

# Appendix A

## Legislative Format Tariffs

Section No. IV, Fifth Revised Sheet No.4.000  
Section No. IV, Ninth Revised Sheet No.4.001  
Section No. IV, Fifth Revised Sheet No.4.030  
Section No. IV, Fourth Revised Sheet No.4.031  
Section No. IV, Fifth Revised Sheet No.4.032  
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    Section No. IV, Original Sheet No.4.131  
    Section No. IV, Original Sheet No.4.132  
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GENERAL RULES AND REGULATIONS  
GOVERNING ELECTRIC SERVICE

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Appendix: Requirements for Electric Service and Meter Installations



PART III

CONTRIBUTION IN AID OF CONSTRUCTION

3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities:

Where an extension to or upgrade of existing facilities at any voltage level (other than a service drop and/or meter) is required to provide service to a Customer, the Company shall calculate under the formulas set forth below whether a contribution in aid of construction (CIAC) is due from the Customer. A CIAC would be due from the Customer, prior to construction of the requested facilities (unless alternative acceptable payment arrangements are made), as a result of expected incremental revenues from the Customer, together with revenues from other prospective customers to be served from such extension or upgrade, not being sufficient to afford a fair and reasonable return on the cost of making such extension or upgrade. The Company shall use its best judgment in estimating the revenue portion of the formulas which shall be based on an annual period ending not more than five years after the extension or upgrade is placed in service. The Company will pay for the cost where justified, in the Company's opinion, by revenues to be secured; however, the Company may require monthly or annual guarantees, cash contributions in aid of construction, and/or advances for construction, when in the Company's opinion, the immediate or potential revenues do not justify the cost of extension. If the installation of facilities is justified based on the Customer's estimates for electric power but there is reasonable doubt as to level of use or length of use of such facilities, the Customer, when mutually agreeable with the Company, may contract for a minimum Demand or monthly payment sufficient to justify the Company's investment. If it is determined that the installation of facilities through an existing underground development is for the Company's benefit, the facilities shall be installed underground at the Company's expense. For all of the formulas below, the costs shall include cost of removal and salvage, if applicable. When performing the calculations required in these formulas, the Company may consider whether it is more cost-effective for the requested installation to be placed overhead or underground; if underground installation is more cost effective, then the Company shall be permitted to utilize the four (4) years expected incremental base energy revenue as a direct offset against the cost of the underground. The Company may require alternative payment arrangements for CIAC for large load customers, as set forth in Section 13.07.

(1) Overhead Extension or Upgrade: The following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC<sub>OH</sub>, the CIAC<sub>OH</sub> amount shall be set to zero.

$$CIAC_{OH} = \begin{array}{l} \text{Total estimated work order job} \\ \text{cost of installing the facilities ,} \\ \text{excluding service drops and} \\ \text{meters} \end{array} - \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue plus (if applicable) four (4)} \\ \text{years expected incremental base demand} \\ \text{revenue} \end{array}$$

(2) (a) Residential Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} + CIAC_{OH} \text{ (as above)}$$

For underground residential service, the charges set forth in Part XI, Underground Residential Distribution Policy, provide the portion of the above formula developing the estimated difference in cost using underground facilities vs. overhead facilities.

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(b) General Service Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} + CIAC_{OH} \text{ (as above)}$$

The Company will designate the point of delivery and the Customer will provide the service entrance conductors and raceway from the Customer's service equipment to the point of delivery designated by the Company located wholly on the Customer's property. For clarity, the Company does not install underground service for non-residential customers.

The actual or estimated costs applied to the formula in subsections (1) and (2) shall be consistent with the standards of the Company's approved Storm Protection Plan.

(3) Extension for Temporary Service: The Customer shall pay extension costs for temporary service in accordance with Rate Schedule TS-1.

(4) Extension for Street or Area Lighting Service: Service for street or area lighting is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, the following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$CIAC = \begin{array}{l} \text{Actual or estimated job cost of} \\ \text{new facilities required to} \\ \text{provide service excluding} \\ \text{lighting facilities} \end{array} - \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue} \end{array}$$

(5) CIAC True-Up:

Within 12 months of the in-service date of the new facility installation or upgrade, an initial end-use Customer that paid CIAC may make a one-time request, in writing, to true-up the CIAC charged by the Company. The Company will true-up CIAC paid to reflect actual construction costs and actual base revenues received at the time the true-up request is made. The revenue portion of the CIAC true-up will be calculated by annualizing the actual base energy and demand revenues received by the Company as of the date of the true-up request and multiplying by four to derive four years expected base revenues. Depending on the true-up results, the initial end-use customer requesting a true-up may be entitled to a refund or charged additional CIAC.

(6) CIAC Prorate:

Within a three year period from the in-service date of the installation of the new or upgraded facilities ("the initial facilities"), the Company will prorate the CIAC paid by the initial end-use customer for the facility installation or upgrade to serve that customer. Prorating will apply to only CIAC payments of \$1,500 and above. Customers requiring more than a meter and a service drop for service from the initial facilities (e.g. additional poles or transformers) will be excluded from the CIAC prorate. The initial end-use customer will be charged the full amount of CIAC in accordance with this Part III. Additional customers served by the initial facilities will each pay their prorata share of the CIAC paid by the initial customer. The prorata share will be calculated by first determining the total number of customers involved by adding one (1), representing the initial customer, to the number of additional customers identified by the Company that could be served by the initial facilities. Then each customer's prorata share will be one divided by the total number of customers involved. The Company will refund the prorated collections to the initial end-use customer.

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**3.02 Route and Easement:**

For new line extensions, upgrades or service drops, the Company shall select the most economical route, which may be a right of way or easement. Before the Company starts construction, the route chosen must be cleared of all trees, tree stumps and other obstructions by the Customer, at no charge to the Company and be suitable for Company use. The Company will use private property for any such extension or upgrade, once an easement suitable to the Company is granted by the owner of such private property to the Company, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole is located on a customer's property for the sole purpose of supplying service to such customer, an easement for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer. The entire length and width of the easement across the Customer's property must be cleared of trees, undergrowth, and other obstructions to access by the Company's vehicles and equipment, prior to installation of the service line by the Company.
- (2) Private Property of Third Party: Where, in order to provide service to a Customer, Company facilities are to cross over or be located upon private property not owned by such Customer, or where service to such Customer is to be provided from existing Company facilities so situated, an easement for all such facilities involved, including, but not limited to, poles, guys, overhead distribution circuits and overhang, if any, will be required to be obtained by the Customer prior to such facilities being installed by the Company.
- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon the Company's standard form, properly executed by the grantor, and shall be made without cost to the Company.

**3.03 Installation by Customer:**

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the Company shall be at the sole option of the Company. Customer installations shall be in accordance with the following provisions:

- (1) Inspection by Authorities: The Company recommends that all wiring installations be inspected and approved by an authorized electrical inspector if available; and, where such inspection is required by local ordinance or authority, the Company cannot render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the Company.
- (2) Inspection by Company: The Company reserves the right to inspect Customer's installation prior to rendering service, and from time to time thereafter; but the Company assumes no responsibility whatsoever for the Customer's installation as a result of any such inspection, and will not be responsible in any way for any defect in Customer's installation, or any part thereof, or for any damage which may result from any such defect.

**3.04 Special Service Requirements:**

The Company designs and installs its service facilities in accordance with the "Requirements for Electric Service and Meter Installations" contained in the Appendix. Where the Customer requests a more costly service arrangement, such as a remote point of delivery, excess transformer capacity, or any other special requirements, or high demand equipment behind a breaker greater than 60 amps, such as tankless water heaters, kilns, welders, car chargers, etc., the Company will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

**3.05 Relocation, Removal, or Modification of Existing Facilities:**

When, in the judgment of the Company a change in the use or layout of the Customer's premises makes the relocation, removal, or modification, but not an upgrade of the Company's existing facilities necessary, or when such relocation, removal, or modification is requested by the Customer and is consistent with sound utility practices, the Company will relocate, remove, or modify such facilities in a manner acceptable to the Company. The Customer shall pay the Company for all cost associated with any such relocation, removal, or modification based on an invoice prepared by the Company in accordance with standard estimation procedures, unless the removed facilities are unused and at the end of their useful life, as determined by the Company in its sole discretion. If the relocation, removal, or modification is made at the Customer's request, such payment shall be made in advance. If a requested relocation, removal, or modification involves the conversion of an existing residential overhead service to an underground service lateral, the charges and provisions of Section 11.05 of these Rules shall apply.



**PART XIII**

**LARGE LOAD CUSTOMER POLICY**

**13.01 General**

This policy applies to any individual Customer, for either a new or expanded facility, with an aggregate Peak Contract Demand forecast reasonably expected to be equal to or in excess of a Monthly Maximum Demand of fifty thousand (50,000) kilowatts of firm (i.e., not Interruptible or Curtailable) load, at a single location including co-located load, any time during the Minimum Term. This policy will not impose any additional requirement for customer sites that otherwise meet the Peak Contract Demand requirements and exist on the Company's system as of December 31, 2025.

Customers subject to this policy shall enter into the Large Load Customer Agreement (LLCA) on file with the Florida Public Service Commission, which will specify certain provisions of their electric service, including, but not limited to, load characteristics, customer-specific terms, applicable construction cost recovery terms, and other service details.

Such Customer shall also pay a non-refundable system impact study fee of \$150,000 to support the Company's initial analysis and engineering costs to determine the investments and upgrades necessary to serve the Customer's proposed load. Customer shall pay an additional \$150,000 for any necessary updates. Customer shall enter into an LLCA or a reimbursement agreement within three months of receipt of the system impact study. If the Customer chooses to first enter into a reimbursement agreement, such agreement shall include provisions that obligate Customer to fully pay for any costs incurred by Company if the Customer does not take electric service.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, permits, and equipment for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, permits and equipment.

Company may not provide service to a Customer that is a foreign entity, as that term is defined in Section 366.043(2)(c), Fla. Stat.

**13.02 Term**

Minimum Term shall be for a period of twenty (20) years, commencing on the date when permanent service is received. This term may include a transitional load period ("Load Ramp Period"). After the Minimum Term, service under the LLCA shall continue unless cancelled or modified pursuant to the terms hereunder.

**13.03 Determination of Minimum Monthly Bill**

Monthly Maximum Demand: The Monthly Maximum Demand is defined as the highest total demand indicated in any 30-minute interval during the month.

Grid Demand: Grid Demand shall be equal to the highest Monthly Maximum Demand occurring in the last twelve (12) months including the current month.

Minimum Demand: Minimum Demand shall be between 75% and 85% of the annual Contract Capacity, excluding temporary, construction, bridging and/or commissioning power as agreed to by the Customer and Company. The Contract Capacity may be phased in tranches (and thus change over the course of the Term). A Minimum Billing Energy Volume will also apply. This minimum volume will be based on the Minimum Demand calculation above assuming a projected load factor, no lower than 60%, as agreed upon. All base energy charges will be applied to the Minimum Billing Energy Volume.

Billing Demand: Billing Demand shall be the higher of: (a) the Monthly Maximum Demand in the current month, (b) 90% of the Grid Demand, or (c) the Minimum Demand.

Customer will have no more than the Load Ramp Period to reach its first contract demand amount, at which time the minimum monthly bill will be the sum of the following:

- 1) applicable customer charge;
- 2) Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy Volume multiplied by the base energy rate(s) per the applicable base rate schedule;
- 3) actual kW demand multiplied by each demand rate within the BA-1 tariff;
- 4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff;
- and
- 5) applicable taxes and/or fees.

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**13.04 Security Requirements**

The Customer shall provide security to the Company to secure its potential obligations to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable termination payment ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as an attachment to the LLCA. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash for the full Security Amount. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Payment Obligation or Termination Fee and a credit review of the customer which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a parent guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as an attachment to the LLCA in order to reduce the Security Percentage. If the Customer provides a parent guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the damages not covered by a letter of credit or cash security. Customers with weaker credit will receive higher Security Percentages. All Customers, regardless of credit health, will be assigned a Security Percentage of at least 10% if the Termination Payment Obligation or Termination Fee exceeds \$100M.

**13.05 Early Termination**

If Customer terminates the LLCA before reaching full load ramp, the Customer must pay Company its actual costs incurred to provide service ("Termination Payment Obligation"). Once the Customer begins taking service, the Customer shall provide written notice to the Company, no later than two years prior to the requested date of termination of service. In such event, service under the LLCA will automatically terminate on the date following the second annual anniversary of the date of the Customer's termination notice; provided, however, the Customer may be subject to charges for early termination as provided below. If a Customer is permitted to change rate schedules and selects to receive service under another applicable Company firm rate schedule, no termination fee shall be applied but the terms of the LLCA with respect to the Monthly Minimum Bill shall apply until the expiration of the original contract term (i.e., the twenty year period that would have expired if the Customer did not change rate schedules); at the end of the original contract term, the LLCA shall be amended to reflect the appropriate Monthly Minimum Bill under the new firm rate schedule. For the avoidance of doubt, the Customer can in no way avoid the calculation of the Monthly Minimum Bill or the other requirements set forth in its initial LLCA by changing rate schedules.

If the Customer terminates service before the expiration of the original contract term, the Customer shall be responsible for payment of a Termination Fee. The Termination Fee is equal to three years of Minimum Monthly Bills plus the net book value of new facilities referenced in section 13.07 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded. Other termination fee provisions will be provided for in the LLCA.

The Company may terminate service under the LLCA at any time if the Customer materially breaches the terms and conditions of its rate schedule, this policy, the LLCA, or the Company's tariff on file with the Florida Public Service Commission. Prior to any such termination, the Company shall notify the Customer in writing at least 90 days in advance and describe the existence and nature of such alleged breach. The Company may then terminate service at the end of the 90-day notice period; provided, however, that if such breach is not reasonably capable of being cured within such 90-day period, then Customer will have additional time (not exceeding an additional 30 days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure.

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**13.06 Special Terms.**

The terms and conditions of service under this policy shall apply upon a request for service by an eligible customer but service to Customers shall not commence until the Company has sufficient capacity to meet the Customer's Contract Capacity requirements. A facility served under this schedule shall generally mean a single point of interconnection. Aggregation of loads under this schedule shall be limited. The Company shall exercise reasonable discretion when choosing to aggregate loads, with such discretion based on factors including, but not limited to, premises sharing one or more of the following: common owner(s), a common parent company, common local electrical infrastructure, physical layout, character of service, end use, and common control. Customer may not separate an electrical load at a single location into multiple smaller connections to avoid being subject to this Large Load Customer Policy.

The Company may negotiate different non-material terms than reflected in this policy, if those terms do not result in fewer customer protections than what is included in this Large Load Customer Policy. If the terms in the LLCA differ materially from the approved form tariff, then Company must submit the executed LLCA to the Commission for review and approval.

In addition to the above rules and regulations, all of Company's General Rules and Regulations Governing Electric Service and other applicable portions of its Tariff shall apply to the customers served under this policy, except as specifically modified herein. Service under this policy is subject to (i) orders of Governmental Authorities having jurisdiction, (ii) the provisions of the rate schedule under which the Customer takes service; and (iii) the Company's Tariff. Any change approved by the Commission with respect to the foregoing shall be effective on its approval date and shall apply prospectively.

**13.07 Contributions In Aid of Construction (CIAC)**

Customer shall make all payments required by and calculated pursuant to Commission Rule 25-6.064, F.A.C. and Section 3.01 of the Company's Tariff. Company requires Customer to pay 100% of the total estimated costs to extend service in advance. Those payments are refunded over a period of up to five years, less CIAC that would normally be paid by Customer, as base revenues are collected. Any Customer funds not refunded at end of period (because the Customer's load was insufficient) become nonrefundable.

**13.08 Customer Rate**

Until the Company presents in its next proceeding to reset rates, and Commission approves, a new large load rate schedule, which shall reasonably ensure that Customer bears its own full cost of service, Customer shall take service under the Company's existing GSD-1 or GSDT-1 rate. Once the new large load rate schedule is approved, the Customer shall be switched to that new rate schedule.

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**INDEX OF STANDARD CONTRACT AND OTHER AGREEMENT FORMS**

<b>FORM NO</b>	<b>DESCRIPTION</b>	<b>SHEET NO.</b>
Form No. 1	Contract, Form No. 1 (after 11/21/98, applicable only to a Customer who requires this type form be executed for service under Rate Schedule LS-1, Lighting Service. Form No. LS-1HPS shall normally be used for application for service under LS-1).	7.010 - 7.011
Form No. 2	Contract Form No. 2 (applicable when service is provided under Company General Service Rate Schedules and special contract terms or investments in special facilities are required and furnished by the Company to provide service to the Customer).	7.020 - 7.021
IS-2 DISC	Interruptible General Service Rate Schedules IS-2 and IST-2 Risk Disclosure	7.025
CS-2 DISC	Curtable General Service Rate Schedule CS-2 and CST-2 Risk Disclosure	7.027
Form No. 5	Contract, Form No. 5 (applicable when a contract is made between the Company and the Customer to cover advances by the Customer for construction).	7.030
DVLP DIST	Agreement for Electric Service Between Duke Energy Florida, Inc. (the "Utility") and _____ (the "Applicant") (applicable when a developer requests the Company to install a distribution system for a new development).	7.050
MUNI UG	Local Government Underground Cost Recovery Contract (applicable when a Local Government wishes to contract with the Company to provide for recovery of costs to underground service).	7.060 – 7.063
PEFI LSA	Leave Service Active Agreement (applicable to Customers who wish service to be left active on rental units, regardless if they are occupied or not).	7.070 - 7.071
3RD PRT	Request for Third Party Notification (applicable to Customers who request the Company to notify another person that their bill is overdue).	7.090
LS-1	Lighting Service Contract.	7.110 - 7.113
PEFI TOU	Application for TOU Rate (applicable to Customers requesting time of use rates).	7.120
PEFI GSLM	Rate Schedule GSLM-1 Customer Agreement (applicable to Customers requesting General Service Load Management).	7.150
MSTR MTR	Standard Letter Agreement (applicable to master metered Customers indicating understanding of rules and regulations affecting resale of electricity).	7.160
EQP RNTL	Standard Letter Agreement (applicable to Customers who request additional facilities at their service location).	7.170
GUAR CNTR	Guarantee Contract (applicable when a third party guarantees payment for another individual's billing).	7.180
STRT LTS	Agreement to Purchase and Sell Street Lighting System and to Furnish and Receive Electric Service	7.190 - 7.192
RES DEP	Residential Deposit Release - Releases current customer's deposit to new customer who then assumes responsibility for all payments of account.	7.220 - 7.221
PWR PAY	Power Pay - Customers bill is automatically paid from their checking account.	7.230
CISR	Contract Service Arrangement for service under the Commercial/Industrial Service Rider.	7.250 - 7.253
PPS	Premier Power Service - Contract signed by the customer requesting backup service through the Premier Power Service rate schedule.	7.270 - 7.273
NMRG - Tier 1	Standard Interconnection Agreement for Tier 1 Customer Owned Renewable Generation	7.310 - 7.313
IC APP –Tier 1	Application for Interconnection for Tier 1 Customer Owned Renewable Generation	7.317-7.317
NMRG - Tier 2	Standard Interconnection Agreement for Tier 2 Customer Owned Renewable Generation	7.320 - 7.323
NMRG – Tier 3	Standard Interconnection Agreement for Tier 3 Customer Owned Renewable Generation	7.330 - 7.333
IC APP –Tier 2,3	Application for Interconnection for Tier 2 and 3 Customer Owned Renewable Generation	7.337 - 7.337
ECON DEV	Economic Development Rider Service Agreement	7.500
<u>LLCA</u>	<u>Large Load Customer Agreement</u>	<u>7.510 - 7.530</u>



**LARGE LOAD CUSTOMER AGREEMENT**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (“Customer”), and Duke Energy Florida, LLC (“Company”). Company and Customer are hereinafter referred to individually as a “Party” and together as the “Parties.”

**WITNESSETH:**

WHEREAS, Company is an electric utility subject to the jurisdiction of the Florida Public Service Commission (“Commission”);

WHEREAS, Customer is \_\_\_\_\_;

WHEREAS, Customer has provided an affidavit, to Company, attesting that it is not a “foreign entity,” as that term is defined in Section 366.043(2)(c), Fla. Stat.; and

WHEREAS, the Customer seeks retail electric service for a proposed facility projected to have new or incremental load of 50 MW or more at a Single Location (“Customer Facility”).

NOW THEREFORE, in consideration of the mutual covenants expressed herein, Company and Customer agree as follows:

1. Applicability. This Agreement is not applicable to, and does not provide for the interconnection or delivery of, back-up or alternative generation located on the Customer’s side of the point of delivery that serves the Customer Facility (such generation “Behind the Meter Generation”). Except as necessary to prevent damage to the Company Facilities or the Company System, under no circumstances including during an Emergency, will Behind the Meter Generation be delivered to and injected into the Company System unless otherwise mutually agreed to by separate agreement between Company and Customer consistent with all Applicable Law and the Company Tariff.

2. Definitions.

a. Allowance for Funds Used During Construction has the meaning set forth in Rule 25-6.041, F.A.C.

b. Applicable Law means all applicable federal, state and local laws, statutes, codes, ordinances, regulations, rules, judicial orders, administrative order, and other duly authorized actions of any governmental entity having jurisdiction over a Party or the Parties.

c. Behind the Meter Generation has the meaning set forth in Paragraph 1.

d. Billing Demand has the meaning set forth in section 13.03 of the Large Load Customer Policy.

e. CIAC has the meaning set forth in Paragraph 9.

f. Company has the meaning set forth in the preamble.

g. Company Costs has the meaning set forth in Paragraph 8a.

h. Company Tariff means the Company’s tariff on file with and approved by the Commission, as may be amended.

i. Confidentiality Agreement has the meaning set forth in Paragraph 16.

j. Customer has the meaning set forth in the preamble.

k. Customer Facility has the meaning set forth in the third Whereas Clause.

l. Customer-Requested Load Ramp has the meaning set forth in Paragraph 3c.

m. Event of Default has the meaning set forth in Paragraph 22.

n. In-Service Date means the first date the customer reaches Peak Electrical Load, pursuant to the Customer-Requested Load Ramp.

o. LOC has the meaning set forth in Paragraph 10a.

p. Minimum Billing Demand has the meaning set forth in Paragraph 12.

q. Minimum Billing Energy Volume has the meaning set forth in section 13.03 of the Large Load Customer Policy.

r. Minimum Term has the meaning set forth in Paragraph 5.

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2. Definitions (continued).

s. **Minimum Monthly Bills** means the sum of the following: (1) applicable customer charge; (2) Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy volume multiplied by the base energy rate(s) per the applicable base rate schedule; (3) actual kW demand multiplied by each demand rate within the BA-1 tariff; (4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff; and (5) applicable taxes and/or fees.

t. **Parent Guaranty** has the meaning set forth in Paragraph 10.

u. **Peak Contract Demand** has the meaning set forth in Paragraph 3c.

v. **Permanent Service** has the meaning set forth in Paragraph 3c.

w. **Security** means cash, an LOC, or a Parent Guaranty, as required in Paragraph 10.

x. **Security Amount** has the meaning set forth in Paragraph 10.

y. **Security Percentage** has the meaning set forth in Paragraph 10.

z. **Taxes** has the meaning set forth in Paragraph 3b.

aa. **Termination Delay Damages** has the meaning set forth in Paragraph 8c.

bb. **Termination Fee** has the meaning set forth in Paragraph 8b.

cc. **Termination Liquidated Damages** has the meaning set forth in Paragraph 8d.

dd. **Termination Payment Obligation** has the meaning set forth in Paragraph 8a.

ee. **Termination Period** has the meaning set forth in Paragraph 23.

3. Rates and Service.

a. Customer shall receive and pay for electric service and energy from Company at the Customer Facility, at the following location: \_\_\_\_\_, in accordance with the terms and provisions of Company's applicable Rate Schedule \_\_\_\_\_ as the same is on file, from time to time, with the Commission.

b. Company may charge and Customer will pay applicable national, state or local sales or use taxes or value added taxes that Company is legally obligated to charge ("Taxes"), provided that such Taxes are stated on the invoice that Company provides to Customer and Company's invoices state such Taxes separately and meet the requirements for a valid tax invoice. Customer may provide Company with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, Company will not charge and or collect the Taxes covered by such certificate. Customer may deduct or withhold any Taxes that Customer may be legally obligated to deduct or withhold from any amounts payable to Company under this Agreement, and payment to Company as reduced by such deductions or withholdings will constitute full payment and settlement to Company of amounts payable under this Agreement. Throughout the term of this Agreement, Company will provide Customer with any forms, documents, or certifications as may be required for Customer to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

c. Service shall be at a single point of delivery, said point of delivery to be \_\_\_\_\_. Customer commits that its facility being served under this Agreement will reach a Peak Contract Demand of approximately \_\_\_\_\_ MW, according to the load ramp schedule on the attached **Exhibit A** (such load ramp, the "Customer-Requested Load Ramp"). Customer requests construction electric service on or about \_\_\_\_\_ and permanent electric service ("Permanent Service") as outlined on the Customer-Requested Load Ramp in **Exhibit A**. Company will deliver "commissioning/bridging power" in the amount of \_\_\_\_\_ MW by \_\_\_\_\_ (month) \_\_\_\_\_ (year). Company's obligation to deliver electricity as covered in this Agreement on the agreed upon date, and all the Customer's obligations under this Agreement, are contingent upon the Company's receiving third party rights-of-way, privileges, franchises, permits and the necessary equipment in sufficient time to install it on or before that date. Customer acknowledges that Company's ability to achieve the requested timelines is dependent on timely issuance of notices to proceed by Customer, prompt and timely provision of information from Customer to Company, no material changes in site plans, site access, equipment availability, and other circumstances, including governmental permitting and certificates, many of which are outside of Company's control. Company will work diligently to meet Customer's requested timelines but does not guarantee such timelines can be met. Customer agrees and acknowledges that events beyond Company's reasonable control may delay the provision of the requested services and agrees to hold Company harmless for any delays caused by such events beyond Company's reasonable control.

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4. Electricity Supply. Unless otherwise determined by the Company, electricity supplied by the Company hereunder shall be in the form of three phase, alternating current of approximately 60 hertz frequency and at approximately kv. The maintenance by the Company of electricity available to the Customer in the above form, and in the quantity applied for, at the point of delivery defined above, shall constitute delivery by Company of the electricity applied for whether or not the Customer makes any use thereof. Company shall provide firm service to the Customer and the Company shall retain the right to curtail or interrupt service to Customer only where such curtailment or interruption is intended to ensure grid stability, reduce the likelihood or breadth of wider service outages, or ensure public safety during an emergency or other exceptional circumstance.

5. Minimum Term. The Minimum Term shall be from the date when the first contract capacity is reached (as set forth on Exhibit A) through and including the twentieth anniversary of the date when the first contract capacity is reached. After the Minimum Term, electric service under this Agreement shall continue until terminated by either Company or Customer upon written notice consistent with the notice provisions in Paragraph 17. If Customer fails to give such notice, Customer shall be responsible for termination fees as set forth in Paragraph 8.

6. Notice to Terminate. Following the In-Service Date, Customer must provide notice in accordance with Paragraph 17 at least two years in advance of terminating service. Customer may be responsible for termination fees as set forth in Paragraph 8.

7. Company Termination. Company may terminate service under this Agreement at any time due to a Customer Event of Default pursuant to Paragraph 23.

8. Early Termination.

a. If Customer provides written notice to Company at any time prior to the In-Service Date that Customer no longer intends to purchase electric power from Company, or will no longer require service to meet the load (at any milestone date) specified in **Exhibit A**, Customer shall reimburse Company for Company's actual costs incurred or committed by Company associated with the work in preparing to provide electric service to the site, including but not limited to Allowance for Funds used during Construction, ("Company Costs") as estimated in **Exhibit B** ("Termination Payment Obligation"). Customer acknowledges and agrees that any cost estimates set forth herein or previously disclosed are non-binding and that the actual costs to perform the work may exceed the projected costs. For the Customer, upon receipt of such written notice, Company will use commercially reasonable efforts to mitigate all costs incurred. Company will invoice Customer in writing and provide reasonable supporting material of all Company Costs within sixty (60) days of receiving the written notice of termination. Customer will reimburse Company for all costs within forty-five (45) days of receiving such invoice.

b. In the event (i) Customer terminates this Agreement after the In-Service Date and prior to the end of the Minimum Term; or (ii) Company terminates this Agreement pursuant to Paragraph 7, then the Customer shall be responsible for payment of a "Termination Fee." The Termination Fee is equal to three years of Minimum Monthly Bills plus the net book values of the new facilities referenced in paragraph 9 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded.

c. In the event Customer terminates this Agreement after the In-Service Date, but fails to give the advance notice required in Paragraph 6, in addition to the Termination Fee referenced in Paragraph 8b, as applicable, the Customer shall also be responsible for payment of termination delay damages equal to the Minimum Monthly Bills that would have otherwise been paid by the Customer over the applicable two year notice period if timely notice had been delivered, "Termination Delay Damages;". For the avoidance of doubt, such Termination Delay Damages will be calculated on a pro-rata basis determined on the extent to which Customer's advance notice fails to meet the requirements of Paragraph 7.

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8. Early Termination (continued).

d. For the avoidance of doubt, the Parties acknowledge and agree that it would be extremely difficult and impracticable under the presently known and anticipated facts and circumstances to ascertain and fix the actual damages the Company would incur if the Customer reduces its contract demand, or otherwise terminates this Agreement prior to the expiration of the Minimum Term of the Agreement. Accordingly, if the Customer takes such triggering action specified in Paragraph 8 hereunder, the Company's remedy for such breach shall be to recover from the Customer, as liquidated damages, and not as a penalty, the applicable Termination Fee or Termination Payment Obligation set forth in Paragraph 8 of this Agreement ("Termination Liquidated Damages") as its sole and exclusive remedy for the Customer's early termination of this agreement. The Termination Liquidated Damages shall not limit the Company's remedies for other breaches, actions or omissions of the Customer. The Termination Liquidated Damages shall be due and payable by the Customer to the Company within forty-five (45) days after written demand by the Company. In addition to its other rights and remedies, the Company shall have the right to offset the amount of any unpaid Termination Liquidated Damages plus interest from the date the payment was due, to be calculated at the published Wall Street Journal Prime Rate plus 1.5%, simple interest per annum, against any amounts due or that may become due the Customer under the Agreement.

9. Customer Facilities. Within forty-five days from the date of this Agreement, the Customer shall pay \$ for Contributions-In-Aid-of-Construction ("CIAC") payments required by and calculated pursuant to Rule 25-6.064, F.A.C. and the Company's Tariff, which payment represents the full CIAC amount for which Customer is responsible under this agreement.

10. Security Requirements. Customer shall provide Security to the Company to secure its obligations hereunder to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable Termination Payment Obligation or Termination Fee ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held by the Company. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as **Exhibit C** to this Agreement. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Fee and a credit review of the Customer, which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as **Exhibit D** to this Agreement ("Parent Guaranty") in order to reduce the Security Percentage. If the Customer provides a Parent Guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the Security Amount not covered by an LOC or cash security. All Customers, regardless of relative creditworthiness, will be assigned a Security Percentage of at least 10% if the Security Amount exceeds \$100M.

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11. Failure or Deficiency of Security. If at any point during the term of this Agreement, the Security fails to meet the requirements set forth above, Customer shall replace the Security, as applicable, within thirty (30) business days of receipt of notice from Company requesting such action with an LOC, cash security, or Parent Guaranty, as applicable, meeting the requirements described herein. Customer may not provide a Parent Guaranty in place of an LOC that does not meet the requirements described herein. The Security shall remain in full force and effect until all obligations of the Agreement have been satisfied. Customer acknowledges and agrees that Security shall be a source of non-reimbursable funds for Company in the event Customer does not fulfill its obligations to Company under this Agreement. Customer acknowledges and agrees that Company shall have the right to draw on and retain the full amount of Security if fewer than 30 days remain until the Security's expiration and the Security has not been renewed. Company will release or refund to Customer the Security provided under this Agreement within 30 days after Customer's satisfaction of all obligations under this Agreement or termination of this Agreement. Company may require Customer to adjust the Security to conform to any amendments to this Agreement.

12. Minimum Billing Demand. From inception of service until the expiration of the Minimum Term, the minimum billing demand will be %<sup>1</sup> of the contract demand established by **Exhibit A** to this Agreement. On and after the expiration of the Minimum Term, the minimum billing demand shall be established pursuant to the Large Load Customer rate schedule, or such equivalent rate schedule applicable to the Customer at that time. The minimum billing energy volume will be based on %<sup>2</sup> load factor applied to the Minimum Billing Demand.

13. Amendment. If the Customer requests an amendment to the Agreement that reduces contract demand before the expiration of the initial term of the Agreement, a termination charge will apply as reflected in Paragraph 8.

14. Commission Rules and Tariffs. This Agreement will be governed by and construed according to the laws of the State of Florida, the Commission's Rules, and the currently effective tariffs of Company, as applicable. This Agreement and the applicable Commission service regulations, rules, and tariffs, are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of the Company with, or by order of, the regulatory authority having jurisdiction, and each party to this Agreement reserves the right to seek additional changes or substitutions to this Agreement, in accordance with law, from such regulatory authority. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.

15. Additional Facilities. In connection with electric service hereunder, if Customer requests Company to furnish and maintain required additional facilities to provide an enhanced level of electric service (incremental to the standard scope of delivery), the provisions of **Exhibit E** will apply.

16. Confidentiality. With respect to the treatment of confidential information, the Parties shall remain subject to that certain Confidentiality Agreement by and between the Parties dated as of \_\_\_\_\_ (the "Confidentiality Agreement"). The Confidentiality Agreement is hereby incorporated by reference into this Agreement.

17. Notice. Any notices to be sent or given hereunder by either Party shall in every case be in writing and only be deemed effective if both 1) delivered personally to the recipient, sent to the recipient by reputable express courier service (charges paid), or mailed to the recipient by registered or certified mail, return receipt requested and postage paid (on the one hand), and 2) sent to the recipient by email. Such notices shall be sent to the addresses and email addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Agreement:

<sup>1</sup> The range for the minimum billing demand is set out in Section 13.03 of the Large Load Customer Policy.

<sup>2</sup> The load factor to calculate the minimum billing energy volume must be no less than 60%.

(Continued on Next Page)



17. Notice (continued).

<u>To Customer:</u>	<u>To Company:</u>
_____	<u>Duke Energy Florida, LLC</u>
<u>Attn:</u> _____	<u>Attn:</u> _____
_____	_____
<u>Email:</u> _____	<u>Email:</u> _____
_____	_____

18. Limitation of Liability. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST OPPORTUNITIES OR PROFITS) OR PUNITIVE DAMAGES, EXCEPT FOR ANY LIABILITY ARISING OUT OF (A) ITS INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, (B) ITS FRAUD, (C) TO THE EXTENT ANY EXPRESS REMEDIES SPECIFICALLY SET FORTH HEREIN COULD OTHERWISE BE DEEMED TO BE SUCH DAMAGES, INCLUDING ANY LIQUIDATED DAMAGES ARISING HEREUNDER, OR (D) ITS GROSS NEGLIGENCE, OR RECKLESS OR WILLFUL MISCONDUCT, INCLUDING WILLFUL BREACH OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, COMPANY IS NOT LIABLE FOR ANY LOSS, COST, DAMAGE, OR EXPENSE TO CUSTOMER OCCASIONED BY ANY FAILURE TO SUPPLY ELECTRICITY ACCORDING TO THE TERMS OF THIS AGREEMENT OR BY ANY INTERRUPTION OR REVERSAL OF THE SUPPLY OF ELECTRICITY, IF SUCH FAILURE, INTERRUPTION, OR REVERSAL IS DUE TO STORM, LIGHTNING, FIRE, FLOOD, DROUGHT, STRIKE OR ANY CAUSE BEYOND THE CONTROL OF THE COMPANY OR ANY OTHER CAUSE EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE COMPANY'S PART.

19. Indemnification and Hold Harmless. The Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, costs or expense for loss, damage, death or injury to persons or property, in any manner directly or indirectly connected with, or growing out of Customer's negligent, grossly negligent, or willful misconduct associated with the use or disposition of electricity by the Customer at or on the Customer's side of the Point of Delivery, unless such loss, damage, death or injury shall result from the sole negligence gross negligence, strict liability, or willful misconduct of the Company. If a claim for indemnity arises from the joint or comparative negligence or fault of Customer and Company, subject to limitations of applicable law, Customer's indemnity obligations shall apply only to the extent of Customer's proportionate share of responsibility for such claim.

20. Jurisdiction. This Agreement is subject to the jurisdiction of the Commission as part of the provision of retail electric service by the Company to the Customer pursuant to the Company's Tariff.

21. Dispute Resolution and Venue. If a dispute arises between the Parties regarding this Agreement, either Party will first give written notice to the other Party and attempt good-faith negotiation. If the Parties are unable to resolve the dispute between themselves within sixty (60) days (or such longer period of time as the Parties may mutually agree upon), either Party may submit the dispute to a court of competent jurisdiction in Florida or in the United States District Court having jurisdiction in Florida, and each Party agrees that each such court shall have personal jurisdiction over it with respect to such proceeding, and waives any objections it may have, and expressly consents, to such personal jurisdiction; provided, however, that any Party may assert that proper jurisdiction for the resolution of the dispute is before the Commission.

(Continued on Next Page)

22. Events of Default. The occurrence with respect to a Party of any of the following events or conditions constitutes an event of default with respect to such Party (an "Event of Default"):

- a. Such Party becomes Bankrupt;
- b. Such Party assigns or transfers this Agreement other than in accordance with Paragraph 26.
- c. Customer materially breaches any provision of this Agreement, Rate Schedule \_\_\_\_\_, or the Company's Tariff and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Customer will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure; and
- d. Company materially breaches any provision of this Agreement and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Company will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Company promptly commences and diligently pursues the cure.

23. Termination for Event of Default. If a Party fails to cure an Event of Default within the applicable cure period, and the default is not contested pursuant to the dispute resolution process set forth in Paragraph 21, the non-defaulting Party will have the right to terminate this Agreement; provided, however, that the Company shall notify the Customer at least ninety (90) days in advance of such termination and describe the Customer's failure to comply. The Company may then terminate service under this Agreement at the end of the ninety (90) day notice period (the "Termination Period"); provided, if the Customer cures the Event of Default or other compliance deficiencies described by the Company, to the Company's satisfaction in its sole discretion, prior to the end of the Termination Period, the Company shall not terminate the Agreement.

24. Survival. In addition to any other provisions of this Agreement that, by their terms, survive the termination of this Agreement, the following rights, obligations, or provisions survive the termination of this Agreement: (i) obligations of a Party to the other Party to pay any amounts or to perform any duties or obligations that accrued or arose prior to, that directly resulted from, or that contemplate performance following, the termination of this Agreement; (ii) Paragraph 8; (iii) Paragraph 17 (iv) Paragraph 19 (which survive through the conclusion of the statute of limitations period applicable to any potential third-party claim or the resolution of any then outstanding third party claim, if later); (v) Paragraph 21; (vi) Paragraph 18; and (vii) Paragraph 14.

25. Integration. For the avoidance of doubt, this Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements and commitments between the Parties with respect to the provision of electric power to the site.

26. Assignment. Neither Party may assign this Agreement, nor may it assign any interest herein, without the other Party's express prior written consent, which consent may be withheld in such Party's sole discretion, except that either Party may assign this Agreement or any interest herein to (a) any of its affiliates or (b) its successor by merger or an entity acquiring all or substantially all of its assets. Nothing herein is intended to nor be construed as creating: (i) a partnership, joint venture, or other legal entity, or (ii) any agency or continuing relationship between the Parties, other than the contractual relationship expressly and specifically set forth herein. Nothing in this Agreement gives any person or entity, other than the Parties, any legal or equitable right, remedy, or claim under or with respect to any provision of this Agreement. This Agreement shall be binding upon, and extend to, the heirs, successors and assigns of the respective Parties hereto.

27. Authority. Each person signing on behalf of Company and Customer represents to the other that such person has all requisite authority to execute and deliver this Agreement to the other and to bind the signatory's respective party to perform the obligations prescribed by this Agreement.

(Continued on Next Page)



28. Counterparts. This Agreement may be executed by Company and Customer in separate counterparts via wet signature or electronically, each executed copy will be an original, and all such counterparts will together be one and the same instrument.

29. Additional provisions, if any, are included in Exhibit F.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed and sealed in their names, the day and year first above written.

Duke Energy Florida, LLC \_\_\_\_\_

By: \_\_\_\_\_ By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

(Continued on Next Page)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL \_\_\_\_\_ LLCA  
EFFECTIVE: \_\_\_\_\_



Exhibit A  
Customer-Requested Load Ramp

(Continued on Next Page)



Exhibit B

Company Costs to Serve Customer Facility

(Continued on Next Page)



Exhibit C

Form Letter of Credit

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: \_\_\_\_\_

Date: \_\_\_\_\_

Beneficiary:

[Duke Energy legal entity name]

c/o Duke Energy Corporation

Attention: Chief Risk Officer (DEP-16A)

525 S. Tryon Street

Charlotte, NC 28202

Ladies and Gentlemen:

By the order of:

Applicant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We hereby issue in your favor our irrevocable letter of credit No.: \_\_\_\_\_ (“Letter of Credit”)  
for the account of \_\_\_\_\_ (the “Applicant”) for an amount or amounts not to exceed  
\_\_\_\_\_ US Dollars in the aggregate (US\$ \_\_\_\_\_ ) available by your drafts at  
sight drawn on [Issuing Bank] effective \_\_\_\_\_ and expiring at our office on  
\_\_\_\_\_ (which date, as may be extended in the manner provided herein is referred to  
as the “Expiration Date”). This Letter of Credit shall be automatically extended, without  
amendment, for successive one (1) year periods unless we provide Beneficiary with not less than  
sixty (60) days’ prior written notice by overnight courier to the address set forth above that we  
elect not to extend this Letter of Credit. Upon receipt by the Beneficiary of any such notice not to  
extend this Letter of Credit and notwithstanding anything in this Letter of Credit to the contrary,  
the Beneficiary may draw any or the entire amount available hereunder by presenting drawing  
documents in compliance with the terms and conditions of this Letter of Credit.

Funds under this Letter of Credit are available against your draft(s), in the form of attached Annex  
1, mentioning our letter of credit number and presented at our office located at [Issuing Bank’s  
address must be in US] and accompanied by a certificate in the form of attached Annex 2 with  
appropriate blanks completed, purportedly signed by an authorized representative of the  
Beneficiary, on or before the Expiration Date in accordance with the terms and conditions of this  
Letter of Credit. Partial drawings under this Letter of Credit are permitted.

(Continued on Next Page)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL LLCA  
EFFECTIVE: \_\_\_\_\_



We hereby undertake to promptly honor your drawing(s) presented in compliance with the terms of this Letter of Credit, up to the amount then available herein, in no event will payment exceed the amount then available to be drawn under this Letter of Credit.

We engage with you that drafts drawn under and in conformity with the terms of this Letter of Credit will be duly honored on presentation if presented on or before the Expiration Date. Presentation at our office includes presentation in person, by certified, registered, or overnight mail.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Issuing Bank] under this Letter of Credit is the individual obligation of [Issuing Bank] and is in no way contingent upon reimbursement with respect hereto.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber Of Commerce Publication No. 590 (“ISP98”). Matters not addressed by ISP98 shall be governed by the laws of the state of New York.

We shall have a reasonable amount of time, not to exceed two (2) business days following the date of our receipt of drawing documents, to examine the documents and determine whether to take up or refuse the documents and to inform you accordingly.

Kindly address all communications with respect to this Letter of Credit to [Issuing Bank’s contact information], specifically referring to the number of this Letter of Credit.

All banking charges are for the account of the Applicant.

With the exception of increases in the amount or extensions of the expiry date, this letter of credit may not be amended, changed or modified without the consent of the beneficiary.

This letter of credit is transferable, and we agree to consent to its transfer, subject to our standard terms of transfer and your payment to us of our standard transfer fee.

Very truly yours  
[Issuing Bank]

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Authorized Signer

(Continued on Next Page)



This is an integral part of letter of credit number: [irrevocable standby letter of credit number]

ANNEX 1

FORM OF SIGHT DRAFT

[Insert date of sight draft]

To: [Issuing Bank's name and address]

For the value received, pay to the order of \_\_\_\_\_ by wire transfer of  
immediately available funds to the following account:

- \_\_\_\_\_ [name of account]
- \_\_\_\_\_ [account number]
- \_\_\_\_\_ [name and address of bank at which account is maintained]
- \_\_\_\_\_ [aba number]
- \_\_\_\_\_ [reference]

The following amount:

\_\_\_\_\_ [insert number of dollars in writing] United States Dollars  
(US\$ [insert number of dollars in figures])

Drawn upon your irrevocable letter of credit No. [irrevocable standby letter of credit number]  
dated [effective date]

[Beneficiary]

By: \_\_\_\_\_

Title: \_\_\_\_\_

(Continued on Next Page)



This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 2

FORM OF CERTIFICATE

[Insert date of certificate]

To: *[issuing bank's name and address]*

Duke Energy [ ] (the "Beneficiary") is drawing the funds requested under this draft based on the below specified draw condition:

*[check appropriate draw condition]*

[ ] Pursuant to that certain [Name of Agreement] between Beneficiary and [Insert counterparty's Name] dated as of (the "Agreement"), Beneficiary is entitled to the draw of the funds requested

Or

[ ] Applicant has failed to extend or replace the Letter of Credit and/or provide other acceptable replacement collateral as required in the Agreement, and less than thirty (30) days remain prior to the expiration of the Letter of Credit, wherefore Beneficiary hereby demands payment of US\$ to be held as collateral until Beneficiary is provided with a replacement letter of credit or other acceptable collateral.

Duke Energy [ ]

By:

Title:

(Continued on Next Page)



Exhibit D

Form Parent Guaranty

THIS GUARANTY AGREEMENT (this "Guaranty"), dated as of [date], is issued and delivered by [GUARANTOR'S NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Guarantor"), for the account of [ENTITY NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Obligor"), and for the benefit of [ENTITY NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Beneficiary").

Background Statement

WHEREAS, the Beneficiary and Obligor entered into that certain [NAME OF AGREEMENT], dated \_\_\_\_\_ (the "Agreement"); and

WHEREAS, Beneficiary has required that the Guarantor deliver to the Beneficiary this Guaranty as an inducement to enter into the Agreement.

Agreement

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the Guarantor hereby agrees as follows:

1. Guaranty. Subject to any rights, setoffs, counterclaims and any other defenses that the Guarantor expressly reserves to itself under this Guaranty, the Guarantor absolutely and unconditionally guarantees the timely payment of the Obligor's payment obligations under the Agreement (the "Guaranteed Obligations").

Subject to the other terms of this Guaranty, the liability of the Guarantor under this Guaranty is limited to payments expressly required to be made under the Agreement, and except as specifically provided therein, the Guarantor shall not be liable for or required to pay any consequential or indirect loss (including but not limited to loss of profits), exemplary damages, punitive damages, special damages, or any other damages or costs.

2. Effect of Amendments. The Guarantor agrees that the Beneficiary and the Obligor may modify, amend and supplement the Agreement and that the Beneficiary may delay or extend the date on which any payment must be made pursuant to the Agreement or delay or extend the date on which any act must be performed by the Obligor thereunder, all without notice to or further assent by the Guarantor, who shall remain bound by this Guaranty, notwithstanding any such act by the Beneficiary.

3. Waiver of Rights. The Guarantor expressly waives (i) protest, (ii) notice of acceptance of this Guaranty by the Beneficiary, and (iii) demand for payment of any of the Guaranteed Obligations.

4. Reservation of Defenses. Without limiting the Guarantor's own defenses and rights hereunder, the Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses that the Obligor may have to payment of all or any portion of the Guaranteed Obligations except defenses arising from the bankruptcy, insolvency, dissolution or liquidation of the Obligor and other defenses expressly waived in this Guaranty.

5. Settlements Conditional. This guaranty shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any monies paid to the Beneficiary in reduction of the indebtedness of the Obligor under the Agreement have to be repaid by the Beneficiary by virtue of any

(Continued on Next Page)

provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and the liability of the Guarantor under this Guaranty shall be computed as if such monies had never been paid to the Beneficiary.

6. Notice. The Beneficiary will provide written notice to the Guarantor if the Obligor defaults under the Agreement.

7. Primary Liability of the Guarantor. The Guarantor agrees that the Beneficiary may enforce this Guaranty without the necessity at any time of resorting to or exhausting any other security or collateral. This is a continuing Guaranty of payment and not merely of collection.

8. Representations and Warranties. The Guarantor represents and warrants to the Beneficiary as of the date hereof that:

- a. The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed;
- b. The execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;
- c. All consents, authorizations, approvals, registrations and declarations required for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
- d. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights or by general equity principles.

9. Nature of Guaranty. The Guarantor hereby agrees that its obligations hereunder shall be unconditional irrespective of the impossibility or illegality of performance by the Obligor under the Agreement; the absence of any action to enforce the Agreement; any waiver or consent by Beneficiary concerning any provisions of the Agreement; the rendering of any judgment against the Obligor or any action to enforce the same; any failure by Beneficiary to take any steps necessary to preserve its rights to any security or collateral for the Guaranteed Obligations; the release of all or any portion of any collateral by Beneficiary; or any failure by Beneficiary to perfect or to keep perfected its security interest or lien in any portion of any collateral.

10. Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation until all Guaranteed Obligations shall have been paid in full. Subject to the foregoing, upon payment of all such Guaranteed Obligations, the Guarantor shall be subrogated to the rights of Beneficiary against the Obligor, and Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

(Continued on Next Page)

11. Term of Guaranty. This Guaranty shall remain in full force and effect until the earlier of (i) such time as all the Guaranteed Obligations have been discharged, and (ii) [date] (the "Expiration Date"); provided however, the Guarantor will remain liable hereunder for Guaranteed Obligations that were outstanding prior to the Expiration Date.

12. Governing Law. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to principles of conflicts of law.

13. Expenses. The Guarantor agrees to pay all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Beneficiary's counsel) relating to the enforcement of the Beneficiary's rights hereunder in the event the Guarantor disputes its obligations under this Guaranty and it is finally determined (whether through settlement, arbitration or adjudication, including the exhaustion of all permitted appeals), that the Beneficiary is entitled to receive payment of a portion of or all of such disputed amounts.

14. Waiver of Jury Trial. The Guarantor and the Beneficiary, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding or counterclaim arising or relating to this Guaranty.

15. Entire Agreement; Amendments. This Guaranty integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. This Guaranty may only be amended or modified by an instrument in writing signed by each of the Guarantor and the Beneficiary.

16. Headings. The headings of the various Sections of this Guaranty are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

17. No Third-Party Beneficiary. This Guaranty is given by the Guarantor solely for the benefit of the Beneficiary and is not to be relied upon by any other person or entity.

18. Assignment. Neither the Guarantor nor the Beneficiary may assign its rights or obligations under this Guaranty without the prior written consent of the other, which consent may not be unreasonably withheld or delayed, except that: the Beneficiary may, upon 30 days prior written notice, make such an assignment without such consent if in conjunction with any assignment of the Agreement by the Beneficiary permitted under the Agreement.

Any purported assignment in violation of this Section 18 shall be void and without effect.

(Continued on Next Page)



19. Notices. Any communication, demand or notice to be given hereunder will be duly given when delivered in writing or sent by electronic mail to the Guarantor or to the Beneficiary, as applicable, at its address as indicated below:

If to the Guarantor, at:

**[GUARANTOR'S NAME]**  
[Guarantor's street address]  
[City, State and Zip]  
Attention: [contact]  
Email: [email address]

With a copy to:

**[ENTITY NAME]**  
[Address]  
Attention: [contact]  
Email: [email address]

If to the Beneficiary, at:

**Duke Energy Corporation**  
525 South Tryon St.  
Mail code: DEP-16A  
Charlotte, NC 28202  
Attention: Chief Risk Officer  
Email: [reg.credit@duke-energy.com](mailto:reg.credit@duke-energy.com)

or such other address as the Guarantor or the Beneficiary shall from time to time specify. Notice shall be deemed given (a) when received, as evidenced by signed receipt, if sent by hand delivery, overnight courier or registered mail or (b) when received, as evidenced by email confirmation, if sent by email and received on or before 4 p.m. local time of recipient, or (c) the next business day, as evidenced by email confirmation, if sent by email and received after 4 p.m. local time of recipient.

20. Electronic Signatures. The words "execution," "signed," "signature," and words of like import in this Guaranty shall be deemed to include electronic signatures (including via DocuSign or similar method) or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(Continued on Next Page)



IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the day and year first above written.

[GUARANTOR]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(Continued on Next Page)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL LLCA  
EFFECTIVE:



Exhibit E

Additional Facilities Details, if applicable

(Continued on Next Page)



Exhibit F

Additional Provisions, if any

# Appendix B

## Clean Copy Format Tariffs

Section No. IV, Fifth Revised Sheet No.4.000  
Section No. IV, Ninth Revised Sheet No.4.001  
Section No. IV, Fifth Revised Sheet No.4.030  
Section No. IV, Fourth Revised Sheet No.4.031  
Section No. IV, Fifth Revised Sheet No.4.032  
    Section No. IV, Original Sheet No.4.130  
    Section No. IV, Original Sheet No.4.131  
    Section No. IV, Original Sheet No.4.132  
Section No. VII, Seventeenth Revised Sheet No.7.000  
    Section No. VII, Original Sheet No.7.510  
    Section No. VII, Original Sheet No.7.511  
    Section No. VII, Original Sheet No.7.512  
    Section No. VII, Original Sheet No.7.513  
    Section No. VII, Original Sheet No.7.514  
    Section No. VII, Original Sheet No.7.515  
    Section No. VII, Original Sheet No.7.516  
    Section No. VII, Original Sheet No.7.517  
    Section No. VII, Original Sheet No.7.518  
    Section No. VII, Original Sheet No.7.519  
    Section No. VII, Original Sheet No.7.520  
    Section No. VII, Original Sheet No.7.521  
    Section No. VII, Original Sheet No.7.522  
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    Section No. VII, Original Sheet No. 7.526  
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    Section No. VII, Original Sheet No. 7.528  
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GENERAL RULES AND REGULATIONS  
GOVERNING ELECTRIC SERVICE

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**GENERAL RULES AND REGULATIONS  
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**Appendix: Requirements for Electric Service and Meter Installation**



**PART III**

**CONTRIBUTION IN AID OF CONSTRUCTION**

**3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities:**

Where an extension to or upgrade of existing facilities at any voltage level (other than a service drop and/or meter) is required to provide service to a Customer, the Company shall calculate under the formulas set forth below whether a contribution in aid of construction (CIAC) is due from the Customer. A CIAC would be due from the Customer, prior to construction of the requested facilities (unless alternative acceptable payment arrangements are made), as a result of expected incremental revenues from the Customer, together with revenues from other prospective customers to be served from such extension or upgrade, not being sufficient to afford a fair and reasonable return on the cost of making such extension or upgrade. The Company shall use its best judgment in estimating the revenue portion of the formulas which shall be based on an annual period ending not more than five years after the extension or upgrade is placed in service. The Company will pay for the cost where justified, in the Company's opinion, by revenues to be secured; however, the Company may require monthly or annual guarantees, cash contributions in aid of construction, and/or advances for construction, when in the Company's opinion, the immediate or potential revenues do not justify the cost of extension. If the installation of facilities is justified based on the Customer's estimates for electric power but there is reasonable doubt as to level of use or length of use of such facilities, the Customer, when mutually agreeable with the Company, may contract for a minimum Demand or monthly payment sufficient to justify the Company's investment. If it is determined that the installation of facilities through an existing underground development is for the Company's benefit, the facilities shall be installed underground at the Company's expense. For all of the formulas below, the costs shall include cost of removal and salvage, if applicable. When performing the calculations required in these formulas, the Company may consider whether it is more cost-effective for the requested installation to be placed overhead or underground; if underground installation is more cost effective, then the Company shall be permitted to utilize the four (4) years expected incremental base energy revenue as a direct offset against the cost of the underground. The Company may require alternative payment arrangements for CIAC for large load customers, as set forth in Section 13.07.

- (1) Overhead Extension or Upgrade: The following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC<sub>OH</sub>, the CIAC<sub>OH</sub> amount shall be set to zero.

$$CIAC_{OH} = \begin{array}{l} \text{Total estimated work order job} \\ \text{cost of installing the facilities ,} \\ \text{excluding service drops and} \\ \text{meters} \end{array} - \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue plus (if applicable) four (4)} \\ \text{years expected incremental base demand} \\ \text{revenue} \end{array}$$

- (2) (a) Residential Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} + CIAC_{OH} \text{ (as above)}$$

For underground residential service, the charges set forth in Part XI, Underground Residential Distribution Policy, provide the portion of the above formula developing the estimated difference in cost using underground facilities vs. overhead facilities.

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(b) General Service Underground Extension or Upgrade: The following formula shall be used to determine the CIAC:

$$CIAC_{UG} = \begin{array}{l} \text{Estimated difference between} \\ \text{the cost of providing the line} \\ \text{extension or upgrade with} \\ \text{underground facilities vs. the} \\ \text{cost of providing service using} \\ \text{overhead facilities} \end{array} + CIAC_{OH} \text{ (as above)}$$

The Company will designate the point of delivery and the Customer will provide the service entrance conductors and raceway from the Customer's service equipment to the point of delivery designated by the Company located wholly on the Customer's property. For clarity, the Company does not install underground service for non-residential customers.

The actual or estimated costs applied to the formula in subsections (1) and (2) shall be consistent with the standards of the Company's approved Storm Protection Plan.

(3) Extension for Temporary Service: The Customer shall pay extension costs for temporary service in accordance with Rate Schedule TS-1.

(4) Extension for Street or Area Lighting Service: Service for street or area lighting is normally provided from existing distribution facilities. Where suitable distribution facilities do not exist, the following formula shall be used to determine the CIAC owed by the Customer. If the application of this formula results in a negative value for CIAC, the CIAC amount shall be set to zero.

$$CIAC = \begin{array}{l} \text{Actual or estimated job cost of} \\ \text{new facilities required to} \\ \text{provide service excluding} \\ \text{lighting facilities} \end{array} - \begin{array}{l} \text{Four (4) years expected incremental base} \\ \text{energy revenue} \end{array}$$

(5) CIAC True-Up:

Within 12 months of the in-service date of the new facility installation or upgrade, an initial end-use Customer that paid CIAC may make a one-time request, in writing, to true-up the CIAC charged by the Company. The Company will true-up CIAC paid to reflect actual construction costs and actual base revenues received at the time the true-up request is made. The revenue portion of the CIAC true-up will be calculated by annualizing the actual base energy and demand revenues received by the Company as of the date of the true-up request and multiplying by four to derive four years expected base revenues. Depending on the true-up results, the initial end-use customer requesting a true-up may be entitled to a refund or charged additional CIAC.

(6) CIAC Prorate:

Within a three year period from the in-service date of the installation of the new or upgraded facilities ("the initial facilities"), the Company will prorate the CIAC paid by the initial end-use customer for the facility installation or upgrade to serve that customer. Prorating will apply to only CIAC payments of \$1,500 and above. Customers requiring more than a meter and a service drop for service from the initial facilities (e.g. additional poles or transformers) will be excluded from the CIAC prorate. The initial end-use customer will be charged the full amount of CIAC in accordance with this Part III. Additional customers served by the initial facilities will each pay their prorata share of the CIAC paid by the initial customer. The prorata share will be calculated by first determining the total number of customers involved by adding one (1), representing the initial customer, to the number of additional customers identified by the Company that could be served by the initial facilities. Then each customer's prorata share will be one divided by the total number of customers involved. The Company will refund the prorated collections to the initial end-use customer.

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**3.02 Route and Easement:**

For new line extensions, upgrades or service drops, the Company shall select the most economical route, which may be a right of way or easement. Before the Company starts construction, the route chosen must be cleared of all trees, tree stumps and other obstructions by the Customer, at no charge to the Company and be suitable for Company use. The Company will use private property for any such extension or upgrade, once an easement suitable to the Company is granted by the owner of such private property to the Company, without cost, in accordance with the following provisions:

- (1) Private Property of Customer: Where more than one pole is located on a customer's property for the sole purpose of supplying service to such customer, an easement for all such poles and for any related facilities, including guys, overhead distribution circuits and overhang, must be furnished by the Customer. The entire length and width of the easement across the Customer's property must be cleared of trees, undergrowth, and other obstructions to access by the Company's vehicles and equipment, prior to installation of the service line by the Company.
- (2) Private Property of Third Party: Where, in order to provide service to a Customer, Company facilities are to cross over or be located upon private property not owned by such Customer, or where service to such Customer is to be provided from existing Company facilities so situated, an easement for all such facilities involved, including, but not limited to, poles, guys, overhead distribution circuits and overhang, if any, will be required to be obtained by the Customer prior to such facilities being installed by the Company.
- (3) Acquisition, Form and Cost: All such grants shall be obtained by the Customer upon the Company's standard form, properly executed by the grantor, and shall be made without cost to the Company.

**3.03 Installation by Customer:**

The Customer's installation shall, in its entirety, be installed and maintained in accordance with the requirements of local ordinances pertaining thereto, or of authorities having jurisdiction thereover, or in the absence of such local ordinances or authorities in accordance with the requirements of the National Electrical Safety Code as set forth in Handbook H-43 of the National Bureau of Standards in its present form, or as subsequently revised, amended or superseded; provided, however, that service to any customer over lines and facilities not owned by the Company shall be at the sole option of the Company. Customer installations shall be in accordance with the following provisions:

- (1) Inspection by Authorities: The Company recommends that all wiring installations be inspected and approved by an authorized electrical inspector if available; and, where such inspection is required by local ordinance or authority, the Company cannot render service until such inspection has been made and formal notice from the inspecting authority of its approval has been received by the Company.
- (2) Inspection by Company: The Company reserves the right to inspect Customer's installation prior to rendering service, and from time to time thereafter; but the Company assumes no responsibility whatsoever for the Customer's installation as a result of any such inspection, and will not be responsible in any way for any defect in Customer's installation, or any part thereof, or for any damage which may result from any such defect.

**3.04 Special Service Requirements:**

The Company designs and installs its service facilities in accordance with the "Requirements for Electric Service and Meter Installations" contained in the Appendix. Where the Customer requests a more costly service arrangement, such as a remote point of delivery, excess transformer capacity, or any other special requirements, or high demand equipment behind a breaker greater than 60 amps, such as tankless water heaters, kilns, welders, car chargers, etc., the Company will provide such service if feasible and the Customer shall pay the cost in excess of the estimated cost of the standard design.

**3.05 Relocation, Removal, or Modification of Existing Facilities:**

When, in the judgment of the Company a change in the use or layout of the Customer's premises makes the relocation, removal, or modification, but not an upgrade of the Company's existing facilities necessary, or when such relocation, removal, or modification is requested by the Customer and is consistent with sound utility practices, the Company will relocate, remove, or modify such facilities in a manner acceptable to the Company. The Customer shall pay the Company for all cost associated with any such relocation, removal, or modification based on an invoice prepared by the Company in accordance with standard estimation procedures, unless the removed facilities are unused and at the end of their useful life, as determined by the Company in its sole discretion. If the relocation, removal, or modification is made at the Customer's request, such payment shall be made in advance. If a requested relocation, removal, or modification involves the conversion of an existing residential overhead service to an underground service lateral, the charges and provisions of Section 11.05 of these Rules shall apply.

**PART XIII****LARGE LOAD CUSTOMER POLICY****13.01 General**

This policy applies to any individual Customer, for either a new or expanded facility, with an aggregate Peak Contract Demand forecast reasonably expected to be equal to or in excess of a Monthly Maximum Demand of fifty thousand (50,000) kilowatts of firm (i.e., not Interruptible or Curtailable) load, at a single location including co-located load, any time during the Minimum Term. This policy will not impose any additional requirement for customer sites that otherwise meet the Peak Contract Demand requirements and exist on the Company's system as of December 31, 2025.

Customers subject to this policy shall enter into the Large Load Customer Agreement (LLCA) on file with the Florida Public Service Commission, which will specify certain provisions of their electric service, including, but not limited to, load characteristics, customer-specific terms, applicable construction cost recovery terms, and other service details.

Such Customer shall also pay a non-refundable system impact study fee of \$150,000 to support the Company's initial analysis and engineering costs to determine the investments and upgrades necessary to serve the Customer's proposed load. Customer shall pay an additional \$150,000 for any necessary updates. Customer shall enter into an LLCA or a reimbursement agreement within three months of receipt of the system impact study. If the Customer chooses to first enter into a reimbursement agreement, such agreement shall include provisions that obligate Customer to fully pay for any costs incurred by Company if the Customer does not take electric service.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, permits, and equipment for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, permits and equipment.

Company may not provide service to a Customer that is a foreign entity, as that term is defined in Section 366.043(2)(c), Fla. Stat.

**13.02 Term**

Minimum Term shall be for a period of twenty (20) years, commencing on the date when permanent service is received. This term may include a transitional load period ("Load Ramp Period"). After the Minimum Term, service under the LLCA shall continue unless cancelled or modified pursuant to the terms hereunder.

**13.03 Determination of Minimum Monthly Bill**

**Monthly Maximum Demand:** The Monthly Maximum Demand is defined as the highest total demand indicated in any 30-minute interval during the month.

**Grid Demand:** Grid Demand shall be equal to the highest Monthly Maximum Demand occurring in the last twelve (12) months including the current month.

**Minimum Demand:** Minimum Demand shall be between 75% and 85% of the annual Contract Capacity, excluding temporary, construction, bridging and/or commissioning power as agreed to by the Customer and Company. The Contract Capacity may be phased in tranches (and thus change over the course of the Term). A Minimum Billing Energy Volume will also apply. This minimum volume will be based on the Minimum Demand calculation above assuming a projected load factor, no lower than 60%, as agreed upon. All base energy charges will be applied to the Minimum Billing Energy Volume.

**Billing Demand:** Billing Demand shall be the higher of: (a) the Monthly Maximum Demand in the current month, (b) 90% of the Grid Demand, or (c) the Minimum Demand.

Customer will have no more than the Load Ramp Period to reach its first contract demand amount, at which time the minimum monthly bill will be the sum of the following:

- 1) applicable customer charge;
- 2) Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy Volume multiplied by the base energy rate(s) per the applicable base rate schedule;
- 3) actual kW demand multiplied by each demand rate within the BA-1 tariff;
- 4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff;  
and
- 5) applicable taxes and/or fees.

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**13.04 Security Requirements**

The Customer shall provide security to the Company to secure its potential obligations to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable termination payment ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as an attachment to the LLCA. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash for the full Security Amount. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Payment Obligation or Termination Fee and a credit review of the customer which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a parent guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as an attachment to the LLCA in order to reduce the Security Percentage. If the Customer provides a parent guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the damages not covered by a letter of credit or cash security. Customers with weaker credit will receive higher Security Percentages. All Customers, regardless of credit health, will be assigned a Security Percentage of at least 10% if the Termination Payment Obligation or Termination Fee exceeds \$100M.

**13.05 Early Termination**

If Customer terminates the LLCA before reaching full load ramp, the Customer must pay Company its actual costs incurred to provide service ("Termination Payment Obligation"). Once the Customer begins taking service, the Customer shall provide written notice to the Company, no later than two years prior to the requested date of termination of service. In such event, service under the LLCA will automatically terminate on the date following the second annual anniversary of the date of the Customer's termination notice; provided, however, the Customer may be subject to charges for early termination as provided below. If a Customer is permitted to change rate schedules and selects to receive service under another applicable Company firm rate schedule, no termination fee shall be applied but the terms of the LLCA with respect to the Monthly Minimum Bill shall apply until the expiration of the original contract term (i.e., the twenty year period that would have expired if the Customer did not change rate schedules); at the end of the original contract term, the LLCA shall be amended to reflect the appropriate Monthly Minimum Bill under the new firm rate schedule. For the avoidance of doubt, the Customer can in no way avoid the calculation of the Monthly Minimum Bill or the other requirements set forth in its initial LLCA by changing rate schedules.

If the Customer terminates service before the expiration of the original contract term, the Customer shall be responsible for payment of a Termination Fee. The Termination Fee is equal to three years of Minimum Monthly Bills plus the net book value of new facilities referenced in section 13.07 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded. Other termination fee provisions will be provided for in the LLCA.

The Company may terminate service under the LLCA at any time if the Customer materially breaches the terms and conditions of its rate schedule, this policy, the LLCA, or the Company's tariff on file with the Florida Public Service Commission. Prior to any such termination, the Company shall notify the Customer in writing at least 90 days in advance and describe the existence and nature of such alleged breach. The Company may then terminate service at the end of the 90-day notice period; provided, however, that if such breach is not reasonably capable of being cured within such 90-day period, then Customer will have additional time (not exceeding an additional 30 days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure.

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**13.06 Special Terms.**

The terms and conditions of service under this policy shall apply upon a request for service by an eligible customer but service to Customers shall not commence until the Company has sufficient capacity to meet the Customer's Contract Capacity requirements. A facility served under this schedule shall generally mean a single point of interconnection. Aggregation of loads under this schedule shall be limited. The Company shall exercise reasonable discretion when choosing to aggregate loads, with such discretion based on factors including, but not limited to, premises sharing one or more of the following: common owner(s), a common parent company, common local electrical infrastructure, physical layout, character of service, end use, and common control. Customer may not separate an electrical load at a single location into multiple smaller connections to avoid being subject to this Large Load Customer Policy.

The Company may negotiate different non-material terms than reflected in this policy, if those terms do not result in fewer customer protections than what is included in this Large Load Customer Policy. If the terms in the LLCA differ materially from the approved form tariff, then Company must submit the executed LLCA to the Commission for review and approval.

In addition to the above rules and regulations, all of Company's General Rules and Regulations Governing Electric Service and other applicable portions of its Tariff shall apply to the customers served under this policy, except as specifically modified herein. Service under this policy is subject to (i) orders of Governmental Authorities having jurisdiction, (ii) the provisions of the rate schedule under which the Customer takes service; and (iii) the Company's Tariff. Any change approved by the Commission with respect to the foregoing shall be effective on its approval date and shall apply prospectively.

**13.07 Contributions In Aid of Construction (CIAC)**

Customer shall make all payments required by and calculated pursuant to Commission Rule 25-6.064, F.A.C. and Section 3.01 of the Company's Tariff. Company requires Customer to pay 100% of the total estimated costs to extend service in advance. Those payments are refunded over a period of up to five years, less CIAC that would normally be paid by Customer, as base revenues are collected. Any Customer funds not refunded at end of period (because the Customer's load was insufficient) become nonrefundable.

**13.08 Customer Rate**

Until the Company presents in its next proceeding to reset rates, and Commission approves, a new large load rate schedule, which shall reasonably ensure that Customer bears its own full cost of service, Customer shall take service under the Company's existing GSD-1 or GSDT-1 rate. Once the new large load rate schedule is approved, the Customer shall be switched to that new rate schedule.

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**INDEX OF STANDARD CONTRACT AND OTHER AGREEMENT FORMS**

<b>FORM NO</b>	<b>DESCRIPTION</b>	<b>SHEET NO.</b>
Form No. 1	Contract, Form No. 1 (after 11/21/98, applicable only to a Customer who requires this type form be executed for service under Rate Schedule LS-1, Lighting Service. Form No. LS-1HPS shall normally be used for application for service under LS-1).	7.010 - 7.011
Form No. 2	Contract Form No. 2 (applicable when service is provided under Company General Service Rate Schedules and special contract terms or investments in special facilities are required and furnished by the Company to provide service to the Customer).	7.020 - 7.021
IS-2 DISC	Interruptible General Service Rate Schedules IS-2 and IST-2 Risk Disclosure	7.025
CS-2 DISC	Curtable General Service Rate Schedule CS-2 and CST-2 Risk Disclosure	7.027
Form No. 5	Contract, Form No. 5 (applicable when a contract is made between the Company and the Customer to cover advances by the Customer for construction).	7.030
DVLP DIST	Agreement for Electric Service Between Duke Energy Florida, Inc. (the "Utility") and _____ (the "Applicant") (applicable when a developer requests the Company to install a distribution system for a new development).	7.050
MUNI UG	Local Government Underground Cost Recovery Contract (applicable when a Local Government wishes to contract with the Company to provide for recovery of costs to underground service).	7.060 – 7.063
PEFI LSA	Leave Service Active Agreement (applicable to Customers who wish service to be left active on rental units, regardless if they are occupied or not).	7.070 - 7.071
3RD PRT	Request for Third Party Notification (applicable to Customers who request the Company to notify another person that their bill is overdue).	7.090
LS-1	Lighting Service Contract.	7.110 - 7.113
PEFI TOU	Application for TOU Rate (applicable to Customers requesting time of use rates).	7.120
PEFI GSLM	Rate Schedule GSLM-1 Customer Agreement (applicable to Customers requesting General Service Load Management).	7.150
MSTR MTR	Standard Letter Agreement (applicable to master metered Customers indicating understanding of rules and regulations affecting resale of electricity).	7.160
EQP RNTL	Standard Letter Agreement (applicable to Customers who request additional facilities at their service location).	7.170
GUAR CNTR	Guarantee Contract (applicable when a third party guarantees payment for another individual's billing).	7.180
STRT LTS	Agreement to Purchase and Sell Street Lighting System and to Furnish and Receive Electric Service	7.190 - 7.192
RES DEP	Residential Deposit Release - Releases current customer's deposit to new customer who then assumes responsibility for all payments of account.	7.220 - 7.221
PWR PAY	Power Pay - Customers bill is automatically paid from their checking account.	7.230
CISR	Contract Service Arrangement for service under the Commercial/Industrial Service Rider.	7.250 - 7.253
PPS	Premier Power Service - Contract signed by the customer requesting backup service through the Premier Power Service rate schedule.	7.270 - 7.273
NMRG - Tier 1	Standard Interconnection Agreement for Tier 1 Customer Owned Renewable Generation	7.310 - 7.313
IC APP –Tier 1	Application for Interconnection for Tier 1 Customer Owned Renewable Generation	7.317-7.317
NMRG - Tier 2	Standard Interconnection Agreement for Tier 2 Customer Owned Renewable Generation	7.320 - 7.323
NMRG – Tier 3	Standard Interconnection Agreement for Tier 3 Customer Owned Renewable Generation	7.330 - 7.333
IC APP –Tier 2,3	Application for Interconnection for Tier 2 and 3 Customer Owned Renewable Generation	7.337 - 7.337
ECON DEV	Economic Development Rider Service Agreement	7.500
LLCA	Large Load Customer Agreement	7.510 - 7.530

**LARGE LOAD CUSTOMER AGREEMENT**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (“Customer”), and Duke Energy Florida, LLC (“Company”). Company and Customer are hereinafter referred to individually as a “Party” and together as the “Parties.”

WITNESSETH:

WHEREAS, Company is an electric utility subject to the jurisdiction of the Florida Public Service Commission (“Commission”);

WHEREAS, Customer is \_\_\_\_\_;

WHEREAS, Customer has provided an affidavit, to Company, attesting that it is not a “foreign entity,” as that term is defined in Section 366.043(2)(c), Fla. Stat.; and

WHEREAS, the Customer seeks retail electric service for a proposed facility projected to have new or incremental load of 50 MW or more at a Single Location (“Customer Facility”).

NOW THEREFORE, in consideration of the mutual covenants expressed herein, Company and Customer agree as follows:

1. Applicability. This Agreement is not applicable to, and does not provide for the interconnection or delivery of, back-up or alternative generation located on the Customer’s side of the point of delivery that serves the Customer Facility (such generation “Behind the Meter Generation”). Except as necessary to prevent damage to the Company Facilities or the Company System, under no circumstances including during an Emergency, will Behind the Meter Generation be delivered to and injected into the Company System unless otherwise mutually agreed to by separate agreement between Company and Customer consistent with all Applicable Law and the Company Tariff.

2. Definitions.

a. **Allowance for Funds Used During Construction** has the meaning set forth in Rule 25-6.041, F.A.C.

b. **Applicable Law** means all applicable federal, state and local laws, statutes, codes, ordinances, regulations, rules, judicial orders, administrative order, and other duly authorized actions of any governmental entity having jurisdiction over a Party or the Parties.

c. **Behind the Meter Generation** has the meaning set forth in Paragraph 1.

d. **Billing Demand** has the meaning set forth in section 13.03 of the Large Load Customer Policy.

e. **CIAC** has the meaning set forth in Paragraph 9.

f. **Company** has the meaning set forth in the preamble.

g. **Company Costs** has the meaning set forth in Paragraph 8a.

h. **Company Tariff** means the Company’s tariff on file with and approved by the Commission, as may be amended.

i. **Confidentiality Agreement** has the meaning set forth in Paragraph 16.

j. **Customer** has the meaning set forth in the preamble.

k. **Customer Facility** has the meaning set forth in the third Whereas Clause.

l. **Customer-Requested Load Ramp** has the meaning set forth in Paragraph 3c.

m. **Event of Default** has the meaning set forth in Paragraph 22.

n. **In-Service Date** means the first date the customer reaches Peak Electrical Load, pursuant to the Customer-Requested Load Ramp.

o. **LOC** has the meaning set forth in Paragraph 10a.

p. **Minimum Billing Demand** has the meaning set forth in Paragraph 12.

q. **Minimum Billing Energy Volume** has the meaning set forth in section 13.03 of the Large Load Customer Policy.

r. **Minimum Term** has the meaning set forth in Paragraph 5.

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2. Definitions (continued).

- s. **Minimum Monthly Bills** means the sum of the following: (1) applicable customer charge; (2) Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy volume multiplied by the base energy rate(s) per the applicable base rate schedule; (3) actual kW demand multiplied by each demand rate within the BA-1 tariff; (4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff; and (5) applicable taxes and/or fees.
- t. **Parent Guaranty** has the meaning set forth in Paragraph 10.
- u. **Peak Contract Demand** has the meaning set forth in Paragraph 3c.
- v. **Permanent Service** has the meaning set forth in Paragraph 3c.
- w. **Security** means cash, an LOC, or a Parent Guaranty, as required in Paragraph 10.
- x. **Security Amount** has the meaning set forth in Paragraph 10.
- y. **Security Percentage** has the meaning set forth in Paragraph 10.
- z. **Taxes** has the meaning set forth in Paragraph 3b.
- aa. **Termination Delay Damages** has the meaning set forth in Paragraph 8c.
- bb. **Termination Fee** has the meaning set forth in Paragraph 8b.
- cc. **Termination Liquidated Damages** has the meaning set forth in Paragraph 8d.
- dd. **Termination Payment Obligation** has the meaning set forth in Paragraph 8a.
- ee. **Termination Period** has the meaning set forth in Paragraph 23.

3. Rates and Service.

a. Customer shall receive and pay for electric service and energy from Company at the Customer Facility, at the following location: \_\_\_\_\_, in accordance with the terms and provisions of Company's applicable Rate Schedule \_\_\_\_\_ as the same is on file, from time to time, with the Commission.

b. Company may charge and Customer will pay applicable national, state or local sales or use taxes or value added taxes that Company is legally obligated to charge ("Taxes"), provided that such Taxes are stated on the invoice that Company provides to Customer and Company's invoices state such Taxes separately and meet the requirements for a valid tax invoice. Customer may provide Company with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, Company will not charge and or collect the Taxes covered by such certificate. Customer may deduct or withhold any Taxes that Customer may be legally obligated to deduct or withhold from any amounts payable to Company under this Agreement, and payment to Company as reduced by such deductions or withholdings will constitute full payment and settlement to Company of amounts payable under this Agreement. Throughout the term of this Agreement, Company will provide Customer with any forms, documents, or certifications as may be required for Customer to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

c. Service shall be at a single point of delivery, said point of delivery to be \_\_\_\_\_ . Customer commits that its facility being served under this Agreement will reach a Peak Contract Demand of approximately \_\_\_\_\_ MW, according to the load ramp schedule on the attached **Exhibit A** (such load ramp, the "Customer-Requested Load Ramp"). Customer requests construction electric service on or about \_\_\_\_\_ and permanent electric service ("Permanent Service") as outlined on the Customer-Requested Load Ramp in **Exhibit A**. Company will deliver "commissioning/bridging power" in the amount of \_\_\_\_\_ MW by \_\_\_\_\_(month) \_\_\_\_\_(year). Company's obligation to deliver electricity as covered in this Agreement on the agreed upon date, and all the Customer's obligations under this Agreement, are contingent upon the Company's receiving third party rights-of-way, privileges, franchises, permits and the necessary equipment in sufficient time to install it on or before that date. Customer acknowledges that Company's ability to achieve the requested timelines is dependent on timely issuance of notices to proceed by Customer, prompt and timely provision of information from Customer to Company, no material changes in site plans, site access, equipment availability, and other circumstances, including governmental permitting and certificates, many of which are outside of Company's control. Company will work diligently to meet Customer's requested timelines but does not guarantee such timelines can be met. Customer agrees and acknowledges that events beyond Company's reasonable control may delay the provision of the requested services and agrees to hold Company harmless for any delays caused by such events beyond Company's reasonable control.

(Continued on Next Page)

4. Electricity Supply. Unless otherwise determined by the Company, electricity supplied by the Company hereunder shall be in the form of three phase, alternating current of approximately 60 hertz frequency and at approximately \_\_\_ kv. The maintenance by the Company of electricity available to the Customer in the above form, and in the quantity applied for, at the point of delivery defined above, shall constitute delivery by Company of the electricity applied for whether or not the Customer makes any use thereof. Company shall provide firm service to the Customer and the Company shall retain the right to curtail or interrupt service to Customer only where such curtailment or interruption is intended to ensure grid stability, reduce the likelihood or breadth of wider service outages, or ensure public safety during an emergency or other exceptional circumstance.

5. Minimum Term. The Minimum Term shall be from the date when the first contract capacity is reached (as set forth on Exhibit A) through and including the twentieth anniversary of the date when the first contract capacity is reached. After the Minimum Term, electric service under this Agreement shall continue until terminated by either Company or Customer upon written notice consistent with the notice provisions in Paragraph 17. If Customer fails to give such notice, Customer shall be responsible for termination fees as set forth in Paragraph 8.

6. Notice to Terminate. Following the In-Service Date, Customer must provide notice in accordance with Paragraph 17 at least two years in advance of terminating service. Customer may be responsible for termination fees as set forth in Paragraph 8.

7. Company Termination. Company may terminate service under this Agreement at any time due to a Customer Event of Default pursuant to Paragraph 23.

8. Early Termination.

a. If Customer provides written notice to Company at any time prior to the In-Service Date that Customer no longer intends to purchase electric power from Company, or will no longer require service to meet the load (at any milestone date) specified in Exhibit A, Customer shall reimburse Company for Company's actual costs incurred or committed by Company associated with the work in preparing to provide electric service to the site, including but not limited to Allowance for Funds used during Construction, ("Company Costs") as estimated in Exhibit B ("Termination Payment Obligation"). Customer acknowledges and agrees that any cost estimates set forth herein or previously disclosed are non-binding and that the actual costs to perform the work may exceed the projected costs. For the Customer, upon receipt of such written notice, Company will use commercially reasonable efforts to mitigate all costs incurred. Company will invoice Customer in writing and provide reasonable supporting material of all Company Costs within sixty (60) days of receiving the written notice of termination. Customer will reimburse Company for all costs within forty-five (45) days of receiving such invoice.

b. In the event (i) Customer terminates this Agreement after the In-Service Date and prior to the end of the Minimum Term; or (ii) Company terminates this Agreement pursuant to Paragraph 7, then the Customer shall be responsible for payment of a "Termination Fee." The Termination Fee is equal to three years of Minimum Monthly Bills plus the net book values of the new facilities referenced in paragraph 9 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded.

c. In the event Customer terminates this Agreement after the In-Service Date, but fails to give the advance notice required in Paragraph 6, in addition to the Termination Fee referenced in Paragraph 8b, as applicable, the Customer shall also be responsible for payment of termination delay damages equal to the Minimum Monthly Bills that would have otherwise been paid by the Customer over the applicable two year notice period if timely notice had been delivered, "Termination Delay Damages;". For the avoidance of doubt, such Termination Delay Damages will be calculated on a pro-rata basis determined on the extent to which Customer's advance notice fails to meet the requirements of Paragraph 7.

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**8. Early Termination (continued).**

d. For the avoidance of doubt, the Parties acknowledge and agree that it would be extremely difficult and impracticable under the presently known and anticipated facts and circumstances to ascertain and fix the actual damages the Company would incur if the Customer reduces its contract demand, or otherwise terminates this Agreement prior to the expiration of the Minimum Term of the Agreement. Accordingly, if the Customer takes such triggering action specified in Paragraph 8 hereunder, the Company's remedy for such breach shall be to recover from the Customer, as liquidated damages, and not as a penalty, the applicable Termination Fee or Termination Payment Obligation set forth in Paragraph 8 of this Agreement ("Termination Liquidated Damages") as its sole and exclusive remedy for the Customer's early termination of this agreement. The Termination Liquidated Damages shall not limit the Company's remedies for other breaches, actions or omissions of the Customer. The Termination Liquidated Damages shall be due and payable by the Customer to the Company within forty-five (45) days after written demand by the Company. In addition to its other rights and remedies, the Company shall have the right to offset the amount of any unpaid Termination Liquidated Damages plus interest from the date the payment was due, to be calculated at the published Wall Street Journal Prime Rate plus 1.5%, simple interest per annum, against any amounts due or that may become due the Customer under the Agreement.

9. Customer Facilities. Within forty-five days from the date of this Agreement, the Customer shall pay \$\_\_\_\_\_ for Contributions-In-Aid-of-Construction ("CIAC") payments required by and calculated pursuant to Rule 25-6.064, F.A.C. and the Company's Tariff, which payment represents the full CIAC amount for which Customer is responsible under this agreement.

10. Security Requirements. Customer shall provide Security to the Company to secure its obligations hereunder to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable Termination Payment Obligation or Termination Fee ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held by the Company. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as **Exhibit C** to this Agreement. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Fee and a credit review of the Customer, which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as **Exhibit D** to this Agreement ("Parent Guaranty") in order to reduce the Security Percentage. If the Customer provides a Parent Guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the Security Amount not covered by an LOC or cash security. All Customers, regardless of relative creditworthiness, will be assigned a Security Percentage of at least 10% if the Security Amount exceeds \$100M.

(Continued on Next Page)

11. Failure or Deficiency of Security. If at any point during the term of this Agreement, the Security fails to meet the requirements set forth above, Customer shall replace the Security, as applicable, within thirty (30) business days of receipt of notice from Company requesting such action with an LOC, cash security, or Parent Guaranty, as applicable, meeting the requirements described herein. Customer may not provide a Parent Guaranty in place of an LOC that does not meet the requirements described herein. The Security shall remain in full force and effect until all obligations of the Agreement have been satisfied. Customer acknowledges and agrees that Security shall be a source of non-reimbursable funds for Company in the event Customer does not fulfill its obligations to Company under this Agreement. Customer acknowledges and agrees that Company shall have the right to draw on and retain the full amount of Security if fewer than 30 days remain until the Security's expiration and the Security has not been renewed. Company will release or refund to Customer the Security provided under this Agreement within 30 days after Customer's satisfaction of all obligations under this Agreement or termination of this Agreement. Company may require Customer to adjust the Security to conform to any amendments to this Agreement.

12. Minimum Billing Demand. From inception of service until the expiration of the Minimum Term, the minimum billing demand will be \_\_\_%<sup>1</sup> of the contract demand established by **Exhibit A** to this Agreement. On and after the expiration of the Minimum Term, the minimum billing demand shall be established pursuant to the Large Load Customer rate schedule, or such equivalent rate schedule applicable to the Customer at that time. The minimum billing energy volume will be based on \_\_\_%<sup>2</sup> load factor applied to the Minimum Billing Demand.

13. Amendment. If the Customer requests an amendment to the Agreement that reduces contract demand before the expiration of the initial term of the Agreement, a termination charge will apply as reflected in Paragraph 8.

14. Commission Rules and Tariffs. This Agreement will be governed by and construed according to the laws of the State of Florida, the Commission's Rules, and the currently effective tariffs of Company, as applicable. This Agreement and the applicable Commission service regulations, rules, and tariffs, are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of the Company with, or by order of, the regulatory authority having jurisdiction, and each party to this Agreement reserves the right to seek additional changes or substitutions to this Agreement, in accordance with law, from such regulatory authority. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.

15. Additional Facilities. In connection with electric service hereunder, if Customer requests Company to furnish and maintain required additional facilities to provide an enhanced level of electric service (incremental to the standard scope of delivery), the provisions of **Exhibit E** will apply.

16. Confidentiality. With respect to the treatment of confidential information, the Parties shall remain subject to that certain Confidentiality Agreement by and between the Parties dated as of \_\_\_\_\_ (the "Confidentiality Agreement"). The Confidentiality Agreement is hereby incorporated by reference into this Agreement.

17. Notice. Any notices to be sent or given hereunder by either Party shall in every case be in writing and only be deemed effective if both 1) delivered personally to the recipient, sent to the recipient by reputable express courier service (charges paid), or mailed to the recipient by registered or certified mail, return receipt requested and postage paid (on the one hand), and 2) sent to the recipient by email. Such notices shall be sent to the addresses and email addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Agreement:

<sup>1</sup> The range for the minimum billing demand is set out in Section 13.03 of the Large Load Customer Policy.

<sup>2</sup> The load factor to calculate the minimum billing energy volume must be no less than 60%.

(Continued on Next Page)



17. Notice (continued).

To Customer:	To Company:
_____	Duke Energy Florida, LLC
Attn: _____	Attn: _____
_____	_____
_____	_____
Email: _____	Email: _____

18. Limitation of Liability. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST OPPORTUNITIES OR PROFITS) OR PUNITIVE DAMAGES, EXCEPT FOR ANY LIABILITY ARISING OUT OF (A) ITS INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, (B) ITS FRAUD, (C) TO THE EXTENT ANY EXPRESS REMEDIES SPECIFICALLY SET FORTH HEREIN COULD OTHERWISE BE DEEMED TO BE SUCH DAMAGES, INCLUDING ANY LIQUIDATED DAMAGES ARISING HEREUNDER, OR (D) ITS GROSS NEGLIGENCE, OR RECKLESS OR WILLFUL MISCONDUCT, INCLUDING WILLFUL BREACH OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, COMPANY IS NOT LIABLE FOR ANY LOSS, COST, DAMAGE, OR EXPENSE TO CUSTOMER OCCASIONED BY ANY FAILURE TO SUPPLY ELECTRICITY ACCORDING TO THE TERMS OF THIS AGREEMENT OR BY ANY INTERRUPTION OR REVERSAL OF THE SUPPLY OF ELECTRICITY, IF SUCH FAILURE, INTERRUPTION, OR REVERSAL IS DUE TO STORM, LIGHTNING, FIRE, FLOOD, DROUGHT, STRIKE OR ANY CAUSE BEYOND THE CONTROL OF THE COMPANY OR ANY OTHER CAUSE EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE COMPANY'S PART.

19. Indemnification and Hold Harmless. The Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, costs or expense for loss, damage, death or injury to persons or property, in any manner directly or indirectly connected with, or growing out of Customer's negligent, grossly negligent, or willful misconduct associated with the use or disposition of electricity by the Customer at or on the Customer's side of the Point of Delivery, unless such loss, damage, death or injury shall result from the sole negligence gross negligence, strict liability, or willful misconduct of the Company. If a claim for indemnity arises from the joint or comparative negligence or fault of Customer and Company, subject to limitations of applicable law, Customer's indemnity obligations shall apply only to the extent of Customer's proportionate share of responsibility for such claim.

20. Jurisdiction. This Agreement is subject to the jurisdiction of the Commission as part of the provision of retail electric service by the Company to the Customer pursuant to the Company's Tariff.

21. Dispute Resolution and Venue. If a dispute arises between the Parties regarding this Agreement, either Party will first give written notice to the other Party and attempt good-faith negotiation. If the Parties are unable to resolve the dispute between themselves within sixty (60) days (or such longer period of time as the Parties may mutually agree upon), either Party may submit the dispute to a court of competent jurisdiction in Florida or in the United States District Court having jurisdiction in Florida, and each Party agrees that each such court shall have personal jurisdiction over it with respect to such proceeding, and waives any objections it may have, and expressly consents, to such personal jurisdiction; provided, however, that any Party may assert that proper jurisdiction for the resolution of the dispute is before the Commission.

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22. Events of Default. The occurrence with respect to a Party of any of the following events or conditions constitutes an event of default with respect to such Party (an "Event of Default"):

- a. Such Party becomes Bankrupt;
- b. Such Party assigns or transfers this Agreement other than in accordance with Paragraph 26.
- c. Customer materially breaches any provision of this Agreement, Rate Schedule \_\_\_\_\_, or the Company's Tariff and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Customer will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure; and
- d. Company materially breaches any provision of this Agreement and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Company will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Company promptly commences and diligently pursues the cure.

23. Termination for Event of Default. If a Party fails to cure an Event of Default within the applicable cure period, and the default is not contested pursuant to the dispute resolution process set forth in Paragraph 21, the non-defaulting Party will have the right to terminate this Agreement; provided, however, that the Company shall notify the Customer at least ninety (90) days in advance of such termination and describe the Customer's failure to comply. The Company may then terminate service under this Agreement at the end of the ninety (90) day notice period (the "Termination Period"); provided, if the Customer cures the Event of Default or other compliance deficiencies described by the Company, to the Company's satisfaction in its sole discretion, prior to the end of the Termination Period, the Company shall not terminate the Agreement.

24. Survival. In addition to any other provisions of this Agreement that, by their terms, survive the termination of this Agreement, the following rights, obligations, or provisions survive the termination of this Agreement: (i) obligations of a Party to the other Party to pay any amounts or to perform any duties or obligations that accrued or arose prior to, that directly resulted from, or that contemplate performance following, the termination of this Agreement; (ii) Paragraph 8; (iii) Paragraph 17 (iv) Paragraph 19 (which survive through the conclusion of the statute of limitations period applicable to any potential third-party claim or the resolution of any then outstanding third party claim, if later); (v) Paragraph 21; (vi) Paragraph 18; and (vii) Paragraph 14.

25. Integration. For the avoidance of doubt, this Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements and commitments between the Parties with respect to the provision of electric power to the site.

26. Assignment. Neither Party may assign this Agreement, nor may it assign any interest herein, without the other Party's express prior written consent, which consent may be withheld in such Party's sole discretion, except that either Party may assign this Agreement or any interest herein to (a) any of its affiliates or (b) its successor by merger or an entity acquiring all or substantially all of its assets. Nothing herein is intended to nor be construed as creating: (i) a partnership, joint venture, or other legal entity, or (ii) any agency or continuing relationship between the Parties, other than the contractual relationship expressly and specifically set forth herein. Nothing in this Agreement gives any person or entity, other than the Parties, any legal or equitable right, remedy, or claim under or with respect to any provision of this Agreement. This Agreement shall be binding upon, and extend to, the heirs, successors and assigns of the respective Parties hereto.

27. Authority. Each person signing on behalf of Company and Customer represents to the other that such person has all requisite authority to execute and deliver this Agreement to the other and to bind the signatory's respective party to perform the obligations prescribed by this Agreement.

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28. Counterparts. This Agreement may be executed by Company and Customer in separate counterparts via wet signature or electronically, each executed copy will be an original, and all such counterparts will together be one and the same instrument.

29. Additional provisions, if any, are included in Exhibit F.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed and sealed in their names, the day and year first above written.

Duke Energy Florida, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

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**Exhibit A**  
**Customer-Requested Load Ramp**

(Continued on Next Page)



**Exhibit B**  
**Company Costs to Serve Customer Facility**

(Continued on Next Page)



Exhibit C

Form Letter of Credit

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: \_\_\_\_\_

Date: \_\_\_\_\_

Beneficiary:  
[Duke Energy legal entity name]  
c/o Duke Energy Corporation  
Attention: Chief Risk Officer (DEP-16A)  
525 S. Tryon Street  
Charlotte, NC 28202

Ladies and Gentlemen:

By the order of:

Applicant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We hereby issue in your favor our irrevocable letter of credit No.: \_\_\_\_\_ (“Letter of Credit”) for the account of \_\_\_\_\_ (the “Applicant”) for an amount or amounts not to exceed \_\_\_\_\_ US Dollars in the aggregate (US\$ \_\_\_\_\_) available by your drafts at sight drawn on [Issuing Bank] effective \_\_\_\_\_ and expiring at our office on \_\_\_\_\_ (which date, as may be extended in the manner provided herein is referred to as the “Expiration Date”). This Letter of Credit shall be automatically extended, without amendment, for successive one (1) year periods unless we provide Beneficiary with not less than sixty (60) days’ prior written notice by overnight courier to the address set forth above that we elect not to extend this Letter of Credit. Upon receipt by the Beneficiary of any such notice not to extend this Letter of Credit and notwithstanding anything in this Letter of Credit to the contrary, the Beneficiary may draw any or the entire amount available hereunder by presenting drawing documents in compliance with the terms and conditions of this Letter of Credit.

Funds under this Letter of Credit are available against your draft(s), in the form of attached Annex 1, mentioning our letter of credit number and presented at our office located at [Issuing Bank’s address must be in US] and accompanied by a certificate in the form of attached Annex 2 with appropriate blanks completed, purportedly signed by an authorized representative of the Beneficiary, on or before the Expiration Date in accordance with the terms and conditions of this Letter of Credit. Partial drawings under this Letter of Credit are permitted.

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We hereby undertake to promptly honor your drawing(s) presented in compliance with the terms of this Letter of Credit, up to the amount then available herein, in no event will payment exceed the amount then available to be drawn under this Letter of Credit.

We engage with you that drafts drawn under and in conformity with the terms of this Letter of Credit will be duly honored on presentation if presented on or before the Expiration Date. Presentation at our office includes presentation in person, by certified, registered, or overnight mail.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Issuing Bank] under this Letter of Credit is the individual obligation of [Issuing Bank] and is in no way contingent upon reimbursement with respect hereto.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber Of Commerce Publication No. 590 ("ISP98"). Matters not addressed by ISP98 shall be governed by the laws of the state of New York.

We shall have a reasonable amount of time, not to exceed two (2) business days following the date of our receipt of drawing documents, to examine the documents and determine whether to take up or refuse the documents and to inform you accordingly.

Kindly address all communications with respect to this Letter of Credit to [Issuing Bank's contact information], specifically referring to the number of this Letter of Credit.

All banking charges are for the account of the Applicant.

With the exception of increases in the amount or extensions of the expiry date, this letter of credit may not be amended, changed or modified without the consent of the beneficiary.

This letter of credit is transferable, and we agree to consent to its transfer, subject to our standard terms of transfer and your payment to us of our standard transfer fee.

Very truly yours  
[Issuing Bank]

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Authorized Signer

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This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 1

FORM OF SIGHT DRAFT

[Insert date of sight draft]

To: *[Issuing Bank's name and address]*

For the value received, pay to the order of \_\_\_\_\_ by wire transfer of immediately available funds to the following account:

*[name of account]*  
*[account number]*  
*[name and address of bank at which account is maintained]*  
*[aba number]*  
*[reference]*

The following amount:

*[insert number of dollars in writing]* United States Dollars  
(US\$ *[insert number of dollars in figures]*)

Drawn upon your irrevocable letter of credit No. *[irrevocable standby letter of credit number]* dated *[effective date]*

*[Beneficiary]*

By: \_\_\_\_\_  
Title: \_\_\_\_\_

(Continued on Next Page)



This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 2

FORM OF CERTIFICATE

[Insert date of certificate]

To: *[issuing bank's name and address]*

Duke Energy [ ] \_\_\_\_\_ (the "Beneficiary") is drawing the funds requested under this draft based on the below specified draw condition:

*[check appropriate draw condition]*

[ ] Pursuant to that certain [Name of Agreement] between Beneficiary and [Insert counterparty's Name] dated as of \_\_\_\_\_ (the "Agreement"), Beneficiary is entitled to the draw of the funds requested

Or

[ ] Applicant has failed to extend or replace the Letter of Credit and/or provide other acceptable replacement collateral as required in the Agreement, and less than thirty (30) days remain prior to the expiration of the Letter of Credit, wherefore Beneficiary hereby demands payment of US\$\_\_\_\_\_ to be held as collateral until Beneficiary is provided with a replacement letter of credit or other acceptable collateral.

Duke Energy [ ] \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(Continued on Next Page)

**Exhibit D****Form Parent Guaranty**

**THIS GUARANTY AGREEMENT** (this "Guaranty"), dated as of [date], is issued and delivered by **[GUARANTOR'S NAME]**, a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Guarantor"), for the account of **[ENTITY NAME]**, a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Obligor"), and for the benefit of **[ENTITY NAME]**, a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Beneficiary").

**Background Statement**

WHEREAS, the Beneficiary and Obligor entered into that certain [NAME OF AGREEMENT], dated \_\_\_\_\_ (the "Agreement"); and

WHEREAS, Beneficiary has required that the Guarantor deliver to the Beneficiary this Guaranty as an inducement to enter into the Agreement.

**Agreement**

**NOW, THEREFORE**, in consideration of the foregoing and for good and valuable consideration, the Guarantor hereby agrees as follows:

1. Guaranty. Subject to any rights, setoffs, counterclaims and any other defenses that the Guarantor expressly reserves to itself under this Guaranty, the Guarantor absolutely and unconditionally guarantees the timely payment of the Obligor's payment obligations under the Agreement (the "Guaranteed Obligations").

Subject to the other terms of this Guaranty, the liability of the Guarantor under this Guaranty is limited to payments expressly required to be made under the Agreement, and except as specifically provided therein, the Guarantor shall not be liable for or required to pay any consequential or indirect loss (including but not limited to loss of profits), exemplary damages, punitive damages, special damages, or any other damages or costs.

2. Effect of Amendments. The Guarantor agrees that the Beneficiary and the Obligor may modify, amend and supplement the Agreement and that the Beneficiary may delay or extend the date on which any payment must be made pursuant to the Agreement or delay or extend the date on which any act must be performed by the Obligor thereunder, all without notice to or further assent by the Guarantor, who shall remain bound by this Guaranty, notwithstanding any such act by the Beneficiary.

3. Waiver of Rights. The Guarantor expressly waives (i) protest, (ii) notice of acceptance of this Guaranty by the Beneficiary, and (iii) demand for payment of any of the Guaranteed Obligations.

4. Reservation of Defenses. Without limiting the Guarantor's own defenses and rights hereunder, the Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses that the Obligor may have to payment of all or any portion of the Guaranteed Obligations except defenses arising from the bankruptcy, insolvency, dissolution or liquidation of the Obligor and other defenses expressly waived in this Guaranty.

5. Settlements Conditional. This guaranty shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any monies paid to the Beneficiary in reduction of the indebtedness of the Obligor under the Agreement have to be repaid by the Beneficiary by virtue of any

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provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and the liability of the Guarantor under this Guaranty shall be computed as if such monies had never been paid to the Beneficiary.

6. Notice. The Beneficiary will provide written notice to the Guarantor if the Obligor defaults under the Agreement.

7. Primary Liability of the Guarantor. The Guarantor agrees that the Beneficiary may enforce this Guaranty without the necessity at any time of resorting to or exhausting any other security or collateral. This is a continuing Guaranty of payment and not merely of collection.

8. Representations and Warranties. The Guarantor represents and warrants to the Beneficiary as of the date hereof that:

- a. The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed;
- b. The execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;
- c. All consents, authorizations, approvals, registrations and declarations required for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
- d. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights or by general equity principles.

9. Nature of Guaranty. The Guarantor hereby agrees that its obligations hereunder shall be unconditional irrespective of the impossibility or illegality of performance by the Obligor under the Agreement; the absence of any action to enforce the Agreement; any waiver or consent by Beneficiary concerning any provisions of the Agreement; the rendering of any judgment against the Obligor or any action to enforce the same; any failure by Beneficiary to take any steps necessary to preserve its rights to any security or collateral for the Guaranteed Obligations; the release of all or any portion of any collateral by Beneficiary; or any failure by Beneficiary to perfect or to keep perfected its security interest or lien in any portion of any collateral.

10. Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation until all Guaranteed Obligations shall have been paid in full. Subject to the foregoing, upon payment of all such Guaranteed Obligations, the Guarantor shall be subrogated to the rights of Beneficiary against the Obligor, and Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

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11. Term of Guaranty. This Guaranty shall remain in full force and effect until the earlier of (i) such time as all the Guaranteed Obligations have been discharged, and (ii) [date] (the "Expiration Date"); provided however, the Guarantor will remain liable hereunder for Guaranteed Obligations that were outstanding prior to the Expiration Date.

12. Governing Law. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to principles of conflicts of law.

13. Expenses. The Guarantor agrees to pay all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Beneficiary's counsel) relating to the enforcement of the Beneficiary's rights hereunder in the event the Guarantor disputes its obligations under this Guaranty and it is finally determined (whether through settlement, arbitration or adjudication, including the exhaustion of all permitted appeals), that the Beneficiary is entitled to receive payment of a portion of or all of such disputed amounts.

14. Waiver of Jury Trial. The Guarantor and the Beneficiary, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding or counterclaim arising or relating to this Guaranty.

15. Entire Agreement; Amendments. This Guaranty integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. This Guaranty may only be amended or modified by an instrument in writing signed by each of the Guarantor and the Beneficiary.

16. Headings. The headings of the various Sections of this Guaranty are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

17. No Third-Party Beneficiary. This Guaranty is given by the Guarantor solely for the benefit of the Beneficiary and is not to be relied upon by any other person or entity.

18. Assignment. Neither the Guarantor nor the Beneficiary may assign its rights or obligations under this Guaranty without the prior written consent of the other, which consent may not be unreasonably withheld or delayed, except that: the Beneficiary may, upon 30 days prior written notice, make such an assignment without such consent if in conjunction with any assignment of the Agreement by the Beneficiary permitted under the Agreement.

Any purported assignment in violation of this Section 18 shall be void and without effect.

(Continued on Next Page)

19. Notices. Any communication, demand or notice to be given hereunder will be duly given when delivered in writing or sent by electronic mail to the Guarantor or to the Beneficiary, as applicable, at its address as indicated below:

If to the Guarantor, at:

**[GUARANTOR'S NAME]**  
[Guarantor's street address]  
[City, State and Zip]  
Attention: [contact]  
Email: [email address]

With a copy to:

**[ENTITY NAME]**  
[Address]  
Attention: [contact]  
Email: [email address]

If to the Beneficiary, at:

**Duke Energy Corporation**  
525 South Tryon St.  
Mail code: DEP-16A  
Charlotte, NC 28202  
Attention: Chief Risk Officer  
Email: [reg.credit@duke-energy.com](mailto:reg.credit@duke-energy.com)

or such other address as the Guarantor or the Beneficiary shall from time to time specify. Notice shall be deemed given (a) when received, as evidenced by signed receipt, if sent by hand delivery, overnight courier or registered mail or (b) when received, as evidenced by email confirmation, if sent by email and received on or before 4 p.m. local time of recipient, or (c) the next business day, as evidenced by email confirmation, if sent by email and received after 4 p.m. local time of recipient.

20. Electronic Signatures. The words "execution," "signed," "signature," and words of like import in this Guaranty shall be deemed to include electronic signatures (including via DocuSign or similar method) or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(Continued on Next Page)



**IN WITNESS WHEREOF**, the Guarantor has executed this Guaranty as of the day and year first above written.

**[GUARANTOR]**

By: \_\_\_\_\_  
Name:  
Title:

(Continued on Next Page)



**Exhibit E**

**Additional Facilities Details, if applicable**

(Continued on Next Page)

**Exhibit F**  
**Additional Provisions, if any**

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 22<sup>nd</sup> day of April, 2026, to the following:

*/s/ Dianne M. Triplett*  
Dianne M. Triplett

<p>M. Thompson / S. Farooqi Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:MThompso@psc.state.fl.us">MThompso@psc.state.fl.us</a> <a href="mailto:sfarooqi@psc.state.fl.us">sfarooqi@psc.state.fl.us</a></p>	<p>Walter L. Trierweiler / Charles J. Rehwinkel Patricia A. Christensen / Octavio Simoes-Ponce Austin A. Watrous Office of Public Counsel 111 W. Madison Street, Room 812 Tallahassee, Florida 32399 <a href="mailto:Trierweiler.walt@leg.state.fl.us">Trierweiler.walt@leg.state.fl.us</a> <a href="mailto:Rehwinkel.charles@leg.state.fl.us">Rehwinkel.charles@leg.state.fl.us</a> <a href="mailto:christensen.patty@leg.state.fl.us">christensen.patty@leg.state.fl.us</a> <a href="mailto:ponce.octavio@leg.state.fl.us">ponce.octavio@leg.state.fl.us</a> <a href="mailto:watrous.austin@leg.state.fl.us">watrous.austin@leg.state.fl.us</a></p>
<p>Peter J. Mattheis / Michael K. Lavanga Joseph R. Briscar Stone Mattheis Xenopoulos &amp; Brew, PC NUCOR 1025 Thomas Jefferson Street, NW Suite 800 West Washington, DC 20007-5201 <a href="mailto:pjm@smxblaw.com">pjm@smxblaw.com</a> <a href="mailto:mkl@smxblaw.com">mkl@smxblaw.com</a> <a href="mailto:jrb@smxblaw.com">jrb@smxblaw.com</a></p>	<p>Jon C. Moyle, Jr. / Karen A. Putnal Moyle Law Firm, P.A. FIPUG 118 North Gadsden Street Tallahassee, Florida 32301 <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a> <a href="mailto:kputnal@moylelaw.com">kputnal@moylelaw.com</a> <a href="mailto:mqualls@moylelaw.com">mqualls@moylelaw.com</a></p>
<p>James W. Brew / Laura Wynn Baker Sarah B. Newman Stone Mattheis Xenopoulos &amp; Brew, PC PCS Phosphate – White Springs 1025 Thomas Jefferson Street, NW Suite E-3400 Washington, DC 20007-5201 <a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a> <a href="mailto:lwb@smxblaw.com">lwb@smxblaw.com</a> <a href="mailto:sbn@smxblaw.com">sbn@smxblaw.com</a></p>	

**IN RE: DUKE ENERGY FLORIDA, LLC’S PETITION FOR A LIMITED  
PROCEEDING TO APPROVE LARGE LOAD TARIFF**

**FPSC DOCKET NO. \_\_\_\_\_**

**DIRECT TESTIMONY OF MATTHEW CHATELAIN**

**APRIL 22, 2026**

**I. INTRODUCTION**

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**Q. Please state your name and business address.**

A. My name is Matthew Chatelain, and my business address is 525 South Tryon Street,  
Charlotte, North Carolina 28202.

**Q. By whom are you employed and what is your position?**

A. I am employed as Rates and Regulatory Strategy Director for Duke Energy Business  
Services, LLC (“DEBS”). DEBS is a service company subsidiary of Duke Energy  
Corporation (“Duke Energy”) that provides services to Duke Energy and its subsidiaries,  
including Duke Energy Florida, LLC (“DEF” or the “Company”) and its affiliated utility  
operating companies.

**Q. Please describe your duties and responsibilities in that position.**

A. I am responsible for rate administration, rate design, and pricing for DEF.

1 **Q. Please describe your educational background and professional experience.**

2 A. I received Bachelor of Science in Business Administration degrees in Accounting and  
3 Management from Appalachian State University in 2011. I also received a Master of  
4 Science degree in Accounting from Appalachian State University in 2012. I am a Certified  
5 Public Accountant (“CPA”) licensed in the state of North Carolina. I joined Duke Energy  
6 in 2016 and worked in asset accounting for three years. I have been responsible for DEF  
7 rate administration, rate design, and pricing since 2019, with increasing responsibilities.  
8 Prior to joining Duke Energy, I was employed as an auditor by CohnReznick LLP, where I  
9 had some exposure to renewable energy credit contracts and related industry accounting  
10 practices.

11

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to:

- 14 1) Describe the proposed provisions and characteristics that customers must meet to  
15 be considered a “large load” customer;
- 16 2) Summarize the proposed Large Load Customer Agreement (“LLCA”) tariff  
17 contract and Large Load Customer Policy (“LLCP”);
- 18 3) Explain the proposed changes to the Company’s Contribution in Aid of  
19 Construction (“CIAC”) tariff; and
- 20 4) Describe the changes to the LLCA and the LLCP that the Company proposes to  
21 comply with Senate Bill 484 (“new legislation”).

22

1 **Q. Have you prepared any exhibits to your testimony?**

2 A. Yes. I have prepared or supervised the preparation of one exhibit:

- 3 • Exhibit No. MJC-1: Comparison of tariffs filed in Docket 20250113-EI to tariffs filed  
4 in this docket.

5 This exhibit is true and accurate, subject to being updated throughout the course of this  
6 proceeding.

7

8 **Q. Please summarize your testimony.**

9 A. My testimony supports the Company's petition for approval of the Large Load Customer  
10 Tariff. DEF originally filed for approval of its LLCP and LLCA on September 5, 2025, but  
11 the passage of the new legislation necessitated some changes to these tariffs. The  
12 Company's petition is also supported by the testimony of DEF Witness Steven Wishart,  
13 who provides context on large load trends across the country and assesses DEF's proposal  
14 in light of those trends. The load profile of these anticipated large load customers includes  
15 higher demand and energy requirements and a higher load factor when compared to  
16 customers in DEF's existing rate classes.

17

18 Specifically, my testimony presents the proposals to accommodate the Company's  
19 proposed LLCP and the proposed LLCA tariff contract. The Company's filing seeks to  
20 strike the appropriate balance between meeting its obligation to serve all retail customers,  
21 including large load customers, while minimizing impacts to the general body of  
22 customers. The filing also explains the changes DEF has proposed to comply with the new  
23 legislation.

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**II. PROPOSED TARIFF CHANGES**

**Q. Please summarize the more significant emerging energy trends impacting Florida today that call for tariff changes or revisions.**

A. As described more fully in the testimony of DEF Witness Wishart, the electric utility industry is experiencing unprecedented growth and demand from large load customers, particularly from data centers. DEF does not currently have any large load data center customers, but given the recent trends that have been identified, the Company anticipates that it may be requested to provide service to these kinds of customers, and that such service, with nothing more, may impact all customers. In recognition of these facts, and to be proactive to these growth and demand trends, the Company is proposing changes to the LLCP and LLCA to build on the tariff change that the Company obtained in the 2024 Settlement.

**Q. Please summarize the rate design components of the 2024 Settlement.**

A. The 2024 Settlement Agreement, approved by the Commission in Order No. PSC-2024-0472-AS-EI (the “2024 Settlement”), established DEF’s current rate design components. In the 2024 Settlement, the Company proposed a series of rate design changes to reduce subsidization within rate classes, send price signals that encourage system beneficial consumption, and generally modernize DEF pricing structures. Importantly, the rate design components focused specifically on fine-tuning the time of use (“TOU”) periods and pricing established in the 2021 settlement, with a goal of avoiding further changes for several years to provide customers with clear and consistent pricing expectations that align with system benefits. The Company also added a special provision to applicable general

1 service rate schedules that allows it to require performance provisions and/or credit  
2 assurance at the Company's discretion if customers seek service of 50 MW or greater and  
3 require significant production, transmission, and/or distribution investments by the  
4 Company to serve.

5  
6 **Q. Please provide an overview of the primary modifications that DEF proposes in this**  
7 **proceeding.**

8 A. DEF has proposed changes to tariffs in Section IV – General Rules and Regulations,  
9 including a modification to Part III, CIAC; Section VI – Rate Schedules; and Section  
10 VII - Forms. Legislative and clean versions of these tariffs are attached to the Petition as  
11 Appendix A and Appendix B, respectively.

12  
13 First, the tariff changes to Section IV provide for a new part XIII, which lays out the LLCP,  
14 including general provisions and terms that will apply to all customers with new load  
15 greater than 50 MW. This LLCP will apply to such customers regardless of the rate  
16 schedule under which the customer takes service. Details on the LLCP are provided in  
17 Section III.A of my testimony. Additionally, DEF is proposing changes to Section IV, Part  
18 III – CIAC. These changes are designed to protect the general body of customers from  
19 incurring costs to serve new proposed load if that load does not materialize. Specifically,  
20 large load applicants will be required to advance the total estimated costs to extend service  
21 and will receive a refund limited to these advanced costs, minus the CIAC amount due.<sup>1</sup>

22 The total amount eligible for refund shall be limited to the total costs to extend service, less

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<sup>1</sup> See F.A.C. Rule 25-6.064.

1 the required CIAC amount. Upon the in-service date, the large load applicant will receive  
2 the refund through monthly bill credits that are equal to the applicant's actual monthly base  
3 energy and base demand charges for that billing cycle. The refund period will be limited to  
4 a maximum of five years from the in-service date or until the full costs to extend service,  
5 less the required CIAC, have been refunded to the applicant, whichever occurs first. Any  
6 remaining balance after the end of the refund period will become non-refundable.

7  
8 Finally, Section VII includes a new proposed LLCA, which will be the form tariff contract  
9 that large load customers will sign formalizing the details for their project. The LLCA is  
10 based on the Company's LLCP. The modifications proposed in this proceeding mitigate the  
11 risks of subsidization by the general body of customers and the risk to the Company from  
12 potential stranded assets. Additional details on the LLCA are provided in Section III.B of  
13 my testimony.

### 14 15 **III. LARGE LOAD TARIFF PROPOSAL**

#### 16 **A. Large Load Customer Policy**

17 **Q. Please summarize the changes that DEF is proposing to Section IV – General Rules**  
18 **and Regulations.**

19 A. The Company proposes a new LLCP that will apply to individual customers, regardless of  
20 rate class, with a Peak Load forecast reasonably expected to be greater than or equal to a  
21 Monthly Maximum Demand of 50,000 kW of firm load any time during the service  
22 agreement term. As described more fully below in Section III.B, customers subject to the  
23 new LLCP must execute an LLCA. Eligible large load customers must also pay a system  
24 impact study fee to determine necessary investment and upgrade costs. The LLCP also

1 establishes a minimum contract term, minimum monthly bill provisions, security  
2 requirements, and early termination provisions.

3  
4 **Q. What is the basis for the proposed changes?**

5 A. The additional contract terms and customer protections are more substantial than those  
6 required of any previous customer seeking service from the Company, given that large load  
7 customer projects have unique characteristics that are unprecedented in Florida. For this  
8 reason, DEF proposes appropriate responsive policy changes to its rules and regulations.  
9 These necessary considerations, when taken together, encourage large load customers to  
10 provide more accurate peak demand requirement estimates while adding deterrents for  
11 speculative or non-committal prospective customers.

12  
13 **Q. What are the proposed minimum monthly bill provisions?**

14 A. The minimum monthly bill provisions in the LLCA define how DEF will determine a large  
15 load customer's monthly bill. Specifically, the minimum monthly bill provisions add a  
16 Minimum Demand and Minimum Billing Energy Volume component that is above and  
17 beyond the current DEF rate schedule minimum bill requirements. The LLCP includes a  
18 range of Minimum Demand from 75 to 85 percent. DEF intends to apply the same  
19 percentage to all qualifying customers depending on when they begin taking electric  
20 service. For example, if the LLCP is approved, DEF will utilize a Minimum Demand of 75  
21 percent. If DEF determines in the future that a higher Minimum Demand percentage is  
22 warranted, it will apply the increased percentage on a going forward basis for all customers.  
23 The minimum monthly bill provision creates accountability for the large load customer by

1 establishing a baseline required energy usage level and discourages over-estimation of  
2 capacity needs when approaching the Company with potential projects. As further  
3 described in DEF witness Wishart's testimony, the proposed minimum monthly bill  
4 provision is consistent with the approach of utilities across the nation and is a fair and  
5 reasonable method for accommodating the load growth while ensuring the recovery of  
6 costs related to investments specific to the large load customer.

7  
8 **Q. How will DEF calculate the minimum monthly bill?**

9 A. The Company will calculate the minimum monthly bill per the LLCP, depending on the  
10 rate schedule applicable to a large load customer. For customers receiving service under  
11 General Service Demand ("GSD") tariffs, such as the GSD-1 or GSDDT-1 rate schedules,  
12 the calculation will be the sum of the customer charge, Minimum Demand multiplied by  
13 the base demand rate (GSD-1) or base, on-peak, and mid-peak demand rates (GSDDT-1),  
14 the Minimum Billing Energy Volume, which is kWh calculated based on the Minimum  
15 Demand assuming an agreed upon projected load factor, multiplied by each base energy  
16 rate within the applicable GSD-1 or GSDDT-1 rate schedule, any actual kW demand  
17 multiplied by each demand rate within the BA-1 rate schedule, any actual kWh usage  
18 multiplied by each fuel and non-fuel energy rate within the applicable BA-1 rate schedule,  
19 and any applicable taxes and fees. The calculation of the Minimum Billing Energy Volume  
20 will include a minimum load factor assumption of at least 60 percent.

21  
22 **Q. What are the proposed early termination provisions?**

23 A. Once a customer executes an LLCA, the early termination provisions require that large

1 load customers seeking termination before the end of the minimum contract term provide  
2 written notice to the Company. The customer must provide that written notice no later than  
3 two years before the requested date of termination of service. This helps ensure that the  
4 Company has sufficient time to plan for the load reduction in a manner that minimizes  
5 impacts on existing customers and non-participants. The customer must also pay a  
6 Termination Fee, which is equal to three years of minimum monthly bills plus the net book  
7 value of the facilities subject to the CIAC rule less any refundable portion of the upfront  
8 CIAC payment, which has not yet been refunded..

9  
10 **Q. Do the early termination provisions provide for any damages?**

11 A. Yes. In addition to the Termination Fee described above, the customer may also be subject  
12 to Termination Delay Damages, which are incurred if a customer terminates their service  
13 before the end of the required notice period. The Termination Delay Damages will be  
14 calculated based on the Minimum Monthly Bill provision relative to the date of the  
15 termination event.

16  
17 For example, say a customer seeks to terminate their service at the start of Year 10 (the  
18 “Termination Event”) and provides two years of notice (in Year 8) of that termination. In  
19 this case, the customer’s Termination Fee would be equal to three years of minimum bills  
20 calculated for Years 10, 11, and 12, plus the net book value of the CIAC facilities that DEF  
21 installed to serve the customer. Say the same customer then decides, prior to the  
22 Termination Event, to end service early, at the start of Year 9. This customer would also  
23 incur Termination Delay Damages, which in this case would include minimum monthly

1 bills for Year 9 in addition to the three years of minimum monthly bills that make up the  
2 customer's Termination Fee. Together, the early termination and minimum monthly bill  
3 provisions help protect the Company's other customers from bearing the burden of  
4 potential stranded costs or underutilized assets due to the potential disappearance of or  
5 reduction in load if a large load customer project does not materialize or maintain its load  
6 as expected.

7  
8 **Q. What are the proposed security requirements?**

9 A. The proposed security provisions will require that potential large load customers secure  
10 their financial obligations to the Company by providing certain financial amounts (the  
11 "Security Amount"). The Security Amount is calculated by applying a certain percentage  
12 of the applicable termination payment (the "Security Percentage") to the Termination Fee.  
13 The Security Percentage generally depends on the size of the required Termination Fee and  
14 the customer's creditworthiness (*i.e.*, customers with a higher credit rating will receive a  
15 lower Security Percentage). However, if the Termination Fee is greater than \$100M, the  
16 Security Percentage will be no less than 10%.

17  
18 **Q. Please provide an example demonstrating how the proposed minimum bill  
19 requirements, early termination provisions, and proposed security requirements  
20 would work for a potential large load customer.**

21 A. In this example, I will use the following assumptions for an agreement with a hypothetical  
22 large load customer:

23

<b>Characteristic</b>	<b>Assumption</b>
Peak Demand	1,000 MW
Annual Usage	7,884,000 MWh
Agreed Contract Term	20 years
Minimum Demand	75%
Minimum Billing Energy Volume (assumes agreed upon 80% load factor)	438,000 MWh
Net Book Value of CIAC Facilities	\$200,000,000
Credit Rating	A/A3 credit rating

1 The monthly minimum bill, using current rates for this customer would be at least \$13.1  
2 million, made up by approximately \$0.6 million from demand charges (75% of the 1,000  
3 MW peak demand, multiplied by the GSDT-1 base demand rates, offset by the appropriate  
4 delivery voltage credit) and \$12.5 million from energy charges (Minimum Billing Energy  
5 Volume of 5,256,000 MWh, multiplied by the GSDT-1 base energy rates, reduced by the  
6 appropriate metering voltage credit. Any applicable customer charge would also apply. The  
7 annual minimum bill would be at least \$157.3 million, or 12 months of minimum monthly  
8 bills. Multiplying this amount by the 20-year contract results in a total minimum bill  
9 amount of \$3,145.4 million over the life of the assumed contract.

10  
11 The Termination Fee for this hypothetical customer would be \$671.8 million (\$157.3  
12 million total annual minimum bills x 3 years, plus \$200 million of net book value of CIAC  
13 facilities). As discussed above, if this customer sought to terminate its contract for any  
14 reason, the customer would pay this Termination Fee and also provide two-years of notice,

1 which would result in an additional \$314.5 million for the two-year notice period;  
2 therefore, total customer minimum bill and termination payments would be \$986.3 million  
3 (\$314.5 million for two-year notice plus \$671.8 million for the Termination Fee calculated  
4 above). If the customer terminates service prior to the end of the two-year notice period,  
5 they would also incur separate Termination Delay Damages depending on the date of  
6 service termination.

7  
8 The Security Amount in this scenario would be \$67.2 million, or 10% of the Termination  
9 Fee. Here, the hypothetical customer's Termination Fee exceeds \$100 million—therefore,  
10 the customer's applicable Security Percentage is no less than 10%. However, because the  
11 hypothetical customer's credit rating is A/A3, a higher Security Percentage is not  
12 necessary. Accordingly, the customer's Security Amount is 10% of its Termination Fee.

13  
14 The Company believes these requirements provide sufficient protection for other  
15 customers and give the Company adequate time to adjust its resource plan should the large  
16 load customer terminate prior to the end of the Minimum Term.

## 17 18 **B. LLCA Tariff Contract**

19 **Q. What is the LLCA tariff contract?**

20 A. The LLCA is a form tariff contract established as part of DEF's proposed changes to  
21 Section VII – Standard Contract and Other Agreement Form. The LLCA specifies certain  
22 provisions of electric service, including load characteristics, customer-specific terms,  
23 applicable construction cost recovery terms, and other service details, including definition

1 of operating procedures based on the Company's proposed LLCP. As part of the LLCP  
2 discussed above, any customer to whom the LLCP applies must enter into an LLCA.

3  
4 **Q. Does the LLCA require a minimum term?**

5 A. Yes. There is a minimum term length of 20 years. Service to the large load customer under  
6 the LLCA will automatically continue after the minimum term concludes unless the LLCA  
7 is cancelled or modified.

8  
9 **Q. Why is the LLCA proposal reasonable and appropriate?**

10 A. The LLCA appropriately establishes a uniform framework that allows the Company to  
11 negotiate in good faith with prospective large load customers to accommodate project  
12 specific priorities and service objectives. At the same time, the LLCA terms protect the  
13 Company and existing customers from undue risk of stranded investment.

14  
15 **Q. Would a large load customer have the ability to negotiate different terms from those  
16 included in the LLCA?**

17 A. Given the fast-changing environment for certain large load customers, the Company  
18 reserves the right to negotiate modified non-material terms with a potential large load  
19 customer, so long as the Company determines there are not fewer protections for the  
20 general body of customers as compared to the filed LLCA. The rate paid pursuant to the  
21 applicable rate schedule would not be subject to further negotiation. If the Company  
22 deviates from the LLCA in a material way, it must submit the negotiated LLCA to the  
23 Commission for approval.

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**IV. SUMMARY OF CHANGES TO COMPLY WITH NEW LEGISLATION**

**Q. Please summarize the major changes you made to your September 5, 2025 filing to comply with the new legislation.**

A. DEF’s tariff filing that was filed in Docket Number 20250113-EI included most of the elements required by the new legislation. There were a few changes necessary to comply with the new legislation, and DEF also proposes some clean-up changes that it identified when reviewing its tariffs. Specifically, DEF made the following changes:

- a. Changed applicability of LLCP from 100 MW to 50 MW.
- b. Withdrew LLC-1 from consideration, with the intent to propose a new large load rate schedule in its next rate case proceeding.
- c. Removed flexibility from CIAC provision, such that all customers must pay CIAC up front, subject to refund over five years.
- d. Changed minimum term from 15 to 20 years, with all customers required to give a two-year notice.
- e. Increased termination charge to three years of minimum bills (irrespective of when they terminate during the twenty-year term) plus net book value of CIAC facilities.
- f. Imposed a minimum load factor for use when calculating monthly minimum bills.
- g. Imposed requirement that DEF may not serve a foreign entity large load customer.
- h. Clarified requirements that a customer cannot avoid the LLCP by separating loads at a single location.

1

2 **Q. Did you prepare a summary of the changes?**

3 A. Yes, for ease of reference, my Exhibit No. MJC-1 includes a redline comparison between  
4 the September 5 tariffs and the tariffs submitted with this petition.

5

6

## V. CONCLUSION

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

9

Docket No. \_\_\_\_\_

Duke Energy Florida, LLC

Witness: Chatelain

Exhibit No. (MJC-1)

Page 1 of 42



GENERAL RULES AND REGULATIONS  
GOVERNING ELECTRIC SERVICE

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## PART XIII

## LARGE LOAD CUSTOMER POLICY

## 13.01 General

This policy applies to any individual Customer, for either a new or expanded facility, with an aggregate Peak Contract Demand forecast reasonably expected to be equal to or in excess of a Monthly Maximum Demand of ~~one hundred fifty~~ thousand (~~10050,000~~) kilowatts of firm (i.e., not Interruptible or Curtailable) load, at a single location including co-located load, any time during the Minimum Term. This policy will not impose any additional requirement for customer sites that otherwise meet the Peak Contract Demand requirements and exist on the Company's system as of December 31, 2025.

Customers subject to this policy shall enter into the Large Load Customer Agreement (LLCA) on file with the Florida Public Service Commission, which will specify certain provisions of their electric service, including, but not limited to, load characteristics, customer-specific terms, applicable construction cost recovery terms, and other service details.

Such Customer shall also pay a non-refundable system impact study fee of \$150,000 to support the Company's initial analysis and engineering costs to determine the investments and upgrades necessary to serve the Customer's proposed load. Customer shall pay an additional \$150,000 for any necessary updates. Customer shall enter into an LLCA or a reimbursement agreement within ~~six~~ three months of receipt of the system impact study. If the Customer chooses to first enter into a reimbursement agreement, such agreement shall include provisions that obligate Customer to fully pay for any costs incurred by Company if the Customer does not take electric service.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, permits, and equipment for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, permits and equipment.

Company may not provide service to a Customer that is a foreign entity, as that term is defined in Section 366.043(2)(c), Fla. Stat.

## 13.02 Term

Minimum Term shall be for a period of ~~not less than fifteen~~ twenty (~~15~~ 20) years, ~~but in no event no longer than twenty (20) years~~, commencing on the date when permanent service is received. This term may include a transitional load period ("Load Ramp Period"). After the Minimum Term, service under the LLCA shall continue unless cancelled or modified pursuant to the terms hereunder.

## 13.03 Determination of Minimum Monthly Bill

Monthly Maximum Demand: The Monthly Maximum Demand is defined as the highest total demand indicated in any 30-minute interval during the month.

Grid Demand: Grid Demand shall be equal to the highest Monthly Maximum Demand occurring in the last twelve (12) months including the current month.

Minimum Demand: Minimum Demand shall be between 75% and 85% of the annual Contract Capacity, excluding temporary, construction, bridging and/or commissioning power as agreed to by the Customer and Company. The Contract Capacity may be phased in tranches (and thus change over the course of the Term). ~~For customers served on rate schedules other than LLC-1, a~~ Minimum Billing Energy Volume will also apply. This minimum volume will be based on the Minimum Demand calculation above assuming a projected load factor, no lower than 60%, as agreed upon. All base energy charges will be applied to the Minimum Billing Energy Volume.

Billing Demand: Billing Demand shall be the higher of: (a) the Monthly Maximum Demand in the current month, (b) 90% of the Grid Demand, or (c) the Minimum Demand.

Customer will have no more than the Load Ramp Period to reach its first contract demand amount, at which time the minimum monthly bill will be the sum of the following:

- 1) applicable customer charge;
- 2) ~~(a) If the customer is on the LLC-1 rate schedule, Billing Demand multiplied by the base demand rate; or~~  
~~(b) If the customer is on any other rate schedule, Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy Volume multiplied by the base energy rate(s) per the applicable base rate schedule;~~
- 3) actual kW demand multiplied by each demand rate within the BA-1 tariff;

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- 4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff;  
and
- 5) applicable taxes and/or fees.

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### 13.04 Security Requirements

The Customer shall provide security to the Company to secure its potential obligations to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable termination payment ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as an attachment to the LLCA. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash for the full Security Amount. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Payment Obligation or Termination Fee and a credit review of the customer which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a parent guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as an attachment to the LLCA in order to reduce the Security Percentage. If the Customer provides a parent guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the damages not covered by a letter of credit or cash security. Customers with weaker credit will receive higher Security Percentages. All Customers, regardless of credit health, will be assigned a Security Percentage of at least 10% if the Termination Payment Obligation or Termination Fee exceeds \$100M.

### 13.05 Early Termination

If Customer terminates the LLCA before reaching full load ramp, the Customer must pay Company its actual costs incurred to provide service ("Termination Payment Obligation"). Once the Customer begins taking service, the Customer shall provide written notice to the Company, no later than two ~~to five~~ years prior to the requested date of termination of service ~~(the length of notice being directly tied to the Term of service for the contract)~~. In such event, service under the LLCA will automatically terminate on the date following the second ~~to fifth~~ annual anniversary of the date of the Customer's termination notice; provided, however, the Customer may be subject to charges for early termination as provided below. If a Customer is permitted to change rate schedules and selects to receive service under another applicable Company firm rate schedule, no termination fee shall be applied but the terms of the LLCA with respect to the Monthly Minimum Bill shall apply until the expiration of the original contract term (i.e., the ~~fifteen to~~ twenty year period that would have expired if the Customer did not change rate schedules); at the end of the original contract term, the LLCA shall be amended to reflect the appropriate Monthly Minimum Bill under the new firm rate schedule. For the avoidance of doubt, the Customer can in no way avoid the calculation of the Monthly Minimum Bill or the other requirements set forth in its initial LLCA by changing rate schedules.

If the Customer terminates service before the expiration of the original contract term, the Customer shall be responsible for payment of a Termination Fee. ~~If the termination occurs during the first twelve years of the contract term, the Termination Fee is equal to three years of Minimum Monthly Bills plus the net book value of new facilities referenced in section 13.07 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded; if the termination event occurs after year 12 of the contract term, the Termination Fee is equal to two years of Minimum Monthly Bills.~~ Other termination fee provisions will be provided for in the LLCA.

The Company may terminate service under the LLCA at any time if the Customer materially breaches the terms and conditions of its rate schedule, this policy, the LLCA, or the Company's tariff on file with the Florida Public Service Commission. Prior to any such termination, the Company shall notify the Customer in writing at least 90 days in advance and describe the existence and nature of such alleged breach. The Company may then terminate service at the end of the 90-day notice period; provided, however, that if such breach is not reasonably capable of being cured within such 90-day period, then Customer will have additional time (not exceeding an additional 30 days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure.

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**13.06 Special Terms.**

The terms and conditions of service under this policy shall apply upon a request for service by an eligible customer but service to Customers shall not commence until the Company has sufficient capacity to meet the Customer's Contract Capacity requirements. A facility served under this schedule shall generally mean a single point of interconnection. Aggregation of loads under this schedule shall be limited. The Company shall exercise reasonable discretion when choosing to aggregate loads, with such discretion based on factors including, but not limited to, premises sharing one or more of the following: common owner(s), a common parent company, common local electrical infrastructure, physical layout, character of service, end use, and common control. Customer may not separate an electrical load at a single location into multiple smaller connections to avoid being subject to this Large Load Customer Policy.

The Company, ~~in its sole discretion,~~ may negotiate different non-material terms than reflected in this policy, if those terms do not result in fewer customer protections than what is included in this Large Load Customer Policy. If the terms in the LLCA differ materially from the approved form tariff, then Company must submit the executed LLCA to the Commission for review and approval.

In addition to the above rules and regulations, all of Company's General Rules and Regulations Governing Electric Service and other applicable portions of its Tariff shall apply to the customers served under this policy, except as specifically modified herein. Service under this policy is subject to (i) orders of Governmental Authorities having jurisdiction, (ii) the provisions of the rate schedule ~~the Customer chooses to take service under~~ under which the Customer takes service; and (iii) the Company's Tariff. Any change approved by the Commission with respect to the foregoing shall be effective on its approval date and shall apply prospectively.

**13.07 Contributions In Aid of Construction (CIAC)**

Customer shall make all payments required by and calculated pursuant to Commission Rule 25-6.064, F.A.C. and Section 3.01 of the Company's Tariff. Company ~~may, in its discretion depending on the nature of the load,~~ requires Customer to pay ~~up to~~ 100% of the total estimated costs to extend service in advance. Those payments are refunded over a period of up to five years, less CIAC that would normally be paid by Customer, as base revenues are collected. Any Customer funds not refunded at end of period (because the Customer's load was insufficient) become nonrefundable.

**13.08 Customer Rate**

Until the Company presents in its next proceeding to reset rates, and Commission approves, a new large load rate schedule, which shall reasonably ensure that Customer bears its own full cost of service, Customer shall take service under the Company's existing GSD-1 or GSDT-1 rate. Once the new large load rate schedule is approved, the Customer shall be switched to that new rate schedule.

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BA-1	Billing Adjustments	6.105
SC-1	Service Charges	6.110
RS-1	Residential Service	6.120
RSL-1	Residential - Load Management (Optional)	6.130
RSL-2	Residential - Load Management - Winter Only - (Optional)	6.135
RST-1	Residential Service (Optional Time of Use)	6.140
GS-1	General Service - Non-Demand	6.150
GST-1	General Service - Non-Demand (Optional Time of Use)	6.160
GS-2	General Service - Non-Demand (100% Load Factor Usage)	6.165
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GSDT-1	General Service - Demand (Optional Time of Use)	6.180
<del>LLC-1</del>	<del>Large Load Customer General Service (Optional High Load Factor)</del>	<del>6.190</del>
GSLM-1	General Service - Load Management (Optional)	6.220
GSLM-2	General Service - Load Management - Standby Generation	6.225
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PPS-1	General Service – Premier Power Service Rider	6.370
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FB-1	Optional – Fixed Bill Program	6.390
SOL-1	Shared Solar Rider – Experimental Pilot Program	6.395
NSMR-1	Optional - Non-Standard Meter Rider (AMI Opt-Out)	6.400
CEC-1	Clean Energy Connection Rider (Optional Solar Program)	6.405
FCF-1	Public Charging for Electric Vehicles	6.410
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CEI-1	Clean Energy Impact Program	6.420
LMR-1	Load Management Rider	6.425

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy - FL

EFFECTIVE: January 1, 2025



**RATE SCHEDULE LLC-1  
LARGE LOAD CUSTOMER GENERAL SERVICE  
OPTIONAL HIGH LOAD FACTOR RATE**

**Availability:**

Available throughout the entire territory served by the Company.

**Applicable:**

To any customer, at their option, other than residential, for light and power purposes where billing demand is 1,000 kW or more and where service is supplied at transmission voltage of 230 kV or higher.

**Character of Service:**

Continuous service, alternating current, 60 cycle, three phase, at available transmission voltage of 230kV or higher. The Customer will provide and maintain all transformers and related facilities necessary for handling and utilizing the power and energy delivered hereunder. All service required by the Customer at each separate point of delivery served hereunder shall be furnished through one meter at, or compensated to, the available transmission voltage.

**Limitation of Service:**

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Customers that take service under this tariff are not eligible for service under the Economic Development Rider (ED-2) or the Commercial/Industrial Service Rider (CISR-1).

**Rate Per Month:**

**Customer Charge:**

Transmission Metering Voltage: \$ 1,106.80

**Demand Charge:** \$ 9.80 per kW of Billing Demand

Plus the Cost Recovery Factors on a \$/kW basis  
in Rate Schedule BA-1, *Billing Adjustments*: See Sheet No. 6.105 and 6.106

**Energy Charge:**

Non-Fuel Energy Charge: 1.040¢ per kWh

Plus the Cost Recovery Factors on a ¢/kWh basis  
in Rate Schedule BA-1, *Billing Adjustments*,  
except for the Fuel Cost Recovery Factor and  
Asset Securitization Charge Factor: See Sheet No. 6.105 and 6.106

**Contract Demand:**

The Contract Demand shall be the kW of demand specified in the applicable tariff agreement.

**Determination of Billing Demand:**

The billing demand shall be the maximum 30-minute kW demand established during the current billing period. However, the Billing Demand shall not be less than the greater of: (1) 90% of the maximum monthly 30-minute kW demand during the preceding 11 billing months, (2) 75% of the Contract Demand, or (3) 1,000 kW.

**Power Factor Adjustment:**

If a customer's power factor at the time of maximum demand in the current billing period is less than 85%, the Company may adjust the Base Demand by multiplying by 85% and dividing by the resulting power factor actually established at the time of maximum demand during the current month.

**Additional Charges:**

Fuel Cost Recovery Factor: See Sheet No. 6.105  
Asset Securitization Charge Factor: See Sheet No. 6.105  
Gross Receipts Tax Factor & Regulatory Assessment Fee Factor: See Sheet No. 6.106  
Right-of-Way Utilization Fee: See Sheet No. 6.106  
Municipal Tax: See Sheet No. 6.106  
Sales Tax: See Sheet No. 6.106

(Continued on Page No. 2)

**ISSUED BY:** Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL

**EFFECTIVE:** January 1, 2028



**RATE SCHEDULE LLC-1  
LARGE LOAD CUSTOMER GENERAL SERVICE  
OPTIONAL HIGH LOAD FACTOR RATE**  
(Continued from Page No. 1)

**Minimum Monthly Bill:**

The minimum monthly bill shall be the Customer Charge plus the Demand Charge. Where special equipment to serve the customer is required, the Company may require a specified minimum charge.

**Terms of Payment:**

Bills rendered hereunder are payable within the time limit specified on the bill at Company-designated locations.

**Term of Service:**

Service under this rate shall be for a minimum initial term of thirty-six (36) months from commencement of service and shall continue thereafter until receipt of notice by the Company from the customer to disconnect, or upon disconnect by the Company under Florida Public Service Commission or Company Rules; provided, however, that the overall term of customer's service shall be set forth in the Large Load Customer Agreement, if required.

Customers taking service under another Company rate schedule who elect to transfer to this rate must remain on this rate for a minimum term of thirty-six (36) months.

Where special equipment to serve the customer is required, the Company may require a specified term of service contract.

**Special Provisions:**

1. The Company shall, under the provisions of this rate schedule, require execution of a form tariff agreement. Whenever the customer increases their electrical load, which increase requires the Company to increase facilities installed for the specific use of the customer, a new Term of Service may be required.
2. The Company will furnish service under this rate at a single voltage. Equipment to supply additional voltages or additional facilities for the use of the customer shall be furnished and maintained by the customer. The customer may request the Company to furnish such additional equipment, and the Company, at its sole option, may furnish, install, and maintain such additional equipment, charging the customer for the use thereof at the rate of 0.96% per month times the installed cost of such additional equipment.
3. The Company may require customers seeking service of 50 MW or greater at one or more aggregated premises, or whose demand is reasonably expected to grow to this level, and require significant production, transmission, and/or distribution investments by the Company for the provision of service, to provide the Company appropriate financial and/or performance and credit assurance at the Company's discretion. For customer sites existing on the Company's system as of December 31, 2024, this provision will not impose any additional financial and/or performance and credit requirements beyond those included in the Company's General Rules and Regulations Governing Electric Service.

(Continued on Page No. 2)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL

EFFECTIVE: January 1, 2028



**INDEX OF STANDARD CONTRACT AND OTHER AGREEMENT FORMS**

FORM NO	DESCRIPTION	SHEET NO.
Form No. 1	Contract, Form No. 1 (after 11/21/98, applicable only to a Customer who requires this type form be executed for service under Rate Schedule LS-1, Lighting Service. Form No. LS-1HPS shall normally be used for application for service under LS-1).	7.010 - 7.011
Form No. 2	Contract Form No. 2 (applicable when service is provided under Company General Service Rate Schedules and special contract terms or investments in special facilities are required and furnished by the Company to provide service to the Customer).	7.020 - 7.021
IS-2 DISC	Interruptible General Service Rate Schedules IS-2 and IST-2 Risk Disclosure	7.025
CS-2 DISC	Curtable General Service Rate Schedule CS-2 and CST-2 Risk Disclosure	7.027
Form No. 5	Contract, Form No. 5 (applicable when a contract is made between the Company and the Customer to cover advances by the Customer for construction).	7.030
DVLP DIST	Agreement for Electric Service Between Duke Energy Florida, Inc. (the "Utility") and _____ (the "Applicant") (applicable when a developer requests the Company to install a distribution system for a new development).	7.050
MUNI UG	Local Government Underground Cost Recovery Contract (applicable when a Local Government wishes to contract with the Company to provide for recovery of costs to underground service).	7.060 – 7.063
PEFI LSA	Leave Service Active Agreement (applicable to Customers who wish service to be left active on rental units, regardless if they are occupied or not).	7.070 - 7.071
3RD PRT	Request for Third Party Notification (applicable to Customers who request the Company to notify another person that their bill is overdue).	7.090
LS-1	Lighting Service Contract.	7.110 - 7.113
PEFI TOU	Application for TOU Rate (applicable to Customers requesting time of use rates).	7.120
PEFI GSLM	Rate Schedule GSLM-1 Customer Agreement (applicable to Customers requesting General Service Load Management).	7.150
MSTR MTR	Standard Letter Agreement (applicable to master metered Customers indicating understanding of rules and regulations affecting resale of electricity).	7.160
EQP RNTL	Standard Letter Agreement (applicable to Customers who request additional facilities at their service location).	7.170
GUAR CNTR	Guarantee Contract (applicable when a third party guarantees payment for another individual's billing).	7.180
STRT LTS	Agreement to Purchase and Sell Street Lighting System and to Furnish and Receive Electric Service	7.190 - 7.192
RES DEP	Residential Deposit Release - Releases current customer's deposit to new customer who then assumes responsibility for all payments of account.	7.220 - 7.221
PWR PAY	Power Pay - Customers bill is automatically paid from their checking account.	7.230
CISR	Contract Service Arrangement for service under the Commercial/Industrial Service Rider.	7.250 - 7.253
PPS	Premier Power Service - Contract signed by the customer requesting backup service through the Premier Power Service rate schedule.	7.270 - 7.273
NMRG - Tier 1	Standard Interconnection Agreement for Tier 1 Customer Owned Renewable Generation	7.310 - 7.313
IC APP –Tier 1	Application for Interconnection for Tier 1 Customer Owned Renewable Generation	7.317-7.317
NMRG - Tier 2	Standard Interconnection Agreement for Tier 2 Customer Owned Renewable Generation	7.320 - 7.323
NMRG – Tier 3	Standard Interconnection Agreement for Tier 3 Customer Owned Renewable Generation	7.330 - 7.333
IC APP –Tier 2,3	Application for Interconnection for Tier 2 and 3 Customer Owned Renewable Generation	7.337 - 7.337
ECON DEV	Economic Development Rider Service Agreement	7.500
LLCA	Large Load Customer Agreement	7.510 - <u>7.522-530</u>



**LARGE LOAD CUSTOMER AGREEMENT**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (“Customer”), and Duke Energy Florida, LLC (“Company”). Company and Customer are hereinafter referred to individually as a “Party” and together as the “Parties.”

WITNESSETH:

WHEREAS, Company is an electric utility subject to the jurisdiction of the Florida Public Service Commission (“Commission”);

WHEREAS, Customer is \_\_\_\_\_; ~~and~~

WHEREAS, Customer has provided an affidavit, to Company, attesting that it is not a “foreign entity,” as that term is defined in Section 366.043(2)(c), Fla. Stat.; and

WHEREAS, the Customer seeks retail electric service for a proposed facility projected to have new or incremental load of ~~10~~50 MW or more at a Single Location (“Customer Facility”).

NOW THEREFORE, in consideration of the mutual covenants expressed herein, Company and Customer agree as follows:

1. Applicability. This Agreement is not applicable to, and does not provide for the interconnection or delivery of, back-up or alternative generation located on the Customer’s side of the point of delivery that serves the Customer Facility (such generation “Behind the Meter Generation”). Except as necessary to prevent damage to the Company Facilities or the Company System, under no circumstances including during an Emergency, will Behind the Meter Generation be delivered to and injected into the Company System unless otherwise mutually agreed to by separate agreement between Company and Customer consistent with all Applicable Law and the Company Tariff.

2. Definitions.

a. Allowance for Funds Used During Construction has the meaning set forth in Rule 25-6.041, F.A.C.

a.b. Applicable Law means all applicable federal, state and local laws, statutes, codes, ordinances, regulations, rules, judicial orders, administrative order, and other duly authorized actions of any governmental entity having jurisdiction over a Party or the Parties.

b.c. Behind the Meter Generation has the meaning set forth in Paragraph 1.

e.d. Billing Demand has the meaning set forth in section 13.03 of the Large Load Customer Policy.

e.e. CIAC has the meaning set forth in Paragraph 9.

e.f. Company has the meaning set forth in the preamble.

f.g. Company Costs has the meaning set forth in Paragraph 8a.

g.h. Company Tariff means the Company’s tariff on file with and approved by the Commission, as may be amended.

h.i. Confidentiality Agreement has the meaning set forth in Paragraph 16.

i.j. Customer has the meaning set forth in the preamble.

j.k. Customer Facility has the meaning set forth in the third Whereas Clause.

k.l. Customer-Requested Load Ramp has the meaning set forth in Paragraph 3c.

l.m. Event of Default has the meaning set forth in Paragraph 22.

m.n. In-Service Date means the first date the customer reaches Peak Electrical Load, pursuant to the Customer-Requested Load Ramp.

n.o. LOC has the meaning set forth in Paragraph 10a.

e.p. Minimum Billing Demand has the meaning set forth in Paragraph 12.

p.q. Minimum Billing Energy Volume has the meaning set forth in section 13.03 of the Large Load Customer Policy.

q.r. Minimum Term has the meaning set forth in Paragraph 5.

r. Minimum Monthly Bills means the sum of the following: (1) applicable customer charge; (2) (a) if the customer is on the LLC-1 rate schedule, Billing Demand multiplied by the base demand rate; or (b) if the

(Continued on Next Page)



~~customer is on any other rate schedule, Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy volume multiplied by the base energy rate(s) per the applicable base rate schedule; (3) actual kW demand multiplied by each demand rate within the BA-1 tariff; (4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff; and (5) applicable taxes and/or fees.~~

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2. Definitions (continued).

s. **Minimum Monthly Bills** means the sum of the following: (1) applicable customer charge; (2) Minimum Demand multiplied by the base demand rate(s) per the applicable base rate schedule, plus Minimum Billing Energy volume multiplied by the base energy rate(s) per the applicable base rate schedule; (3) actual kW demand multiplied by each demand rate within the BA-1 tariff; (4) actual kWh consumption multiplied by each fuel and non-fuel energy rate within the customer's tariff and the BA-1 tariff; and (5) applicable taxes and/or fees.

~~s-t.~~ **Parent Guaranty** has the meaning set forth in Paragraph 10.

~~t-u.~~ **Peak Contract Demand** has the meaning set forth in Paragraph 3c.

~~u-v.~~ **Permanent Service** has the meaning set forth in Paragraph 3c.

~~v-w.~~ **Security** means cash, an LOC, or a Parent Guaranty, as required in Paragraph 10.

~~w-x.~~ **Security Amount** has the meaning set forth in Paragraph 10.

~~x-y.~~ **Security Percentage** has the meaning set forth in Paragraph 10.

~~y-z.~~ **Taxes** has the meaning set forth in Paragraph 3b.

~~z-aa.~~ **Termination Delay Damages** has the meaning set forth in Paragraph 8c.

~~aa-bb.~~ **Termination Fee** has the meaning set forth in Paragraph 8b.

~~bb-cc.~~ **Termination Liquidated Damages** has the meaning set forth in Paragraph 8d.

~~cc-dd.~~ **Termination Payment Obligation** has the meaning set forth in Paragraph 8a.

~~dd-ee.~~ **Termination Period** has the meaning set forth in Paragraph 23.

3. Rates and Service.

a. Customer shall receive and pay for electric service and energy from Company at the Customer Facility, at the following location: \_\_\_\_\_, in accordance with the terms and provisions of Company's applicable Rate Schedule \_\_\_\_\_ as the same is on file, from time to time, with the Commission.

b. Company may charge and Customer will pay applicable national, state or local sales or use taxes or value added taxes that Company is legally obligated to charge ("Taxes"), provided that such Taxes are stated on the invoice that Company provides to Customer and Company's invoices state such Taxes separately and meet the requirements for a valid tax invoice. Customer may provide Company with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, Company will not charge and or collect the Taxes covered by such certificate. Customer may deduct or withhold any Taxes that Customer may be legally obligated to deduct or withhold from any amounts payable to Company under this Agreement, and payment to Company as reduced by such deductions or withholdings will constitute full payment and settlement to Company of amounts payable under this Agreement. Throughout the term of this Agreement, Company will provide Customer with any forms, documents, or certifications as may be required for Customer to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

c. Service shall be at a single point of delivery, said point of delivery to be \_\_\_\_\_. Customer commits that its facility being served under this Agreement will reach a Peak Contract Demand of approximately \_\_\_\_\_ MW, according to the load ramp schedule on the attached **Exhibit A** (such load ramp, the "Customer-Requested Load Ramp"). Customer requests construction electric service on or about \_\_\_\_\_ and permanent electric service ("Permanent Service") as outlined on the Customer-Requested Load Ramp in **Exhibit A**. Company will deliver "commissioning/bridging power" in the amount of \_\_\_\_\_ MW by \_\_\_\_\_(month) \_\_\_\_\_(year). Company's obligation to deliver electricity as covered in this Agreement on the agreed upon date, and all the Customer's obligations under this Agreement, are contingent upon the Company's receiving third party rights-of-way, privileges, franchises, permits and the necessary equipment in sufficient time to install it on or before that date. Customer acknowledges that Company's ability to achieve the requested timelines is dependent on timely issuance of notices to proceed by Customer, prompt and timely provision of information from Customer to Company, no material changes in site plans, site access, equipment availability, and other circumstances, including governmental permitting and certificates, many of which are outside of Company's control. Company will work diligently to meet Customer's requested timelines but does not guarantee such timelines can be met. Customer agrees and acknowledges that events beyond Company's reasonable control may delay the provision of the requested services and agrees to hold Company harmless for any delays caused by such events beyond Company's reasonable control.

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~~4.2. Electricity Supply. Unless otherwise determined by the Company, electricity supplied by the Company hereunder shall be in the form of three phase, alternating current of approximately 60 hertz frequency and at approximately \_\_\_ kv. The maintenance by the Company of electricity available to the Customer in the above form, and in the quantity applied for, at the point of delivery defined above, shall constitute delivery by Company of the electricity applied for whether or not the Customer makes any use thereof. Company shall provide firm service to the Customer and the Company shall retain the right to curtail or interrupt service to Customer only where such curtailment or interruption is intended to ensure grid stability, reduce the likelihood or breadth of wider service outages, or ensure public safety during an emergency or other exceptional circumstance.~~

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4. Electricity Supply. Unless otherwise determined by the Company, electricity supplied by the Company hereunder shall be in the form of three phase, alternating current of approximately 60 hertz frequency and at approximately \_\_\_\_\_ kv. The maintenance by the Company of electricity available to the Customer in the above form, and in the quantity applied for, at the point of delivery defined above, shall constitute delivery by Company of the electricity applied for whether or not the Customer makes any use thereof. Company shall provide firm service to the Customer and the Company shall retain the right to curtail or interrupt service to Customer only where such curtailment or interruption is intended to ensure grid stability, reduce the likelihood or breadth of wider service outages, or ensure public safety during an emergency or other exceptional circumstance.

5. Minimum Term. The Minimum Term shall be from the date when the first contract capacity is reached (as set forth on Exhibit A) through and including the \_\_\_\_\_ (~~—th~~)<sup>4</sup>twentieth anniversary of the date when the first contract capacity is reached. After the Minimum Term, electric service under this Agreement shall continue until terminated by either Company or Customer upon written notice consistent with the notice provisions in Paragraph 17. If Customer fails to give such notice, Customer shall be responsible for termination fees as set forth in Paragraph 8.

6. Notice to Terminate. Following the In-Service Date, Customer must provide notice in accordance with Paragraph 17 at least \_\_\_\_\_two years<sup>2</sup> in advance of terminating service. Customer may be responsible for termination fees as set forth in Paragraph 8.

7. Company Termination. Company may terminate service under this Agreement at any time due to a Customer Event of Default pursuant to Paragraph 232.

8. Early Termination.

a. If Customer provides written notice to Company at any time prior to the In-Service Date that Customer no longer intends to purchase electric power from Company, or will no longer require service to meet the load (at any milestone date) specified in Exhibit A, Customer shall reimburse Company for Company's actual costs incurred or committed by Company associated with the work in preparing to provide electric service to the site, including but not limited to Allowance for Funds used during Construction, ("Company Costs") as estimated in Exhibit B ("Termination Payment Obligation"). Customer acknowledges and agrees that any cost estimates set forth herein or previously disclosed are non-binding and that the actual costs to perform the work may exceed the projected costs. For the Customer, upon receipt of such written notice, Company will use commercially reasonable efforts to mitigate all costs incurred. Company will invoice Customer in writing and provide reasonable supporting material of all Company Costs within sixty (60) days of receiving the written notice of termination. Customer will reimburse Company for all costs within forty-five (45) days of receiving such invoice.

b. In the event (i) Customer terminates this Agreement after the In-Service Date and prior to the end of the Minimum Term; or (ii) Company terminates this Agreement pursuant to Paragraph 7, then the Customer shall be responsible for payment of a "Termination Fee." ~~If the termination event occurs during the first twelve years of the Minimum Term, the Termination Fee is equal to three years of Minimum Monthly Bills; if the termination event occurs after year 12 of the Term, the Termination Fee is equal to two years of Minimum Monthly Bills, plus the net book values of the new facilities referenced in paragraph 9 below less any refundable portion of the upfront CIAC payment, which has not yet been refunded.~~

c. In the event Customer terminates this Agreement after the In-Service Date, but fails to give the advance notice required in Paragraph 6, in addition to the Termination Fee referenced in Paragraph 8b, ~~as if applicable~~, the Customer shall also be responsible for payment of termination delay damages equal to the Minimum Monthly Bills that would have otherwise been paid by the Customer over the applicable \_\_\_\_\_two year notice period if timely notice had been delivered. "Termination Delay Damages;" ~~provided, however, For the avoidance of doubt, such Termination Delay Damages will be calculated on a pro-rata basis determined on the extent to which Customer's~~

<sup>4</sup>The range for the Minimum Term is set out in Section 13.02 of the Large Load Customer Policy.

<sup>2</sup>The range for the notice is set out in Section 13.05 of the Large Load Customer Policy.

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advance notice fails to meet the requirements of Paragraph 7 that the Customer shall not be responsible for additional Minimum Monthly Bills if they have given some notice less than the required two year notice.

~~d. For the avoidance of doubt, the Parties acknowledge and agree that it would be extremely difficult and impracticable under the presently known and anticipated facts and circumstances to ascertain and fix the actual damages the Company would incur if the Customer reduces its contract demand, or otherwise terminates this Agreement prior to the expiration of the Minimum Term of the Agreement. Accordingly, if the Customer takes such triggering action specified in Paragraph 8 hereunder, the Company's remedy for such breach shall be to recover from the Customer, as liquidated damages, and not as a penalty, the applicable Termination Fee or Termination Payment Obligation set forth in Paragraph 8 of this Agreement ("Termination Liquidated Damages") as its sole and exclusive remedy for the Customer's early termination of this agreement. The Termination Liquidated Damages shall not limit the Company's remedies for other breaches, actions or omissions of the Customer. The Termination Liquidated Damages shall be due and payable by the Customer to the Company within forty five (45) days after written demand by the Company. In addition to its other rights and remedies, the Company shall have the right to effect the amount of any unpaid Termination Liquidated Damages plus interest from the date the payment was due, to be calculated at the published Wall Street Journal Prime Rate plus 1.5%, simple interest per annum, against any amounts due or that may become due the Customer under the Agreement.~~

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8. Early Termination (continued).

d. For the avoidance of doubt, the Parties acknowledge and agree that it would be extremely difficult and impracticable under the presently known and anticipated facts and circumstances to ascertain and fix the actual damages the Company would incur if the Customer reduces its contract demand, or otherwise terminates this Agreement prior to the expiration of the Minimum Term of the Agreement. Accordingly, if the Customer takes such triggering action specified in Paragraph 8 hereunder, the Company's remedy for such breach shall be to recover from the Customer, as liquidated damages, and not as a penalty, the applicable Termination Fee or Termination Payment Obligation set forth in Paragraph 8 of this Agreement ("Termination Liquidated Damages") as its sole and exclusive remedy for the Customer's early termination of this agreement. The Termination Liquidated Damages shall not limit the Company's remedies for other breaches, actions or omissions of the Customer. The Termination Liquidated Damages shall be due and payable by the Customer to the Company within forty-five (45) days after written demand by the Company. In addition to its other rights and remedies, the Company shall have the right to offset the amount of any unpaid Termination Liquidated Damages plus interest from the date the payment was due, to be calculated at the published Wall Street Journal Prime Rate plus 1.5%, simple interest per annum, against any amounts due or that may become due the Customer under the Agreement.

8-9. Customer Facilities. Within forty-five days from the date of this Agreement, the Customer shall pay \$ for make-all Contributions-In-Aid-of-Construction ("CIAC") payments required by and calculated pursuant to Rule 25-6.064, F.A.C. and the Company's Tariff, which payment represents the full CIAC amount for which Customer is responsible under this agreement.

9-10. Security Requirements. Customer shall provide Security to the Company to secure its obligations hereunder to the Company. The security amount to be provided is a percentage ("Security Percentage") of the applicable Termination Payment Obligation or Termination Fee ("Security Amount"). The Security Amount under the foregoing calculation will be revised annually, and the Customer shall provide the revised amount if it is more than 110% of the current amount held by the Company. The Security Amount must be provided in one or more of the following forms:

a. A standby irrevocable Letter of Credit ("LOC"), substantially in the form provided as **Exhibit C** to this Agreement. The LOC must be issued by a U.S. bank or the U.S. branch of a foreign bank, which is not affiliated with the Customer or its guarantor, with a credit rating of at least A- from S&P and A3 from Moody's. Such security must be issued for a minimum term of 360 days. The Customer must cause the renewal or extension of the security for additional consecutive terms of 360 days or more no later than 30 days prior to each expiration date of the security. If the security is not renewed or extended as required herein, the Company will have the right to draw immediately upon the LOC and be entitled to hold the amounts so drawn as security. The LOC must be in a format acceptable to and approved by the Company; or

b. Cash. Cash provided as security will be non-interest bearing.

The Security Percentage will be determined based on the size of the Termination Fee and a credit review of the Customer, which may include a review of financial statements or other corporate documents as well as rating agency ratings if available. Customers may provide a guaranty from the ultimate parent or corporate affiliate of the Customer, substantially in the form provided as **Exhibit D** to this Agreement ("Parent Guaranty") in order to reduce the Security Percentage. If the Customer provides a Parent Guaranty, the applicable Security Percentage will be based on the credit rating of the guarantor. The guaranty must cover 100% of the Security Amount not covered by an LOC or cash security. All Customers, regardless of relative creditworthiness, will be assigned a Security Percentage of at least 10% if the Security Amount exceeds \$100M.

~~10. Failure or Deficiency of Security. If at any point during the term of this Agreement, the Security fails to meet the requirements set forth above, Customer shall replace the Security, as applicable, within thirty (30) business days of receipt of notice from Company requesting such action with an LOC, cash security, or Parent Guaranty, as applicable, meeting the requirements described herein. Customer may not provide a Parent Guaranty in place of an LOC that does not meet the requirements described herein. The Security shall remain in full force and~~

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~~effect until all obligations of the Agreement have been satisfied. Customer acknowledges and agrees that Security shall be a source of non-reimbursable funds for Company in the event Customer does not fulfill its obligations to Company under this Agreement. Customer acknowledges and agrees that Company shall have the right to draw on and retain the full amount of Security if fewer than 30 days remain until the Security's expiration and the Security has not been renewed. Company will release or refund to Customer the Security provided under this Agreement within 30 days after Customer's satisfaction of all obligations under this Agreement or termination of this Agreement. Company may require Customer to adjust the Security to conform to any amendments to this Agreement.~~

~~11. Minimum Billing Demand. From inception of service until the expiration of the Minimum Term, the minimum billing demand will be \_\_\_%<sup>3</sup> of the contract demand established by Exhibit A to this Agreement. On and after the expiration of the Minimum Term, the minimum billing demand shall be established pursuant to the Large Load Customer rate schedule, or such equivalent rate schedule applicable to the Customer at that time.~~

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<sup>3</sup>The range for the minimum billing demand is set out in Section 13.03 of the Large Load Customer Policy.

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11. Failure or Deficiency of Security. If at any point during the term of this Agreement, the Security fails to meet the requirements set forth above, Customer shall replace the Security, as applicable, within thirty (30) business days of receipt of notice from Company requesting such action with an LOC, cash security, or Parent Guaranty, as applicable, meeting the requirements described herein. Customer may not provide a Parent Guaranty in place of an LOC that does not meet the requirements described herein. The Security shall remain in full force and effect until all obligations of the Agreement have been satisfied. Customer acknowledges and agrees that Security shall be a source of non-reimbursable funds for Company in the event Customer does not fulfill its obligations to Company under this Agreement. Customer acknowledges and agrees that Company shall have the right to draw on and retain the full amount of Security if fewer than 30 days remain until the Security's expiration and the Security has not been renewed. Company will release or refund to Customer the Security provided under this Agreement within 30 days after Customer's satisfaction of all obligations under this Agreement or termination of this Agreement. Company may require Customer to adjust the Security to conform to any amendments to this Agreement.

12. Minimum Billing Demand. From inception of service until the expiration of the Minimum Term, the minimum billing demand will be %<sup>4</sup> of the contract demand established by **Exhibit A** to this Agreement. On and after the expiration of the Minimum Term, the minimum billing demand shall be established pursuant to the Large Load Customer rate schedule, or such equivalent rate schedule applicable to the Customer at that time. The minimum billing energy volume will be based on %<sup>5</sup> load factor applied to the Minimum Billing Demand.

12-13. Amendment. If the Customer requests an amendment to the Agreement that reduces contract demand before the expiration of the initial term of the Agreement, a termination charge will apply as reflected in Paragraph 8.

13-14. Commission Rules and Tariffs. This Agreement will be governed by and construed according to the laws of the State of Florida, the Commission's Rules, and the currently effective tariffs of Company, as applicable. This Agreement and the applicable Commission service regulations, rules, and tariffs, are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of the Company with, or by order of, the regulatory authority having jurisdiction, and each party to this Agreement reserves the right to seek additional changes or substitutions to this Agreement, in accordance with law, from such regulatory authority. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.

14-15. Additional Facilities. In connection with electric service hereunder, if Customer requests Company to furnish and maintain required additional facilities to provide an enhanced level of electric service (incremental to the standard scope of delivery), the provisions of **Exhibit E** will apply.

15-16. Confidentiality. With respect to the treatment of confidential information, the Parties shall remain subject to that certain Confidentiality Agreement by and between the Parties dated as of \_\_\_\_\_ (the "Confidentiality Agreement"). The Confidentiality Agreement is hereby incorporated by reference into this Agreement.

16-17. Notice. Any notices to be sent or given hereunder by either Party shall in every case be in writing and shall only be deemed ~~effective properly served~~ if ~~both 1)-(a)~~ delivered personally to the recipient, ~~(b)~~ sent to the recipient by reputable express courier service (charges paid), ~~or (c)~~ mailed to the recipient by registered or certified mail, return receipt requested and postage paid ~~(on the one hand), and 2) or (d)~~ sent to the recipient by email. Such notices shall be sent to the addresses and email addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Agreement:

<u>To-Customer:</u>	<u>To-Company:</u>
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<sup>4</sup> The range for the minimum billing demand is set out in Section 13.03 of the Large Load Customer Policy.

<sup>5</sup> The load factor to calculate the minimum billing energy volume must be no less than 60%.

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_____ _____ Attn: _____ _____ _____ _____ Email: _____	Duke Energy Florida, LLC Attn: _____ _____ _____ _____ Email: _____
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~~Limitation of Liability. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST OPPORTUNITIES OR PROFITS) OR PUNITIVE DAMAGES, EXCEPT FOR ANY LIABILITY ARISING OUT OF (A) ITS INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, (B) ITS FRAUD, (C) TO THE EXTENT ANY EXPRESS REMEDIES SPECIFICALLY SET FORTH HEREIN COULD OTHERWISE BE DEEMED TO BE SUCH DAMAGES, INCLUDING ANY LIQUIDATED DAMAGES ARISING HEREUNDER, OR (D) ITS GROSS NEGLIGENCE, OR RECKLESS OR WILLFUL MISCONDUCT, INCLUDING WILLFUL BREACH OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, COMPANY IS NOT LIABLE FOR ANY LOSS, COST, DAMAGE, OR EXPENSE TO CUSTOMER OCCASIONED BY ANY FAILURE TO SUPPLY ELECTRICITY ACCORDING TO THE TERMS OF THIS AGREEMENT OR BY ANY INTERRUPTION OR REVERSAL OF THE SUPPLY OF ELECTRICITY, IF SUCH FAILURE, INTERRUPTION, OR REVERSAL IS DUE TO STORM, LIGHTNING, FIRE, FLOOD, DROUGHT, STRIKE OR ANY CAUSE BEYOND THE CONTROL OF THE COMPANY OR ANY OTHER CAUSE EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE COMPANY'S PART.~~

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17. Notice (continued).

<u>To Customer:</u>	<u>To Company:</u>
_____	<u>Duke Energy Florida, LLC</u>
<u>Attn:</u> _____	<u>Attn:</u> _____
_____	_____
<u>Email:</u> _____	<u>Email:</u> _____

18. Limitation of Liability. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST OPPORTUNITIES OR PROFITS) OR PUNITIVE DAMAGES, EXCEPT FOR ANY LIABILITY ARISING OUT OF (A) ITS INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, (B) ITS FRAUD, (C) TO THE EXTENT ANY EXPRESS REMEDIES SPECIFICALLY SET FORTH HEREIN COULD OTHERWISE BE DEEMED TO BE SUCH DAMAGES, INCLUDING ANY LIQUIDATED DAMAGES ARISING HEREUNDER, OR (D) ITS GROSS NEGLIGENCE, OR RECKLESS OR WILLFUL MISCONDUCT, INCLUDING WILLFUL BREACH OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, COMPANY IS NOT LIABLE FOR ANY LOSS, COST, DAMAGE, OR EXPENSE TO CUSTOMER OCCASIONED BY ANY FAILURE TO SUPPLY ELECTRICITY ACCORDING TO THE TERMS OF THIS AGREEMENT OR BY ANY INTERRUPTION OR REVERSAL OF THE SUPPLY OF ELECTRICITY, IF SUCH FAILURE, INTERRUPTION, OR REVERSAL IS DUE TO STORM, LIGHTNING, FIRE, FLOOD, DROUGHT, STRIKE OR ANY CAUSE BEYOND THE CONTROL OF THE COMPANY OR ANY OTHER CAUSE EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE COMPANY'S PART.

47-19. Indemnification and Hold Harmless. The Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, costs or expense for loss, damage, death or injury to persons or property, in any manner directly or indirectly connected with, or growing out of Customer's negligent, grossly negligent, or willful misconduct associated with the use or disposition of electricity by the Customer at or on the Customer's side of the Point of Delivery, unless such loss, damage, death or injury shall result from the sole negligence gross negligence, strict liability, or willful misconduct of the Company. If a claim for indemnity arises from the joint or comparative negligence or fault of Customer and Company, subject to limitations of applicable law, Customer's indemnity obligations shall apply only to the extent of Customer's proportionate share of responsibility for such claim. Customer hereby assumes responsibility for, and shall indemnify, defend, and hold the Company harmless against, all liability, claims, judgments, losses, costs, and expenses for injury, loss or damage to persons or property including personal injury or property damage to the Customer, Customer's employees and any other third party to the extent caused by the Customer's negligent or intentional acts, errors or omissions related to the use of the Customer's equipment or otherwise arising from or related to its electric power service under this Agreement.

48-20. Jurisdiction. This Agreement is subject to the jurisdiction of the Commission as part of the provision of retail electric service by the Company to the Customer pursuant to the Company's Tariff.

49-21. Dispute Resolution and Venue. If a dispute arises between the Parties regarding this Agreement, either Party will first give written notice to the other Party and attempt good-faith negotiation. If the Parties are unable to resolve the dispute between themselves within sixty (60) days (or such longer period of time as the Parties may mutually agree upon), either Party may submit the dispute to a court of competent jurisdiction in Florida or in the United States District Court having jurisdiction in Florida, and each Party agrees that each such court shall have personal jurisdiction over it with respect to such proceeding, and waives any objections it may have, and expressly consents, to such personal jurisdiction; provided, however, that any Party may assert that proper jurisdiction for the resolution of the dispute is before the Commission.

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~~20.8. Events of Default. The occurrence with respect to a Party of any of the following events or conditions constitutes an event of default with respect to such Party (an "Event of Default"):~~

- ~~a. Such Party becomes Bankrupt;~~
- ~~b. a. Such Party assigns or transfers this Agreement other than in accordance with Paragraph 26.~~
- ~~c. a. Customer materially breaches any provision of this Agreement, Rate Schedule \_\_\_\_\_, or the Company's Tariff and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Customer will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure; and~~
- ~~d. a. Company materially breaches any provision of this Agreement and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Company will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Company promptly commences and diligently pursues the cure.~~

~~Termination for Event of Default. If a Party fails to cure an Event of Default within the applicable cure period, and the default is not contested pursuant to the dispute resolution process set forth in Paragraph 21, the non-defaulting Party will have the right to terminate this Agreement; provided, however, that the Company shall notify the Customer at least ninety (90) days in advance of such termination and describe the Customer's failure to comply. The Company may then terminate service under this Agreement at the end of the ninety (90) day notice period (the "Termination Period"); provided, if the Customer cures the Event of Default or other compliance deficiencies described by the Company, to the Company's satisfaction in its sole discretion, prior to the end of the Termination Period, the Company shall not terminate the Agreement.~~

~~Survival. In addition to any other provisions of this Agreement that, by their terms, survive the termination of this Agreement, the following rights, obligations, or provisions survive the termination of this Agreement: (i) obligations of a Party to the other Party to pay any amounts or to perform any duties or obligations that accrued or arose prior to, that directly resulted from, or that contemplate performance following, the termination of this Agreement; (ii) Paragraph 8; (iii) Paragraph 17 (iv) Paragraph 10 (which survive through the conclusion of the statute of limitations period applicable to any potential third party claim or the resolution of any then outstanding third party claim, if later); (v) Paragraph 21; (vi) Paragraph 18; and (vii) Paragraph 14.~~

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22. Events of Default. The occurrence with respect to a Party of any of the following events or conditions constitutes an event of default with respect to such Party (an "Event of Default"):

- a. Such Party becomes Bankrupt;
- b. Such Party assigns or transfers this Agreement other than in accordance with Paragraph 26.
- c. Customer materially breaches any provision of this Agreement, Rate Schedule \_\_\_\_\_, or the Company's Tariff and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Customer will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure; and
- d. Company materially breaches any provision of this Agreement and fails to cure any such breach within ninety (90) days after written notice by Company of the existence and nature of such alleged breach; provided, however, that if such breach is not reasonably capable of being cured within such ninety (90) day period, then Company will have additional time (not exceeding an additional thirty (30) days) as is reasonably necessary to cure the breach so long as Company promptly commences and diligently pursues the cure.

23. Termination for Event of Default. If a Party fails to cure an Event of Default within the applicable cure period, and the default is not contested pursuant to the dispute resolution process set forth in Paragraph 21, the non-defaulting Party will have the right to terminate this Agreement; provided, however, that the Company shall notify the Customer at least ninety (90) days in advance of such termination and describe the Customer's failure to comply. The Company may then terminate service under this Agreement at the end of the ninety (90) day notice period (the "Termination Period"); provided, if the Customer cures the Event of Default or other compliance deficiencies described by the Company, to the Company's satisfaction in its sole discretion, prior to the end of the Termination Period, the Company shall not terminate the Agreement.

24. Survival. In addition to any other provisions of this Agreement that, by their terms, survive the termination of this Agreement, the following rights, obligations, or provisions survive the termination of this Agreement: (i) obligations of a Party to the other Party to pay any amounts or to perform any duties or obligations that accrued or arose prior to, that directly resulted from, or that contemplate performance following, the termination of this Agreement; (ii) Paragraph 8; (iii) Paragraph 17 (iv) Paragraph 19 (which survive through the conclusion of the statute of limitations period applicable to any potential third-party claim or the resolution of any then outstanding third party claim, if later); (v) Paragraph 21; (vi) Paragraph 18; and (vii) Paragraph 14.

24.25. Integration. For the avoidance of doubt, this Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements and commitments between the Parties with respect to the provision of electric power to the site.

22-26. Assignment. Neither Party may assign this Agreement, nor may it assign any interest herein, without the other Party's express prior written consent, which consent may be withheld in such Party's sole discretion, except that either Party may assign this Agreement or any interest herein to (a) any of its affiliates or (b) its successor by merger or an entity acquiring all or substantially all of its assets. Nothing herein is intended to nor be construed as creating: (i) a partnership, joint venture, or other legal entity, or (ii) any agency or continuing relationship between the Parties, other than the contractual relationship expressly and specifically set forth herein. Nothing in this Agreement gives any person or entity, other than the Parties, any legal or equitable right, remedy, or claim under or with respect to any provision of this Agreement. This ~~a~~Agreement shall be binding upon, and extend to, the heirs, successors and assigns of the respective Parties hereto.

23-27. Authority. Each person signing on behalf of Company and Customer represents to the other that such person has all requisite authority to execute and deliver this Agreement to the other and to bind the signatory's respective party to perform the obligations prescribed by this Agreement.

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~~24.8. Counterparts. This Agreement may be executed by Company and Customer in separate counterparts via wet signature or electronically; each executed copy will be an original, and all such counterparts will together be one and the same instrument.~~

~~25.8. Additional provisions, if any, are included in Exhibit F.~~

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28. Counterparts. This Agreement may be executed by Company and Customer in separate counterparts via wet signature or electronically, each executed copy will be an original, and all such counterparts will together be one and the same instrument.

29. Additional provisions, if any, are included in Exhibit F.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed and sealed in their names, the day and year first above written.

Duke Energy Florida, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

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**Exhibit A  
Customer-Requested Load Ramp**

(Continued on Next Page)



**Exhibit B**  
**Company Costs to Serve Customer Facility**

(Continued on Next Page)



Exhibit C

Form Letter of Credit

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: \_\_\_\_\_

Date: \_\_\_\_\_

Beneficiary:  
[Duke Energy legal entity name]  
c/o Duke Energy Corporation  
Attention: Chief Risk Officer (DEP-16A)  
525 S. Tryon Street  
Charlotte, NC 28202

Ladies and Gentlemen:

By the order of:

Applicant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We hereby issue in your favor our irrevocable letter of credit No.: \_\_\_\_\_ (“Letter of Credit”) for the account of \_\_\_\_\_ (the “Applicant”) for an amount or amounts not to exceed \_\_\_\_\_ US Dollars in the aggregate (US\$ \_\_\_\_\_) available by your drafts at sight drawn on [Issuing Bank] effective \_\_\_\_\_ and expiring at our office on \_\_\_\_\_ (which date, as may be extended in the manner provided herein is referred to as the “Expiration Date”). This Letter of Credit shall be automatically extended, without amendment, for successive one (1) year periods unless we provide Beneficiary with not less than sixty (60) days’ prior written notice by overnight courier to the address set forth above that we elect not to extend this Letter of Credit. Upon receipt by the Beneficiary of any such notice not to extend this Letter of Credit and notwithstanding anything in this Letter of Credit to the contrary, the Beneficiary may draw any or the entire amount available hereunder by presenting drawing documents in compliance with the terms and conditions of this Letter of Credit.

Funds under this Letter of Credit are available against your draft(s), in the form of attached Annex 1, mentioning our letter of credit number and presented at our office located at [Issuing Bank’s address must be in US] and accompanied by a certificate in the form of attached Annex 2 with appropriate blanks completed, purportedly signed by an authorized representative of the Beneficiary, on or before the Expiration Date in accordance with the terms and conditions of this Letter of Credit. Partial drawings under this Letter of Credit are permitted.

(Continued on Next Page)



We hereby undertake to promptly honor your drawing(s) presented in compliance with the terms of this Letter of Credit, up to the amount then available herein, in no event will payment exceed the amount then available to be drawn under this Letter of Credit.

We engage with you that drafts drawn under and in conformity with the terms of this Letter of Credit will be duly honored on presentation if presented on or before the Expiration Date. Presentation at our office includes presentation in person, by certified, registered, or overnight mail.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Issuing Bank] under this Letter of Credit is the individual obligation of [Issuing Bank] and is in no way contingent upon reimbursement with respect hereto.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber Of Commerce Publication No. 590 (“ISP98”). Matters not addressed by ISP98 shall be governed by the laws of the state of New York.

We shall have a reasonable amount of time, not to exceed two (2) business days following the date of our receipt of drawing documents, to examine the documents and determine whether to take up or refuse the documents and to inform you accordingly.

Kindly address all communications with respect to this Letter of Credit to [Issuing Bank’s contact information], specifically referring to the number of this Letter of Credit.

All banking charges are for the account of the Applicant.

With the exception of increases in the amount or extensions of the expiry date, this letter of credit may not be amended, changed or modified without the consent of the beneficiary.

This letter of credit is transferable, and we agree to consent to its transfer, subject to our standard terms of transfer and your payment to us of our standard transfer fee.

Very truly yours  
[Issuing Bank]

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Authorized Signer

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(Continued on Next Page)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL  
EFFECTIVE:

LLCA



This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 1

FORM OF SIGHT DRAFT

[Insert date of sight draft]

To: *[Issuing Bank's name and address]*

For the value received, pay to the order of \_\_\_\_\_ by wire transfer of immediately available funds to the following account:

*[name of account]*  
*[account number]*  
*[name and address of bank at which account is maintained]*  
*[aba number]*  
*[reference]*

The following amount:

*[insert number of dollars in writing]* United States Dollars  
(US\$ *[insert number of dollars in figures]*)

Drawn upon your irrevocable letter of credit No. *[irrevocable standby letter of credit number]* dated *[effective date]*

*[Beneficiary]*

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 2

FORM OF CERTIFICATE

[Insert date of certificate]

To: *[issuing bank's name and address]*

Duke Energy [ ] \_\_\_\_\_ (the "Beneficiary") is drawing the funds requested under this draft based on the below specified draw condition:

*[check appropriate draw condition]*

[ ] Pursuant to that certain [Name of Agreement] between Beneficiary and [Insert counterparty's Name] dated as of \_\_\_\_\_ (the "Agreement"), Beneficiary is entitled to the draw of the funds requested

Or

[ ] Applicant has failed to extend or replace the Letter of Credit and/or provide other acceptable replacement collateral as required in the Agreement, and less than thirty (30) days remain prior to the expiration of the Letter of Credit, wherefore Beneficiary hereby demands payment of US\$ \_\_\_\_\_ to be held as collateral until Beneficiary is provided with a replacement letter of credit or other acceptable collateral.

Duke Energy [ ] \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

(Continued on Next Page)

**Exhibit D****Form Parent Guaranty**

**THIS GUARANTY AGREEMENT** (this "Guaranty"), dated as of [date], is issued and delivered by [GUARANTOR'S NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Guarantor"), for the account of [ENTITY NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Obligor"), and for the benefit of [ENTITY NAME], a [STATE OF INCORPORATION] [ENTITY TYPE] (the "Beneficiary").

**Background Statement**

WHEREAS, the Beneficiary and Obligor entered into that certain [NAME OF AGREEMENT], dated \_\_\_\_\_ (the "Agreement"); and

WHEREAS, Beneficiary has required that the Guarantor deliver to the Beneficiary this Guaranty as an inducement to enter into the Agreement.

**Agreement**

**NOW, THEREFORE**, in consideration of the foregoing and for good and valuable consideration, the Guarantor hereby agrees as follows:

1. **Guaranty.** Subject to any rights, setoffs, counterclaims and any other defenses that the Guarantor expressly reserves to itself under this Guaranty, the Guarantor absolutely and unconditionally guarantees the timely payment of the Obligor's payment obligations under the Agreement (the "Guaranteed Obligations").

Subject to the other terms of this Guaranty, the liability of the Guarantor under this Guaranty is limited to payments expressly required to be made under the Agreement, and except as specifically provided therein, the Guarantor shall not be liable for or required to pay any consequential or indirect loss (including but not limited to loss of profits), exemplary damages, punitive damages, special damages, or any other damages or costs.

2. **Effect of Amendments.** The Guarantor agrees that the Beneficiary and the Obligor may modify, amend and supplement the Agreement and that the Beneficiary may delay or extend the date on which any payment must be made pursuant to the Agreement or delay or extend the date on which any act must be performed by the Obligor thereunder, all without notice to or further assent by the Guarantor, who shall remain bound by this Guaranty, notwithstanding any such act by the Beneficiary.

3. **Waiver of Rights.** The Guarantor expressly waives (i) protest, (ii) notice of acceptance of this Guaranty by the Beneficiary, and (iii) demand for payment of any of the Guaranteed Obligations.

4. **Reservation of Defenses.** Without limiting the Guarantor's own defenses and rights hereunder, the Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses that the Obligor may have to payment of all or any portion of the Guaranteed Obligations except defenses arising from the bankruptcy, insolvency, dissolution or liquidation of the Obligor and other defenses expressly waived in this Guaranty.

5. **Settlements Conditional.** This guaranty shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any monies paid to the Beneficiary in reduction of the indebtedness of the Obligor under the Agreement have to be repaid by the Beneficiary by virtue of any

(Continued on Next Page)

provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and the liability of the Guarantor under this Guaranty shall be computed as if such monies had never been paid to the Beneficiary.

6. Notice. The Beneficiary will provide written notice to the Guarantor if the Obligor defaults under the Agreement.

7. Primary Liability of the Guarantor. The Guarantor agrees that the Beneficiary may enforce this Guaranty without the necessity at any time of resorting to or exhausting any other security or collateral. This is a continuing Guaranty of payment and not merely of collection.

8. Representations and Warranties. The Guarantor represents and warrants to the Beneficiary as of the date hereof that:

- a. The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed;
- b. The execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;
- c. All consents, authorizations, approvals, registrations and declarations required for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
- d. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights or by general equity principles.

9. Nature of Guaranty. The Guarantor hereby agrees that its obligations hereunder shall be unconditional irrespective of the impossibility or illegality of performance by the Obligor under the Agreement; the absence of any action to enforce the Agreement; any waiver or consent by Beneficiary concerning any provisions of the Agreement; the rendering of any judgment against the Obligor or any action to enforce the same; any failure by Beneficiary to take any steps necessary to preserve its rights to any security or collateral for the Guaranteed Obligations; the release of all or any portion of any collateral by Beneficiary; or any failure by Beneficiary to perfect or to keep perfected its security interest or lien in any portion of any collateral.

10. Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation until all Guaranteed Obligations shall have been paid in full. Subject to the foregoing, upon payment of all such Guaranteed Obligations, the Guarantor shall be subrogated to the rights of Beneficiary against the Obligor, and Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

(Continued on Next Page)

11. Term of Guaranty. This Guaranty shall remain in full force and effect until the earlier of (i) such time as all the Guaranteed Obligations have been discharged, and (ii) [date] (the "Expiration Date"); provided however, the Guarantor will remain liable hereunder for Guaranteed Obligations that were outstanding prior to the Expiration Date.

12. Governing Law. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to principles of conflicts of law.

13. Expenses. The Guarantor agrees to pay all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Beneficiary's counsel) relating to the enforcement of the Beneficiary's rights hereunder in the event the Guarantor disputes its obligations under this Guaranty and it is finally determined (whether through settlement, arbitration or adjudication, including the exhaustion of all permitted appeals), that the Beneficiary is entitled to receive payment of a portion of or all of such disputed amounts.

14. Waiver of Jury Trial. The Guarantor and the Beneficiary, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding or counterclaim arising or relating to this Guaranty.

15. Entire Agreement; Amendments. This Guaranty integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. This Guaranty may only be amended or modified by an instrument in writing signed by each of the Guarantor and the Beneficiary.

16. Headings. The headings of the various Sections of this Guaranty are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

17. No Third-Party Beneficiary. This Guaranty is given by the Guarantor solely for the benefit of the Beneficiary and is not to be relied upon by any other person or entity.

18. Assignment. Neither the Guarantor nor the Beneficiary may assign its rights or obligations under this Guaranty without the prior written consent of the other, which consent may not be unreasonably withheld or delayed, except that: the Beneficiary may, upon 30 days prior written notice, make such an assignment without such consent if in conjunction with any assignment of the Agreement by the Beneficiary permitted under the Agreement.

Any purported assignment in violation of this Section 18 shall be void and without effect.

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ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL  
EFFECTIVE:

LLCA

19. Notices. Any communication, demand or notice to be given hereunder will be duly given when delivered in writing or sent by electronic mail to the Guarantor or to the Beneficiary, as applicable, at its address as indicated below:

If to the Guarantor, at:

**[GUARANTOR'S NAME]**  
[Guarantor's street address]  
[City, State and Zip]  
Attention: [contact]  
Email: [email address]

With a copy to:

**[ENTITY NAME]**  
[Address]  
Attention: [contact]  
Email: [email address]

If to the Beneficiary, at:

**Duke Energy Corporation**  
525 South Tryon St.  
Mail code: DEP-16A  
Charlotte, NC 28202  
Attention: Chief Risk Officer  
Email: [reg.credit@duke-energy.com](mailto:reg.credit@duke-energy.com)

or such other address as the Guarantor or the Beneficiary shall from time to time specify. Notice shall be deemed given (a) when received, as evidenced by signed receipt, if sent by hand delivery, overnight courier or registered mail or (b) when received, as evidenced by email confirmation, if sent by email and received on or before 4 p.m. local time of recipient, or (c) the next business day, as evidenced by email confirmation, if sent by email and received after 4 p.m. local time of recipient.

20. Electronic Signatures. The words "execution," "signed," "signature," and words of like import in this Guaranty shall be deemed to include electronic signatures (including via DocuSign or similar method) or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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**IN WITNESS WHEREOF**, the Guarantor has executed this Guaranty as of the day and year first above written.

**[GUARANTOR]**

By: \_\_\_\_\_  
Name:  
Title:

(Continued on Next Page)



**Exhibit E**

**Additional Facilities Details, if applicable**

(Continued on Next Page)

**Exhibit F**  
**Additional Provisions, if any**

Docket No. \_\_\_\_\_

Duke Energy Florida, LLC

Witness: Chatelain

Exhibit No. (MJC-1)

Page 42 of 42

**IN RE: DUKE ENERGY FLORIDA, LLC’S PETITION FOR A LIMITED  
PROCEEDING TO APPROVE LARGE LOAD TARIFF**

**FPSC DOCKET NO. \_\_\_\_\_**

**DIRECT TESTIMONY OF STEVEN W. WISHART**

**APRIL 22, 2026**

**I. INTRODUCTION**

1

2 **Q. Please state your name and business address.**

3 A. My name is Steven W. Wishart. My business address is 293 Boston Post Road West, Suite  
4 500, Marlborough, Massachusetts 01752.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Concentric Energy Advisors, Inc. (“Concentric”). Concentric is a  
8 management consulting firm that provides regulatory, financial, and economic advisory  
9 and litigation support services to energy and utility clients across North America. My  
10 current position is Assistant Vice President.

11

12 **Q. What are your responsibilities in that position?**

13 A. I provide expert testimony and strategic support to electric and natural gas utilities across  
14 the U.S. My areas of expertise include data center strategy, rate design, cost allocation, and  
15 decarbonization strategy.

16

17 **Q. On whose behalf are you submitting this testimony?**

18 A. I am submitting testimony on behalf of Duke Energy Florida (“DEF” or “the Company”).

1 **Q. Please describe your educational background and professional experience.**

2 A. I hold a Bachelor of Science in Finance and a Master of Science in Resource Economics  
3 from the University of Arizona and have completed all the coursework for a Ph.D. in  
4 Applied Economics from the University of Minnesota. I have worked in the energy industry  
5 for more than 20 years. Before joining Concentric in the fall of 2023 I worked at Xcel  
6 Energy for 18 years. There I served as Director of Pricing and Regulatory Analytics for the  
7 Colorado jurisdiction. In that role I performed rate design, cost allocation, long-term rate  
8 forecasting, and numerous other analyses in support of regulatory filings. At Xcel Energy  
9 I also served as Director of Resource Planning and Bidding for the Midwest jurisdiction.  
10 In that role I oversaw the long-range planning for the electric generation portfolio and  
11 conducted competitive resource acquisition processes.

12  
13 **Q. What is the purpose of my testimony?**

14 A. The purpose of my testimony is to provide the Florida Public Service Commission with  
15 context on the rapid growth of data center load nationally, evaluate the benefits and risks  
16 that such large, high-load-factor customers present to electric utilities and their existing  
17 customers, and present how other utilities across the country are managing those risks  
18 through rate design and contractual provisions. I also assess the Company's proposed Large  
19 Load Customer Policy ("LLCP") and Large Load Customer ("LLC") Agreement  
20 ("LLCA") to determine whether they appropriately balance the need to attract large data  
21 center customers with the need to protect other ratepayers from financial risk.

22

1 **Q. Do you have any exhibits to your testimony?**

2 A. No.

3

4 **Q. What is your overall assessment of the Company's Large Load Customer proposal?**

5 A. The contract terms and conditions included in the LLCP and LLCA are consistent with the  
6 proposals that I have observed in other jurisdictions and provide strong protection against  
7 the risk of under recovery of investments and stranded assets. I also understand that Large  
8 Load Customer will initially be placed on one of the Company's existing commercial  
9 tariffs, General Service – Demand ("GSD-1") or General Service – Demand Optional Time  
10 of Use Rate ("GSDT-1"), then subsequently moved to a new rate schedule that will be  
11 specifically designed for new Large Load Customers.

12

13 **II. U.S. DATA CENTER LANDSCAPE**

14 **Q. How has the U.S. data center industry evolved in recent years?**

15 A. The rapid expansion of artificial intelligence, cloud computing, digital storage, and  
16 streaming services has driven unprecedented growth in the U.S. data center industry in  
17 recent years. According to CBRE's *North American Data Center Trends Report*, over 6,300  
18 megawatts (MW) of new data center capacity were under construction in early 2025, with  
19 record-low vacancy rates and average asking rents reaching \$184 per kilowatt annually.<sup>1</sup>  
20 This growth extends beyond traditional hubs like Northern Virginia, as utilities and state  
21 governments nationwide compete for new investment due to the substantial economic and  
22 load benefits of data center development.

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<sup>1</sup> CBRE. North America Data Center Trends H2 2024. CBRE Research, Jan. 2025, [www.cbre.com](http://www.cbre.com).

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In late 2024, Microsoft announced plans to invest up to \$80 billion in new data center construction through 2025, with a focus on U.S.-based locations to support its growing artificial intelligence and cloud services platforms. Similarly, Amazon Web Services and Google have both disclosed major expansions to their data center footprints, with projects planned in Ohio, Texas, and Iowa, among other states.

**Q. Is data center growth expected to continue?**

A. Yes, data center electricity demand is expected to grow significantly over the coming years. According to the U.S. Department of Energy’s Lawrence Berkeley National Laboratory, data centers consumed approximately 176 terawatt-hours (TWh) of electricity in 2023, accounting for about 4.4% of total U.S. electricity use. That figure is projected to rise to between 325 and 580 TWh by 2028, representing 6.7% to 12% of national consumption.<sup>2</sup>

S&P Global Ratings has also forecasted rapid growth, estimating that data centers will require an additional 150 to 250 TWh of electricity annually between 2024 and 2030. This increase is equivalent to adding the electric load of a major metropolitan area like New York City within six years and is expected to drive approximately 50 gigawatts of new generation investment.<sup>3</sup>

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<sup>2</sup> Shehabi, Arman, *et al.* 2024 United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Dec. 2024. <https://eta-publications.lbl.gov/sites/default/files/2024-lbnl-us-data-center-energy-usage-report.pdf>

<sup>3</sup> Georges, Paul, and Shreyas Kesh. “Data Centers: Rapid Growth Creates Opportunities and Issues.” S&P Global Ratings, 30 Oct. 2024. <https://www.spglobal.com/ratings/en/research/articles/241030-data-centers-rapid-growth-creates-opportunities-and-issues-13307638>

1 **Q. How do companies select a location to develop new data centers?**

2 A. Data centers evaluate a wide range of technical, economic, and regulatory factors when  
3 choosing a location. One of the most critical considerations is access to reliable, low-cost  
4 electricity, as energy is often the largest ongoing operating expense for a data center. Sites  
5 with access to high-voltage transmission infrastructure and competitive electric rates are  
6 particularly attractive.

7  
8 Proximity to robust fiber-optic networks and internet exchange points is also essential, as  
9 these support high-speed, low-latency data transmission. In addition, many operators favor  
10 cooler climates that support efficient free-air cooling, which can reduce the need for  
11 mechanical HVAC systems and lower energy consumption.

12  
13 Tax incentives and regulatory certainty also play a major role. States and local governments  
14 often compete to attract data centers by offering tax abatements, sales tax exemptions, and  
15 expedited permitting. Other key considerations include land availability, low natural  
16 disaster risk, strong physical security, and access to a skilled workforce. For example,  
17 Northern Virginia has become a global hub for data centers due to its unique combination  
18 of low energy costs, dense fiber networks, favorable tax policies, and proximity to federal  
19 government infrastructure.

20

21 **Q. Are U.S. electric utilities in competition for new data center load?**

22 A. Yes. U.S. electric utilities are increasingly in active competition to attract data center load.  
23 Data centers represent one of the fastest-growing sources of electric demand, characterized

1 by high load factors and predictable usage patterns. These characteristics make them highly  
2 desirable from a system planning and revenue stability standpoint.

3  
4 To compete for these projects, utilities often work closely with state and local economic  
5 development agencies to offer a combination of competitive electric rates and favorable  
6 interconnection timelines. Some utilities have even developed dedicated tariffs or programs  
7 to meet the unique needs of large data center customers while protecting other ratepayers.

8  
9 This competition is particularly intense in regions like Northern Virginia, Iowa, Texas, and  
10 Oregon, where utilities have aligned infrastructure investments, regulatory policies, and  
11 tax incentives to create attractive conditions for data center development. Florida, while  
12 not yet a top-tier data center market, has the potential to become more competitive if  
13 utilities can offer appropriately structured service terms and infrastructure support.

### 14 15 **III. BENEFITS AND RISKS ASSOCIATED WITH DATA CENTER LOAD**

16 **Q. What are some of the benefits associated with adding new data centers or other large  
17 load customers to a utility's system?**

18 A. Adding new data centers or other large load customers to a utility's system can offer several  
19 significant benefits to both the utility and its broader customer base. First and foremost,  
20 these customers typically have high and stable load factors, which means they use  
21 electricity consistently throughout the day and across seasons. This steady demand  
22 improves the overall utilization of generation, transmission, and distribution infrastructure,  
23 helping to lower the average cost per unit of electricity delivered.

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Second, the incremental revenues generated from serving large customers can help cover fixed system costs, including capital investments, maintenance, and property taxes. This can reduce upward pressure on rates for other customers.

Third, data centers often bring broader economic development benefits to the communities they locate in. These include construction jobs, long-term employment opportunities in IT and facility operations, and increased local tax revenues. In some regions, data centers have helped anchor investment in new infrastructure and spurred growth in related industries.

In summary, if properly planned and priced, the addition of large load customers like data centers can enhance system efficiency, support rate stability, and contribute to local economic vitality.

**Q. Is there any empirical evidence that load growth can drive lower average rates?**

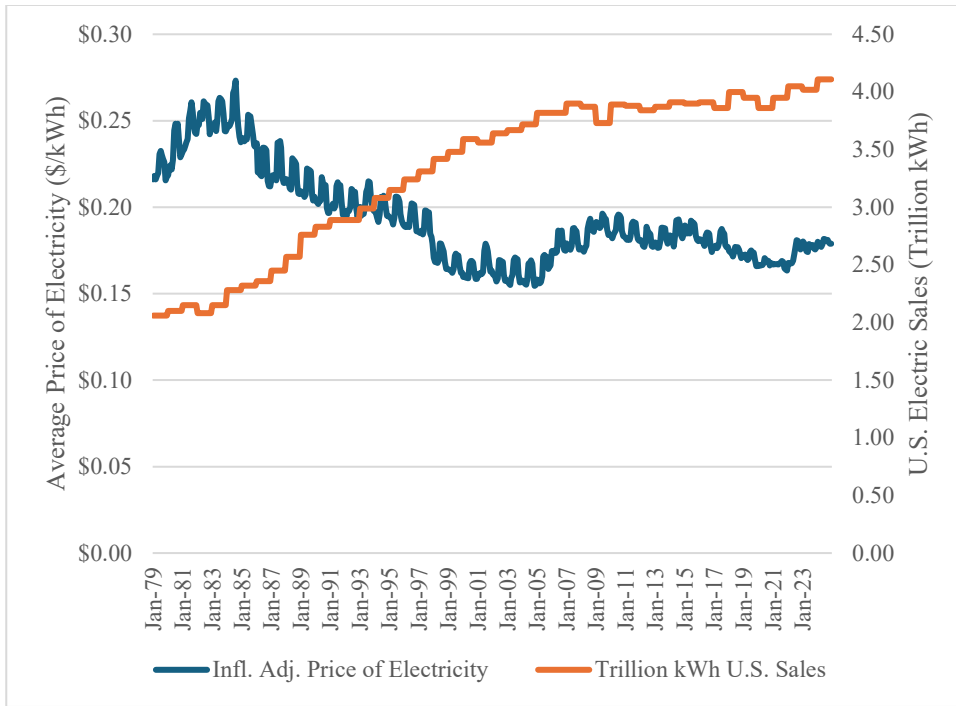
A. Yes. To answer this question, I utilized data from the Energy Information Administration (“EIA”) for U.S. total electric sales volumes,<sup>4</sup> data from the Federal Reserve Bank for the average price of electricity in the U.S.,<sup>5</sup> and inflation rates from the Bureau of Labor Statistics (“BLS”).<sup>6</sup> I developed the following figure that compares the inflation adjusted price of electricity in the U.S. to the annual total sales volumes. The data shows that the period of 1979 through 2004, which exhibited strong growth in electric sales, was also

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<sup>4</sup> Use of electricity - U.S. Energy Information Administration (EIA).  
<https://www.eia.gov/energyexplained/electricity/use-of-electricity.php>  
<sup>5</sup> Average Price: Electricity per Kilowatt-Hour in U.S. City Average (APU000072610) | FRED | St. Louis Fed,  
<https://fred.stlouisfed.org/series/APU000072610>  
<sup>6</sup> Bureau of Labor Statistics Data, <https://data.bls.gov/timeseries/CUUR0000SA0>

1 characterized by a falling inflation adjusted price of electricity. Then, from 2004 through  
 2 2024, U.S. electric sales stagnated, and the inflation adjusted price of electricity remained  
 3 relatively flat. While there are many factors that drive the change in electric prices the  
 4 historic correlation between increasing sales and falling rates is evident. However, this does  
 5 not imply that in the future, incremental load growth will lower inflation adjusted electric  
 6 rates.

7  
 8 **Figure 1: Long Term U.S. Electric Sales and Inflation Adjusted Average Prices**



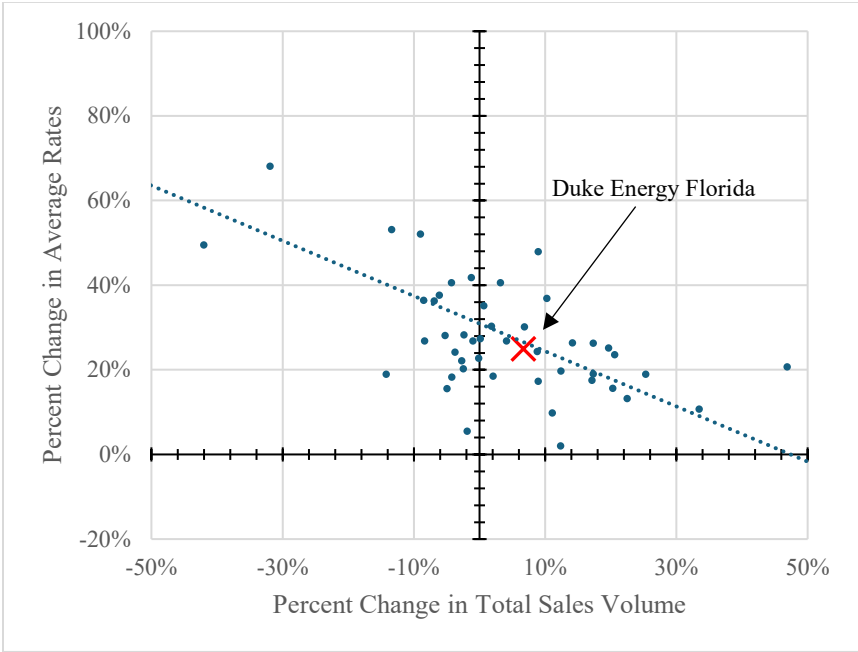
9  
 10  
 11 **Q. Have you conducted any additional analysis regarding sales volumes and changes in**  
 12 **average rates?**

13 A. Yes. To further explore the relationship between changes in sales volumes and changes in  
 14 average electric rates, I utilized data from EIA Form 861,<sup>7</sup> which reports on sales volumes

<sup>7</sup> Annual Electric Power Industry Report, Form EIA-861 detailed data files - U.S. Energy Information Administration (EIA), <https://www.eia.gov/electricity/data/eia861/>.

1 and total revenues for U.S. electric utilities. I used this data to calculate the average rates for  
2 the fifty largest investor-owned utilities that offer bundled service to customers. I then  
3 compared the change in total sales volume from 2015 through 2024 to the change in average  
4 rates over the same time period. The correlation between the two data series is not perfect,  
5 but there is a statistically significant negative correlation between the percentage change in  
6 sales and the percentage change in average rates. In other words, the greater the increase in  
7 sales, the smaller the increase in average rates over the ten-year period. The data point for  
8 the Company is roughly in the middle of the other observations, but the average rate increase  
9 over the last ten years is slightly below what the regression analysis predicts. This is further  
10 evidence that increasing sales volumes can have the effect of putting downward pressure on  
11 average electric rates.

12  
13 **Figure 2: 2015-2024 Percent Change in Sales versus Percent Change in Average Rates**



14  
15

1 **Q. What are some of the risks associated with adding new data centers or other large load**  
2 **customers to a utility’s system?**

3 A. Data centers and other large load customers can pose economic and reliability risks to utilities.  
4 First, capital planning uncertainty may arise if a customer’s actual load differs from the  
5 forecasted level. This risk can be mitigated through regular forecast updates and contractual  
6 arrangements that help ensure future revenue. Second, load variability, though typically  
7 moderate given data centers’ high load factors, can shift with evolving computing needs; to  
8 smooth potential variation, utilities should monitor trends closely and refine planning  
9 assumptions in collaboration with customers. Finally, transparent cost allocation helps assign  
10 the costs of serving new large load customers fairly and avoids unexpected shifts onto other  
11 ratepayers.

12

13 **IV. CUSTOMIZED VERSUS STANDARDIZED CUSTOMER AGREEMENTS**

14 **Q. How are new large customers typically served by utilities?**

15 A. Traditionally for a new large load customer, utilities would negotiate tailored contracts.  
16 Under these “special contract” arrangements, customers may agree to various provisions  
17 including special rates, security deposits, minimum billing provisions, and early-termination  
18 agreements. These agreements provide utilities with additional financial protections while  
19 the customers can negotiate the terms and conditions that match their business needs.

20

21 **Q. Are there examples of jurisdictions that continue the use of negotiated special**  
22 **contracts for new large load customers?**

1 A. Yes. Based on my experience and research, many states continue to allow utilities to negotiate  
2 customized contracts with new customers. In my previous employment, I participated in  
3 negotiating special contracts with customers in Colorado. I am also aware that utilities in  
4 Arizona negotiate Electric Supply Agreements that may include contract lengths and  
5 minimum monthly loads.

6  
7 In Georgia, the Public Service Commission approved new rules that allow Georgia Power to  
8 require customers greater than 100MW to sign longer term service contracts that may require  
9 credit provisions and termination charges. However, the specifics are left to the utility to  
10 negotiate. This allows for Georgia Power to customize the service contracts for each potential  
11 new customer.

12  
13 I am also aware that Entergy Louisiana negotiated a customized electric service agreement  
14 with Meta for a 2,300MW data center in Richland Parish. The agreement includes customer-  
15 funded infrastructure, minimum demand billing, an extended contract term, and security  
16 requirements.

17  
18 **Q. What are some of the benefits of having negotiated contract terms for new large load**  
19 **customers?**

20 A. Negotiating individual contracts allows utilities to tailor cost-recovery and performance  
21 incentives precisely to each project's characteristics, such as setting a minimum load-factor  
22 requirement or bespoke demand-charge structure that aligns with a customer's forecasted  
23 load profile, thereby ensuring costs are fully recovered without over- or under-allocating

1 risks. Such contracts also offer pricing flexibility, enabling customers to secure customized  
2 rate structures that reflect their unique usage patterns and risk tolerances, which standardized  
3 tariffs may not accommodate.

4  
5 Finally, special contracts foster closer utility-customer collaboration, supporting economic-  
6 development goals by aligning interconnection study timelines, resilience provisions, and  
7 infrastructure investments to a project's evolving needs. This partnership approach  
8 accelerates site selection and regulatory approval and enables utilities to manage project-  
9 specific risks more effectively than a one-size-fits-all contract framework .

10  
11 **Q. Are there other jurisdictions that are using or proposing standardized terms of service  
12 for new large load customers?**

13 A. Yes. As I will discuss later in my testimony, recently there have been several proposals by  
14 utilities to create standardized terms and conditions for new large customers. While some  
15 proposals contain terms that vary based on the size or credit rating of the customer, the  
16 majority seek to standardize contractual terms.

17  
18 **Q. What are some of the advantages of having standardized contract terms for new large  
19 load customers?**

20 A. Standardized contract terms for large customers offer several advantages. First, they  
21 streamline negotiations and lower administrative costs by providing a clear, uniform template  
22 for essentials like security deposits, study fees, minimum bill guarantees and exit penalties.

1 Both the utility and the customer know up front what to expect—avoiding the delays and  
2 back-and-forth of customized agreements.

3  
4 Second, a consistent contract framework enhances regulatory transparency and defensibility.  
5 Regulators can more easily review and approve a single contract that is applied uniformly,  
6 rather than scrutinizing numerous custom deals with varying terms. This visibility helps  
7 ensure cost-recovery and credit safeguards are being applied fairly across all projects.

8  
9 Third, standardized terms promote rate-class equity by ensuring each new entrant bears the  
10 same financial responsibilities, preventing ad hoc discounts or overly lenient security  
11 arrangements that could shift risks or costs onto existing customers.

12  
13 Fourth, having clear, uniform terms reduces development risk for prospective large  
14 customers. Early clarity around contractual obligations accelerates site-selection and project  
15 timelines by improving investment certainty.

16  
17 Finally, a standardized approach allows the utility to aggregate lessons learned. By tracking  
18 outcomes under the same contract structure, the utility can refine credit formulas, load-ramp  
19 provisions, and study processes over time, continually tightening risk management while  
20 preserving an efficient onboarding path for future large-load customers.

21  
22 **Q. What factors should utilities weigh when choosing between customized special**  
23 **contracts and standardized large-load agreements?**

1 A. Utilities must balance several considerations when deciding between customized and  
2 standardized agreements. Highly specialized projects with unique load shapes, on-site  
3 generation, or resilience requirements often warrant customized contracts that calibrate rates,  
4 security provisions, and performance incentives to the customer's profile. By contrast, well-  
5 capitalized customers with bank-backed load commitments can often be served under a  
6 uniform tariff featuring standardized security deposits and exit penalties, reducing legal  
7 review and administrative overhead. Finally, market and economic-development goals play  
8 a critical role: a standardized tariff can accelerate site selection and provide competitive  
9 certainty, whereas customized contracts can secure projects requiring novel reliability or  
10 environmental provisions.

## 12 V. INCREMENTAL VERSUS AVERAGE EMBEDDED COST OF SERVICE

13 **Q. What is the purpose of this section of your testimony?**

14 A. In this section, I will discuss two approaches that can be used to establish rates for new large  
15 load customers. First, I will discuss the traditional use of the average embedded cost of  
16 service approach. Second, I will discuss a relatively new concept of basing rates on the  
17 incremental cost of service. There are positive and negative aspects to both approaches and  
18 the selection of one or the other has become a critical factor in the development of new large  
19 load customer tariffs.

21 **Q. What is the average embedded cost of service approach to calculating electric rates?**

22 A. Under an average embedded cost-of-service methodology, a utility first determines its total  
23 revenue requirement based on representative test year costs. Those costs are then

1 functionalized into categories such as production, transmission, and distribution; classified  
2 into demand-related, energy-related, and customer-related cost categories; and allocated to  
3 each customer class using cost-causation drivers such as peak demand, annual energy use,  
4 and number of customers. The resulting class cost-of-service study yields the average unit  
5 cost to serve each customer group, which then forms the basis for designing demand charges,  
6 energy rates, and fixed customer charges that recover the embedded cost responsibility of  
7 each customer class. The key aspect of this approach is that total utility revenue requirements  
8 are spread consistently across customers.

9  
10 **Q. Is the average embedded cost methodology for establishing electric rates a common**  
11 **practice?**

12 A. Yes. The average embedded cost-of-service method is the standard ratemaking approach used  
13 by nearly all electric utilities. This approach underpins the vast majority of state-commission-  
14 approved tariffs. By tying rates to historical or forecasted total costs, regulators ensure that  
15 each class pays its fair share and that tariff designs remain “just and reasonable.”

16  
17 There are many examples of utilities that serve new large load customers through rates based  
18 on the average embedded cost approach. Ameren Missouri’s recent proposal for a new Large  
19 Load Customer tariff includes rates based on their standard Large Power Service customer  
20 class. AEP Ohio’s Data Center Power (“DCP”) tariff includes new provisions regarding  
21 contractual arrangements, but charges to data centers continue to be based on the Company’s  
22 general service rates. Likewise, Dominion Energy Virginia has proposed to create a new large  
23 customer high load factor rate class that includes new contract requirements, but the

1 Company intends to maintain their existing class cost allocation methodology and the use of  
2 average embedded costs to determine rates.

3  
4 **Q. Is it appropriate to charge new customers rates that are based on the cost of an electric  
5 system that has been built up over many decades?**

6 A. Yes. While data centers may be a relatively new development, there is no requirement to treat  
7 them differently than how other new customers have been treated over the past 100 years.  
8 James C. Bonbright, in his seminal work *Principles of Public Utility Rates*, addresses the  
9 issue of discriminatory rates. He emphasizes that rate relationships should avoid undue  
10 discrimination, advocating for fairness in the apportionment of costs among different  
11 consumers. He specifically addresses the concept of discriminatory pricing for new  
12 customers:

13 In electric and gas rate making, commissions have sometimes approved a  
14 makeshift solution by permitting old customers to continue service at the  
15 old rates, new customers being subject to the higher revised rates. But this  
16 action runs against a rival standard of fairness, the generally accepted  
17 principle against economic discrimination.<sup>8</sup>

18  
19 Regulators have consistently applied the average embedded cost methodology across all  
20 customer classes even with the recognition that some customer groups may be relatively  
21 more or less expensive to serve. A classic example of this is urban and rural customers. In  
22 rural territories, customer density is low, and distribution lines must span longer distances,  
23 resulting in higher per-customer infrastructure costs. Yet most utilities maintain the same  
24 average embedded cost methodology and tariffed rates for both customer groups.

25  

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<sup>8</sup> Bonbright, James C. *Principles of Public Utility Rates*. 2nd ed., Columbia University Press, 1961, page 187.

1 **Q. What does it mean to charge new customers rates based on the incremental cost of**  
2 **service?**

3 A. Charging rates on an incremental cost-of-service basis means setting prices that reflect only  
4 the additional costs a utility will incur to serve new load—not the embedded, historic  
5 investments in its system. Under this approach, the utility first identifies the incremental  
6 expenses associated with the additional demand and energy, such as the extra generation  
7 capacity, fuel, operating labor, maintenance, and any required incremental transmission or  
8 distribution upgrades. It then allocates those incremental costs directly to the customer whose  
9 load triggers them, often through a special tariff or rider.

10  
11 Unlike the average embedded-cost method, which spreads capital costs and expenses across  
12 all customers, an incremental-cost framework charges new entrants only for the system costs  
13 they cause. This promotes efficient expansion since prices signal the true cost of adding  
14 capacity and discourage overbuilding. However, because incremental costs can fluctuate  
15 with market prices and vary by project, this pricing structure is inherently unstable.

16  
17 **Q. Do most utilities use some type of charges to new customers based on incremental costs?**

18 A. Yes. Every utility that I am aware of has some type of line extension policy that is based on  
19 the actual incremental cost to serve a new customer. Most utilities will compare the difference  
20 between the cost of new lines to serve a customer to the expected revenues and require the  
21 customer to pay the difference as an up-front Contribution in Aid of Construction (“CIAC”).  
22 In my experience, line extension charges are most commonly assessed for new distribution  
23 lines, but they can also be assessed for transmission lines.

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**Q. Are tariff charges commonly based on the incremental cost of service?**

A. No. Based on my experience, it is uncommon for utilities to base rate schedule charges on incremental costs. I have only become aware of such structures in the past year, specifically in the context of data center or other large load tariff proposals. Florida Power and Light’s (“FPL”) proposal for new Large Load Contract Service (“LLCS”) in Florida Public Service Commission Docket No. 20250011-EI includes an Incremental Generation Charge (“IGC”) that is based on the estimated cost of incremental generation needed to serve customers under the proposed rate schedule. Evergy’s Large Load Power Service (“LLPS”) proposal included a System Support Rider (“Schedule SR”), which was intended to reflect the costs associated with the accelerated development of generation resources needed to serve new large customers. However, a November 2025 settlement filed in Evergy’s Kansas proceeding that eliminated the incremental charges included in Schedule SR and replaced them with the Cost Stabilization Rider (“Schedule CRS”) that only ensures that LLPS customers are paying their fair share of average embedded costs.

In June 2025, Arizona Public Service (“APS”) proposed a modification to their cost allocation methodology, which allocates new generation costs to customer classes based on the growth in peak demand. This approach is a hybrid of the average embedded cost and the incremental cost of service methodologies, as it allocates new costs based on customer growth, but also allocates embedded costs to customer classes based on traditional cost of service concepts. The result of APS’s new cost allocation approach was a rate increase for

1 the Extra High Load Factor rate schedule (“XHLF”) that was more than double the increase  
2 for other customer classes.

3  
4 **Q. What are some of the strengths and weaknesses associated with the average embedded  
5 cost methodology and with the incremental cost approach?**

6 A. The primary strength of the average embedded cost methodology is that it maintains  
7 consistency and fairness across customer groups. All customers share equally in the electric  
8 system costs that have been deemed prudently incurred by a Commission. It is inevitably  
9 true that some customers may be more or less expensive to serve than others, but the average  
10 embedded cost approach treats all customers the same and has resulted in stable rates and  
11 charges that have long been deemed just and reasonable. The primary concern associated  
12 with using the embedded cost of service approach, particularly with regard to new large  
13 customers, is that due to the currently high cost of generation capacity and other  
14 infrastructure, there is the potential for average rate increases that would be borne by all  
15 customers.

16  
17 The primary strength of the incremental cost of service approach is that it may prevent  
18 unwanted cost shifts between new and existing customers. This benefit is contingent upon  
19 the incremental cost of service being higher than the average embedded cost of service, which  
20 may not always be the case. If a utility has existing unused capacity, or a relatively high  
21 embedded cost of service, incremental costs will not necessarily be higher than the average  
22 embedded costs.

1 As previously discussed, one of the weaknesses of adopting an incremental cost approach  
2 for new customers is the perception of unfairness. For many years, new customers have been  
3 charged based on existing average rates, regardless of whether incremental costs have been  
4 high or low. Another weakness is that the approach focuses only on the short-term impact of  
5 new customers. Over time, it is likely that the resources built to serve new customers will  
6 depreciate and become less expensive than the system average. In this situation, they would  
7 be contributing to lower overall system cost. If new customers are asked to pay higher  
8 incremental costs when the resources used to serve them are new, they should also receive  
9 the benefit of lower rates in the future as those resources depreciate.

## 11 **VI. LARGE CUSTOMER CONTRACT PROVISIONS**

12 **Q. What is the purpose of this section of your testimony?**

13 A. In this section of my testimony I provide a summary of some of the large load or data center  
14 specific contractual requirements that I have researched. The intention is to demonstrate the  
15 range of requirements for various contract terms. I do not attempt to provide a comprehensive  
16 discussion of each.

17  
18 **Q. What are some of the common contract terms that utilities require or have proposed  
19 for new large load customers?**

20 A. First, most utilities specify a minimum size and/or minimum load factor thresholds for new  
21 customers that trigger the requirement for special contract provisions. New customers will  
22 sign a contract that specifies their expected monthly peak demand volumes. Utilities will  
23 require a minimum contract length for new large load customers, which commonly includes

1 a ramp period to allow for the load to grow as the site is developed. To ensure sufficient cost  
 2 recovery of investments, many utilities require minimum monthly bills or demand volumes,  
 3 collateral deposits, and exit fees in the event that a new customer materially reduces load or  
 4 discontinues operations. Finally, some utilities are allowing for the reassignment of capacity  
 5 to other customers to ensure that resource utilization can be maximized.

6  
 7 **Q. What utility contract requirements or proposals have you reviewed?**

8 A. I have reviewed the following utilities: AEP Ohio, Dominion Energy Virginia, Indiana  
 9 Michigan, Evergy Kansas and Missouri, Consumers Michigan, FPL, Wisconsin Electric  
 10 Power, Santee Cooper, Kentucky Power, and Ameren Missouri. I am aware that this list may  
 11 not be comprehensive and there may be other large load customer proposals that I am  
 12 unaware of.

13  
 14 **Q. What are the customer load size requirements and load factor requirements for the  
 15 utility proposals that you reviewed?**

16 A. The size requirement generally ranged from 25MW to 150MW. Wisconsin Electric Power’s  
 17 Very Large Customer tariff proposal was an outlier with a minimum contract capacity of  
 18 500MW. Only Dominion and FPL specified a minimum load factor requirement.

19

Utility	Tariff / Rate Name & Docket	Minimum Load Size	Minimum Load-Factor
AEP Ohio	Data Center Power Tariff	> 25 MW , >1MW for mobile data centers (crypto)	None
Dominion Energy Virginia	GS-5 Rate Class	≥ 25 MW on contiguous sites	≥ 75% LF over 3 month period.
Indiana Michigan Power	Very Large Customer Tariff	≥ 70 MW single site or ≥ 150 MW aggregated	None
Evergy (KS & MO)	Large Load Power Service	> 75 MW peak	85% for Special High Load Factor Market Rate

Utility	Tariff / Rate Name & Docket	Minimum Load Size	Minimum Load-Factor
Consumers Energy (MI)	Large General Service Primary Demand Rate	≥ 100 MW at one site or aggregated	None
FPL	Large Load Contract	≥ 50 MW	≥ 85% LF
Wisconsin Electric Power	Very Large Customer Tariff	≥ 500 MW	None
Santee Cooper (SC)	Experimental Large-Load Rate	≥ 50 MW	None
Kentucky Power	Tariff Industrial General Service – Large Load Option.	≥ 150 MW	None
Ameren (MO)	Large Primary Service M11	≥ 75 MW	None

- 1
- 2 **Q. What are the minimum contract length and load ramp provisions for the utility**
- 3 **proposals that you reviewed?**
- 4 A. Most utilities require multi-year commitments with a defined “ramp” period during which
- 5 the customer can gradually reach full load. Contract terms range from 10–20 years total, with
- 6 ramp periods from 3–5 years.

Utility	Minimum Total Contract Term	Load Ramp Period & Provision
AEP Ohio	Load ramp period + 8 years	Up to 4 years
Dominion Energy Virginia	Load ramp period + 10 years	Option of 4 year ramp at +20%/yr or immediate 100% at energization
Indiana Michigan Power	Load ramp period + at least 12 years	Ramp period not to exceed 5 years
Eergy (KS & MO)	Load ramp period + 12 years	Not specified. Customer provides a forecasted load ramp schedule
Consumers Energy (MI)	Load ramp period + 15 years	Ramp up to 5 years (negotiated)
FPL	20 years total	Negotiated
Wisconsin Electric Power	At least 10 years and for the depreciable life of bespoke generation assets	No stated ramp period, customer provides 10 year peak demand forecast
Santee Cooper (SC)	15 years total	3 years at the Company’s discretion
Kentucky Power	At least 20 years	No stated ramp period
Ameren (MO)	Load ramp period + 12 years	Up to 5 years

- 7
- 8 **Q. What are the collateral requirements and exit fee provisions for the utility proposals**
- 9 **that you have reviewed?**

1 A. Most proposals combine credit/security requirements—often tied to parent-company  
2 guarantees, letters of credit (“LOC”), or cash collateral—with exit fees equal to a fixed  
3 number of months’ minimum charges (commonly 36 months). AEP Ohio’s Schedule DCP is  
4 the most detailed, requiring collateral equal to 50 % of all minimum charges (subject to credit  
5 ratings/liquidity) and an exit fee of 36 months’ charges after Year 5. Dominion VA and FPL  
6 likewise specify multi-year exit fees and parent-guarantee or LOC requirements, while other  
7 jurisdictions rely on CIAC payments.

Utility	Collateral / Security Requirement	Exit-Fee Provision
<b>AEP Ohio</b>	If not $\geq A-/A3$ and $\geq 10\times$ liquidity, collateral = 50% of total minimum charges (declining over time)	After Year 5, customer may terminate by paying an exit fee equal to 36 months of minimum charges
<b>Dominion Energy Virginia</b>	\$1.5 M per MW, 70% reduction in security for credit rating $\geq BBB-$	Early termination fee or reduced capacity fee equal to remaining minimum-bill obligations for term of contract
<b>Indiana Michigan Power</b>	24 months $\times$ maximum monthly non-fuel bill. Exemptions: Fully exempt if credit rating $\geq A-/A3$ and liquidity $\geq 10\times$ collateral requirement, 50% exemption (up to \$250M) with unaudited liquidity $\geq 10\times$ collateral	Capacity reductions $>20\%$ or full termination (after year 5) allowed with 42-month notice. Exit fee equal to value of remaining minimum charges up to 5 years
<b>Energys (KS &amp; MO)</b>	2 years of minimum bills recalculated annually. 60%, 50%, 40%, and 25% discounts available depending on credit.	36-month notice required. Exit fee equal to sum of remaining minimum-bill obligations or 36 months of LLPS charges, whichever is greater. The Company will use reasonable efforts to mitigate, including but not limited to reassignment of resources, the Exit Fee amount owed by the customer.
<b>Consumers Energy (MI)</b>	50% of the remaining minimum monthly charges. Consumers may seek approval of higher or lower collateral requirements.	Minimum billing for the remainder of the contract. Exit fee may be reduced if the loss of the customers load will not harm the Company or its customers.
<b>FPL</b>	$\geq BBB$ parent guaranty covering 5 years of Incremental Generation Charges. $< BBB$ LOC or surety bond covering 10 years of Incremental Generation Charges. Unrated: Internal review determines whether 5-year guaranty or 10-year LOC applies.	Two year notice requirement. Exit fee equals the remaining Incremental Generation Charges for the remainder of contract term
<b>Wisconsin Electric Power</b>	Payment Cancellation Agreement that requires payment equal to the cost of long-lead equipment.	Undepreciated book value of dedicated assets and pass through charges for the remainder of contract term
<b>Santee Cooper (SC)</b>	Collateral equal to full 15 years of minimum bill amount (recalculated annually) + cash deposit equal to 12 months of minimum bills	Remaining minimum monthly charges through the end of contract.

Utility	Collateral / Security Requirement	Exit-Fee Provision
<b>Kentucky Power</b>	Collateral = 24× previous max monthly non-fuel bill; reevaluated annually; form based on creditworthiness	If permanently closing after Year 5, customer must pay five years of minimum billing charges
<b>Ameren (MO)</b>	2 years of Minimum Monthly Bills 60%, 50%, 40%, and 25% discounts depending on credit.	Minimum Monthly Bill x 60 months (5 yrs) Company shall use commercially reasonable efforts to mitigate the amount of the Exit Fee

1

2 **Q. What are the minimum billing requirements for the utility proposals that you have**  
3 **reviewed?**

4 A. Most of the proposals that I reviewed included minimum billing requirements based on a  
5 percentage of contract demand that ranged from 60% to 100%. Wisconsin Electric Power’s  
6 structure is different in that it directly assigns the cost of resources dedicated to serving the  
7 large load customer.

8

Utility	Minimum Bill Requirements
<b>AEP Ohio</b>	Formula based on size: 60% of contract demand for 25MW up to 85% for demand over 115MW.
<b>Dominion Energy Virginia</b>	60% of contract demand for generation charges and 85% for distribution and transmission charges
<b>Indiana Michigan Power</b>	80% of contract demand or maximum demand over previous 11 months
<b>Evergy (KS &amp; MO)</b>	80% of contract demand and 12-month ratch for grid-access charge
<b>Consumers Energy (MI)</b>	80% of contract demand
<b>FPL</b>	70% of contract demand or maximum demand over previous 11 months
<b>Wisconsin Electric Power</b>	Direct assignment of dedicated distribution and transmission facilities and bespoke generation resources
<b>Santee Cooper (SC)</b>	Months 1-60 100%, months 61-120 95%, months 121-180 90% of contract demand
<b>Kentucky Power</b>	90% of contract demand or maximum demand over previous 11 months
<b>Ameren (MO)</b>	80% of contact demand

9



1 demand. From this perspective, the threshold represents a fairly small addition to the  
2 Company's system and is relatively conservative.

3  
4 **Q. How should the Commission consider the proposed Minimum Billing Energy Volume  
5 of no less than 60%?**

6 A. I think the minimum load factor requirement for billing is an important addition to the  
7 Company's LLCA. Schedules GSD-1 and GSDDT-1 include substantial non-fuel energy  
8 charges that collect revenues that cover some fixed system costs. As such requiring a  
9 minimum level of energy for billing purposes will ensure that the Company will collect a  
10 minimum amount of base rate revenues necessary to cover the cost of service to the new  
11 customer.

12  
13 **Q. What is your assessment of the proposed 20-year contract term and load ramp  
14 provision?**

15 A. The proposed contract term is at the high end of the other large load tariffs that I reviewed,  
16 which range from 8 to 20 years. This ensures a maximum amount of financial risk mitigation  
17 for the Company and its customers. The long term of the contract also ensures that only  
18 customers with strong financial backing would be attracted to the LLCA. The load ramp  
19 period is also an important aspect of the Company's proposal. While load ramp periods are  
20 typically not necessary for hyperscale data centers like Google or Amazon, colocation data  
21 centers that serve multiple smaller clients typically require several years to lease out their  
22 entire facility. The load ramp period will allow these types of customers the opportunity to  
23 grow into their maximum forecasted demand levels.

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**Q. What is your assessment of the Company’s security requirements contained in the LLCA and LLCP?**

A. The Company’s proposal to have a variable Security Percentage, which is applied to the Termination Payment Obligation, is a unique aspect of their LLCP. Most of the other proposals I have reviewed required a specific security amount, with some exceptions for customers with high credit ratings and sufficient liquidity. The Company’s approach retains some flexibility in its contract terms that will allow it to tailor security requirements to each prospective customer.

**Q. What is your assessment of the Company’s early termination conditions in the LLCA?**

A. The Company’s requirement that customers pay 36 months of minimum bills, plus the net book values of the new facilities subject to the CIAC rule, for early termination, is a strong deterrent against customers who do not have the expectation of long-term financial viability. This requirement is common across the other large load tariffs that I reviewed and will help the Company recover the cost of investments needed to serve new large load customers.

**Q. What is your assessment of the Company’s Minimum Demand billing requirements included in the LLCA?**

A. The Company’s requirement that the Minimum Demand for billing purposes be 75% to 85% of the annual contract capacity is in the mid-range of other large load tariffs I have reviewed. Dominion Energy Virginia specifies a minimum billed demand of 60% for charges related to generation and AEP Ohio requires minimum billing demand starting at 60% for customers

1 with 25MW of contract capacity. The large load tariffs of other utilities require minimum  
2 billed demand ranging from 80% to 100%. Minimum billing provisions provide incentives  
3 to a customer to not over forecast their expected peak demand, which may cause a utility to  
4 over build capacity. The Company's proposal will act as an incentive for new large load  
5 customers to accurately estimate their demand.  
6

7 **Q. What is your overall conclusion regarding the Company's LLC proposal?**

8 A. The LLC proposal thoughtfully balances the Company's need to manage system risks with  
9 the ability to attract large-scale, high-impact customers. By setting a fixed contract term with  
10 an optional ramp period, flexible security requirements, and financially meaningful exit  
11 provisions, the proposal ensures that the Company's existing ratepayers are protected against  
12 stranded costs while offering data centers and other major loads the certainty they require to  
13 justify multimillion-dollar investments. At the same time, the rate structure, grounded in cost-  
14 of-service principles and aligned with industry leading practices, provides competitive  
15 pricing without unduly shifting risk. For these reasons, I recommend the Commission find  
16 the Company's proposed LLCA and LLCP as just and reasonable and approve them as  
17 proposed.  
18

19 **Q. Does this conclude your testimony?**

20 A. Yes.  
21