

## INTERCONNECTION AGREEMENT

This agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_, a Qualifying Facility, or as appropriate, a Qualifying Facility that is a Distributed Resource as referenced in the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, hereinafter referred to as "QF" and Tampa Electric Company, a private utility corporation organized under the laws of the State of Florida, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties."

1. **Facility:** The QF's generating facility, hereinafter referred to as "Facility," is located at \_\_\_\_\_, within the Company's service territory. QF intends to have its Facility installed and operational on or about \_\_\_\_\_, \_\_\_\_\_. QF shall provide the Company reasonable prior notice of the Facility's initial operation, and it shall cooperate with the Company to arrange initial deliveries of power to the Company's system.

The Facility has been or will be certified as a Qualifying Facility pursuant to the rules and regulations of the Florida Public Service Commission (FPSC) or the Federal Energy Regulatory Commission (FERC). The QF shall maintain the qualifying status of the Facility throughout the terms of the Interconnection Agreement. By the end of the first quarter of each year, QF shall furnish the Company a notarized certificate by an officer of QF certifying that the Facility has continuously maintained qualifying status on a calendar year basis since the commencement of the contract term.

2. **Construction Activities:** QF shall provide the Company with written instructions to proceed with construction of the interconnection facilities as described in this Agreement at least 24 months prior to the date on which the facilities shall be completed.

The Company agrees to complete the interconnection facilities as described in this Agreement within 24 months of receipt of written instructions to proceed.

Upon the parties' agreement as to the appropriate interconnection design requirements and receipt of written instructions to proceed delivered by QF, the Company shall design and perform or cause to be performed all of the work necessary to interconnect the Facility with the Company's system.

Prior to any work being done by the Company, the Company shall supply QF with a written cost estimate of all required materials and labor and an estimate of the date by which construction of the interconnection will be completed. This estimate shall be provided to QF within 60 days after QF provides the Company with its final electrical one-line diagrams. The Company shall also provide project timing and feasibility information to the QF.

QF agrees to pay the Company all expenses incurred by the Company necessary for integration of the Facility into the Company's electrical system, including but not limited to the design, construction, operation, maintenance and repair of the interconnection facilities described in Exhibit A. Exhibit A shall contain a complete description of the interconnection facilities including the final electrical on-line diagram. Such interconnection costs shall not include any interconnection costs which the Company would otherwise incur if it were not engaged in interconnected operations with QF but instead provided through its own generation facilities the electric power required by the Facility.

QF agrees to pay the costs for complete interconnection work (\$\_\_\_\_\_ dollars): ( ) within 30 days after the Company notifies QF that such interconnection work has been completed; or ( ) payable in (up to 36) \_\_\_\_\_ monthly installments, plus interest on the outstanding balance calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date each payment is due, such rate to be determined by the Company, with the first such installment payment being due 30 days after the Company notifies QF that such interconnection work has been completed.

In the event QF notifies the Company in writing to cease interconnection work before its completion, QF shall be obligated to reimburse the Company for the interconnection costs incurred up to the date such notification is received. The payment terms shall be in accordance with the payment option selected by the QF in the proceeding paragraph.

3. **Cost Estimates:** Attached hereto as Exhibit B and incorporated herein by this reference is a document entitled, "QF Interconnection Cost Estimates." The parties agree that the cost of the interconnection work contained in Exhibit B is a good faith estimate of the actual cost to be incurred.

4. **Technical Requirements and Operations:** The parties agree that QF's interconnection with, and delivery of electricity into, the Company's system must be accomplished in accordance with the provisions of the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System," "NERC Planning Standards," September 1997, [Copyright © 1997 by the North American Electric Reliability Council] attached hereto as Exhibit C, that are applicable to generation and transmission facilities which are connected to, or are being planned to be connected to the Company's transmission system (document provided upon request). Additionally, the Parties agree that for QFs that are Distributed Resources, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting

Distributed Resources with Electric Power Systems that is in effect at the time of construction.

In the event that changes in the engineering or operating standards or practices in the utility industry, and the Company's corresponding standards or practices or changes in regulatory requirements, affect the design or operation of the Company's electrical system, and this in turn necessitates additions to or modifications of the equipment or facilities utilized in order to ensure the continued safe and reliable operations contemplated by this Agreement, as well as the continued compatibility of the Facility with the Company's system, QF agrees to bear the cost of such additions or modifications which are directly attributable to the Facility. The costs of such additions or modifications shall not include any costs which the Company would otherwise incur if it were not engaged in interconnected operations with the Facility, but instead provided through its own generation facilities the electrical power required by the Facility.

In addition, QF agrees to require that the Facility operator immediately notify the Company's System Dispatcher by telephone in the event hazardous or unsafe conditions associated with the parties' parallel operations are discovered. If such conditions are detected by the Company, then the Company will likewise immediately contact the operator of the Facility by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

To the extent the Company reasonably determines the same to be necessary to ensure the safe operation of the Facility or to protect the integrity of the Company's system, QF agrees to reduce power generation or take other appropriate actions.

5. **Interconnection Facilities:** The interconnection facilities shall include the items listed in Exhibit A. Interconnection facilities on the Company's side of the ownership line with QF shall be owned, operated, maintained and repaired by the Company. QF shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on QF's side of the ownership line as indicated in Exhibit A. The QF shall be responsible for establishing and maintaining controlled access by third parties to the interconnection facilities owned by the QF.

6. **Maintenance and Repair Payments:** The Company will separately invoice QF monthly for all costs associated with the operation, maintenance and repair of the interconnection facilities. QF agrees to pay the Company within 20 business days of receipt of each such invoice.

7. **Site Access:** In order to help ensure the continuous, safe, reliable and compatible operation of the Facility with the Company's system, QF hereby grants to the Company for the period of interconnection the reasonable right of ingress and egress, consistent with the safe operation of the Facility, over property owned or controlled by QF to the extent the Company deems such ingress and egress necessary in order to examine, test, calibrate, coordinate, operate, maintain or repair any interconnection equipment involved in the

parallel operation of the Facility and the Company's system, including the Company's metering equipment.

8. **Construction Responsibility:** In no event shall any the Company statement, representation, or lack thereof, either express or implied, relieve QF of its exclusive responsibility for the Facility. Specifically, any the Company inspection of the Facility shall not be construed as confirming or endorsing the Facility's design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Facility's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any Facility equipment or procedure.

9. **Insurance:** The QF shall deliver to the Company, at least fifteen (15) days prior to the start of any interconnection work, a certificate of insurance certifying the QF's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the QF as named insured, and the Company as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering the liabilities accepted under this Agreement arising out of the interconnection to the QF, or caused by operation of any of the QF's equipment or by the QF's failure to maintain its equipment in satisfactory and safe operating condition.

a. In subsequent years, a certificate of insurance renewal must be provided annually to the Company indicating the QF's continued coverage as described herein. Renewal certification shall be sent to:

Tampa Electric Company  
Risk Management Department  
P. O. Box 111  
Tampa, FL 33601

b. The policy providing such coverage for a Standard Offer Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence; provided however, if QF has insurance with limits greater than the minimum limits required herein, the QF shall set any amount higher than the minimum limits required by the Company to satisfy the insurance requirements of this Agreement.

c. The policy providing such coverage for a Negotiated Contract shall provide public liability insurance, including coverage for personal injury, death and property damage, in an amount not less than \$1,000,000 for each occurrence. The Parties may negotiate the amount of insurance over \$1,000,000.

d. The above required policy shall be endorsed with a provision requiring the insurance company to notify the Company thirty (30) days prior to the effective date of any cancellation or material change in said policy.

e. The QF shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the Company.

10. **Electric Service to QF:** The Company will provide the class or classes of electric service requested by QF, to the extent that they are consistent with applicable tariffs; provided, however, that interruptible service will not be available under circumstances where interruptions would impair QF's ability to generate and deliver Firm Capacity and Energy to the Company under the terms of the Company's Standard Offer Contract.

11. **Assignment:** The QF shall have the right to assign its benefits under this Agreement, but the QF shall not have the right to assign its obligations and duties without the Company's prior written consent and such consent shall not be unreasonably withheld.

12. **Disclaimer:** In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with QF or any assignee of this Agreement.

13. **Applicable Law:** This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed or amended from time to time.

14. **Severability:** If any part of this Agreement, for any reason, be declared invalid, or unenforceable by a court or public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Agreement, which remainder shall remain in force and effect as if this Agreement had been executed without the invalid or unenforceable portion.

15. **Complete Agreement and Amendments:** All previous communications or agreements between parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless it shall be set forth in writing and duly executed by both parties to this Agreement.

16. **Incorporation of Rate Schedule:** The parties agree that this Agreement shall be subject to all of the provisions contained in the Company's published Rate Schedule COG-1 or COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.

17. **Survival of Agreement:** This Agreement, as it may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

18. **Notification:** For purpose of making emergency or any communications relating to the operation of the Facility, under the provisions of this Agreement, the parties designate the following persons for notification:

**For QF:**

\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_

**For Tampa Electric:**

Dispatcher

Palm River Phone: (813) 621-2929

For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Agreement, the parties designate the following to be notified or to whom payment shall be sent until such time as either party furnishes the other written instructions changing such designate.

**For QF:**

**For Tampa Electric:**

Manager-Wholesale Business Development  
Tampa Electric Company  
3600 Midtown Dr., Tampa, FL, 33607-4808  
P.O. Box 111  
Tampa, Florida 33601

**IN WITNESS WHEREOF**, QF and the Company have executed this Agreement the day and year first above written.

**WITNESSES:**

**Qualifying Facility**

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

**WITNESSES:**

**Tampa Electric Company**

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