



PREMIER POWER SERVICE CONTRACT

The undersigned City of Cocoa, a Florida municipal corporation, (hereinafter "the Customer") hereby applies to Duke Energy Florida, LLC (hereinafter "the Company") for backup electric services to the Customer's Claude H. Dyal Water Treatment Plant facility at 28400 State Road 520, Christmas, Florida 32709 (hereinafter "the Customer's Facility") located in Orange County, Florida, to be provided by an on-site generator installed, owned, operated and maintained by the Company for the purpose of continuing the supply of electricity to the Customer's Facility in the event the Customer's normal electric supply is interrupted and assisting the Company in meeting peak demands on the Company's system during periods of critical capacity conditions (hereinafter "the Services"). The Services shall be rendered in accordance with the terms of the Company's Premier Power Service Rider, Rate Schedule PPS-1 (hereinafter "the PPS Rider," which is hereby incorporated into this Contract by this reference), as approved or subsequently revised by the Florida Public Service Commission, which is hereby incorporated into this Contract by this reference (a copy of the currently effective PPS Rider is attached hereto, ("Attachment B")), and the following terms and conditions:

1. Effective Date

This Contract shall become effective upon the acceptance hereof by the Company, evidenced by the signature of its authorized representative appearing below, which, in conjunction with the PPS Rider and, subject to the terms of this Contract, the technical specifications described in the Company's proposal letter dated March 1, 2020 ("Attachment A"), shall constitute the entire agreement between the Customer and the Company with respect to provision of the Services. In the event of any conflict between the Company's proposal letter and the PPS Rider, in conjunction with this Contract, the PPS Rider, in conjunction with this Contract shall prevail.

2. Term of Contract

The term of this Contract is from 2/26, 2020, or from the date the Services are first provided hereunder, whichever is later and continuing until one hundred twenty (120) months after the date Services are first provided.

3. Customer Payments

The Customer's Monthly Service Payment determined in accordance with the PPS Rider shall be \$36,140.00, exclusive of present or future federal, state, municipal or other sales, use, gross receipts, or property tax, or similar charge with respect to the Services, which the Customer shall also pay. If the Customer fails to pay any amount owed the Company hereunder when due, such past due amounts shall accrue interest at the rate of 18% per annum or the maximum legal rate, whichever is lower. Further if the Customer fails to make any undisputed payment owed the Company hereunder within five (5) business days of receiving written notice from the Company that such payment is past due, the Company may suspend the Services to the Customer. In the event that the Customer fails to pay any past due amounts for a period of sixty (60) days, the Company shall have the right to access and remove the facilities at the Customer's expense. In such a circumstance, the Customer shall be responsible for paying a Termination Fee as more fully described in Section 8 below. Additionally, the Customer shall be liable to the Company for any attorney fees or other costs incurred in collection of this payment or any other amount due under this Contract. The Customer's obligations under this Section 3 shall survive the termination or cancellation of this Contract.

4. Provision of Services and Installation Schedule

The Company shall furnish labor, supervision, equipment, materials and transportation reasonably necessary to provide the Services. The Company shall be entitled to rely on the accuracy of any information provided by the Customer, which information is warranted by the Customer to be accurate and correct. Such information shall include, but is not limited to, the information the Customer is required to provide as described in Section 5 below. In the event of any unforeseen difficulties in performance of the Services due to conditions at the work site or due to the inaccuracy of any information relied upon by the Company, the Customer shall be liable and reimburse the Company for any increased costs or expenses incurred by the Company as a result of such difficulties, and the Monthly Service Payment, the Company's proposal letter, and Contract Term shall be equitably adjusted to compensate Company for any additional or increased work or time the Company may be required to incur. The Company shall exercise commercially reasonable efforts to commence the Services. The completion schedule for providing the Services shall be equitably adjusted to compensate the Company for any such unanticipated delays or delays to the installation or startup of the facilities for any reasons beyond the fault and neglect of the Company.

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5. Customer Responsibilities

The Customer shall provide a location on its premises for installation of the Company's facilities, any necessary access to the work site, as well as a reasonable lay-down area to perform the Services. Further, the Customer shall, so long as is necessary to provide the Services, provide access to the Company, upon reasonable notice to Customer (except in the case of an emergency, declared by the Company, in its sole discretion, in which case the Customer agrees that the Company has permission to access the Company's facilities without any prior notice to the Customer), for operation, maintenance and repair of the Company's facilities. Accordingly, the Customer shall be obligated, at its sole expense, to keep the premises on which the Company's facilities are located free and clear of anything that may impair the operation, maintenance and repair of such facilities or cause damage to the Company's facilities. In the event that the Customer fails to keep the premises on which the Company's facilities are located free and clear as described herein, the Company shall provide notice to the Customer of the Customer's failure to do so. If the Customer has not fully satisfied its obligation as described herein within five (5) business days of its receipt of such notice, the Company may either (i) suspend the Services to the Customer or (ii) clear the premises on which the Company's facilities are located on of anything that may impair the operation, maintenance and repair of such facilities. In the event that the Company chooses option (ii) above, the Customer shall be liable and reimburse the Company for all costs associated with the work performed.

Any delays or additional cost incurred by Company because of inadequate access to the work site shall be grounds for an equitable adjustment in the schedule and the Monthly Service Payment. The Company shall have the right to suspend the Services or adjust the schedule accordingly in the event that there is inadequate access to the work site, or if any required information is not promptly provided, or in the event that the safety of any person or property might be jeopardized by continuing with the Services. The Customer shall provide, at no cost to the Company, any plans, specifications, drawings or information that may be necessary or useful in the performance of the Services. The Customer will ensure that all Occupational Safety and Health Act requirements are adhered to for the area where any Company equipment in support of the Services is to be based. In the event of damage to Company owned equipment that is caused by the Customer or the Customer's agents, or any other cause not due to the fault or neglect of the Company the Customer agrees to pay all repair or replacement costs associated with the damage.

6. Permits and Regulatory Requirements

Other than acquiring its general business license, which the Company shall obtain and maintain, the Customer shall be responsible for obtaining any license or permit required of the Company in the Company's name to enable it to provide the Services. The Customer assumes the risk and responsibility for such compliance (including any changes to such requirements), and for securing such permits, licenses, and approvals, from the proper authorities, and for paying any associated costs or fees should compliance with any laws, rules, regulations, or ordinances of any federal, state, or local authority, or of any agency thereof (including, but not limited to, certification to do business as a foreign corporation) require any changes in the Services; or should any permits, licenses, or approvals of plans and specifications for the Services or should any permits, licenses, or approvals for the installation or use thereof be required.

7. Installed Equipment

The Customer agrees that any equipment installed on the Customer's premises for the express purpose of providing the Services is and will remain the sole property of the Company until such time as the Customer may wish to exercise its purchase rights set forth in Section 9 below. The Company reserves the right to modify or upgrade equipment as the Company deems necessary, in its sole discretion, for the continued supply of these Services. If equipment modifications or upgrades are requested by the Customer, however, any such modifications or upgrades will be at the Customer's expense.

8. Early Termination of Contract

The Customer has the right to terminate this Contract before the entire Contract Term has expired, provided that the Customer a) notifies the Company in writing a minimum of 60 days prior to termination of the Services and b) pays a Termination Fee. The Termination Fee will be calculated by taking the sum of the Customer's payments remaining in the Contract Term, adding an estimated removal cost, and subtracting therefrom the sum of avoided costs, including but not limited to maintenance costs, if any, and the estimated salvage value as reasonably determined by the Company. In the event of any termination of this Contract before the end of the Contract Term, the Company shall also be compensated for all Services provided to Customer prior to the effective date of termination, and for all costs reasonable incurred by the Company in preparation for the providing of Services prior to the effective date of any termination of this Contract or any termination of Services being provided pursuant to this Contract.

9. End of Contract

At the end of the Contract Term the Customer shall have the option to a) renew the terms of this Contract for an agreed upon period at an agreed upon price between the Company and the Customer, b) purchase equipment, if any, that has been installed on Customer's premises at an agreed upon price, or c) terminate this Contract which will require removal of any equipment owned and installed by the Company for the purpose of providing the Services. If the Company does not receive Customer's written confirmation as to which option is being selected within 60 days prior to the end of the Contract Term or if options (a) or (b) are selected but the parties have failed to reach agreement upon the renewal term or the price to be paid, Customer will be deemed to have selected option (c) to terminate.

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ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy – FL

EFFECTIVE: April 29, 2013



10. Warranty

The Company warrants that Services shall be performed in accordance with generally accepted industry practices. THE WARRANTY SET FORTH ABOVE IS EXCLUSIVE, AND NO OTHER WARRANTY OR REMEDY OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL APPLY.

The Customer warrants that the premises on which the Company's facilities are to be located is suitable for the location of such facilities. The Customer further warrants that the placing of such facilities on such premises complies with all laws, rules, regulations, ordinances, zoning requirements or any other federal, state or local governmental requirements.

11. Limitation of Liability and Indemnification

Notwithstanding anything herein to the contrary, neither the Company nor its employees, its subcontractors or suppliers shall be liable for any direct, indirect, general, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder. Further, notwithstanding anything herein to the contrary, in no event shall the Company's liability arising out of or in connection with the performance or non-performance of the Services exceed the Customer's payments received by the Company pursuant to Section 3 above. The provisions of this Section 11 shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise.

The Customer shall arrange its electrical requirements to ensure that the electrical requirement to be supplied when normal service is interrupted will not be greater than the generation capacity. Accordingly, in no event shall the Company be liable for any claims, damages, cost, expenses or causes of action arising out of the failure of the Customer to so arrange its electrical requirements. Further, the Customer shall indemnify, defend and hold harmless the Company from any claims, liabilities, obligations, damages, costs and expenses (including, but not limited to, reasonable attorney's fees) or causes of action of whatsoever kind or nature for injury or death to any person and for damage to or destruction of property, to the extent resulting from the failure of the Customer to so arrange its electrical requirements.

12. Force Majeure

Except for the Customer's obligation to pay the Company any sum of money owed the Company hereunder, neither party shall be liable for its failure to perform hereunder if such failure is due to any act or circumstance beyond the reasonable control, and not due to the fault or neglect of, of the party claiming the event of force majeure including, but not limited to the following acts or circumstances: (i) act(s) of God, (ii) war or wars, (iii) government regulation by a governmental authority having jurisdiction (including, but not limited to, any law, rule, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency), (iv) act(s) or threatened act(s) of terror, including, but not limited to any acts by organized groups of terrorists or any acts of a public enemy (v) disaster(s) (including, but not limited to, hurricane, tornado, tropical storm, earthquake, or major storm), (vi) any pandemic, epidemic, pestilence, plague, or outbreak, (vii) strike, lockout, or industrial disputes, (viii) civil disorder, riot, or disturbance of the peace, (ix) any third party act for which the party who fails to perform is not responsible, or (x) any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) beyond the reasonable control and fault of the party claiming the force majeure event.

In the event that either party is rendered unable, wholly or in part, by reason of an event of force majeure to perform any obligations set forth in the Contract, other than the Customer's obligation to pay a sum of money owed hereunder to the Company, then such party shall give the other party written notice and reasonably full particulars of such event as soon as practicable after the occurrence thereof, and thereafter, the obligations of both parties shall be suspended to the extent and for the period of such force majeure condition and such cause shall be remedied with all reasonable dispatch. Settlement of strikes and lockouts shall be entirely within the discretion of the party affected and the requirement that any event of force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the parties directly or indirectly involved in such strikes or lockouts when such course is inadvisable in the discretion of the party having such difficulty.

To the extent the force majeure event causes a delay or an increase in costs or expenses to the Company, the Customer shall be liable to the Company for all increased costs and expenses incurred by the Company as a result of such force majeure event. In no event shall the Company be responsible for any damages arising out of any failure to perform or delay arising as a result of such force majeure event.

13. Non-Waiver

The failure of either party to insist upon the performance of any term or condition of this Contract or to exercise any right hereunder on one or more occasions shall not constitute a waiver or relinquishment of its right to demand future performance of such term or condition, or to exercise such right in the future.

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14. Regulatory Authority and Governing Law

The Services provided under this Contract are subject to the regulatory authority of the Florida Public Service Commission (hereinafter "the FPSC"), and shall also be governed by the laws of the State of Florida. This Contract is subject to changes or substitutions, either in whole or in part, made from time to time by order of the FPSC, and each party to this Contract reserves the right to seek approval of such changes or substitutions, in accordance with law, from the FPSC. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.

15. Dispute Resolution

The Company and the Customer shall endeavor to resolve any claim or other matter in question between the parties to this Contract arising out of or related in any way to this Contract by negotiation or mutual agreement. The Florida Public Service Commission and/or a court of competent jurisdiction in the State of Florida only, as may be applicable under controlling law, shall decide any unresolved claim or other matter in question between the parties to this Contract arising out of or related in any way to this Contract, with the Florida Public Service Commission and/or such court having sole and exclusive jurisdiction over any such matters. In no event will any such claim be submitted to arbitration, or to a court in any other jurisdiction, without the express written consent of both Parties.

16. Entire Agreement

The Contract constitutes the entire understanding between the Company and the Customer relating to the subject matter hereof, superseding any prior or contemporaneous agreements or understanding between the parties. The parties shall not be bound by or be liable for any statement, prior negotiation, correspondence, representation, promise, draft agreements, inducement or understanding of any kind or nature not set forth or provided for herein. No prior course of dealing, usage of trade or course of performance shall be used to supplement or explain any term, condition, or instruction used in this Contract.

17. Modification

No statements or agreements, oral or written, made prior to the date hereof, shall vary or modify the written terms set forth herein and neither party shall claim any amendment, modification or release from any provision hereof by reason of a course of action or mutual agreement unless such agreement is in writing, signed by both parties and specifically states it is an amendment to this Contract.

18. Severability

In the event any provision, or any part or portion of any provision of this Contract shall be deemed or defined by any law or order any court or any governmental agency, or regulatory body having jurisdiction over either party, or held or declared by a court of competent jurisdiction to be unlawful, invalid, void or otherwise unenforceable, the rights and obligations of the parties shall be reduced or abated only to the extent required to remove or cure such illegal or unenforceable portion, so long as the Contract is not affected in a manner or to the extent which would render it economically, technically, materially, or commercially infeasible to either party.

IN WITNESS WHEREOF, the parties have duly executed this Contract.

City of Cocoa, a Florida municipal corporation

Duke Energy Florida, LLC

By: 

By: 

Name: John A. Titkanich, Jr.
AICP, ICMA-CM

Name: Melissa B. Johns

Title: City Manager

Title: Vice President

Date: 2/26/2020

Date: 2/11/20

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy - FL

EFFECTIVE: April 29, 2013

Attachment A

Proposal

March 1, 2020

Premier Power Scope:

The Company will provide the design, engineering, labor, supervision, equipment, materials, and such other Services as may be necessary to operate and maintain the backup generation system as described below:

- The Company will furnish and install:
 - One (1) 2,500kW, four (4) Engine Generation System ("System")
 - The System will be EPA Tier 4 Final certified.
 - The System will be housed within level II sound attenuated enclosures.
 - One (1) 5000A 600V Output Breaker included.
 - 48-hour Underwriters Laboratories ("UL") 142 sub-base fuel tanks included.
 - Woodward and SEL devices for control and protection included.
 - The 2,500kW 4 engine System will be expandable to 3,125kW.
 - One (1) 5000kVA 600V-4,160V Step-Up, Pad-Mounted, Transformer.
 - One (1) Medium Voltage 5kV Automatic Transfer Switchgear enclosed within a NEMA 1 enclosure.
 - Space in the enclosure will be included for Company provided current transformers and potential transformers for revenue metering.
 - One (1) Master Control included.
 - One (1) Human-Machine Interface ("HMI") touchscreen interface included.
 - DC Battery system included.
- The Company shall maintain 24-hour continuous remote monitoring and service dispatch.
 - In the event an issue occurs with the System, the Company shall notify the Customer of the issue and inform the Customer as repairs to the System progress.
 - In the event a lower level issue occurs that does not impact the operation or performance of the System, the Company shall use commercially reasonable efforts to resolve the issue within days.
 - In the event an issue occurs that impacts the operation or performance of the System, the Company shall use commercially reasonable efforts to have a technician visit the Customer's facility within two (2) hours.
 - If the Company is unable to resolve the issue during the visit, the Company and the Customer shall mutually agree on a solution and time frame for the Company to resolve the issue.
 - In the event the Company determines the use of temporary backup generator rental(s) is necessary due to the time frame required to repair the System, the Customer shall not be responsible for the cost of the temporary backup generator rental(s).
- The Company shall be responsible for annual maintenance services by qualified technicians for the term of this Contract.
- Notwithstanding Section 6 of the Premier Power Service Contract, Customer agrees that the Company will obtain all necessary permits to operate and maintain the equipment over the term of this Contract.
- Consistent with Florida law, Section 11 of the Premier Power Service Contract shall not apply in instances of gross negligence or intentional misconduct by the Company.

Value Proposition:

The equipment will be owned, operated, maintained and monitored 24/7 by the Company.

The Company shall provide the Customer with documentation of annual preventative maintenance that is performed on the System. The Company shall provide the Customer with email and local direct telephone contacts for the Company.

The Customer's Monthly Service Payment is \$36,140.00 (Thirty-Six Thousand, One Hundred Forty and No/100ths Dollars) per month for the one hundred twenty (120) months' Contract duration. At the end of one hundred twenty (120) months the Customer may:

- a. Request an extension to the Contract;
- b. Purchase the System and other equipment at fair market value; or
- c. Request the Company to remove the System and other equipment at the end of the Contract term.

Customer Responsibilities:

The Customer will provide an adequate easement for the location of the System and other Company facilities and equipment upon request of the Company.

ISSUED BY: Javier J. Portuondo, Director, Rates & Regulatory Strategy – FL

EFFECTIVE: April 29, 2013

Attachment B

SECTION NO. VI

FIFTH REVISED SHEET NO. 6.370

CANCELS FOURTH REVISED SHEET NO. 6.370



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RATE SCHEDULE PPS-1 GENERAL SERVICE – PREMIER POWER SERVICE RIDER

Availability:

Available throughout the entire territory served by the Company.

Applicable:

This Rider is applicable on a voluntary basis to a customer with a minimum measured demand of 50 kW taking service under non-residential Rate Schedules GS-1, GST-1, GSD-1, GSDT-1, GSLM-1, CS-1, CS-2, CS-3, CST-1, CST-2, CST-3, IS-1, IS-2, IST-1, or IST-2 when the customer contracts with the Company to own, install, operate and maintain generation on the customer's premises for the primary purpose of providing a back-up supply of electric service in the event normal electric supply is interrupted. The applicable non-residential Rate Schedule with which this Rider is used is modified only as required by the terms hereof.

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase or three-phase, at the Company's standard distribution voltage available.

Limitation of Service:

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

Monthly Service Payment:

The Monthly Service Payment under this Rider is in addition to the monthly rate determined under the applicable non-residential Rate Schedule and other riders, if applicable, and shall be calculated based on the following formula:

$$\text{Monthly Service Payment} = \text{Capital Cost} + \text{Expenses}$$

Where:

Capital Cost equals a carrying cost times the levelized plant investment based upon the estimated installed cost of facilities. The carrying cost includes the cost of capital, reflecting current capital structure and most recent approved return on common equity; income taxes; property taxes; general plant; administrative and general plant-related expenses; and intangible plant. Any replacement cost expected to be incurred during the Contract Period will also be included. Any special equipment installed by the Company that is not necessary to support back-up service to the customer shall not be included in the Monthly Service Payment.

Expenses shall be levelized over the Contract Term and shall include: Company operations and maintenance (O&M) expenses times a carrying cost that is inclusive of administrative and general and labor expenses related to O&M and cash working capital; third-party expenses for operations and maintenance, warranties, or insurance; fuel expense, based upon an estimate of the cost of fuel consumed for normal back-up operation and testing, less a credit based upon the system average cost of fuel and purchased power included in retail tariffs; inventory cost associated with fuel, materials, and supplies times a carrying cost that recovers the cost of capital and income taxes; depreciation expense, adjusted for the estimated salvage value at the end of the Contract Term; deferred income taxes; and customer accounting, customer service and information, program administration, and sales expenses. Any expenses incurred in operating the on-site generation for other than normal back-up operation and testing shall not be included in the Monthly Service Payment.

Installation cost will be recovered over the initial Contract Term. Pricing of capital-related costs and expenses shall be based upon no shorter than 10 years from the equipment's original in-service date and the resulting Monthly Service Payment shall include an upward adjustment for Contract Terms that expire prior to 10 years from this in-service date.

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ISSUED BY: Javier J. Portuondo, Director Rates & Regulatory Strategy – FL

EFFECTIVE: August 9, 2016



**RATE SCHEDULE PPS-1
GENERAL SERVICE – PREMIER POWER SERVICE RIDER**

(Continued from Page No. 1)

Definition of Services:

Services provided under the terms of this Rider shall be provided by an on-site generator supplied by the Company for the purpose of continuing the supply of electricity to the customer's site in the event the normal electric supply is interrupted. In cases where the customer's total electric requirement exceeds the generation capability, the customer shall arrange its electrical requirements to ensure that the electrical requirement to be supplied when normal service is interrupted will not be greater than the generation capacity. The minimum generator capacity supplied by the Company under this rider shall be not less than 50 kW.

The Company shall have the right to operate the on-site generator at all times it deems appropriate, including, but not limited to, for the purposes of testing of the generator to verify that it will operate within required parameters, and dispatching the generator to assist in meeting system demand or for other system benefits. The generator and appropriate transfer switching shall be electrically connected on the Company's side of the billing meter; therefore, billing for generation provided during normal back-up operation and testing shall continue to be billed under the applicable non-residential Rate Schedule based solely upon consumption registered on the Company's billing meter.

Minimum Monthly Bill:

The minimum monthly bill shall be the customer's minimum bill under the applicable non-residential Rate Schedule, plus the Monthly Service Payment under this Rider.

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 Rider shall be for the term specified in the Premier Power Service Contract.

Service Contract:

The Company and the customer shall execute a Premier Power Service Contract that will state the amount of the customer's Monthly Service Payment determined in accordance with this Rider, the Contract Term, and other terms and conditions pertinent to providing Premier Power Service.